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(N.P. SEAL)

65 *[Signature]*
Bob Measamer
P.O. Box 35850
28303

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7-19-2006 PM 1:00:53
J. LEE WARREN JR.
REGISTER OF DEEDS
CUMBERLAND CO., N.C.

NORTH CAROLINA
CUMBERLAND COUNTY

DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made the 25 day of May, 2006 by MEASAMER/WEST, LLC, a limited liability company organized under the laws of the State of North Carolina, hereinafter referred to as "Declarant".

W I T N E S S T H:

WHEREAS, Declarant is the owner of certain property in the City of Fayetteville, County of Cumberland, State of North Carolina, which is more particularly described in that certain survey map or plat entitled:

CANDLEWICK TOWNHOUSES, SECTION I
and recorded in Book of Plats 117, at page 80, in the Cumberland County Public Registry (hereinafter sometimes referred to as the "Map"); and

WHEREAS, it is the desire and intention of Declarant to sell the above-described real property and to impose upon it mutual, beneficial restrictions, conditions, easements, covenants, agreements, liens and charges under a general plan or scheme of improvement for the benefit of all the said land and the future owners of said lands;

NOW, THEREFORE, Declarant hereby declares that all of the property described above is held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied, and improved subject to the following provisions, restrictions, conditions, easements, covenants, agreements, liens and charges, all of which are declared and agreed to be in furtherance of a plan for subdivision, improvement, and sale of the said property and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of said real property and every plat thereof, and all of which shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in the described lands or any part thereof.

ARTICLE I.

DEFINITIONS

Section 1. "Association" shall mean and refer to the Candlewick Townhouses Association, Inc., its successors and assigns.

Section 2. "Owner" shall mean and refer to the recorded owner, whether one or more persons or entities, of a fee simple title to any Lot including the Declarant if it owns and Lots and including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Section I" shall mean and refer to that certain real property more particularly described in Exhibit "A", and also being all of the property comprising "Candlewick Townhouses, Section I", according to said Map thereof recorded in Map Book 117, Page 80, in the Cumberland County Public Registry, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association for

the common use and enjoyment of the Owners and any other stockholders of the Association.

The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

All of that area defined as "Common Area" on the Map of "Candlewick Townhouses, Section I", according to said Map thereof recorded in Map Book 117, page 80, in the Cumberland County Public Registry.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Candlewick Townhouses, Section I, excluding the Common Area.

Section 6. "Declarant" shall mean and refer to Measamer/West, LLC, its successors and assigns, if such successors and assigns should acquire more than one undeveloped Lot from Declarant for purposes of development.

ARTICLE II

PROPERTY RIGHTS IN COMMON AREA

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a non-exclusive right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to dedicate 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 to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the Owners agreeing to such dedication or transfer has been recorded.

(b) the right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the

Common Area.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Every Owner of a Lot which is subject to assessment as hereinafter provided, 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. The Association shall have one class of Members. The Members shall be entitled to one vote for each Lot owned. When more than one person holds interest in any Lot, all such persons shall be members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Section 3. The Declarant's present intention is to develop additional sections of Candlewick Townhouses development on its property adjacent to Section I. Every owner of a lot or unit in any other section of Candlewick Townhouses hereafter developed by the Declarant, its successors or assigns, shall be entitled to become a member of the Association.

ARTICLE IV

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessments. Each Owner of any Lot by acceptance of a deed therefor, whether it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association, commencing on the date Owner shall

become Owner of a Lot:

- (1) annual assessments or charges, and
- (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided;
- (3) to the appropriate governmental taxing authority, a pro rata share of ad valorem taxes levied against the Common Area if the Association shall default in the payment therefor for a period of six (6) months, all as hereinafter provided.

The annual and special assessments, together with interest, cost and reasonable attorneys' fees, shall be charge on the land and shall be a continuing lien upon the property against which each assessments is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose 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 for the improvement and maintenance of the Common Area in and of the homes situated upon the Properties. Such assessments shall be used specifically to provide for liability insurance, taxes due and maintenance of recreational and other facilities located on the common area.

