

For Registration Kimberly S. Hargrove  
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DECLARATION OF COVENANTS,  
CONDITIONS, EASEMENTS AND  
RESTRICTIONS FOR THE MANORS  
AT LEXINGTON PLANTATION  
SUBDIVISION

Prepared by and Return to:

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THIS DECLARATION, made on the date hereinafter set forth by P.F. Development Group, Inc., a North Carolina corporation (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Harnett County, State of North Carolina, to be known as the "THE MANORS AT LEXINGTON PLANTATION", which property is more particularly described on Exhibit A attached hereto and incorporated herein by reference;

WHEREAS, it is the desire and intention of Declarant to impose on that Property described on Exhibit A attached hereto, additional restrictions, conditions, easements, covenants and agreements under a general plan or scheme of improvement for the benefit of all Property herein described and the future owners thereof; and,

NOW, THEREFORE, Declarant hereby declares that all of the Property described on Exhibit A 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 title to, the Property, and be binding on all parties having any right, title or interest in the described Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner and subsequent owner thereof.

ARTICLE I  
DEFINITIONS

"Additional Property" shall mean and refer to all property within the boundaries shown on the general plan of development for the residential subdivision known as "Lexington Plantation," of which the Property is a part, now or hereafter submitted to Harnett County or other appropriate local governmental authority, together with any other property located adjacent to the Property. For the purpose of determining whether property is

adjacent to the Property, the rights of way of public roads and utilities, as well as rivers and streams, shall be deemed not to separate otherwise adjacent property.

"Articles" shall mean the Articles of Incorporation of the Association as filed with the Secretary of State of the State of North Carolina, as the same may be from time to time amended.

"Association" shall mean and refer to The Manors at Lexington Plantation Homeowners Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

"Board" or "Board of Directors" shall mean those persons elected or appointed and acting collectively as the Board of Directors of the Association.

"Builder" shall mean any Owner of a Lot that is in the business of constructing residential dwellings for sale to consumers who/which has purchased and continues to own the Lot for such business purpose; provided however that an Owner will cease to be a Builder as to any Lot at such time as the Lot is occupied for residential purposes.

"Bylaws" shall mean the document for governance of the Association as adopted initially by the Board of Directors and as may be amended by the Members.

"Common Areas" shall mean all real property and any improvements constructed thereon, if any, owned by the Association (whether owned in fee or by way of license or easement) for the common use and enjoyment of the Owners or Members of the Association, as may be designated on any map or plat of the Property recorded by or with the consent and approval of the Declarant during the Declarant's Development Period, or thereafter by or with the consent and approval of the Association, in the discretion of its Board. Common Areas shall specifically include but shall not be limited to: (a) all water lines and sewer lines which serve the Property that are located outside of any public right-of-way or easement and not otherwise to be maintained by the public (excluding those lines serving a single Lot); (b) all storm drainage pipes or facilities, and any detention pond which serves the Property located outside of any public right-of-way or easement and not otherwise to be maintained by the public, (excluding those facilities serving a single Lot); (c) all subdivision signage and associated easement areas, including but not limited to subdivision entry marquees, monuments, fencing, landscaping, sprinkler systems, lighting and other related improvements, if any; and (d) any one or more licenses or easements conveyed to the Association pursuant to the provisions of Article II, Section 5. Declarant reserves the right, in its sole discretion, from time to time and without the consent of the Association or its Members, to convey or cause to be conveyed to the Association additional property, which property shall be accepted by the Association any such conveyance of property (whether conveyed in fee or by way of license or easement) and thereafter such property shall be held and maintained by the Association as Common Areas. Improvements, which may include, but shall not be limited to, roadways, sidewalks, landscaped areas, entrance features including monuments, lighting and irrigation systems, recreational amenities, retention or detention ponds or other erosion control devices, may be located on such additional Common Areas.

