

BOOK 1989 PAGE 186

MAIL TO: PERRY, PATRICK, FARMER & MICHAUX, P.A.  
P. O. Box 30158, RALEIGH, NC 27622

---

DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
BECKETT'S RIDGE

FILED  
17 SEP 1999, at 01:15:40pm  
Book 1989, Page 186 - 232  
Joyce H. Pearson  
Register of Deeds,  
Orange County, N. C.

---

FOR MULTIPLE PIN SHEET  
SEE BOOK 1989 PAGE 182

Return to: Perry, Patrick, Farmer & Michaux, PA  
P.O. Box 30158  
Raleigh, NC 27622

BOOK 1989 PAGE 187

DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
BECKETT'S RIDGE

CONTENTS

	<u>Page</u>
PREAMBLE .....	1
ARTICLE I - DEFINITIONS .....	2
Section 1 - Act	
Section 2 - Association	
Section 3 - Board of Directors	
Section 4 - Common Area	
Section 5 - County	
Section 6 - Declarant	
Section 7 - Dwelling	
Section 8 - Improvement	
Section 9 - Lot	
Section 10 - Member	
Section 11 - Owner	
Section 12 - Properties .....	3
Section 13 - Public Records	
Section 14 - Town	
ARTICLE II - PROPERTY SUBJECT TO THIS DECLARATION AND ..... WITHIN THE JURISDICTION OF THE BECKETT'S RIDGE HOMEOWNERS ASSOCIATION, INC.	4
Section 1 - Existing Property	
Section 2 - Annexation by the Declarant	
Section 3 - Annexation by the Members .....	6
Section 4 - Conveyance of Common Area Within Newly Annexed Additional Lands .....	7
ARTICLE III - MEMBERSHIP AND VOTING RIGHTS .....	7
Section 1 - Membership	
Section 2 - Voting Rights	
Section 3 - Vacant/Leased Residences .....	8

# BOOK 1989 PAGE 188

	<u>Page</u>
ARTICLE IV - PROPERTY RIGHTS .....	8
Section 1 - Owners' Easements of Enjoyment and Access	
Section 2 - Delegation of Use .....	10
Section 3 - Conveyance of Title to the Association .....	10
Section 4 - Regulation and Maintenance of Common Area	
ARTICLE V - COVENANT FOR MAINTENANCE ASSESSMENTS .....	12
Section 1 - Creation of the Lien and Personal Obligation of Assessments	
Section 2 - Purposes of Assessments	
Section 3 - Maximum Assessment Amount .....	13
Section 4 - Special Assessments .....	14
Section 5 - Assessment Rate; Collection Period	
Section 6 - Notice and Quorum for Any Action Authorized Under Sections 3 and 4 .....	
Section 7 - Date of Commencement of Annual Assessments; Amount of Initial Annual Assessment; Amount of Subsequent Annual Assessments; Certificate of Payment .....	15
Section 8 - Effect of Nonpayment of Assessments; Remedies	
Section 9 - Subordination of the Lien to Mortgages	
Section 10 - Exempt Property .....	16
Section 11 - Working Capital Fund	
ARTICLE VI - RIGHTS OF LENDERS .....	17
Section 1 - Books and Record	
Section 2 - Notice to Lenders	
Section 3 - Approval of Owners and Holders of First Deeds of Trust	
Section 4 - Payment of Taxes and Insurance Premiums .....	19
ARTICLE VII - EASEMENTS .....	19
Section 1 - Access and Utility Easements	
Section 2 - Development Easement and Right of Entry .....	20
Section 3 - Easements for Governmental Access	
Section 4 - Owners' Easement and Right of Entry for Repair, Maintenance and Reconstruction	
Section 5 - Association's Easement and Right of Entry	
Section 6 - Easement for Encroachment	
Section 7 - Declarant's Inspections .....	21
Section 8 - Easement For Electric Company Access	
ARTICLE VIII - ARCHITECTURAL CONTROL .....	22
Section 1 - Establishment	
Section 2 - Purpose of Committee	
Section 3 - Development Standards	
Section 4 - Requirement of Committee Approval	

	<u>Page</u>
Section 5 - Obtaining Committee Approval .....	23
Section 6 - Scope of Review	
Section 7 - Variance from Standards	
Section 8 - Enforcement	
Section 9 - Subcommittee and Delegation of Authority	
ARTICLE IX MAINTENANCE OF LOTS AND DWELLINGS .....	26
Section 1 - Association's Responsibility	
Section 2 - Owner's Responsibility; Remedy for Owner's Failure to Maintain .....	26
Section 3 - Assessment of Cost	
Section 4 - Access at Reasonable Hours .....	27
ARTICLE X USE RESTRICTIONS .....	27
Section 1 - Prohibited Uses .....	
Section 2 - Prohibited Activities; Businesses	
Section 3 - Temporary Structures	
Section 4 - Signs	
Section 5 - Animals	
Section 6 - Antennas; Satellite Dishes	
Section 7 - Clotheslines .....	29
Section 8 - Garbage; Unsightly Storage	
Section 9 - Lease of Dwelling	
Section 10 - Parking	
Section 11 - Land Use and Building Type	
Section 12 - Dwelling Size	
Section 13 - Building Setbacks; Dwelling Location	
Section 14 - Fences	
Section 15 - Swimming Pools .....	31
Section 16 - Mailboxes	
Section 17 - Septic Tanks; Wells	
Section 18 - Removal of Trees	
Section 19 - Construction	
Section 20 - Adoption of Rules	
Section 21 - Certain Rights of Declarant .....	32
ARTICLE XI - GENERAL PROVISIONS .....	32
Section 1 - Enforcement	
Section 2 - Severability	
Section 3 - Term	
Section 4 - Amendment .....	33
Section 5 - Non-Liability of Governmental Authorities	
Section 6 - Rights of Governmental Authorities	
Section 7 - Subdivision of Lots	
Section 8 - Declarant's Right to Change Development	
Section 9 - Insurance .....	36
Section 10 - Fines	

BOOK 1989 PAGE 190

DECLARATION  
OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS  
FOR  
BECKETT'S RIDGE

THIS DECLARATION is made on the date hereinafter set forth by  
CENTEX HOMES, a Nevada general partnership (hereinafter  
"Declarant").

W I T N E S S E T H:

WHEREAS, by deeds recorded in Book 1826, Page 55, and Book 1826, Page 58, in the office of the Orange County Register of Deeds, Declarant has heretofore acquired certain real property located in the Town of Hillsborough, Orange County, North Carolina, which property Declarant is currently developing into a residential community of single family homes known as Beckett's Ridge (hereinafter sometimes referred to as "Beckett's Ridge" or the "Subdivision");

WHEREAS, Declarant desires to provide for the maintenance and upkeep of the Common Area and to enforce the covenants and restrictions applicable to the Subdivision, and, to that end, desires to subject all of the property within the Subdivision to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof;

WHEREAS, Declarant has deemed it advisable to create an organization to own, maintain and administer the Common Area, to administer and enforce covenants and restrictions exclusively applicable to the Subdivision, and to collect and disburse the assessments and charges hereinafter created, and Declarant has therefore incorporated under North Carolina law as a non-profit corporation, the BECKETT'S RIDGE HOMEOWNERS ASSOCIATION, INC., for the purpose of exercising the aforesaid functions;

NOW, THEREFORE, Declarant hereby declares that the real property described in Exhibit "A" of this Declaration and such

additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be owned, held, transferred, sold, conveyed, and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration, which shall run with the real property and be binding on all parties owning any right, title or interest in said real property or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner thereof.

## ARTICLE I

### DEFINITIONS

Section 1. "Act" means the North Carolina Planned Community Act (Chapter 47F of the North Carolina General Statutes), as may be amended or supplemented from time to time.

Section 2. "Association" means the BECKETT'S RIDGE HOMEOWNERS ASSOCIATION, INC., a North Carolina non-profit corporation, its successors and assigns.

Section 3. "Board of Directors" means the Board of Directors of the Association.

Section 4. "Common Area" means the real property, together with any improvements thereon, owned by the Association, whether in fee, by easement or otherwise, for the common use and enjoyment by the Owners of Lots within the Properties. Such Common Area shall include, but not be limited to areas delineated on a recorded subdivision plat for any portion of the Properties as the following: open space areas or open areas, detention areas, sediment basins or ponds, park or recreation areas, landscape buffer areas, wetland areas, natural preserve areas and any other delineated areas, parcels or tracts designated for ownership, maintenance or use by the Association. Common Area shall also include any personal property and interests therein transferred to or acquired by the Association. The Common Area shall be maintained by the Association or its successors in interest unless dedicated to public use and accepted by governmental authority.

Section 5. "County" means Orange County, North Carolina.

Section 6. "Declarant" means CENTEX HOMES, a Nevada general partnership. It shall also mean any person, firm or corporation to whom or which Declarant shall assign or delegate the rights and obligations of Declarant by an Assignment Of Declarant's Rights recorded in the Orange County Register of Deeds.

Section 7. "Dwelling" means a single family residential dwelling unit constructed upon a Lot in the Subdivision and intended as an abode for one (1) family.

Section 8. "Improvement" means any building, fence, wall, patio area, driveway, walkway, antenna, satellite dish, sign, mailbox, pool, tennis court, deck, or other structure or improvement, including landscaping, which is constructed, made, installed, attached, placed or developed within or upon, or removed from, any portion of the Properties, or any change, alteration, addition or removal of any such structure or improvement other than normal maintenance and repair which does not materially alter or change the exterior appearance, condition and color of same.

Section 9. "Lot" means any plot of land, with delineated boundary lines, shown on any recorded subdivision map of the Properties, with the exception of any Common Area owned in fee by the Association and any street rights-of-way shown on such recorded map. In the event that any Lot is increased or decreased in size by recombination or resubdivision through recordation of a new subdivision plat, any newly-platted lot shall thereafter constitute a Lot.

Section 10. "Member" means every person or entity who or which holds membership in the Association.

Section 11. "Owner" means the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Properties, including contract sellers and owners of an equity of redemption, but excluding those having an interest in a Lot solely as security for the performance of an obligation. Any reference to an Owner in the masculine gender shall be deemed to include the feminine gender, and any reference to an Owner in the singular shall be deemed to include the plural, and vice versa.

Section 12. "Properties" means the "Existing Property" described in Article II of this Declaration and any additional property annexed pursuant to said Article II.

