

(N.P. SEAL) 004707

53 PN

RECEIVED
2- 1-2006 AM 8:16:57
J. LEE WARREN JR.
REGISTER OF DEEDS
CUMBERLAND CO., N.C.

Prepared by and mail to:
Kenneth C. Praschan, P.A.
2547 Ravenhill Road
Fayetteville, N.C. 28303

NORTH CAROLINA

CUMBERLAND COUNTY

RESTRICTIVE COVENANTS
LAKESIDE AT SNOW HILL

THIS DECLARATION, made this the 23rd day of January, 2006, by LAKESIDE AT SNOW HILL, INC., a North Carolina corporation, with its principal place of business in Cumberland County, North Carolina, hereinafter referred to as the "DECLARANT";

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Fayetteville, Cumberland County, North Carolina, which is known as LAKESIDE AT SNOW HILL, PHASE ONE, SECTION ONE, a zero lot line development as shown on plat recorded in Book of Plats 116, Page 54, Cumberland County, North Carolina Registry;

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the above described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE ONE

DEFINITIONS

Section 1. "Association" shall mean and refer to Lakeside at Snow Hill Homeowners Association, Inc.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Associations.

Section 4. "Lot" shall mean and refer to any plot of land shown upon the recorded subdivision map of Lakeside at Snow Hill, Phase One, Section One.

Section 5. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners. Common Area may be added in future sections of Lakeside at Snow Hill.

Section 6. "Declarant" shall mean and refer to Lakeside at Snow Hill, Inc., a North Carolina corporation, its successors and assigns, if such successors and assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean this instrument as it may be from time to time amended or supplemented.

Section 8. "Eligible Mortgage Holder" or "Eligible Holder" is defined as a holder of a first mortgage or lien on a Lot who has requested notice of certain matters from the Association.

Section 9. "Mortgagee" shall mean a beneficiary under a mortgage or deed of trust.

ARTICLE TWO

Section 1. **Owner's Easement of Enjoyment.** The title to the common area shall be preserved to the perpetual benefit of the owners association. Every Owner shall have a 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 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 members agreeing to such dedication or transfer has been recorded. If ingress or egress to any lot is through the Common Area, any conveyance or encumbrance of such area shall be subject to the lot owner's easement. The Association shall not have the right to exercise the provisions of this paragraph until Declarant has sold 98% of the lots that are of record in the office of the Register of Deeds of Cumberland County at the time the Association exercises its rights under this paragraph. This limitation in favor of the Declarant shall automatically terminate 30 years from the date of recordation of these covenants.

- 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 or contract purchasers who reside on the property. If the Lakeside at Snow Hill Homeowners Association, Inc. builds a clubhouse it may limit the use to the landowners and not allow the use of the clubhouse by renters.

ARTICLE THREE EASEMENTS

Section 1. Easements are reserved as necessary in the Common Areas for installation and maintenance of underground utilities, drainage facilities and irrigation systems(s) and retention pond(s).

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 maintenance to the Common Area.

Section 3. Each lot and all Common Areas and facilities are hereby subject to an easement for the repair, maintenance, inspection, removal, relocation or other service of or to all utility, drainage, irrigation, or other Common Areas and facilities, whether or not the cause of any or all of those activities originates on the unit on which the work must be performed.

Section 4. Ingress and egress is reserved for pedestrian traffic over, through and across sidewalks, paths, walks, and lanes as the same from time to time may exist upon the common areas and facilities.

Section 5. An easement is hereby granted to all police, fire protections, ambulance and all similar persons, companies or agencies performing emergency services to enter upon the lots and Common Areas in the performance of their duties.

Section 6. All easements and rights described herein are easements appurtenant, running with the land, and shall inure to the benefit of and be binding on the undersigned, its successors and assigns, and any owner, purchaser, mortgagee, and other person having an interest in said land, or any part or portion thereof, regardless of whether or not reference to said easement is made in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Declaration.