"Common Expenses" shall mean and include, as applicable: (a) all sums lawfully assessed by the Association against its members; (b) expenses for maintenance of the roads, streets, private road, rights-of-way, Department of Transportation right-of-way easements, and, as determined by the Association or the Board, maintenance of ditches within the right-of-way easements; and any amenities as provided in this Declaration; (c) expenses of administration, maintenance, repair, or replacement of the Common Areas, including expenses of maintenance of the subdivision entry marquees, lighting, irrigation and landscaping located at the entrance to the Subdivision and or located on any of the Common Areas within the Subdivision; (d) expenses declared to be common expenses by the provisions of this Declaration or the Bylaws; (e) hazard, liability, or such other insurance premiums as the Declaration or the Bylaws may require the Association to purchase; or as the Association may deem appropriate to purchase; (f) all taxes and public assessment charges lawfully levied

against Common Areas and/or the Association; (g) the expense of the maintenance of private drainage and utility easements and facilities that are within the boundaries of the Property, cross Common Areas of the Property and serve both the Property and lands adjacent thereto; and (h) any other expenses determined by the Board or approved by the members to be common expenses of the Association.

"Declarant" shall mean and refer to the PF Development Group, Inc., a North Carolina corporation, its successors and assigns, to whom the rights of Declarant hereunder are expressly transferred, in whole or in part, and subject to such terms and conditions as Declarant may impose, all of which rights, including Declarant's voting, architectural review, easement and development rights, shall be assignable and may be apportioned on a lot-by-lot basis.

"Declarant's Development Period" shall mean and refer to the period of time commencing on the date this Declaration is recorded in the Office of the Register of Deeds, Wake County, North Carolina, and continuing until the earlier of: (i) such time as Declarant shall no longer have the right to annex any portion of the Additional Property pursuant to the provisions of Article II, Section 4 hereof; or (ii) one (1) year after Declarant shall no longer own any portion of the Property or the Additional Property for the purpose of development or sale.

"Lot" shall mean and refer to any separately numbered plot, parcel, or tract of land shown on any now or subsequently recorded subdivision map or plat of any portion of the Property with the exception of the Common Areas and dedicated streets or open spaces, and shall include any improvements constructed thereon and "Lots" shall refer to all such lots collectively.

"Member" shall mean and refer to every person or entity who/which holds membership in the Association.

"Notice" herein required to be give shall be in writing and shall be deemed delivered upon the earlier of (i) actual receipt or (ii) three (3) business days after mailing when sent by U.S. mail, postage prepaid, first class and appropriately addressed, which in the case of an Owner shall include the address of the Lot owned by the Owner.

"Owner" or "Lot 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 Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. A "consumer-occupant Lot Owner" is the Owner of a Lot that is occupied by one or more of the Owners of such Lot or a Builder who/which has leased the dwelling located on such Builder's lot for use as a residential dwelling.

"Person" shall mean and refer to any individual, corporation, partnership, association, trustee or other legal entity.

"Property" shall mean and refer to that certain real property hereinbefore described and as more fully described on Exhibit "A" attached hereto, and such additions thereto as may hereafter be brought within the jurisdiction of the Association. Declarant reserves the right to annex additional Lots into the Property.

## ARTICLE II PROPERTY RIGHTS; ADDITIONAL PROPERTY

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Areas together with and including the right of access, ingress and egress, on and over the Common Areas, all of 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 suspend the voting rights and the right to use the recreational or other Common Area facilities, if any, by an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(b) the right of the Association, pursuant to Section 47F-3-112 of the Planned Community Act and with the consent of the Members entitled to cast at least eighty percent (80%) of the votes of each class of Members of the Association, to dedicate or transfer fee title to all or any part of the Common Areas for such purposes and subject to such conditions as may be agreed to by the Members consenting to such dedication or transfer (any such instrument of conveyance shall be effective if it is executed on behalf of the Association by its duly authorized officers and recites that the requisite consent of Members has been obtained and documented in the Minute Book of the Association); provided, however, during Declarant's Development Period, Declarant must also consent to such action and join in the execution of such instrument, and further provided that no such dedication or transfer shall interfere with or obstruct utility service to, or ingress, egress and regress to or from, the Lots or any remaining Common Areas or cause any Lot or any remaining Common Areas to fail to comply with applicable laws, regulations or ordinances;