Section 13. "Public Records" means the Orange County Register of Deeds.

Section 14. "Town" means the Town of Hillsborough, North Carolina.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION  
AND WITHIN THE JURISDICTION OF THE  
BECKETT'S RIDGE HOMEOWNERS ASSOCIATION, INC.

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, used and occupied subject to this Declaration, and which is within the jurisdiction of the Association, is described in Exhibit "A" attached hereto.

Section 2. Annexation by the Declarant.

a. Annexation Without Consent of the Members. Prior to the date that is seven (7) years following the date this Declaration is first-recorded in the Public Records, Declarant shall have the right, without the consent of the Members, to bring under the provisions of this Declaration and thereby add to the Subdivision, (i) additional lands within the real property described on Exhibit "B", and (ii) any real property owned or acquired by Declarant which is contiguous to the Properties or which is contiguous with a public or private street adjacent to the Properties (provided that the annexation of such contiguous real property is for the purposes of reflecting changes or modifications to the preliminary site plan for the Subdivision which have been approved by the Town). The annexation of any such property shall be made by the recording by Declarant of a final subdivision plat showing such property to be annexed and of a supplementary declaration extending the operation and effect of this Declaration to the property to be annexed, provided, however, that if applicable, the annexation of such property shall be approved by the Federal Housing Administration and/or the Veterans Administration as provided in Section 4 of Article XI.

To the extent that any additional contiguous property is approved by the Town for annexation into the Subdivision and thereafter made subject to this Declaration by the recording of a supplementary declaration, reference herein to the Properties shall be deemed to include such additional property. Any property annexed pursuant to this subsection may be annexed and subjected to this Declaration as one parcel or as several parcels at different times. The addition of such property pursuant to this Section may increase the cumulative number of Lots within the Properties and, therefore, may alter the relative maximum voting strength of the various types of Members of the Association. All Common Area located within any property annexed shall be conveyed to the



Association in the same manner as set forth in Section 4 of this Article II.

BOOK 1989 PAGE 194

b. Annexation With Consent of the Members. Subsequent to the date that is seven (7) years following the date this Declaration is first recorded in the Public Records, Declarant may, with the consent of the Members as set forth in this subparagraph, annex additional property which is contiguous to the Properties or which is contiguous with a public or private street adjacent to the Properties, and, therefore, subject such additional property to this Declaration. Such annexation must be approved by the affirmative vote of not less than three-fourths (3/4) of the Owners of each Class of the Lots of the Association cast, in person or by proxy, at a duly-called meeting of the Members at which a quorum is present, which meeting shall have been conducted pursuant to a Notice of Meeting which shall have specifically-identified, as one of the purposes of the meeting, annexation of the additional property. Such annexation shall be made by recording in the Public Records of a Declaration Of Annexation executed by the Declarant and the Association extending the operation and effect of this Declaration to the property to be annexed, provided, however, that the annexation of any such property must be approved by the Town and, if appropriate, by the Federal Housing Administration and/or Veterans Administration. Such Declaration of Annexation shall contain a Certification signed by the President or Secretary of the Association in substantially the following form:

---

CERTIFICATE OF THE BECKETT'S RIDGE HOMEOWNERS ASSOCIATION, INC.

This is to certify that, upon proper notice given a [the] Special [Annual] Meeting of the Members of the Beckett's Ridge Homeowners Association, Inc., was held on [Date and Year] at [Time]. The purpose [One of the purposes] of the meeting, as set forth in the Notice of Meeting, was to vote on the proposed annexation into the Association of the following property:

[Property Description as set forth in the Notice of Meeting]

At such meeting, at which a quorum was present, in person or by proxy, a total of \_\_\_\_\_ votes were cast: \_\_\_\_\_ votes were cast in favor of annexation; and \_\_\_\_\_ votes were cast against annexation. Accordingly, the motion to annex the property described above was approved.

---

[President/Secretary]

To the extent that such additional contiguous property is approved by the Town for annexation into the Subdivision and thereafter made subject to this Declaration by the recording of a Declaration of Annexation, reference herein to the Properties shall be deemed to include such additional property. Any property annexed pursuant to this subsection may be annexed and subjected to this Declaration as one parcel or as several parcels at different times. The addition of such property pursuant to this Section may increase the cumulative number of Lots within the Properties and, therefore, may alter the relative maximum voting strength of the various types of Members of the Association. All Common Area located within any property annexed shall be conveyed to the Association in the same manner as set forth in Section 4 of this Article II.

Section 3.      Annexation by the Members.      The Members may annex additional property and, therefore, subject such additional property to this Declaration; provided such annexation must be approved by the affirmative vote of not less than three-fourths (3/4) of the Owners of each Class of Lots of the Association cast at a duly-called meeting of the Members, which meeting shall have been conducted pursuant to a Notice of Meeting which Notice shall have specifically identified, as one of the purposes of the meeting, annexation of the additional property. Such annexation shall be made by recording in the Public Records of a Declaration Of Annexation executed by the Association extending the operation and effect of this Declaration to the property to be annexed, provided, however, that any property so annexed must be contiguous to, or separated by a public street right-of-way, from property already subject to this Declaration and approved by the Town. Such Declaration of Annexation shall contain a Certification signed by the President or Secretary of the Association in form substantially similar to that set forth in Section 2.b. of this Article II.

To the extent that such additional contiguous property is approved by the Town for annexation into the Subdivision and thereafter made subject to this Declaration by the recording of a Declaration of Annexation, reference herein to the Properties shall be deemed to include such additional property. Any property annexed pursuant to this subsection may be annexed and subjected to this Declaration as one parcel or as several parcels at different times. The addition of such property pursuant to this Section may increase the cumulative number of Lots within the Properties and, therefore, may alter the relative maximum voting strength of the various types of Members of the Association. All Common Area

located within any property annexed shall be conveyed to the Association in the same manner as set forth in Section 4 of this Article II.

BOOK 1989 PAGE 196

Section 4. Conveyance of Common Area Within Newly Annexed Additional Lands. Following any annexation authorized by this Article, the land owner of annexed property shall convey to the Association all Common Areas located in the newly annexed area free and clear of all encumbrances and liens except utility, drainage greenway and other easements shown on the recorded plat for the annexed property or established by this Declaration or separate recorded instrument. All conveyances shall be made prior to the sale of the first Lot within the newly annexed area.

### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to assessment by the Association shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting Rights. The voting rights of the membership shall be appurtenant to the ownership of the Lots. There shall be two classes of Lots with respect to voting rights:

(a) Class A Lots. Class A Lots shall be all Lots except Class B Lots as the same are hereinafter defined. Ownership of a Class A Lot shall entitle the Owner(s) of said Lot to one (1) vote. When more than one person holds an ownership interest in any Lot, all such persons shall be Members, but no more than one vote shall be cast with respect to any Lot. The vote for any such Lot shall be exercised as the Members holding an interest in such Lot determine among themselves. In the event of disagreement, the decision of Members holding a majority of the interest in such Lot shall govern. Unless otherwise notified by a co-owner as to a dispute between the co-owners regarding their vote prior to the casting of that vote, the vote of any co-owner shall be conclusively presumed to be the majority vote of the Owners of that Lot but fractional voting shall not be allowed, and in no event shall more than one vote be cast with respect to any Class A Lot.

(b) Class B Lots. Class B Lots shall be all Lots owned by Declarant which have not been converted to Class A Lots as provided in subparagraphs (1) or (2) below. Declarant shall be

entitled to three (3) votes for each Class B Lot owned by Declarant.

The Class B Lots shall cease to exist and shall be converted to Class A Lots upon the earlier of the following to occur:

(1) When the total number of votes appurtenant to the Class A Lots equals the total number of votes appurtenant to the Class B Lots; provided, however, that all Lots owned by the Declarant shall revert to Class B Lots and thereby be reinstated with all rights, privileges and responsibilities of such Class if, after the conversion of Class B Lots to Class A Lots, additional Lots within the Properties are formed by the recording in the Public Records of a new map of Lots as set forth in Article II hereof, thus making Declarant the Owner, by virtue of the newly-recorded Lots and of other Lots owned by Declarant of a sufficient number of Class B Lots to cast a majority of votes (it being hereby stipulated that the conversion and reconversion shall occur automatically as often as the foregoing facts shall occur); or

(2) on December 31, 2006.

When the Class B Lots cease to exist and are converted to Class A Lots, Declarant shall have the same voting rights as other Owners of Class A Lots; however, such Lots shall continue to be treated as Class B Lots for assessment purposes.

Section 3. Vacant/Leased Residences. If the Owner of a Lot ceases to occupy the Dwelling constructed thereon as his own personal living quarters or if any residence within the Properties is leased for rental purposes to tenants, the vote as expressed by the Owners of such vacant and rental units shall not be entitled to any weight greater than forty-nine (49) percent on any matter pending before the Association.

#### ARTICLE IV

##### PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment and Access. Except as limited by Section 1 of this Article IV and by the Rules and Regulations adopted by the Members and/or the Board of Directors of the Association, every Owner shall have a right and easement of enjoyment in, use of and access to, from and over the Common Area, which right and easement shall be appurtenant to and shall pass with title to every Lot, subject to:

(a) subject to the ordinances of the Town the right of the Association to charge reasonable admission and other fees for the use of any facilities hereafter situated or constructed on the Common Area and, subject to the provisions of subparagraph (b), below, to limit the use of such facilities to Owners who occupy a Dwelling on the Properties and to their families, tenants and guests, as provided in Section 2 of this Article IV.

(b) the right of the Association to suspend the voting rights of an Owner for any period during which any assessment against his Lot remains unpaid, or for a period not to exceed sixty (60) days for any infraction of the published rules and regulations of the Association.

(c) the right of the Association to dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the Members. No such dedication or transfer shall be effective unless the Members entitled to the greater of (i) at least three-fourths (3/4) of the votes appurtenant to each Class of Lots, or (ii) the minimum percentage of votes (if applicable) required by the provisions of the Act, agree to such dedication, sale or transfer and signify their agreement by a signed and recorded document, provided that this subsection shall not preclude the Board of Directors of the Association, without the consent of the Members, from granting easements upon, over, under and across the Common Area for the purpose of installing and maintaining sewage, utility (including CATV) and/or drainage facilities, when, in the opinion of the Board, such easements are necessary for the convenient use and enjoyment of the Properties. Subject to the provisions of subparagraph (e) below, the Common Area shall be preserved to the perpetual benefit of the Owners or of the public in general and shall not be conveyed except to the Town or to another non-profit corporation organized for similar purposes following the approval of the Town.