Section 7. The Declarant reserves the right to subject the real property in this subdivision and any additions thereto to a contract with Progress Energy Carolinas for the installation of street lighting which requires a continuing monthly payment to Progress Energy Carolinas by each residential customer owner.

ARTICLE FOUR

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment 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 two classes of voting membership:

- a. Class "A". Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. 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 the Lot.
- b. Class "B". Class B members shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier;
 1. 98% of all lots have been sold by Declarant; or
 2. December 31, 2035.

ARTICLE FIVE

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. **Creation of the Lien and Personal Obligation of Assessments.** The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association:

- a. Annual assessments or charges; and
- b. Special assessments for capital improvements, such assessments shall be established and collected as hereinafter provided.

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

- c. Notwithstanding anything to the contrary set out herein, Declarant shall not be responsible for any assessments on Lots it owns when a plat is recorded for each phase or section. A Builder who has obtained a lot or lots from the Declarant for construction of a new home on each lot shall not be responsible for any assessments on Lots it owns until one year from the date of recorded conveyance of the lot to the Builder should said lot or lots not been sold to a new Owner of the home and lot.
- d. Upon the closing of the sale of the home and lot to a new Owner an initial two (2) months of assessments shall be collected from the new Owner. The monthly assessments of the new Owner shall begin the first of the month following the closing of the home and lot to the new Owner.
- e. The lien of any assessment is subordinate to the lien of any first mortgage. Mortgagees are not required to collect assessments. Failure to pay assessments does not constitute a default under a first or insured mortgage.

Section 2. Purpose of Assessment. The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the residents in the Properties and for the improvements and maintenance of the Common Area.

Section 3. Maximum Monthly Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum monthly assessment shall be \$40.00 per Lot.

- a. From and after January 1 of the year immediately following the conveyance of the first Lot to Owner, the maximum annual assessment may be increased each year not more than ten percent (10%) 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 conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above ten percent (10%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose except while the Declarant owns a lot in the subdivision including any additions the Declarant can increase the assessment without a vote of the members of each class.
- c. The Association or Declarant may fix the annual assessment at an amount not in excess of the maximum.

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 the year only for the purpose of defraying, whole or in part, the cost of any construction, reconstruction, repair or replacement of public and private capital improvements upon the Common Area, and including fixtures and private property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of either class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Liability Insurance.

- a. It shall be the duty of the Association to maintain in effect liability insurance in reasonable amounts, covering all occurrences commonly insured against death, bodily injury and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Area.
- b. Declarant and the Association shall use their best effort to insure that the insurance policies carried pursuant to subsection a shall provide that:
 1. Each unit owner is an insured person under the policy with respect to liability arising out of the interest in the Common Area or membership in the Association.
 2. The insurer waives the right to subrogation under the policy against any Lot owner or members of his household.
 3. No act or omission by any Lot owner, unless acting within the scope of its authority on behalf of the association, will preclude recovery under the policy.
- c. **Premiums.** All insurance policy premiums on the property for the benefit of the Association purchased by the Board of Directors or its designee and any deductibles payable by the Association upon loss shall be a common expense and the Association shall levy against the Owners equally as an additional annual assessment, (herein called "Insurance Assessment") which shall be in addition to the amounts provided for under Section 3 above, an amount sufficient to pay the annual cost of all insurance premiums.
- d. **Policies.** All insurance policies purchased by the Board of Directors shall be with a company or companies permitted to do business in the State of North Carolina and holding a rating of "A" or better by the current issue of Best's Insurance Reports. All insurance policies shall be written for the benefit of the Board of Directors and the Lot owners and their mortgagees as their respective interests may appear.

Section 6. Notice and 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 and 4 shall be sent to all members not less than ten (10) days nor more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of all the votes of each class of membership shall constitute a quorum. However, while the Declarant owns a lot in the subdivision or any additions thereto, should only the Class B member attend a duly called meeting, the Class B member attending said meeting shall constitute a quorum. The required quorum at the subsequent meeting shall be one-half of the required quorums at the preceding meeting.