(c) the right of the Association to borrow money for the purpose of improving the Common Areas and facilities thereon and, with the assent of the Members entitled to cast at least eighty percent (80%) of the votes of each class of Members of the Association, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred (any such mortgage shall be effective if it is executed on behalf of the Association by its duly authorized officers and recites that the requisite consent of Members has been obtained and documented in the Minute Book of the Association); provided, however, during Declarant's Development Period, Declarant must also consent to such action, and further provided that no such mortgage, encumbrance or hypothecation or foreclosure of the lien thereby created shall interfere with or obstruct drainage rights in favor of, utility service to, or ingress, egress and regress to or from, the Lots or any remaining Common Areas or cause any Lot or any remaining Common Areas to fail to comply with applicable laws, regulations or ordinances;

(d) the right of the Association, in the discretion of its Board, to dedicate or transfer non-exclusive easements on, over and upon all or any part of the Common Areas for such purposes and subject to such conditions as may be agreed to by the Association's Board; provided, however, no such dedication or transfer shall interfere with or obstruct drainage rights in favor of, utility service to, or ingress, egress and regress to or from, the Lots or any remaining Common Areas or cause any Lot or any remaining Common Areas to fail to comply with applicable laws, regulations or ordinances and no such dedication or transfer shall be effective unless an instrument executed on behalf of the Association by its duly authorized officers, agreeing to such dedication or transfer, has been recorded;

(e) the easements herein reserved by Declarant or created in favor of the Association, including, without limitation the easements set forth in Article VIII hereof; and

(f) the right of the Association to impose rules and regulations for the use and enjoyment of the Common Areas and improvements thereon, which regulations may further restrict the use of the Common Areas, and specifically including the right to establish rules and regulations concerning any controlled access gate or gatehouse and/or parking and vehicular traffic flow on and along the streets and roadways, whether public or private, within or abutting the Property which rules and regulations may restrict or prohibit on-street parking and may be enforced by towing at the expense of the vehicle's owner and/or any Owner of a Lot to which such violation reasonably may be attributed, by reasonable fine levied against the vehicle's owner and/or any Owner of a Lot to which such violation reasonably may be attributed, or by any other reasonable method of enforcement established by the Association's Board.

Section 3. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Areas to the members of his family, his tenants, or contract purchasers who reside on the Property, but may not delegate or assign responsibility for the actions of those to whom such right is delegated.

Section 4. Annexation of Additional Property. All or any portion of the Additional Property may be annexed by the Declarant without the consent of Members within fifteen (15) years of the date of this instrument. Declarant shall have no obligation of any kind to annex any or all of the Additional Property and, should Declarant elect to annex all or any portion of the Additional Property, Declarant shall have no obligation of any kind to annex the Additional Property in any particular sequential order. Should Declarant elect to annex all or any portion of the Additional Property and accordingly to subject such property to the terms and conditions of this Declaration, Declarant shall record in the Harnett County Registry a Declaration of Annexation duly executed by Declarant, describing the lands annexed and incorporating the provisions of this Declaration. With regard to all or any part of the Additional Property so annexed by Declarant, Declarant shall have the right to set forth in the Declaration of Annexation such additions and/or modifications of the covenants and restrictions contained in this Declaration as may be deemed necessary or convenient, in the sole judgment of the Declarant, to facilitate the development of the added properties, but any such additions and/or modifications shall have no effect upon the properties previously subjected to this Declaration. With regard to any portion of the Additional Property not annexed by Declarant, Declarant makes no representations with regard to the use of such property or the exterior appearance, design, size or intended purpose of any improvements now or hereafter erected on such property.