(d) the right of the Association, with the assent of Members entitled to the greater of (i) at least two-thirds (2/3) of the votes appurtenant to each Class of Lots, or (ii) the minimum percentage of votes (if applicable) required by the provisions of the Act, to mortgage, pledge, deed in trust or otherwise hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of any such lender or mortgagee shall be subordinate to the property rights of the Owners and Association as set forth herein.

Section 2. Delegation of Use.

(a) Family. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be exercised by members of the Owner's family who occupy the residence of the Owner within the Properties as their principal residence in Orange County, North Carolina.

(b) Tenants. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be delegated by such Owner to his tenants or contract purchasers who occupy a residence within the Properties, or a portion of said residence, as their principal residence in Orange County, North Carolina.

(c) Guests. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be delegated to guests of such Owners, tenants or contract purchasers, subject to such rules and regulations as may be established by the Board of Directors.

Section 3. Conveyance of Title To The Association.

Declarant covenants, for itself, its successors and assigns, that it will convey title to the Common Area within each phase or section of the Subdivision to the Association prior to the conveyance of the first Lot within such phase or section to an Owner. Declarant reserves an easement over and across the Common Area to and including December 31, 2008, for the purpose of constructing such improvements on the Common Area as it deems necessary or advisable. All conveyances by Declarant to the Association shall be free and clear of all encumbrances and liens, except utility, greenway and drainage easements of record (including those easements established by this Declaration) or shown on the recorded plats of the Subdivision. Any improvements placed on the Common Area by Declarant shall become the property of the Association upon completion of such improvements.

Section 4. Regulation and Maintenance of Common Area Easements. Declarant will, prior to the conveyance of the first Lot to an Owner, reserve on a recorded plat or grant to the Association an easement over and across that portion of any Lot on which a Common Area easement lies. Such Common Area easements may be reserved or granted for purposes of signage, installation and maintenance of walkways, installation and maintenance of water, gas, telephone, cable television and electric power transmission lines, sanitary sewer and storm water drainage facilities, other public utility installations, and access to and preservation and

maintenance of Common Area. It is the intent of the Declarant that, unless otherwise approved by the Declarant or the Association as provided in Article VIII of this Declaration, the easement area shall be maintained in the same state as when the Lot upon which such easement lies was conveyed to the Owner.

(a) Rights and Responsibilities of the Lot Owners. Each Owner of a Lot upon which a Common Area easement lies shall pay all property taxes and other assessments levied against his Lot, including that portion of such tax or assessment as is attributable to a Common Area easement. Notwithstanding any other provision of this Declaration, no Owner or other person shall, without the prior written consent of the Association: (1) remove any trees or vegetation within the Common Area; (2) erect gates, fences, or other structures on the Common Area; (3) place any garbage receptacles on or in the Common Area; (4) fill or excavate the Common Area or any part thereof; or (5) plant vegetation or otherwise restrict or interfere with the use, maintenance, and preservation of the Common Area.

(b) Rights and Responsibilities of the Association. The Association shall have the right and obligation to ensure that the Common Area is preserved to the perpetual benefit of the Owners within the Subdivision and, to that end, shall: (i) maintain the Common Area in its natural or improved state, as appropriate, and keep it free of impediments to its free use by the Owners within the Subdivision; (ii) procure and maintain adequate liability insurance, in an amount not less than \$1,000,000.00, covering the Association and its Members against any loss or damage suffered by any person, including the Owner of the Lot upon which a Common Area easement lies, resulting from use of the Common Area; and (iii) pay all property taxes and other assessments levied against all Common Area owned in fee by the Association.

(c) Street Lights. The street lights located within the right-of-way of the public streets within the Subdivision shall be owned and maintained by the applicable utility company providing the electricity to illuminate the street lights. Declarant, the Town and the applicable utility companies providing electric service to the Subdivision are entering into a "memorandum of understanding" regarding the street lights within the Subdivision pursuant to which the Association is obligated to reimburse the applicable utility provider for a portion of the cost of the electricity required to illuminate the street lights and the cost of maintaining, repairing and replacing the street lights. The expenses incurred by the Association as a result of the Association's obligations established in the memorandum of

understanding referred to above shall be included in the operating expenses of the Association and paid for, out of the funds collected from the Owners as regular annual assessments. The rights of the applicable utility provider, as established by the memorandum of understanding, may also be assigned to or enforced by the Town.

## ARTICLE V

### COVENANT FOR MAINTENANCE ASSESSMENT

Section 1. Creation of the Lien and Personal Obligation of Assessments. Declarant, for each Lot that it owns within the Properties, hereby covenants, and each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments and special assessments, such assessments to be established and collected as hereinafter provided. All assessments which are unpaid when due, together interest and late charges set forth in Section 8 of this Article V and all costs of collection, including reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment or charge, together with interest and costs of collection, including reasonable attorney's fees, shall also be the personal or corporate obligation of the person(s), firm(s) or corporation(s) owning such Lot at the time when the assessment fell due, but such personal obligation shall not be imposed upon such Owner's successors in title unless expressly assumed by them. Although unpaid assessments and charges are not the personal obligation of such Owner's successors in title unless expressly assumed by them, the unpaid assessments and charges shall continue to be a lien upon the Lot against which the assessment or charge was made.

Section 2. Purposes of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties and, in particular, for: (i) acquisition, improvement, and maintenance of properties, services and facilities related to the use and enjoyment of the Common Area; (ii) repair and reconstruction of Improvements on the Common Area, including but not limited to, the cost of repair, replacement and additions thereto and the cost of labor, equipment, materials, management and supervision thereof; (iii) payment of taxes and public assessments levied against the Common Area owned by the Association in fee; (iv) the costs referred to in Section 4(c) of Article IV of this Declaration; (v) procurement and maintenance of insurance in



accordance with the Section 4(b) of Article IV and Section 8 of Article XI of this Declaration; (vi) employment of attorneys, accountants and other persons or firms to represent the Association when necessary; (vii) payment of principal and interest on funds borrowed for Association purposes; and (viii) such other needs as may arise.

Section 3. Maximum Assessment Amount. For purposes of this Section 3, the time period commencing with the date of recording of this Declaration and continuing until such time as all Class B Lots have been converted to Class A Lots, for voting purposes, pursuant to Article III, Section 2, above, shall be the "Declarant Guaranty Period". In the event of a conversion of Class B Lots to Class A Lots, and a subsequent reconversion of such Lots to Class B Lots pursuant to Article III, Section 2, the Declarant Guaranty Period shall include the time period during which the Class B Lots were converted to Class A Lots.

(a) Subject to the provisions and conditions stated in this Section 3, during the Declarant Guaranty Period, the maximum amount of the regular annual assessment shall be \$180.00 per Class A Lot (\$15.00 per month) and \$45.00 per Class B Lot (\$3.75 per month) (the "Maximum Assessment Amount").

(b) If, at any time during the Declarant Guaranty Period, the annual assessment funds collected pursuant to this Section 3 are insufficient to pay the costs of the items identified in Article V, Section 2, above, Declarant shall be responsible for payment of any such excess costs. Any excess costs not paid by Declarant within the annual assessment year in which the costs are incurred, together with interest and late charges set forth in Section 8 of this Article V, and all costs of collection, including reasonable attorney's fees, shall be a continuing lien upon each Lot that Declarant owns within the Properties.

(c) If, at any time during the Declarant Guaranty Period, Declarant should fail to pay any excess costs required to be paid by Declarant pursuant to Article V, Section 3 (b), above, the Maximum Assessment Amount may be increased by the Board of Directors effective January 1 of each year, without limitation, in an amount sufficient to pay any such unpaid excess costs.

(d) Subsequent to expiration of the Declarant Guaranty Period, the Maximum Assessment Amount may be increased by the Board of Directors effective January 1 of each year without a vote of the membership, but subject to the limitation that the percentage of any such increase shall not exceed 10% of the Maximum Assessment

Amount for the previous year unless such increase is approved as set forth in Section 3(e), below.

(e) Subsequent to expiration of the Declarant Guaranty Period, the Maximum Assessment Amount may be increased, without limitation, if such increase is approved by not less than two-thirds ( $2/3$ ) of the votes cast by the Class B Members and not less than two-thirds ( $2/3$ ) of the votes cast by the Class A Members, in person or by proxy, at a meeting duly called for this purpose.

(f) The Board of Directors may fix the annual assessment at any amount not in excess of the Maximum Assessment Amount (including zero); provided, however, that, except as otherwise provided in this Declaration, the assessment established for each Class B Lot shall always be one-fourth ( $1/4$ ) of the assessment for a Class A Lot.

Class B Lots shall be assessed at the Class B rate until a Dwelling constructed thereon is occupied as a Dwelling pursuant to a certificate of occupancy issued by the appropriate governmental agency; thereafter it shall be assessed at the Class A rate. Such Lot shall remain a Class B Lot for all other purposes as long as it is owned by the Declarant. It is the intent of the foregoing that a Lot containing a Dwelling owned by the Declarant and used as a model or sales center, and not as a residence, shall be assessed at the Class B rate, but that such Lot shall be assessed at the Class A rate even though owned by the Declarant if it is occupied as a residence.

In the event that Class B Lots are converted to Class A Lots, or Class A Lots are reconverted to a Class B Lots, the assessment with respect to such Lots shall be prorated and charged according to their class as of the date of each conversion and reconversion.

(g) Any annual assessment established by the Board of Directors shall continue thereafter from year to year as the annual assessment until changed by the Board.

Section 4. Special Assessments. In addition to the regular annual assessments authorized above, the Association may levy, in any assessment year, special assessments for the purpose of defraying, in whole or in part, the cost of any construction, repair or replacement of any Improvement for which the Association is responsible, including, if appropriate, fixtures and personal property related thereto, for repayment of indebtedness and interest thereon, or for any other purpose, provided that any such

assessment shall have the assent of Members entitled to at least two-thirds (2/3) of the votes appurtenant to each Class of Lots of the Association, in person or by proxy, at a meeting duly called for this purpose, and shall be in the ratios provided in Section 3(f) of this Article.