Section 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly, quarterly, semi-annual or annual basis.

Section 8. Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following conveyance of the Common Area, except as stated herein. 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 thirty (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 monthly, quarterly, semi-annually, or annually. 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. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 9. Effect of Nonpayment of Assessments and Remedies of the Association. Any assessment levied against a Lot remaining unpaid for a period of thirty (30) days or longer shall constitute a lien on that Lot when filed of record in the Office of the Clerk of Superior Court in the manner provided therefore by Article 8 of Chapter 44 of the General Statutes. The Association's lien may be foreclosed in like manner as a mortgage on real estate under power of sale under Article 24 of Chapter 45 of the General Statutes. Any such unpaid assessments shall bear interest from the due date at the rate of twelve percent (12%) per annum. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

Section 10. 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, 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 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 certificates 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 11. Working Capital Assessment. At the time title is conveyed to an Owner, each Owner shall contribute to the Association as working capital reserve an amount equal to a two (2) months estimated Common Area assessment. Such funds shall be used solely for initial operating and capital expenses of the Association, such as pre-paid insurance, supplies and maintenance of the Common Areas and facilities, and equipment, etc. Amounts paid into the working capital fund are not to be considered as advance payments of regular assessments. Any working capital funds remaining at the end of the first full operating year shall be transferred to and become part of the general funds of the Association, in the discretion of the Board of Directors.

Section 12. Rights of Eligible Mortgage Holders. To the extent permitted by law, an eligible mortgage holder upon written request to the Association, identifying the name and address of the holder, will be entitled to timely notice of:

- a. Any condemnation, loss or casualty loss which affects a material portion of the project for any Lots on which there is a mortgage held by such eligible mortgage holder.
- b. Any delinquency in payment of assessments or charges owed by and Owner of the Lot subject to a first mortgage held, by such Eligible Holder, which remains uncured for a period of sixty (60) days.
- c. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
- d. Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders.
- e. In addition to the foregoing rights, the Eligible Mortgage Holders shall be afforded the following rights subject to the extent permitted by law and as allowed by the North Carolina General Statutes as they now exist or as may be amended from time to time.
 - (i) Any election to terminate the legal status of the project after substantial destruction or a substantial taking in condemnation of the Common Area must require the approval of at least fifty-one percent (51%) of the votes of the unit estates subject to the approval of the Declarant or Association and subject to Eligible Mortgage Holders.
 - (ii) Unless otherwise provided in the Declaration or By-Laws, no reallocation of interest in the Common Areas resulting from a partial condemnation or partial destruction of the Common Area may be effected without the prior approval of Eligible Holders holding mortgages on all remaining unit estates whether existing in whole or in part, and which have at least fifty-one percent (51%) of the votes of such remaining unit estates subject to Eligible Holders of mortgages.
 - (iii) Notwithstanding the above, an election by the Association to dedicate all or part of the Common Area to a governmental authority shall not require the consent of Eligible Mortgage Holders.

ARTICLE SIX USE RESTRICTIONS

Section 1. Land Use. All lots in the tract known and described as residential lots may be developed as traditional, single-family residences except that one residence or dwelling shall be permitted on any one lot.

Section 2. Building Type. No structure shall be erected, altered, placed or permitted to remain on any single-family building lot other than one detached single-family dwelling not to exceed two stories in height and a private garage for not more than three cars and other outbuilding incidental to residential use of the lot. Such outbuilding erected, altered, placed or permitted shall be

of the same quality, workmanship and material as the principal dwelling structure and will be erected and placed to the rear of the dwelling structure.

No mobile homes, double-wide mobile homes, single-wide mobile homes or manufactured homes or homes of a similar like that are not built on site but are primarily built off-site shall be erected, altered, placed or permitted to remain on any single-family building lot.