Section 5. Shared Open Space and Recreational Amenities. The Common Areas shall include any rights conveyed by one or more licenses or easements to the Association for the benefit of its Members providing for the use, in common with others, of open spaces and/or certain recreational amenities located on any portion of the property within the boundaries shown on the general plan of development for the residential subdivision known as "Lexington Plantation," of which the Property is a part, now or hereafter submitted to Harnett County or other appropriate local governmental authority (the "Shared Amenities"). Any such license or easement may require that the Association contribute to the cost of owning, maintaining and utilizing the Shared Amenities and all such required contributions shall be a Common Expense hereunder.

### ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Every record Owner of a Lot that is subject to Assessments shall be a Member of the Association. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot that is subject to Assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Lot 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; however, the vote for such Lot shall be exercised as they among themselves determine, or as set forth in the Bylaws, but in no event shall more than one vote be cast with respect to any Lot. Fractional voting is prohibited. In the event that two or more Lots are recombined to form one Lot, the owner of the new Lot shall only be entitled to one vote for the new Lot. Likewise, in the event that one Lot is subdivided to form two or more Lots, the owners shall be entitled to one vote per new Lot.

Class B. The Class B Member shall be the Declarant and Declarant shall be entitled to one hundred (100) votes for each Lot owned and for each portion of the Additional Property identified by Declarant

as intended to be used for a single family detached home site to be annexed into The Manors at Lexington Plantation. The Class B membership shall terminate and cease to exist and shall be converted to Class A membership on the happening of one of the following events, whichever occurs first: (a) a specific written termination recorded by Declarant in the Office of the Register of Deeds of Harnett County, North Carolina; (b) when the total votes outstanding in the Class A membership is equal to or exceeds the total votes outstanding in the Class B membership; provided, however, that the Class B membership shall be reinstated with all rights, privileges, responsibilities and voting power if, after conversion of the Class B membership to Class A membership, as provided hereunder, additional lands are annexed to the Property, or Declarant identifies additional single family detached home sites within the Additional Property intended to be annexed into The Manors at Lexington Plantation; or (c) December 31, 2027.

Section 3. The right of any Member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations and the Articles and Bylaws of the Association and according to the provisions of Article II, Section 2(a) herein.

Section 4. Notwithstanding anything contained herein to the contrary, until the earlier of December 31, 2027 or sixty (60) days after Declarant has conveyed ninety percent (90%) of the lots shown on the general plan of The Manors at Lexington Plantation submitted to Harnett County, North Carolina, or other appropriate local governmental authority. Declarant shall have the right to designate and select two-thirds majority of the Board of Directors of the Association. Whenever Declarant shall be entitled to designate and select any person or persons to serve on any Board of the Association, the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or Bylaws of the Association, and Declarant shall have the right to remove any person or persons selected by it to act and serve on said Board and to replace such person or persons with another person or other persons to act and serve in the place of any member or members of the Board so removed for the remainder of the unexpired term of any member or members of the Board so removed. Any Board member designated and selected by Declarant need not be a resident of the Property. Except as otherwise provided in the Bylaws with respect to the filling of vacancies, any members of the Board which Declarant is not entitled to designate or select shall be elected by the Members of the Association.

#### ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed thereof, whether or not it shall be so expressed in such deed, is deemed to covenant, and agree to pay: (a) to the Association: (i) annual and other assessments and charges provided for herein, together with interest, and late fees, costs and reasonable attorneys' fees; (ii) special assessments, such assessments to be established and collected as hereinafter provided; and (b) to the appropriate governmental taxing authority: (i) a pro rata share of any ad valorem taxes levied against the Common Areas; and (ii) a pro rata share of any assessments for public improvements to or for the benefit of the Common Areas, if the Association shall default in the payment of either or both. All assessments and charges provided for herein, together with interest, and late fees, 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 such assessment is made when a claim of lien is filed of record in the Office of the Clerk of Superior Court, Wake County, North Carolina. Each such assessment and charge, together with interest, any late fees, costs and reasonable attorney's fees, shall also be the personal obligation of 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 for the paying of Common Expenses; and, in particular, but not limited to, for the acquisition,