Section 5. Assessment Rate; Collection Period. Annual and special assessments shall be fixed at a uniform rate for all Lots within each Class and may be collected on a yearly, quarterly or monthly basis, as determined by the Board of Directors. (Note: A special assessment pursuant to Section 3, Article IX, hereof, shall be collected pursuant to the terms stated in such Article IX.)

Section 6. Notice of Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 of this Article V shall be sent to all Members not less than fifteen (15) days nor more than thirty (30) days prior to the meeting. At such meeting, the presence of Members or of proxies entitled to cast fifty percent (50%) of the votes appurtenant to each Class of Lots shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and if the same is called for a date not later than sixty (60) days after the date of the first meeting, the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

Section 7. Date of Commencement of Annual Assessments; Amount of Initial and Subsequent Annual Assessments; Certificate of Payment. Unless a different commencement date is set by the Board of Directors, the annual assessments provided for herein shall commence as to all Lots in any phase on the first day of the month following the recording of the plat of that phase. Unless a lower amount is set by the Board of Directors, the amount of the first annual assessment shall be the "Maximum Assessment Amount" set forth in Section 3 of this Article and shall be prorated according to the number of months remaining in the calendar year.

At least twenty-five (25) days before January 1 of each year, the Board of Directors shall fix the amount of the annual assessment against each Lot. At least fifteen (15) days before January 1 of each year, the Board of Directors shall send written notice of such assessment to every Owner subject thereto. The due dates for the payment of annual and special assessments shall be established by the Board of Directors.

The Association shall, upon demand, and for such reasonable charge as the Board of Directors may determine, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. If such certificate states that an assessment has been paid, such certificate shall be conclusive evidence of payment.

Section 8. Effect of Nonpayment of Assessments; Remedies. Any assessment not paid within ten (10) days after the due date shall incur such late charge as the Board of Directors may from time to time establish, and, if not paid within thirty (30) days after the due date, shall also bear interest from the due date at the rate of twelve percent (12%) per annum or the highest rate allowed by law, whichever is less. The Association may bring an action at law or in equity against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot for which such assessment is due. Interest, late payment charges, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or by abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust on a Lot. Sale or transfer of any Lot shall not affect any assessment lien. However, the sale or transfer of a Lot pursuant to such a foreclosure of a mortgage or deed of trust shall extinguish the lien of such assessments as to the payment thereof which became due prior to the date of such conveyance. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or deed of trust.

Section 10. Exempt Property. All property dedicated to and accepted by a public authority and all property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. Notwithstanding the foregoing, no land or improvements devoted to Dwelling use shall be exempt from said assessments.

Section 11. Working Capital Fund. At the time of closing of the initial sale of each Dwelling constructed on a Lot, a sum equal to one-sixth (1/6) of the annual assessment for Class A Lots in effect at the time of such sale shall be collected from the purchaser of such Dwelling and transferred to the Association as

part of its working capital. The purpose of the working capital fund is to ensure that the Association will have adequate cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed by the Board of Directors to be necessary or desirable. Amounts paid to pursuant to this Section shall not be considered as an advance payment of any regular assessment.

#### Section 12. Individual Expense Assessments.

Individual Expense Assessments include any assessment levied against any Owner occasioned by such Owner's or any such Owner's family members, guests, invitees or lessees and their family members, guests and invitees use, maintenance, or treatment of the Common Area or Lots or such person's non-compliance with the provisions of this Declaration, the by-laws of the Association, or any other governing documents applicable to the Association including, but not limited to, non-compliance of Dwellings and any other Improvements or personal property contained therein with the standards set forth in this Declaration or as adopted from time to time by the Association, which causes the Association or Declarant to incur additional costs and expenses which would not have been incurred if the Owner's or the Owner's family members, guests, invitees, or lessees and their family members, guests and invitees had been in compliance with the foregoing ("Noncompliance"). The amount of the Individual Expense Assessment(s) shall be equal to any such additional costs incurred, plus the amount of any fine or penalty imposed upon the Owner in Noncompliance by the Association for the Noncompliance. The Individual Expense Assessment and any late charges relating thereto shall be assessed against the Owner(s) in Noncompliance and collected and enforced in the same manner as any other Assessments hereunder as provided herein.

Notwithstanding anything to the contrary contained herein, it is recognized and declared that Individual Expense Assessments shall be in addition to and not part of any other assessment; any such Individual Expense Assessment assessed against an Owner shall be paid by such Owner in addition to any other assessment.

### ARTICLE VI

#### RIGHTS OF LENDERS

Section 1. Books and Records. Any owner or holder of a first deed of trust on any Lot, or its agent(s), shall have the right, during normal business hours, to examine copies of this Declaration, the Articles of Incorporation, By-laws, and the books

and records of the Association and, upon written request to the Association, to receive a copy of the financial statement for the immediately preceding fiscal year.

Section 2. Notice to Lenders. Upon written request to the Association, the owner or holder of a first deed of trust on any Lot shall be entitled to timely written notice of:

(a) Any 60-day delinquency in the payment of assessments or charges owed by the Owner of the Lot securing its loan;

(b) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and/or

(c) Any proposed action that requires the consent of a specified percentage of owners or holders of first mortgages on the Lots.

Section 3. Approval of Owners and Holders of First Deeds of Trust. Unless at least seventy-five percent (75%) of the owners and holders of the first deeds of trust on Lots located within the Properties have given their prior written approval, the Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Association. The granting of easements for utilities or other purposes shall not be deemed a transfer within the meaning of this clause. Notwithstanding anything herein to the contrary, the property owned by the Association, whether in fee, by easement, or otherwise, shall be preserved to the perpetual benefit of the Owners or of the public in general and shall not be conveyed except to the Town or to another non-profit corporation for the aforementioned purposes.

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot;

(c) Fail to maintain hazard insurance on insurable improvements on the Common Area on a current replacement cost basis in an amount not less than the greater of (i) one hundred percent (100%) of the insurable value, (ii) eighty percent (80%) of the total replacement cost, or (iii) the minimum amount required by the Act or other applicable law; or

(d) Use the proceeds of any hazard insurance policy covering losses to any part of the Common Area for other than the repair, replacement, or reconstruction of the damaged improvements subject to the provisions of Section 47F-113 of the Act.

Section 4. Payment of Taxes and Insurance Premiums. The owners or holders of first deeds of trust on Lots, jointly or singly, may pay taxes or other charges which are in default and which have or may become a charge or lien against any of the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy covering property owned by the Association. The persons, firms or corporations making such payments shall be owed immediate reimbursement therefor by the Association.

## ARTICLE VII

### EASEMENTS

Section 1. Access and Utility Easements. Easements for the installation and maintenance of driveways, walkways, water, gas, telephone, cable television and electric power transmission lines, sanitary sewer and storm water drainage facilities, and other public utility installations are reserved as shown on the recorded plats of the Properties. The Association may reserve or grant easements over the Common Area as provided in Article IV, Section 1, of this Declaration. Within any such easement herein provided, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation or maintenance of the utilities installed thereon, or which may change the direction of flow or drainage of water through drainage pipes or channels constructed in such easements.

For a period of twenty-five (25) years from the date hereof, Declarant reserves an easement and right of ingress, egress and regress on, over and under the Properties to maintain and correct drainage or surface water runoff in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil or take any other similar action that it deems reasonably necessary or appropriate. After such action has been completed, Declarant shall grade and seed the affected property and otherwise restore the affected property to its original condition to the extent practicable, but shall not be required to replace any trees, bushes or shrubbery necessarily removed. Declarant shall

give reasonable notice of its intent to take such action to all affected Owners.

~~BOOK~~ 1989 PAGE 209

Section 2. Development Easement and Right of Entry. The Declarant and Declarant's respective employees, agents, contractors, subcontractors and invitees, shall have a perpetual access easement over the Common Area and every Lot within the Properties to the extent reasonably necessary to install, construct, reconstruct, remove and maintain streets, utilities and other improvements in connection with the general plan of development for the Property. Declarant and the Association, and their respective employess, agents, contractors, subcontractors and invitees, shall have an easement for the installation, maintenance, repair, and replacement of any entry monument, sign, landscaping, lighting, or other Improvements installed or to be installed upon or within any landscape buffer area, entry area or other portion of the Common Area which may be located within the boundaries of a Lot.

Section 3. Easements for Governmental Access. An easement is hereby established over the Common Area and every Lot within the Properties for the benefit of applicable governmental agencies for: installing, removing and reading water meters; maintaining and replacing water, sewer and drainage facilities; and acting for other purposes consistent with public safety and welfare, including, without limitation, law enforcement, fire protection, garbage collection and the delivery of mail.

Section 4. Owners' Easement and Right of Entry for Repair, Maintenance and Reconstruction. If any Dwelling is located closer than five (5) feet from its Lot line, the Owner thereof shall have a perpetual access easement over the adjoining Lot to the extent reasonably necessary to perform repair, maintenance or reconstruction of such Dwelling. Such work shall be done expeditiously and, upon completion of the work, the Owner shall restore the adjoining Lot to as nearly the same condition as that which prevailed prior to the commencement of the work as is reasonably practicable.

Section 5. Association's Easement and Right of Entry. The Association, for itself and its employees, agents, contractors, subcontractors and invitees, shall have a perpetual access easement over the each Lot to the extent reasonably necessary to exercise the rights and remedies of the Association in the event an Owner fails to maintain such Owner's Lot or Dwelling as provided in Article IX of this Declaration.



Section 6. Easement for Encroachment. If (i) any Improvements which are constructed upon the Common Area, or (ii) any Improvements constructed upon a Lot, encroach upon a Lot because of the placement, construction, reconstruction, repair, movement, settling or shifting of such Improvements, and such Improvements have been constructed, reconstructed or repaired in accordance with the provisions of Declaration, an easement for the encroachment and for its maintenance shall exist so long as the encroachment remains, provided, however, that in no event shall such an easement exist for willful encroachments. If any Lot Improvement encroaches upon the Common Area as a result of construction, reconstruction, repair, shifting, settlement or movement of the subject Lot Improvements, and such Improvements have been constructed, reconstructed or repaired in accordance with the provisions of Declaration, an easement for the encroachment and for its maintenance shall exist so long as the encroachment remains.