Section 3. Maximum Annual Assessments. Until January 1, of the year immediately following the transfer and conveyance of the first Lot to on Owner, other than Declarant, the maximum annual assessment shall be Two Hundred Forty and 00/100 (\$240.00) Dollars per Lot.

- (a) From and after January 1 of the year immediately following the transfer and

conveyance by Declarant the first Lot to an Owner other than Declarant, the maximum annual assessment may be increased each year not more than five (5%) percent above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the transfer and conveyance by Declarant the first Lot to an Owner other than Declarant, the maximum annual assessment may be increased above five (5%) percent by a vote of two-thirds (2/3) of the members who are voting in person or by proxy, at the meeting duly called for this purpose.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a public and private capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the members in the Association who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all Owners not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of Owners or of proxies entitled to cast sixty percent (60%) of all the votes the Owners shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the proceeding meeting. No such subsequent meeting shall be held more than 60 days following the

proceeding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at the uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments;

Due Dates. The annual assessments for each Lot provided for herein shall commence on the date Declarant shall transfer and convey the Lot to the Owner(s) of such Lot or upon the occurrence of either of the following events, whichever shall first occur:

(a) when Declarant shall sell or otherwise dispose of all the Lots in Candlewick Townhouses, Section I, or

(b) January 1, 2010

The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least 30 days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors and the Board of Directors shall have the authority to require the assessments to be paid in pro-rata monthly installments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association.

Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six (6%) percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property.

No Owner may waive or otherwise escape liability for the assessments provided for herein by

non-use of the Common Area or abandonment of his Lot.

Section 9. Effect of Default in Payment of Ad Valorem Taxes or Assessments for Public Improvements by Association. Upon default of the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or assessments for public improvements to the Common Area, which default shall continue for a period of six (6) months, each owner of a Lot in the development shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by dividing the total taxes and/or assessments due the governmental authority by the total number of shares of stock in the Association. If such sum is not paid by the Owner within thirty (30) days following the receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure of any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected, or maintained

upon any Lot, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes in Section I and place on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall shall restore it to the extent property insurance proceeds are available therefor, and to the extent that the proceeds of insurance shall be inadequate for its repair or restoration, any Owner who has used the wall shall

contribute to the cost of restoration thereof in excess of the available insurance in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent and willful acts of omission.

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such element.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Fire and Casualty Insurance. Each Owner shall maintain and pay the premium for fire, casualty and extended coverage property insurance of each party wall which he shall use with an insurance company licensed to sell insurance in the State of North Carolina and shall cause each other Owner who shall use any such party wall to be named as an additional insured.

Section 7. Arbitration. In the event of any dispute arising concerning the party wall, or under the provisions of this Article, each party wall shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator. This panel of three arbitrators shall, by majority vote, decide upon a resolution to the dispute.

ARTICLE VII

EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint, repair, replacement, and care of roofs, gutters, downspouts, exterior building surfaces, trees,

shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces.

The Owner of each townhouse unit requiring such maintenance or replacement shall be solely responsible for the expense thereof and such expenses shall be added to and become a part of the assessment to which such Owner's Lot is subject.

ARTICLE VIII

USE RESTRICTIONS

Section 1. Land Use and Building Type. No lot shall be used except for residential purposes. No building shall be erected, altered, placed, or permitted to remain on any Lot other than one single family townhouse dwelling not to exceed two and one-half stories in height. Any building erected, altered, placed or permitted to remain on any lot shall be subject to the provisions of the Article V of this Declaration of Covenants, Conditions and Restrictions relating to architectural control.

Section 2. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 3. Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently; provided, however, that this paragraph shall not be deemed or construed to prevent the use of a temporary construction shed during the period of actual construction of any structure on such property, nor the use of adequate sanitary toilet facilities for workmen which shall be provided during such construction.

Section 4. Recreational Vehicles. No boat, motor boat, camper, trailer, motor or mobile

home, or similar type vehicle, shall be permitted to remain on any portion of Section I, unless by consent of the Association in which event such vehicles shall be place in the area or areas designated by the Association.

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 or other household pets may be kept or maintained provided that they are not kept maintained for commercial purposes and are at all times properly leashed or confined in a approved fenced area.