improvement and maintenance of the Property, services, amenities and facilities, and for the use and enjoyment of the Common Areas, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes and public assessments assessed against the Common Areas, the Telecommunication Assessment described in Article X, Section 8 herein, any contributions or other charges relating to any Shared Amenities described in Article II, Section 5 herein, the providing for security to the Property, the procurement and maintenance of insurance in accordance with the Bylaws or as deemed appropriate by the Board, the employment of counsel, accountants and other professionals for the Association when necessary, and such other needs as may arise.

Section 3. Expected Maximum Annual Assessment: Adoption of Budget and Fixing of Annual Assessments. The Association is at all times empowered to levy assessments against the Lots and the Owners of Lots within the Property for the payment of Common Expenses. Until December 31 of the year of the conveyance of the first Lot to an Owner other than Declarant or an Affiliate, the "Expected Maximum Annual Assessment" shall be Three Hundred and Fifty Dollars (\$350.00). The Expected Maximum Annual Assessment for each subsequent fiscal year is 110% of the amount of the Expected Maximum Annual Assessment for the immediately preceding fiscal year. The Board of the Association shall not establish annual assessments in excess of the then current Expected Maximum Annual Assessment unless the budget providing for such assessments is ratified by the Members in accordance with the following procedure.

At least ninety (90) days in advance of each annual assessment period, the Board shall establish an annual budget and fix the amount of the annual assessments in advance for the following year. The Board shall determine the amount of annual assessments to be levied against each Lot by dividing the annual Common Expense liability of the Association as reflected in the budget by the total number of Lots subject to assessment hereunder. Within thirty (30) days after the adoption of the proposed budget, the Board shall send a copy of the proposed budget to the Members and shall give written notice to the Members of a meeting of the Members to consider ratification of the budget, such meeting to be held not sooner than ten (10) days nor more than sixty (60) days after the mailing of such notice. Such meeting may, but need not be, combined with the annual meeting of the Members. There shall be no requirement that a quorum be present to vote on ratification of the budget (although a quorum must be present to vote on other matters). If the budget provides for an annual assessment per Lot not in excess of the Expected Maximum Annual Assessment in effect for that fiscal year of the Association, such budget shall be deemed ratified unless Members entitled to cast at least eighty percent (80%) of the votes of the entire membership vote to reject the budget. If the budget provides for an annual assessment per Lot in excess of the Expected Maximum Annual Assessment in effect for that fiscal year of the Association, such budget shall be deemed ratified unless at that meeting Members entitled to cast at least a majority of the votes of the entire membership vote to reject the budget. If any proposed budget is rejected by the Members, the budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto, or for other extraordinary or nonrecurring Association needs, provided that any such assessment shall have the assent of the Members entitled to cast at least two-thirds (2/3) of the votes of each class of Members of the Association who are voting, in person or by proxy, at a meeting duly called for this purpose; provided, however, during the Declarant's Development Period, Declarant must also consent to such action. Except as provided below with respect to Lots owned by a "Builder," as hereinafter defined, all special assessments shall be fixed at a uniform rate for all Lots and, in the discretion of the Board, may be collected on an annual, semiannual, or monthly basis.

Section 5. Replacement Reserve. Out of the Common Expenses assessment, the Board shall create and maintain a reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Areas that the Association may be obligated to maintain. The Board may, but expressly is not required to, budget for reserves that will cover all projected costs of the repair and replacement of Common Areas for which the Association is responsible and it may rely on the funding of part or all of such costs at the time they are incurred through the then current budget. In addition, reserve funds may, in the reasonable discretion of the Board, be used to meet the current obligations of the Association.