Section 7. Declarant's Inspections. Declarant, its employees, agents, contractors, subcontractors and invitees, shall have the right, but not the obligation, and a perpetual access easement over the Common Area and each Lot reasonably necessary to conduct inspections and tests from time to time of any Improvements constructed by Declarant on the Property to determine whether maintenance, repairs or replacement of any such Improvements are indicated. If Declarant conducts any such tests or inspections, it shall pay all costs thereof, restore the affected portion of the Properties to its condition immediately prior to the inspections and tests, and shall indemnify the Association and Owner(s) of any affected Dwellings from any damages resulting therefrom. The Association may have a representative accompany Declarant for any such inspections or tests, if it so elects.

Section 12. Easement for Electric Company Access. Declarant reserves the right to establish an easement over the Properties and enter into a contract with Piedmont Electric Membership Corporation, Duke Power Company, or any other applicable utility company providing electrical service to the Properties, for the installation of underground electric cables and/or the installation of street lighting which may require an initial payment and/or continuing monthly payments to be made by the Owners or by the Association to the applicable utility provider. A portion of the costs related to the maintenance and operation of the street lights in the Subdivision shall be paid by the Association as provided in Section 4(c) of Article IV.

ARTICLE VIIIARCHITECTURAL CONTROL

A. Section 1. Establishment. "Committee" shall mean the architectural control committee, which shall be the governing body charged with using its best efforts to promote and ensure a high level of design, quality, harmony and conformity throughout the Properties consistent with this Declaration. Until the Termination of Declarant Control, referred to below, Declarant shall constitute the Committee, and may approve Plans and Submissions or take other actions on behalf of the Committee in Declarant's own name or in the name of the Committee. After the Termination of Declarant Control, the Committee shall be composed of at least three (3) individuals appointed by the Board of Directors, each of whom shall be an Owner. The Committee shall act by simple majority vote. In the event of death, resignation or other removal of any Board of Directors appointed member of the Committee, the Board of Directors shall appoint a successor member. No member of the Committee shall be entitled to compensation for, or be liable for claims, causes of action or damages arising out of services performed pursuant to this Declaration. Declarant shall cease to control and constitute the Committee on the earlier of: (a) the date on which Declarant records in the Public Records, a document declaring the termination of its control of the Committee, or (b) at such time as Declarant no longer owns a Lot within the Properties, or (c) the date which is seven (7) years following the date this Declaration is first recorded in the Public Records (which may be referred to in this Declaration as "Termination of Declarant Control").

Section 2. Purpose of the Committee. The Committee is established to provide a system of review for the construction or modification of all Improvements within the Properties. No Improvement shall be commenced, improved or altered, nor shall any grading, excavation or change of exterior color or other work which in any way alters the exterior appearance of an Improvement be done without the prior written approval of the Committee.

Section 3. Development Standards. The Committee is empowered to publish or modify from time to time, design and development standards for the Properties, including, but not limited to, standards for the following ("Standards"): (i) architectural design of Improvements, including, but not limited to, design standards for any Dwelling or other Improvement constructed upon a Lot; (ii) fences, walls and similar structures; (iii) exterior building materials and colors; (iv) exterior appurtenances relating to utility installation; (v) signs and

graphics, mailboxes, satellite dishes and exterior lighting; (vi) decks, pools and pool decks, side yards and related height bulk and design criteria; (vii) pedestrian and bicycle ways, sidewalks and pathways; and (viii) all buildings, landscaping and Improvements on lands owned or controlled by the Association. After the Termination of Declarant Control, Standards promulgated by the Committee shall be subject to approval by the Board. After the Board of Directors' approval, a copy of the Standards will be made available to all Members.

Section 4. Requirement of Committee Approval. No Improvement of any kind shall be erected, placed or maintained, and no addition, alteration, modification or change to any Improvement shall be made without the prior written approval of the Committee. For purposes of this Declaration, Declarant Improvements means any Improvement erected, placed, or maintained with the approval of Declarant, including, without limitation, any building, wall, fence, swimming pool, or screened enclosure, constructed, installed or placed by or with the approval of Declarant prior to the Termination of Declarant Control (collectively, "Declarant Improvements"). Notwithstanding anything to the contrary contained above, Declarant Improvements are not subject to the approval of the Committee and are deemed to conform to the plan of development for the Properties.

Section 5. Obtaining Committee Approval. In order to obtain the approval of the Committee, a complete set of plans and specifications ("Plans") for proposed Improvements shall be submitted to the Committee for its review. The Committee shall have the right to charge a reasonable fee, not to exceed \$75.00, for reviewing the Plans and/or Submissions and processing each application for approval of proposed Improvements. The Plans shall include, as appropriate, the proposed location, grade, elevations, shape, dimensions, exterior color plans, approximate costs, and nature, type and color of materials to be used. The Committee may also require the submission of additional information and materials as may be reasonably necessary for the Committee to evaluate the proposed Improvement or alteration ("Submissions"). The Committee shall have the right to refuse to approve any proposed Plans which, in its sole discretion, are not suitable or desirable. Any and all approvals or disapprovals of the Committee shall be in writing and shall be sent to each respective Owner submitting same. In the event the Committee fails to approve or to disapprove in writing any Plans and/or Submissions after: (i) submission to the Committee of the last item of the Plans and Submissions requested by the Committee, so that the Committee has a complete package of all Plans and Submissions requested by the Committee; and (ii)

thirty (30) days have elapsed since submission and written request for approval or disapproval was delivered to the Committee by the Owner; then said Plans and Submissions shall be deemed to have been approved by the Committee provided, however, that no Improvement shall be erected or shall be allowed to remain which violates any conditions or restrictions contained in this Declaration, or which violates any applicable zoning or building ordinance or regulation. The approval by the Committee relates only to the aesthetics of the Improvements shown on the Plans and Submissions and not to their sufficiency or adequacy. Each Owner shall be responsible for obtaining all necessary technical data and to make application to and obtain the approval of the appropriate governmental agencies prior to commencement of any construction.

Section 6. Scope of Review. The Committee shall review and approve or disapprove all Plans and Submissions solely on the basis of aesthetic standards as to the aesthetic quality of materials and workmanship to be used, suitability and harmony of location, structure and external design in relation to surrounding topography and structures and the overall benefit or detriment which would result to the immediate vicinity and to the Properties as a whole and any other factors deemed relevant to the review by the Committee in its opinion, reasonably exercised. The Committee shall take into consideration the aesthetic aspects of the architectural design, placement of buildings, color schemes, exterior finishes and materials and similar features, and shall not be responsible for reviewing, nor shall its approval of any Plans be deemed approval of, any design or plan from the standpoint of structural safety or conformance with building or other codes.

Section 7. Variance from Standards. The Committee may authorize, in a reasonable manner so as not to destroy the general scheme or plans of the development of the Subdivision variances from compliance with any Standards which it has promulgated pursuant to its authority when circumstances such as topography, natural obstructions, hardship, aesthetics or environmental considerations may require. If any such variances are granted, no violation of the restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose, except as to that particular property and particular provision hereof or Standards promulgated hereby which are covered by the variance. Such variance shall be evidenced in writing.

Section 8. Enforcement. There is specifically reserved unto the Committee the right of entry and inspection upon any Lot or other portion of the Properties for the purpose of determination by the Committee whether there exists any Improvement which violates the terms of any approval by the Committee or the terms of this Declaration. Except in emergencies, any exercise of the right of entry and inspection by the Committee hereunder should be made only upon reasonable notice given to the Owner of record at least twenty-four (24) hours in advance of such entry. The Association, acting pursuant to the direction of the Committee, is specifically empowered to enforce the provisions of this Declaration by any legal or equitable remedy, and in the event it becomes necessary to resort to litigation to determine the propriety of any Improvement, or to remove any unapproved Improvements, the prevailing party in such litigation shall be entitled to recover all attorneys fees and court costs incurred in connection therewith. The Association shall indemnify and hold harmless any member of the Committee from all costs, expenses and liabilities, including attorneys fees incurred by virtue of any member's service as a member of the Committee, provided such member acted in good faith and without malice. In the event Declarant's Class B voting status terminates prior to the Termination of Declarant Control, then during the period following the termination of Declarant's Class B voting status until the Termination of Declarant Control (i.e. while Declarant controls the Committee but not the Association) Declarant shall fund any legal action to determine the propriety of any Improvement or to remove any unapproved Improvements, if such enforcement action has not been approved or endorsed by a majority of the Board of Directors.

Section 9. Subcommittees and Delegation of Authority. The Committee may establish subcommittees for the purpose of acting on behalf of the Committee with respect to similar circumstances, situations, or types of Improvements, such as a subcommittee which would deal with modifications of existing Improvements or additional new Improvements ancillary to an existing Dwelling, in contrast to the construction of initial Improvements upon a previously unimproved Lot. All rights and powers of the Committee may be delegated to such subcommittee with regard to the subject matter of the subcommittee. The rights and powers of the Committee may be assigned to a management company, an architect, design professional or other entity, or any portion of such rights and powers applicable to a particular subcommittee or area of similar circumstance may be so assigned.

ARTICLE IXMAINTENANCE OF LOTS AND DWELLINGS

Section 1. Association's Responsibility. Except for the responsibility to maintain any Common Area which may be located upon a Lot, the Association shall have no responsibility to maintain or repair any Dwelling, Lot, or any portion thereof or for insuring any Dwelling or other Improvements on any Lot, and shall not be liable for any damage to any Dwelling or Lot except for any such damage caused by the Association, its duly authorized agents or employees.