Section 6. Outside Animals. No outside radio or television antennas shall be erected on any Lot or dwelling unit within the Properties unless and until permission for the same has been granted by the Board of Directors of the Admission or its architectural control committee.

Section 7. Window Coverings. All drapes, curtains or other similar materials hung at windows, or in any manner so as to be visible from the outside of any building erected upon any lot shall be of a white or neutral background or material or shall be lined with a whit or neutral background or material in order to insure the uniform exterior appearance of the townhouse units.

Section 8. Exterior Lights. All lights bulbs or other lights installed in any fixture located on the exterior of any building or any lot shall be clear, white, or non-frost lights or bulbs.

Section 9. Signs. No sign of any character shall be displayed or place upon any part of the property except "For Rent" or "For Sale" signs, referring only to the premises on which displayed and not to exceed two square feet in size and one sign to a Lot.

Section 10. Clothes Drying. Clothes lines or drying yards shall be so located as not to be visible from the street serving the premises.

Section 11. Garbage. Garbage receptacles shall be in complete conformity with sanitary rules and regulations. No garbage incinerators shall be permitted. No refuse piles shall be

allowed to be placed or suffered to remain upon any part of Section I.

Section 12. Water Systems. No individual water supply system shall be permitted except with the permission of the Board of Directors of the Association.

Section 13. Letter and Delivery Boxes. The Declarant shall determine the location, color, size, design, lettering, and all other particulars of all mail or paper delivery boxes, and standards and brackets and name signs for such boxes in order that the area be strictly uniform in appearance with respect thereto.

Section 14. Commercial Vehicles. No commercial vehicles, construction, or like equipment or mobile or stationary trailers of any kind shall be permitted on any Lot unless first approved by the Board of Directors of the Association.

Section 15. Rental. No portion of a unit (other than the entire unit) may be rented, and no transient tenants may be accommodated therein.

ARTICLE IX

EASEMENTS

Section 1. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of drainage or which may obstruct or retard the flow of water or other services.

Section 2. The Association, acting through its officers, agents, servants and/or employees shall have the right of unobstructed access at all reasonable times to all properties as may be reasonably necessary to perform the exterior maintenance called for in Article VII of this declaration.

Section 3. Easements are also reserved over those portions of the Common Area that

may be necessary or required to accommodate overhanging eaves or other cantilevered which may encroach upon the Common Area on the air and light space above such Common Area and the provision of utility services to the Lots of Section I and to lots in other sections of Candlewick Townhouses.

Section 4. Easements over the Common Area for access, ingress, and egress from and to public streets and walkways and easements for enjoyment of the Common Areas and for parking areas are granted to each owner of a residential site.

ARTICLE X

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Annexation of additional property shall require the assent of two-thirds (2/3) of the Owners who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Owners not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. At this meeting, the presence of Owners or of proxies entitled to cast sixty (60%) percent of the all the votes of the Association shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 2. If within eight years of the date or incorporation of the Association, the Declarant shall decide to develop the following described lands or any part thereof as additional sections of Candlewick Townhouses, such additional lands may be annexed as an extension of Section I without the assent of the Stockholders:

Provided, however, the development of the additional lands described in this section shall be in accordance generally with the plan of development of Section I.

ARTICLE XI

DECLARANT'S AUTHORITY

Until such time as the Declarant shall no longer own a lot, and the Board of Directors of the Association is elected and organized, the Declarant reserves to itself and shall have full and complete authority to make all decisions and grant all approvals with regard to Section I as shall be required or granted to the Association of the Board of Directors thereof by these Declarations.

ARTICLE XII

GENERAL PROVISIONS

All of the foregoing covenants, conditions, reservations, and restrictions shall continue and remain in full force and effect at all times against the Owner of any Lot in Section I, regardless of how he acquired title, for a term of twenty-five (25) years from the date this Declaration is recorded, at which date these covenants, conditions, reservations, and restrictions shall terminate and end, and thereafter be of no further legal or equitable effect on such Lot or any Owner thereof; provided, however, that these covenants, conditions, reservations, and restrictions shall be automatically extended for a period of ten years, and thereafter in successive ten-year periods, unless on or before the end of one of such extension periods or the base period the Owners of a majority of the Lots in Section I shall be written instrument duly recorded declare a termination of the same. Although these covenants, conditions, reservations, and

restrictions may expire as herein provided, any and all reversions for breach of these covenants, conditions, reservations, and restrictions committed or suffered, as hereinafter provided, prior to such expiration shall be absolute.

