

5. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage lien of laborers, contractors, or material men furnishing labor and materials in connection with the construction of improvements located on said property, unless prior to the filing thereof Notice of Lis Pendens has been filed by the corporation for foreclosure due to nonpayment of its assessments. Sale of transfer of any residence shall not affect the assessment lien, however, the sale or transfer of any lot pursuant to foreclosure of a mortgage of materialmen's or mechanic's lien or any proceeding in lieu thereof shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer unless prior to commencement of said action a Notice of Lis Pendens has been filed by the corporation to enforce the collection of any charges that shall become payable after the acquisition of title by a subsequent bona fide purchaser for value.

6. The annual assessment to be levied by the corporation shall not apply to any lot or residence so long as it is wholly or partially owned by Cothran & Darby Builders, Inc., John C. Cothran, Ellis L. Darby, Jr., or M. Graham Proffitt, III, or any partnership corporation, or other entity in which either Cothran, Jelks, Darby, or Proffitt, individually, have at least a twenty-five (25%) per cent interest. When the homeowner takes title from the builder, the homeowner shall pay a proportional share of the assessment in effect for that year, which partial assessment shall be due and payable within thirty days from the date title is transferred to the homeowner. With respect to individuals who purchase lots with the expectation of later erecting a residence, when such individual takes title to the lot, such individual shall pay a proportional share of the assessment in effect for that year, which partial assessment shall be due and payable within thirty (30) days from the date title is taken.

7. Until such time as the developers form the corporation, the Architectural Committee is empowered to perform the functions that will be performed by the corporation and for this purpose may make such rules and regulations as it deems desirable to carry out said purposes. During this interim period, the Committee shall have the power to make an annual assessment as may be required. The assessment made by the Committee shall have the same force and effect as though made by the corporation, all as set forth above.

8. As used herein, the term "developers" shall mean John Cothran Company, Inc., a South Carolina corporation, M. Graham Proffitt, III, and Ellis L. Darby, Jr.

#### IV/ MISCELLANEOUS

1. No signs shall be permitted on any residential lots except that a single sign offering property for sale or for rent may be placed on any such lot provided such sign is not more than 24 inches wide and 20 inches high.

2. The property within the subdivision is hereby declared to be a bird sanctuary and any hunting of any wild birds is hereby prohibited.

3. The covenants herein contained are to run with the land and shall be binding on all persons claiming under them until the 31st day of December, 2003, at which time said covenants shall be automatically extended for successive periods of ten (10) years, unless by vote of the majority of the then owners of the lots, it is agreed to change said covenants and building restrictions in whole or in part.

4. Additional real property, including existing subdivisions, may become subject to these Restrictive and Protective Covenants without the approval of any purchaser or transferee of the developers or the owner of any one lot in Map 2, Section III, of Sugar Creek, by filing of record by the developers of Supplementary

9  
9  
9  
9

14325 IV.27