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 4 above shall be sent to all members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to a minimum seven (7) day, maximum twenty-one (21) day notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. If at a second meeting, the requirement of one-half of the required quorum is not met, then in a subsequent meeting the requirement shall be one-fourth (1/4) of the required quorum and successive meetings may be held until a quorum is maintained by successively halving the quorum requirement of the prior meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Except as provided below with respect to any Lot owned by a "Builder," as hereinafter defined, both annual and special assessments must be fixed at a uniform rate for all Lots and shall be collected on an annual basis or other periodic basis established by the Board.

Section 8. Date of Commencement of Annual Assessments; Due Dates; Initial Working Capital. The annual assessments provided for herein shall commence as to all Lots at the time of recording of a deed from the Declarant to the initial property owner; except that Lots owned by a Builder, provided such Builder is not a consumer-occupant Lot Owner, shall be assessed at a rate of twenty-five percent (25%) of the amount of the annual assessment due. Both annual and special assessments on any Lot owned by a Builder shall accumulate and shall not be due until the earlier of (i) the date of closing of the sale of the by the Builder to a consumer-occupant Lot Owner or (ii) the date that the residence located on such Lot is put to use as a residential dwelling, whether pursuant to a lease or otherwise, and in each instance, thereafter such Lot shall be assessed and come due in the same manner as any other Lot owned by a consumer-occupant Lot Owner. 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 Board of Directors shall establish the due dates. The Association shall, upon demand, and for a reasonable charge if it deems appropriate, 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 issuance.

In addition to the regular assessments to be charged and paid hereunder, each consumer-occupant Lot Owner shall, at the time of the initial sale of a Lot by a Builder to that consumer-occupant Lot Owner, pay to the Association a sum equal to two (2) months assessment on that Lot as additional working capital of the Association. These amounts need not be segregated but may be commingled with regular assessment funds. This working capital amount shall be paid by the consumer-occupant Lot Owner notwithstanding the fact that a Builder may have made prior assessment payments to the Association on the Lot being sold pursuant to provisions of this Article IV.

Section 9. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall be delinquent, in default, and shall bear interest from the due date at the highest rate then permitted by North Carolina law not to exceed twelve (12%) per annum. The



Association may bring an action at law against the Owner personally obligated to pay the same plus interest, costs, late payment charges and reasonable attorneys' fees, or foreclose the lien against the Lot. 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.

All assessments and other charges shall be established and collected as provided in this Declaration. All assessments and other charges remaining unpaid for thirty (30) days or longer, together with late charges, interest, and the costs of collection thereof, including attorney's fees, shall be a charge on the Owner's Lot as provided in N.C. Gen. Stat. § 47F-3-116 of the Act and, upon filing of a claim of lien in the office of the Clerk of Superior Court of the county in which the Lot is located in the manner provided in N.C. Gen. Stat. § 47F-3-116(g), shall be a continuing lien upon the Lot against which such assessment is made until paid in full. The lien may be foreclosed by the Association in any manner permitted under the Act or by law. When the holder of a first mortgage or first deed of trust of record or other purchaser of a Lot who obtains title to the Lot as a result of a foreclosure of a first mortgage or first deed of trust, such purchaser and its heirs, successors, and assigns shall not be liable for the assessments and other charges against such Lot which became due prior to the acquisition of title to such Lot by such purchaser. Each assessment and other charges due hereunder, together with late charges, interest, the costs of collection thereof, including attorney's fees, shall also be the personal obligation or corporate obligation of each Person who was Owner of the Lot at the time when the assessment or other charge first became due and payable and may be collected by appropriate action at law. If more than one Person held an ownership interest in the Lot at the time the assessment or other charge first became due, then each Person shall be both jointly and severally liable. An Owner's personal obligation for payment of such assessments and other charges shall not become the personal obligation of a subsequent Owner unless expressly assumed by the subsequent Owner, although the lien shall continue against the Lot until the amounts due are paid.