Section 3. Set Back Requirements. The building line for any dwelling house or the buildings appurtenant thereto shall be not less than thirty (30) feet from the right-of-way line on which the dwelling fronts, not less than five (5) feet from either side line and not less than five (5) feet from the rear property line. For interior lots that are abutting the subdivision boundary, the applicable setbacks as per R-10 zoning regulations shall be followed.

With respect to corner lots, the building line for any dwelling house or the buildings appurtenant thereto shall be as follows:

The building line shall be not less than thirty (30) feet from the right-of-way on which the dwelling house fronts and not less than thirty (30) feet from the side right-of-way, and not less than five (5) feet from the interior side line, and not less than five (5) feet from the rear property line. For interior lots that are abutting the subdivision boundary, the applicable setbacks as per R-10 zoning regulations shall be followed.

For the purpose of this covenant, eaves, steps and overhangs shall not be considered as a part of the building, provided however, that this shall not be construed to permit any portion of any improvement on a lot to encroach upon another lot.

Section 4. Minimum Size of Each Dwelling. No single story dwelling shall be constructed on a Lot which shall have heated are living space constituting ground coverage on one or more levels of less than 1200 square feet.

Heated area living space shall mean the ordinary living space in a house that is designed and constructed so as to be capable of being heated for regular living use in cold weather. In the computation of floor space, furnace room areas, garages, and porches shall not be counted.

Section 5. Driveways. All driveways shall be constructed of concrete.

Section 6. Landscaping. All lots will be properly graded and sodded in the front yard up to the front line of the house and with shrubbery and bedding materials. All lots will have one tree a minimum of 12' tall planted in the front yard. The side and rear yards may be seeded.

Section 7. Sidewalks. At the time of constructing a single-family residence the builder shall install a four (4') foot wide and five (5") inches thick sidewalk constructed of concrete. The sidewalk to be installed at the time the driveway is installed. The sidewalk shall be located within the right-of-way abutting the rolled concrete curb running the length of the lot from the driveway to the side lot lines on either side of the driveway.

Section 8. Temporary Structures. No trailer, tent, shack, garage, barn, outbuilding or similar type temporary structure shall be placed, erected or allowed to remain on said property without the written consent of the declarant or the Association when the declarant does not own any lot in the subdivision or any additions thereto. Nor shall any structure of a temporary character be used as a residence temporarily, permanently, or otherwise.

Section 9. Restricted Activities. No commercial, noxious or offensive trade or activity shall be carried on or upon any lot, nor shall anything be done which may be or become an annoyance or nuisance to the neighborhood.

Section 10. Animals. No animals or poultry of any kind, except common pets, shall be placed or kept on any part of the premises. No dangerous dogs shall be permitted on the premises.

Any dog pens or any fenced area housing a dog must be located behind the main structure and must be located within 30 feet of the main structure.

No barns, stables or other outbuildings for the purpose of maintaining horses, hogs, or other livestock or poultry shall be permitted on any lot.

Section 11. Motor Vehicles. No automobile or motor vehicle may be dismantled or repaired on said property. No mechanically defective automobile, motor vehicle, mechanical devise, machine, machinery, or junk car shall be placed or allowed to remain on said property at any time. No commercial trucks, with the exception of not more than one full sized commercial pick up truck shall be permitted to be parked on the premises except in the course of delivery, pick up, or discharge of a specific commercial duty. No tractor-trailer trucks to be parked or to stay overnight on the street or in the yard except moving vans that are conducting business.

Section 12. Fences. In no case shall any fence be erected which shall extend closer to the street than the rear corner of a house. All fence materials shall consist of exterior grade lumber, vinyl or brick not to exceed six (6) feet in height. All wood posts will be set in concrete. No chain link fences will be allowed. All fences shall be placed a minimum of six (6") inches inside the property line. Any deviations from these requirements will require declarant approval or the Association when the declarant does not own any lot in the subdivision or any additions thereto.