Section 2. Owner's Responsibility; Remedy for Owner's Failure to Maintain. Each Owner shall maintain his Dwelling and all Improvements and personal property upon his Lot in good condition at all times. The exterior of all Dwellings including, but not limited to, roofs, walls, doors, windows, patio areas, pools, screenings, and awnings shall be maintained in good condition and repair and in a neat and attractive manner. All exterior painted areas shall be painted as reasonably necessary, with colors which are harmonious with other Dwellings, and no excessive rust deposits on the exterior of any Dwelling, peeling of paint or discoloration of same shall be permitted. No Owner shall change the exterior color of his Dwelling without the consent of the Committee. All sidewalks, driveways and parking areas within the Owner's Lot or serving the Owner's Dwelling shall be cleaned and kept free of debris; and cracks, damaged and/or eroding areas on same shall be repaired, replaced and/or resurfaced as necessary. If an Owner does not perform exterior maintenance of his Lot and Dwelling in accordance with the terms of this Article IX, the Association shall have the right (but not the obligation), through its agents and employees, by the affirmative vote of not less than two-thirds (2/3) of the Board of Directors, to enter upon such Lot and to repair, maintain and restore the Lot or exterior of the Dwelling erected thereon, and the cost of such exterior maintenance, plus a surcharge of 15% for administration, shall be assessed in accordance with Section 3 of this Article. Prior to such entry, the Association shall give written notice to the Owner stating: (i) the specific item(s) needing maintenance; (ii) the corrective action to be taken; (iii) a time, not less than 60 calendar days from the date of the notice, in which the Owner is to perform the necessary maintenance; and (iv) a statement that, if the Owner fails to perform the maintenance within such time period, the Association will exercise its right to perform the maintenance and that the Owner will be assessed with the costs thereof as provided in this Article IX.

Each Owner shall maintain a Hazard Insurance Policy, with full replacement coverage, to protect against casualty damage to their Lot and Dwelling. Upon request, the Owner shall provide a copy of such Hazard Insurance Policy to the Association.

Section 3. Assessment of Cost. In the event that the Association performs maintenance on any Lot as provided in Section 2 of this Article IX, the cost of any such maintenance, replacement or repairs shall be charged as a special assessment against the Lot upon which such maintenance is done and shall be added to and become part of the assessments to which such Lot is subject under Article V hereof and, except as otherwise specifically provided in this Section 3 of Article IX, enforceable under the terms thereof.

A special assessment charged under this Section 3 of Article IX shall be enforceable pursuant to the terms of Article V hereof, except that (i) the special assessment may be charged by affirmative vote of two-thirds (2/3) of the Board of Directors; (ii) no vote of the Members shall be required to charge such a special assessment; and (iii) a special assessment charged pursuant to this Article IX shall be due and paid on or before a date determined by affirmative vote of two-thirds (2/3) of the Board of Directors, which date shall not be less than six (6) months nor more than twelve (12) months from the date that the Association gives the Owner a written statement itemizing the sum due under the special assessment and stating the due date for payment of such special assessment.

Section 4. Access at Reasonable Hours. As provided in Section 4 of Article VII of this Declaration, the Association, through its duly authorized agents or employees, shall have the right, after reasonable oral or written notice to the Owner, to enter upon any Lot at reasonable hours on any day.

## ARTICLE X

### USE RESTRICTIONS

Section 1. Prohibited Uses. No Lot or Dwelling constructed thereon shall be used for any purpose which is not permissible under applicable governmental residential zoning regulations.

Section 2. Prohibited Activities; Businesses. No noxious or offensive trade or activity shall be carried on or in any Lot or Dwelling, nor shall anything be done thereon or therein which may be or become an annoyance or nuisance to the neighborhood. No

trade, business, profession or commercial activity, or any other non residential use shall be conducted on the Properties or within any Lot or Dwelling without the consent of the Board of Directors.

Section 3. Temporary Structures. No residence of a temporary nature shall be erected or allowed to remain on any Lot, and no trailer, basement, shack, tent, garage, barn, or any other building of a similar nature shall be used as a residence on any Lot, either temporarily or permanently.

Section 4. Signs. Except as otherwise required by the Town, no sign of any kind shall be displayed to the public view on any Lot except signs used by Declarant to advertise Lots and/or Dwellings for sale during the construction and sales period, one sign of not more than six (6) square feet advertising the property for sale or rent, and signs of not more than six (6) square feet expressing support of or opposition to political candidates or other issues which will appear on the ballot of a primary, general or special election, provided that such political signs shall not be placed on a Lot earlier than sixty (60) days before such election and shall be removed within two (2) days after such election.

Section 5. Animals. No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any Dwelling, except that dogs, cats and other household pets may be kept or maintained, provided that they are not kept or maintained for commercial purposes, and further provided that they are not kept or maintained in such manner so that they become an annoyance or nuisance to any Owner or occupant of any other Dwelling in Beckett's Ridge. As provided in Section 11 of this Article X, the Board of Directors of the Association shall have the right and authority to adopt rules and regulations which further limit or prohibit the types of animals or household pets which may be kept or maintained on a Lot or in a Dwelling and which limit or prohibit such animals upon Common Area.

Section 6. Antennas; Satellite Dishes. Except as stated below, no radio or television transmission or reception towers, antennas or satellite reception dishes or discs shall be erected on a Lot unless approved as provided in Article VIII of this Declaration. Notwithstanding the above, a satellite dish or disc may located on a Lot, provided that (i) the disc or dish is not more than two feet in diameter; (ii) the disc or dish is located on the side of the Lot facing away from the street and within the building setback lines applicable to that Lot; and (iii) the disc



or dish is located or screened in such a way that it cannot be seen from any street within the Subdivision.

Section 7. Clotheslines. No clothesline may be erected or maintained on any Lot.

Section 8. Garbage; Unsightly Storage. All trash and rubbish shall be kept in garbage cans stored behind the Dwelling in such a manner as not to be visible from the street upon which the Dwelling fronts. No trash, rubbish, stored materials, wrecked or inoperable vehicles, or similar unsightly items shall be allowed to remain on any Lot; provided, however, that the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish, and other debris for collection by governmental or other similar garbage and trash removal units. In the event of curbside trash and/or garbage pickup, trash and/or garbage cans may be moved to the street on the night before the scheduled pickup, but all garbage cans must be returned to approved enclosure the night of the scheduled pickup.

Section 9. Lease of Dwelling. The Owner of a Dwelling may lease or sublet the premises. However, any lease or sublease must be for at least six (6) months, in writing and contain the following provision:

"Tenant shall obey, adhere to and be bound by all provisions of the Declaration Of Covenants, Conditions And Restrictions For The Beckett's Ridge Homeowners Association, Inc., recorded in the Public Records. Tenant acknowledges that he/she/they has/have received of a copy such Declaration and is familiar with the provisions of same."

If an Owner fails to include said provision in any lease or sublease, it shall be conclusively deemed to be included and part of said lease or sublease. Owner shall furnish the Association a copy of any leases or subleases of his/her Dwelling.

Section 10. Parking. Vehicles may be parked or stored only on portions of a Lot improved for that purpose, i.e., garage, driveway, carport or parking pad. No unenclosed parking shall be constructed or maintained on any Lot except a paved driveway and an attached paved parking pad, which pad shall be designed for the parking of not more than 2 vehicles. Any driveway or parking pad constructed upon any Lot shall have either an asphaltic concrete surface, a cement concrete surface, or brick pavers.

No mobile house trailer (whether on or off wheels), vehicle or enclosed body of the type which may be placed on or attached to a vehicle (known generally as "campers"), or commercial vehicle of any kind shall be parked on the street within the Subdivision, nor shall any such vehicle be parked or kept on any Lot. Furthermore, no boat or boat trailer shall be parked on the street within the subdivision. A boat and/or boat trailer may be parked or kept on a Lot if it is parked or kept in such a manner that the vehicle is screened from the street. Screening may be either by fence or plantings, but, in any case, the screening must comply with the applicable zoning ordinance and other requirements of the Town and be approved pursuant to Article VIII of this Declaration. No tractor trailer trucks or cabs shall be parked on any street or Lot within the Subdivision.

No vehicle of any type which is abandoned or inoperative shall be stored or kept on any Lot in such manner as to be seen from any other Lot, any street within the Subdivision or the Common Area and no automobiles or mechanical equipment may be dismantled or allowed to accumulate on any Lot.

Section 11. Land Use and Building Type. All Lots shall be used for residential purposes. No structure shall be erected, altered, placed or permitted to remain on any Lot other than one detached, single-family Dwelling, not to exceed 2 1/2 stories in height, a private garage for not more than 3 cars, and other out-buildings incidental to residential use of the Lot. Nothing herein shall be deemed to prohibit conversion of a Lot to a street.

Section 12. Dwelling Size. The minimum heated square footage of a Dwelling may not be less than 1300 square feet for a one-story dwelling and 700 square feet on the first floor of a 2 story or 2 1/2 story dwelling.

Section 13. Building Setbacks; Dwelling Location. No Dwelling shall be erected or maintained on any Lot outside of the building envelope shown on the recorded plat of the Property or as otherwise required or permitted by the zoning ordinances of the Town. For purposes of these building setback requirements, decks, porches, patios, stoops, eaves, overhangs, bay windows, chimneys, carports and other similar projections shall be deemed to be part of the dwelling only to the extent that the same are deemed to be part of the dwelling under the zoning ordinances of the Town as it exists as of the date of issuance of a certificate of occupancy for such Dwelling. Any Dwelling erected on a Lot other than a corner Lot shall face the street on which the Lot abuts. On corner Lots,

a Dwelling may be erected so as to face the intersection of the 2 streets on which the Lot abuts.

Section 14. Fences. No fence or wall shall be erected on any Lot closer to any street than (i) the front building setback line or the front of the building (whichever is further from the street), or (ii) the side building setback line. Chain-link or other metal fencing is not permitted, except that 2 inch by 4 inch mesh may be used with split-rail fencing to contain animals within the yard. Any fence or wall installed within the subdivision must meet all requirements of the zoning ordinances and requirements of the Town and must be approved as provided in Article VIII of this Declaration. Nothing in this Section shall be deemed to apply to or regulate retaining walls made necessary by the slope or grade of any Lot or Lots, nor shall anything in this Section apply to any fence installed by the Declarant at any entrance to or along any street within the Subdivision.

Section 15. Swimming Pools. No above-ground swimming pools shall be permitted in the Subdivision, except that small, inflatable wading pools shall be permitted.

Section 16. Mailboxes. No mailbox shall be placed or maintained on any Lot unless the same has been approved in accordance with the provisions of Article VIII of this Declaration.

Section 17. Septic Tanks; Wells. No septic tank shall be installed, used or maintained on any Lot. No well shall be installed, used or maintained on any Lot for human domestic water consumption, nor shall any well be connected in any manner whatsoever to the water mains, laterals and piping serving the Dwelling, which mains furnish domestic water from sources beyond the boundaries of the Lot.

Section 18. Removal of Trees. Except in the case of an emergency situation that does not permit any delay, no living tree larger than 3 inches in diameter at a point measured 3 feet off the ground shall be removed from any Lot without the approval of the Committee. The foregoing provision shall apply only to Lots which have been occupied pursuant to a certificate of occupancy issued by the Town.