Section 10. Exempt Property. Any portion of the Property dedicated to, and accepted by, a local public authority and any portion of the 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. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

#### ARTICLE V ARCHITECTURAL CONTROL.

To implement the provisions of this Article V, there is hereby established an Architectural Review Board. During Declarant's Development Period, Declarant shall have the exclusive right to (a) establish the number of persons to serve on the Architectural Review Board, which shall be not less than one (1) and not more than five (5), (b) appoint the Persons to serve on the Architectural Review Board, (c) establish the terms of service for any Person on the Architectural Review Board, and (d) determine the grounds for removal of any Person on the Architectural Review Board. Upon the expiration of Declarant's Development Period, the foregoing rights shall inure to the Association's Board.

Except as otherwise provided in this Declaration, no site preparation (including, but not limited to grading, elevation work, landscaping, sloping or tree work) or initial construction, erection or installation of any improvements, including but not limited to, buildings, fences, signs, walls, bulkheads, screens, landscaping, plantings, equipment, swimming pools, or other structures shall be commenced, erected, placed, altered or maintained upon any lot, until the plans and specifications showing the nature, kind, shape, height, materials, exterior colors, siding, location and elevations of the proposed improvements relative to their existing and future septic field disposal areas, landscaping or plantings have been submitted to, and approved in writing by, as to compliance with this Declaration, harmony of external design and location in relation to surrounding structures and topography, the Architectural Review Board. Without in any way limiting the permissible scope of the

Architectural Review Board's review process, or the objective or subjective considerations the Architectural Review Board may utilize in approving or disapproving any request for approval submitted hereunder, the Architectural Review Board shall be fully authorized and empowered to disapprove construction of any proposed improvement for one or more of the following reasons: (a) noncompliance with any provisions of this Declaration; (b) failure to include such information in the request for approval as may be required by this Article V or failure to provide such information or documentation as may be reasonably requested by the Architectural Review Board; (c) objection to the exterior design or materials of the proposed improvement; (d) objection to the location of any proposed improvement on the Lot; (e) objection to the proportions, style of architecture, architectural features, material, color, height, bulk or appropriateness of the improvements as the same relates to other improvements within the Property; or (f) any other matter which, in the commercially reasonable judgment of the Architectural Review Board would render the proposed improvements or use of the Lot in conflict with any ordinance of Harnett County, North Carolina or any general plan of development of the Property. Upon completion of any improvements to a Lot, the Owner of said Lot shall submit to the Architectural Review Board completed plans for the improvements certified by the Owner as the true and complete plans for the improvements. The Architectural Review Board shall have the right to inspect any improvements to a Lot to ensure compliance with this Article 5 and the Declaration. If Declarant, during its review of the submitted completed plans or upon inspection of the improvements finds that Owner is not in compliance with the Article V, then Declarant shall have the right to require Owner to remove any part of the improvement that does not comply with the terms and conditions of the Declaration.

Upon request, the Association, on behalf of the Architectural Review Board, shall provide any Owner with a letter stating whether or not any improvements, plans and specifications, landscaping or plantings have been approved, and third parties may rely upon the letter. The Board and the Architectural Review Board, or their appointed agents, shall have the right, at their election, but shall not be so required, to enter upon any of the Lots during site preparation or construction, erection, or installation of improvements to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plans and specifications.

The Architectural Review Board shall have the power to grant, and may allow, variances of, and adjustments of, the building restrictions established herein in order to overcome practical difficulties and prevent unnecessary hardships in application of the restrictions contained herein; provided, however, that variances or adjustments are done in conformity with the intent and purposes hereof; and, provided also, that in every instance such variance or adjustment will not be materially detrimental or injurious to other Lots in the immediate neighborhood. Variances and adjustments may be of the height, size, and setback requirements, pursuant to the terms herein, but shall not be limited thereto. No variance shall be permitted if it violates governmental minimum standards. In the event of the grant of any variance in the restrictions established herein, the Association on behalf of the Architectural Review Board shall execute a document acceptable in substance to the Association attesting to such grant and the specific nature thereof in form suitable for recording, so that the Lot Owner may record the document in the Registry of the County in which the Lot is located. Such document shall be prepared at the cost of the Lot Owner and shall be binding upon the Declarant, the Association, its successors and assigns, and other Lot Owners and may be relied upon by third parties to evidence the variance approval