Provided, that a breach of any of the covenants, conditions, reservations, or restrictions hereby established shall cause the real property upon which such breach occurs to revert to the Association, and the Association shall have the right to immediate reentry upon such real property in the event of any such breach, and as to each Lot Owner in such premises these covenants, conditions, reservations, and restrictions shall be covenants running with the land and the breach of any thereof or the continuance of any such breach may be enjoined or remedied by appropriate proceedings by the Association or by the Owner of another Lot in such premises but by no other person.

Provided, further, that should the Association employ counsel to enforce any of the foregoing covenants, conditions, reservations, or restrictions, or reentry, by reason of such breach, all costs incurred in such enforcement, including a reasonable fee for counsel, shall be paid by the Owner of such Lot or Lots and the Association shall have a lien upon such Lot or Lots to secure the payment of all such accounts.

Provided, further, that the breach of any of the foregoing covenants, conditions, reservations, or restrictions, or any reentry by reason of such breach, shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith for value as to any Lot or Lots or portions of Lots in such premises, but these covenants, conditions, reservations, and restrictions shall be binding upon and effective against any such mortgage or trustee or owner thereof, whose title thereto or whose grantor's title is or was acquired by foreclosure, trustee's sale, or otherwise.

Provided, further, that no delay or omission on the part of the Association or the Owners of other Lots in such premises in exercising any rights, power, or remedy herein provided, in the event of any breach of the covenants, conditions, reservations, or restrictions herein contained, shall be construed as a waiver thereof or acquiescence therein, and no right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against the Association for or on account of its failure to bring any action on account of any breach of these covenants, conditions, reservations, restrictions, or for imposing restrictions herein which may be unenforceable by the Association.

Provided, further, that in the event any one or more of the foregoing covenants, conditions, reservations, or restrictions shall be declared for any reason, by a court of competent jurisdiction, to be null and void, such judgment or decree shall not in any manner whatsoever affect, modify, change, abrogate, or nullify any of the covenants, conditions, reservations, or restrictions not so declared to be void, but all of the remaining covenants, conditions, reservations, and restrictions not so expressly held to be void shall continue unimpaired and in full force and effect, and

Provided, further, that in the event the provisions hereunder are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which the same shall be effective, then in that event such terms shall be reduced to a period of time which shall not violate the rule against perpetuities as set forth in the laws of the State of North Carolina.

Provided, further, that such premises shall be subject to any and all rights and privileges which the City of Fayetteville or the County of Cumberland, North Carolina, may have acquired through dedication or the filing or recording of maps or plats of such premises, as authorized by law, and provided further, that no covenants, conditions, reservations, or restrictions, or acts

performed shall be in conflict with any city or county zoning ordinance or law.

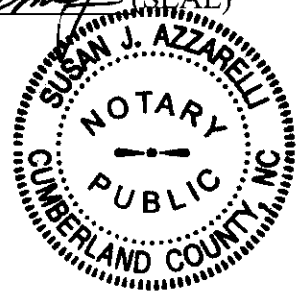
ARTICLE XIII

CONFLICTING PROVISIONS

To the extent the provisions of this Declaration conflict with any applicable provisions of the Fayetteville City Code or Chapter 47C of the General Statutes of North Carolina, the conflicting provision of the City Code or the North Carolina Statute and the City Code, the North Carolina Statute shall control.

IN WITNESS WHEREOF, Measamer/West, LLC, has caused this instrument to be executed on this the 25 day of May, 2006.

By: *Percy R. Measamer Jr.* (SEAL)



STATE OF NORTH CAROLINA

COUNTY OF CUMBERLAND

I, *Susan J. Azzarelli*, a Notary Public of said County and State, do hereby certify that *Percy R. Measamer Jr.*; personally appeared before me this day and acknowledged the due execution of the foregoing document for the purposes therein expressed.

WITNESS my hand and notarial seal this *25th* day of *May*, 2006.

Susan J. Azzarelli
Notary Public

My Commission Expires: *5/16/2009*