Section 19. Construction. All construction, landscaping or other work which has been commenced on any Lot shall be continued with reasonable diligence to completion and no partially completed Dwelling or other Improvement shall be permitted to exist on any Lot, except during such reasonable time period as is necessary for

completion. The owner of each Lot shall at all times keep contiguous public streets free from any dirt, mud, garbage, trash or other debris resulting from any such construction on the subject Owner's Lot.

Section 20. Adoption of Rules. The Board of Directors shall have the authority to adopt additional rules and regulations governing the use of the Common Area and the Lots within Beckett's Ridge and shall furnish a written copy of said rules and regulations to the Owner(s) of each Lot at least fifteen (15) days before such rules and regulations become effective. Any violation of such rules shall be punishable by fine and/or suspension of voting rights as provided in this Declaration.

Section 21. Certain Rights of Declarant. The provisions, restrictions, terms and conditions of this Article X shall not apply to Declarant as an Owner.

## ARTICLE XI

### GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner shall have the right to enforce, by proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. In the event that any of the provisions of this Declaration now or hereafter conflict with the provisions of any applicable law or requirement, including (but not limited to) the Act; the provisions of the applicable-law shall control unless the law permits the Declaration to override the applicable law, in which event the Declaration shall control. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision, which shall remain in full force and effect.

Section 3. Term. The covenants and restrictions of this Declaration shall run and bind the land for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless terminated or altered by a vote of the Owners as set forth below.

Section 4. Amendments.

BOOK 1989 PAGE 222

(a) During the period of Declarant's Class B membership, Declarant may amend this Declaration without the approval of any Member provided the amendment does not materially alter or change any Owner's right to the use and enjoyment of such Owner's Lot or of the Common Area as set forth in this Declaration and the amendment does not adversely affect the title to any Lot, and during any such period this Declaration may not be amended without the written joinder of Declarant.

(b) Should the Veterans' Administration, the Federal Housing Administration, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Declaration or make such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Declaration to be recorded to reflect such changes provided that such changes are not inconsistent with the provisions of the applicable laws of the State of North Carolina or any other applicable governing authority.

(c) Any other amendments of this Declaration shall require (i) if a two-class voting structure is in effect, the vote or written consent of sixty-seven percent (67%) of the votes attributable to each class of Members of the Association as such classes are set forth in the Bylaws and this Declaration; or (ii) if a two-class voting structure is not in effect, the vote or written consent of both sixty-seven percent (67%) of the votes attributable to the Association and the vote or written consent of sixty-seven percent (67%) of the votes attributable to the Association and residing in Members other than Declarant; provided, however, that the percentage of the attributable votes (of each class of Members, of the Association, and of Members other than Declarant) necessary to amend a specific provision of this Declaration shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that provision.

(d) Notwithstanding anything to the contrary contained in this Declaration, any amendment which establishes, governs, provides for or regulates any one of the following: (i) voting; (ii) assessments, assessment liens or subordination of such liens; (iii) reserves for maintenance, repair and replacement of the Common Area; (iv) insurance or fidelity bonds; (v) right to use of the Common Area; (vi) responsibility for maintenance and repair of the Subdivision; (vii) expansion or contraction of the Subdivision

or the addition, annexation or withdrawal of property to or from the Subdivision (other than as specifically permitted hereby); (viii) the boundaries of any Lot; (ix) interests in the Common Area; (x) leasing of ownership interests; (xi) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey his Lot; (xii) any provisions which are for the express benefit of any lending institution owning a first mortgage covering a Dwelling or Lot; or (xiii) any other material amendment, shall require (y) if a two-class voting structure is in effect, the vote or written consent of sixty-seven percent (67%) of the votes attributable to each class of Members, or (z) if a two-class voting structure is not in effect, the vote or written consent of sixty-seven percent (67%) of the total votes attributable to the Association, and the written consent of sixty-seven percent (67%) of the lending institutions owning a first mortgage covering a Dwelling or Lot (based on one vote for each first mortgage owned). Any lending institution owning a first mortgage covering a Dwelling or Lot who does not respond within thirty (30) days request by the Association for consent to an amendment of this Declaration shall be deemed to have approved such request.

(e) Any instrument amending this Declaration must be recorded in the Public Records and in the case of an amendment made by the Owners, such amendment shall contain a certification by the President and Secretary of the Association that the amendment has been correctly adopted in accordance with the provisions of this Declaration. Any such amendment shall be effective upon the date of recordation.

(f) Notwithstanding any other provision hereof to the contrary, the Declarant may, without the joinder or consent of any Owner, Member, lending institution owning a first mortgage covering a Dwelling or Lot or any other party, (i) amend this Declaration at any time that Declarant owns all Lots within the Project, or (ii) amend this Declaration at any time to comply with the specific requirements of the Veterans Administration, the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any other governmental agency or quasi-governmental agency which insures, guaranties, or purchases Mortgages.

(g) In the event that Declarant has arranged for and provided purchasers of Lots with FHA-insured or VA-guaranteed mortgage loans, then, as long as any Class B Lot exists, as provided in Article III hereof, the following actions will require the prior approval of the Federal Housing Administration ("FHA") or

the Veterans Administration ("VA"): annexation of additional property, mortgaging of Common Area, dedication, exchange or otherwise deeding of Common Area to persons other than the Association, and amendment of this Declaration.

Section 5. Non-Liability of Governmental Authorities.

Neither the Town nor any other governmental authority shall be responsible for failing to provide any emergency or regular fire, police or other public service to the Properties, any Lot, or any Owner or occupant when such failure is due to the lack of access to the Properties or any Lot therein due to inadequate design or construction of such access, blocking of access routes, or any other factor within the control of the Declarant, the Association, an Owner, or an occupant of any Lot.

Section 6. Rights of Governmental Authorities. Any governmental authority or agency, including, but not limited to the Town and the County, their agents, and employees, shall have the right of immediate access to the Properties at all times if necessary for the preservation of public health, safety and welfare. Should the Association or the Board of Directors fail to maintain the Common Areas in accordance with the specifications set forth in the applicable governmental approvals for Beckett's Ridge or fail to perform any of the obligations of the Association provided for in this Declaration, for an unreasonable time, not to exceed ninety (90) days after written request to do so, the Town, the County and any other applicable governmental authority, by and through the affirmative action of a majority of the governing body, shall have the same right (but not the obligation), power and authority as is herein given to the Association and the Board of Directors to enforce this Declaration and levy assessments necessary to fund the maintenance of the Common Area or cover the cost of performing any of the obligations of the Association provided for in this Declaration. In such event the applicable governing body may elect to exercise the rights and powers of the Association or the Board of Directors, to the extent necessary to take any action required and levy any assessment that the Association might have taken, either in the name of the Association or otherwise, to cover the cost of maintenance of any of the Common Areas or of performing any other obligations of the Association provided for in this Declaration. The rules granted herein shall be supplemental to any governmental authority the Town and the County may have, and application of this provision shall not diminish, limit, or restrict the right of the Town, the County, or any other governmental authority to apply any other legal rights it may have.

Section 7. Subdivision of Lots. During the period commencing with the date of recording of this Declaration and continuing until such time as all Class B Lots have been converted to Class A Lots, for voting purposes, pursuant to Article III, Section 2, above, no Lot within the Subdivision may be subdivided or recombined, by sale or otherwise, so as to reduce the total Lot area shown on the recorded plats of the Subdivision, except by and with the consent of the Declarant and, if required, by the Town.

Section 8. Declarant's Right To Change Development. With the approval of the Town and, if required, by FHA or VA, and subject to such terms and conditions as the Town may impose, Declarant shall have the right, without consent or approval of the Owners, to create dwelling units, add Common Area, add Improvements in the Common Area, and withdraw real property from the Subdivision.

Section 9. Insurance. The Association shall procure and maintain adequate liability insurance covering the Association, in an amount not less than \$1,000,000.00. The Association shall also procure and maintain adequate hazard insurance on real and personal property owned by the Association or for which the Association is otherwise responsible and shall procure and maintain officers' and directors' liability insurance. The premiums for such insurance shall be a common expense paid from the annual assessments provided in Article V of this Declaration. The insurance maintained by the Association and the application, allocation or distribution of the proceeds thereof shall be subject to Section 47F-113 of the Act and any other applicable provisions of the Act or other applicable law.

Section 10. Fines. The Board of Directors shall have the right and authority to levy fines or penalties against Owners for the violation of any provision of this Declaration and/or the rules and regulations hereafter promulgated by the Board pursuant thereto. Any monetary fine or penalty levied pursuant to this Section 9 may be assessed against an Owner as an Individual Expense Assessment in accordance with the provisions of Section 12 of Article V, and the procedure for levying such fines or penalties shall be subject to Section 47F-3-107 of the Act but (unless otherwise required by the Act) the levying of the fine or penalty shall not require the assent of any Members of the Association.



IN WITNESS WHEREOF, Declarant has caused this instrument to be executed under seal by its duly authorized officers, as of the day and year shown in the notary acknowledgments set forth below.

DECLARANT:

CENTEX HOMES, a Nevada general partnership

By: Centex Real Estate Corporation,  
a Nevada corporation  
Its: Managing General Partner



By: Scott Batchelor  
Division President

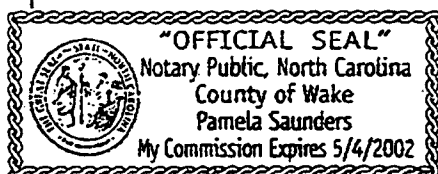
Attest: Mark Christensen  
Assistant Secretary

Date: September 14, 1999

STATE OF NORTH CAROLINA - WAKE COUNTY

I, Pamela Saunders, a Notary Public for Wake County, North Carolina, certify that Scott Batchelor personally appeared before me this day and, being by me duly sworn, says and deposes that he is a Division President of CENTEX REAL ESTATE CORPORATION, a Nevada corporation, the Managing General Partner of CENTEX HOMES, a Nevada general partnership, that the seal affixed to the foregoing instrument in writing is the corporate seal of the said corporation, that the said writing was signed and sealed by him and attested by Mark Christensen, Assistant Secretary, on behalf of said corporation by its authority duly given. And the said Division President acknowledged the said writing to be the act and deed of said corporation and said partnership.