Section 13. Exterior Alterations. No exterior alterations, additions, or changes of any kind may be made to the structure or design of an existing residence and improvements now on said property without the written consent of the developer as long as developer owns at least one lot in the subdivision.

Section 14. Mailboxes. A mailbox, style to be determined by the Declarant, shall be required for each single-family dwelling and shall be placed in a uniform location meeting applicable regulations.

Section 15. Satellite Dishes and Radio Antennas or towers. No radio tower or antenna of any nature shall be placed or allowed to remain on said property. No satellite dish antenna larger than eighteen (18) inches in diameter shall be placed or allowed to remain on said property. No permitted satellite dishes shall be installed in such a manner or location so as to be visible from the front of any Lot.

Section 16. Clothes Lines. No outside clotheslines shall be permitted on the premises.

Section 17. Signs. No signs or billboards of any kind or nature whatsoever shall be placed on the property except as specifically set forth in this section. The only permitted signs on the property shall be: (1) Declarant's signs identifying and promoting the subdivision; and (2) one "For Sale" or "For Rent" sign of not larger than eight (8) square feet in area may be placed on a Lot.

Section 18. Right of Way. The right of way for streets as shown on the recorded plat shall not be used for any purpose other than ingress and egress and placement of one mailbox on a break away pole and sidewalks for each lot. Any shrubbery, edging, fencing, rocks, basketball goals or other objects placed in the right of way (the area between the front property corners and the actual pavement) may be removed by the Declarant or Association without notice. Any trucks or other commercial vehicles left in a right of way overnight may be removed without notice and any towing charges shall be the responsibility of the owner or operator of such vehicle.

Section 19. Partition or Re-Subdivision. No lot in the subdivision shall be partitioned divided, or resubdivided, except for the purpose of adding all or a portion of said lot to an adjacent lot, in which instance that portion of a lot which is added to an adjacent lot shall be and become merged into and a part of a lot to which it is added, for all purposes set forth in this Declaration. In such instance, the outside boundaries of the combined property shall be deemed to constitute the front, side, and rear lines of a single lot for the purposes of these Restrictive Covenants. In no instance, however, shall any structure permitted by these Restrictive Covenants be placed upon property comprised on combined portions of one or more lots unless the outside dimensions thereof are at least equal to the smallest lot depicted and described upon the recorded plat of the Subdivision.

Section 20. No improvements, wall, walk, edgings or other construction of any sort using brick, block or similar material used separately or in combination, may be placed or allowed to remain on any lot unless laid with mortared joints by a professional bricklayer engaged in the business of laying brick or block or doing masonry construction work except by prior written approval of the declarant or the Association when the declarant does not own any lot in the subdivision or any additions thereto. All outside foundations shall be of brick or block, with the exception of what may be underground. No residence or structure using exposed cinder block wall shall be placed upon said property.

ARTICLE SEVEN UTILITIES AND UTILITY AND DRAINAGE EASEMENTS

Section 1. Utilities. The Declarant reserves the right to subject the real property in this subdivision to a contract with Progress Energy, Cablevision, Public Works Commission (PWC) or

any other utility company approved by the North Carolina Utilities Commission for the installation of underground electric cables and/or installation of street lighting, either or both of which may require an initial payment and/or continuing monthly payment to Progress Energy or such other utility by the Owner of each lot. All Owners shall be responsible for the payment of all monthly fees and other associated costs, including maintenance, arising from said street lights to the Progress Energy or any other applicable utility company.

Section 2. Utility and Drainage Easements. Easements for installation and maintenance for utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be place or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage, or which may obstruct or retard the flow of water. All areas indicated as streets and easements on the recorded plat are hereby dedicated to public use for such uses forever. A five (5') foot drainage easement is reserved by Declarant on all side and rear lot lines on all lots in the subdivision.