Witness my hand and official stamp and seal, this the 14<sup>th</sup> day of September, 1999.



Pamela Saunders  
Notary Public  
My commission expires: 5-4-02

BOOK 1989 PAGE 227

STATE OF NORTH CAROLINA - ORANGE COUNTY:

The foregoing certificate of \_\_\_\_\_, Notary Public,  
is certified to be correct. This instrument and this certificate are duly registered at the  
date and time and in the Book and Page shown on the first page hereof.

JOYCE H. PEARSON, Register of Deeds

By: \_\_\_\_\_  
Deputy/Assistant Register of Deeds

EXHIBIT "A"

Legal Description of the Existing Property

Phase 1, Section 1

LYING and being in Hillsborough Township, Orange County, North Carolina, and being more particularly described as follows:

BEING all of the real property shown on that certain plat entitled "SUBDIVISION PLAT FOR BECKETT'S RIDGE - PHASE 1, SECTION 1", recorded in Book 83, page 94, Orange County Register of Deeds, which includes Lots 1-19, Lots 104-113, a 3,380 square foot "Park Area", and a 16,238 square foot "Sediment Basin/Pond I" in Phase I, Section I of Beckett's Ridge, as shown on the aforementioned recorded plat, to which plat reference is hereby made for a more particular description of same.

Phase 1, Section 2

LYING and being in Hillsborough Township, Orange County, North Carolina, and being more particularly described as follows:

BEING all of the real property shown on that certain plat entitled "SUBDIVISION PLAT FOR BECKETT'S RIDGE - PHASE 1, SECTION 2", recorded in Book 83, pages 174 and 175, Orange County Register of Deeds, which includes Lots 20-103, Lot 217, a 4,937 square foot "Park Area", and a 24,000 square foot "Sediment Pond #2" in Phase 1, Section 2 of Beckett's Ridge, as shown on the aforementioned recorded plat, to which plat reference is hereby made for a more particular description of same.

EXHIBIT "B"  
BOOK 1989 PAGE 229

Additional property of Beckett's Ridge Subdivision consisting of three parcels and two landscape easements lying and being in Hillsborough Township, Orange County, North Carolina and being more particularly described as follows:

PARCEL ONE

BEGINNING at an existing iron pipe located South 79 degrees 06' 16'' West 1211.44 feet from NCGS "Cookey", NC Grid NAD 83, N=835,608.4040; E=1,975,907.6430; thence from said point of beginning South 89 degrees 59' 07'' West 646.00 feet to an existing concrete monument; thence North 02 degrees 33' 10'' East 1,298.05 feet to an existing concrete monument; thence North 35 degrees 40' 35'' West 522.85 feet to an existing concrete monument; thence North 24 degrees 31' 30'' West 1,559.56 feet to an existing concrete monument; thence North 20 degrees 31' 30'' West 541.86 feet to a set rebar; thence South 80 degrees 15' 09'' West 268.87 feet to the centerline of a creek (252.17 feet to a reference nail set at the base of a poplar stump); thence the property line follows the centerline of creek with the following calls establishing a reference line:

North 16 degrees 04' 04'' East 248.33 feet to a traverse station; North 57 degrees 10' 45'' East 428.77 feet to a traverse station; North 64 degrees 25' 05'' East 264.83 feet to a traverse station; and North 10 degrees 23' 15'' West 98.24 feet to a computed point;

thence leaving the centerline of said creek and following the curve of a circle to the left (the southerly line of a 200 foot Southern Railroad right of way) with a radius of 2021.55 feet (chord bearing South 48 degrees 29' 42'' East) and an arc length of 1314.76 feet to a computed point; thence continuing along said Southern Railroad right of way South 67 degrees 07' 37'' East 818.52 feet to a set rebar; thence along the westerly line of property belonging to the Wildwood Corp. of Hillsborough, Inc. the following courses and distances:

South 68 degrees 38' 48'' West 357.62 feet to a set rebar; South 01 degree 08' 48'' West 1,956.84 feet to an existing iron pipe; South 01 degree 08' 48'' West 247.49 feet to an existing iron pipe; South 01 degree 08' 48'' West 249.99 feet to a set rebar;

thence along the western line property belonging to Ruth Woods Baity South 01 degree 08' 48'' West 250.00 feet to an existing iron pipe; thence continuing along said common line with Baity South 01 degree 08' 48'' West 278.88 feet to the POINT AND PLACE OF BEGINNING; containing 93.60 acres, more or less, and being the property identified as "Hurley L. Parrish, Jr." on a plat entitled "Boundary Plat Surveyed & Mapped for Centex Homes", dated September 10, 1998 and revised October 5, 1998 as recorded in Plat Book 81, Page 184, Orange County Registry, to which plat reference is hereby made for a more particular description of the above described property.

PARCEL TWO

BEGINNING at an existing iron pipe marking the southeastern corner of property belonging to Hurley I. Parrish, Jr. as described in Deed Book 1387, Page 535, Orange County Registry (hereinafter "OCR") and being located South 79 degrees 06' 16" West 1211.44 feet from NCGS "Cookey", NC Grid NAD 83, N=835,608.4040; E=1,975,907.6430; thence from said point of beginning along the eastern line of the above referenced Parrish property North 01 degree 08' 48" East 278.88 feet to an existing iron pipe; thence continuing along said Parrish line North 01 degree 08' 48" East 250.00 feet to a set rebar; thence along the southern line of property belonging to the Wildwood Corp. Of Hillsborough, Inc. South 86 degrees 42' 44" East 657.76 feet to a set rebar; thence along the western line of a 30.00 foot easement South 01 degree 33' 12" West 260.62 feet to a computed point; thence continuing along the western line of said 30.00 easement South 01 degree 28' 52" west 249.89 feet to a set rebar; thence along the northern line of property belonging to the Woods Brothers, Inc. North 88 degrees 18' 38" West 50.25 feet to a point; thence along the northern line of Stagecoach Run Subdivision, Section 1, as shown on a plat recorded in Plat Book 26, Page 188, OCR, the following courses and distances:

North 88 degrees 18' 38" West 150.77 feet to an existing iron pipe; North 88 degrees 18' 38" West 219.81 feet to an existing iron pipe; North 88 degrees 18' 38" West 219.92 feet to an existing iron pipe; and North 88 degrees 18' 38" West 13.21 feet to the POINT AND PLACE OF BEGINNING;

being the property identified as "Ruth Woods Baity" (Deed Book reference 731, Page 209, OCR) containing 3.85 acres and 3.97 acres as shown on a plat entitled "Boundary Plat Surveyed & Mapped for Centex Homes" dated September 10, 1998 as revised October 5, 1998 and recorded in Plat Book 81, Page 185, OCR, reference to which plat is hereby made for a more particular description of the property described herein.

PARCEL THREE

COMMENCING at NCGS Control Corner "Cookey", NC Grid NAD 83, N=835,608.4040; E=1,975,907.6430; thence from said point of commencement South 84 degrees 16' 26'' West 503.310 feet to an existing iron pipe marking the southwest corner of property now or formerly owned by Kevin and Lydia Hyer and lying in the eastern line of a 30 foot wide private easement designated as "Circle Road" as shown on a plat recorded in Plat Book 2, Page 23, Orange County Registry; thence along the eastern line of said 30 foot wide private easement South 01 degrees 28' 52'' West 7.56 feet to a set rebar marking the **TRUE POINT AND PLACE OF BEGINNING**; thence from said beginning point along the curve of a circle to the left having a radius of 969.95 (chord bearing and distance North 64 degrees 24' 22'' West 175.13 feet) and an arc length of 175.37 feet to a computed point; thence along the curve of a circle to the left having a radius of 50.00 feet (chord bearing and distance North 34 degrees 43' 24'' East 45.20 feet) and an arc length of 46.91 feet to a computed point; thence continuing along the curve of a circle to the left having a radius 50.00 feet (chord bearing and distance North 02 degrees 15' 55" West 17.56 feet) and an arc length of 17.65 feet to a computed point; thence along the curve of a circle to the right having a radius of 1029.95 feet (chord bearing and distance South 65 degrees 55' 45'' East 128.23 feet) and an arc length of 128.31 feet to a computed point; thence along the curve of a circle to the right having a radius of 1029.95 feet (chord bearing and distance South 61 degrees 47' 56'' East 20.19 feet) and an arc length of 20.19 feet to a set rebar in the eastern line of the existing 30 foot wide private easement referenced herein; thence along the eastern line of said existing 30 foot wide private easement South 01 degrees 28' 52'' West 68.07 feet to the point and place of **BEGINNING**; containing 0.21 acres, more or less, and being identified as Area 2, "Reserved for Future R/W Dedication" as shown on that certain plat entitled "Easement / Recombination Plat Surveyed & Mapped for Centex Homes", dated September 10, 1998 and recorded in Plat Book 82, Page 30, Orange County Registry, to which plat reference is hereby made for a more particular description.

Landscape Easement A:

A Landscape Easement ten (10) feet in width the northern line of which intersects on the east with the western boundary line of Lot 4, as shown on a plat referenced herein, and on the west with the southern boundary line of property belonging now or formerly to Kevin Eyer and Lydia Eyer, as shown on a plat referenced herein; said easement is bounded on the south by the northern line of Area 2 and Skogen Lane (50' R/W), as shown on the plat referenced herein, and is identified as a "Proposed 10' Landscape Easement" lying along the southern portion of Area 3 as shown on a plat entitled "Easement / Recombination Plat Surveyed & Mapped for Centex Homes", dated September 10, 1998 and recorded in Plat Book 82, Page 30, Orange County Registry, to which plat reference is hereby made for a more particular description.

Landscape Easement B:

A Landscape Easement ten (10) feet in width the southern line of which intersects on the east and west with an existing 30' private easement also identified as "Circle Road" on a plat referenced herein; said easement is bounded on the north by the southern line of Area 2 and Skogen Lane (50' R/W) and is identified as a "Proposed 10' Landscape Easement" lying along the northern portion of Area 1 as shown on a plat entitled "Easement / Recombination Plat Surveyed & Mapped for Centex Homes", dated September 10, 1998 and recorded in Plat Book 82, Page 30, Orange County Registry, to which plat reference is hereby made for a more particular description.

SAVE AND EXCEPT from the property described herein all of the real property described in Exhibit "A" to this Declaration.