ARTICLE EIGHT GENERAL PROVISIONS

Section 1. Amendment. It is understood and agreed, and the present owners and all subsequent owners expressly agree by the acceptance of land within the above described subdivision that the covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years.

This declaration may be amended by an instrument signed by not less than sixty-six percent (66%) of the Lot Owners.

Notwithstanding anything contained herein, these restrictive covenants may be amended at any time by the Declarant so long as the Declarant owns any one lot contained in Lakeside at Snow Hill, Section One or any additional annexed sections.

Any amendment must be recorded.

Section 2. Enforcement. If the parties hereto, or any of them or their heirs or assigns shall violate or attempt to violate any of the covenants herein it shall be lawful for any other person or persons owning real property situated in said development or subdivision or the Association to prosecute any proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration against the person or persons violating or attempting to violate said covenants either to prevent him or them from so doing or to recover damages or other dues for such violation.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 4. Zero Lot Line Development. It is the intent of the Declarant that some or all of the properties described herein may be developed as a zero lot line development. The applicable provisions of the County of Cumberland Code are incorporated herein by reference.

Section 5. Lots Subject to Declaration. All present and future owners, tenants and occupants of Lots and their guests or invitees shall be subject to, and shall comply with the provisions of the Declaration, and as the Declaration may be amended from time to time. The acceptance of a deed of conveyance or the execution of a lease or the entering into occupancy of any lot shall constitute an agreement that the provisions of the Declaration are accepted and ratified by such owner, tenant or occupant. The covenants and restrictions of the Declaration shall inure to the benefit of and be enforceable by the Association, or the Owner of any lot, their respective legal representatives, heirs, successors and assigns, and shall run with and bind the land and shall bind any person having at any time any interest or estate in any lot as though such provisions were made a part of every deed of conveyance or lease.

ARTICLE NINE CONFLICTING PROVISIONS

To the extent the provisions of this Declaration conflict with any applicable provisions of the County of Cumberland Ordinance or North Carolina General Statute, the conflicting provisions of the County of Cumberland Ordinance or North Carolina General Statute shall control.

ARTICLE TEN ANEXATION OF ADDITIONAL PROPERTIES

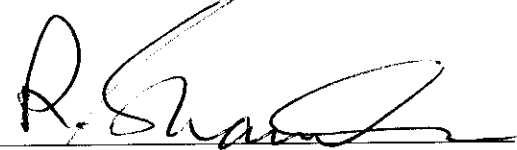
Section 1. Except as provided in Sections 2 and 3, below, annexation of additional property shall require the assent of two-thirds (2/3) of the Class A members, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than the (10) days nor more than fifty (50) days in advance of the meeting.

Section 2. If the Declarant, successors or assigns, shall develop all or any portion of any land contiguous to the property which is subject to this Declaration, such additional tract or tracts may be annexed to said properties without the consent of the Class A members, provided, however, the development of the additional tract described in this section shall be in accordance with the same general scheme of development as Lakeside at Snow Hill, Phase One, Section One, and shall contain no more than 250 lots.

Section 3. The rights of Declarant reserved in Section 2 above shall expire automatically on December 31, 2035, if not exercised prior thereto unless Declarant has sold at least 98% of the lots.

To the true and faithful performance of these covenants and agreements, Lakeside at Snow Hill, Inc., has caused this instrument to be signed in its name by its President, all by proper authority duly granted by its Board of Directors, this the 23rd day of January, 2006.

LAKESIDE AT SNOW HILL, INC.


BY: 
RAJAN SHAMDASANI,
PRESIDENT

NORTH CAROLINA

CUMBERLAND COUNTY

I, a Notary Public of the County and State aforesaid, certify that RAJAN SHAMDASANI, personally came before me this day and acknowledged that he is President of LAKESIDE AT SNOW HILL, INC., a corporation, and that he, as authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official seal on January 23, 2006


NOTARY PUBLIC

My Commission Expires:

6-13-07