The Architectural Review Board shall have sole jurisdiction over all proposed improvements to any Lots, and any later changes or additions to such improvements after initial approval thereof, together with any modifications, additions or alterations subsequently to be constructed on any Lot or made to any improvements previously approved. The Architectural Review Board shall have the authority to prepare and promulgate application and review procedures for obtaining any proposed improvements. The guidelines and procedures shall be those of the Association, and the Architectural Review Board shall have the sole and full authority to prepare and amend the procedures. The Architectural Review Board shall make the procedures available to Owners and any other person who proposes construction of improvements within the Property.

Neither the Declarant, the Board, the Architectural Review Board nor any member of such boards shall be responsible or liable in any way for any defects in any plans or specifications approved by them, nor for any structural defects in any work done according to such plans and specifications. Further, no such Persons shall be liable in damages to anyone by reason of mistake in judgment, negligence, misfeasance, malfeasance or nonfeasance arising out of or in connection with the approval or rejection or failure to approve or reject any such plans or specifications or the exercise of any other power or right provided for in this Declaration.

In connection with the improvements to be constructed on a Lot owned by the Declarant, Declarant shall not be required to obtain approval from the Architectural Review Board in connection with any improvements constructed by the Declarant in developing the Property into a residential development, including, but not limited to, streets, storm water drainage pipes, and facilities, water lines, sewer lines, signs, landscaping and other improvements in the Common Areas, and granting of easements to utility companies on any Undivided Property or on any Lot, and in accordance with any approved site plan.

## ARTICLE VI USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Areas, which regulations may further restrict the use of the Common Areas, and specifically including the right to establish rules and regulations concerning parking and vehicular traffic flow on and along the streets and roadways, whether public or private, within or abutting the Community, which rules and regulations may restrict or prohibit on-street parking and may be enforced by towing at the expense of the vehicle's owner, by reasonable fine levied against the vehicle's owner and/or any Owner of a Lot to which such violation reasonably may be attributed, or by any other reasonable method of enforcement established by the Association's Board. The rules and regulations promulgated by the Association may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration.

Section 2. Use of Property. No portion of the Property shall be used except for single-family residential purposes and for purposes incidental or accessory thereto.

Section 3. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Property, nor shall anything be done which may be, or may become, a nuisance or annoyance to the neighborhood.

Section 4. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Property, except that dogs, cats, or other usual and common household pets, may be kept by the Owner(s) or occupants of Lots, so long as such pets are kept in compliance with requirement of law applicable to such animal and any rules and regulations promulgated in accordance with the authority herein conferred on Declarant or the Association provided that: (i) dogs that are, bear the primary characteristics of, or have the dangerous propensities of, any one or combination of the following breeds are prohibited: Doberman Pinscher, Pit Bull or Rottweiler; and (ii) no pets shall be kept, bred or maintained for any commercial purpose. All pet animals must be secured by a leash or lead and under the control of a responsible person and obedient to that person's command at any time they are permitted outside a residence on the Lot or Common Areas. Each Owner shall be absolutely liable to each and all remaining Owners, their families, guests, and invitees and to the Association, for any and all damage to person or property caused by any such pet brought upon or kept on the Property by such Owner or by his family, guests, or invitees. The Board, with the approval of Declarant during Declarant's Development Period, shall have the power to adopt, publish, amend and enforce rules and

regulations governing the keeping of pets on the Property (including rules and regulations that restrict the number and type or breed of pets that may be allowed) and to establish penalties for the infraction thereof, to the extent such rules and regulations do not conflict with this provision. Such rules and regulations may place reasonable limits on the number and/or size of pets that may be kept by the Owner(s) and occupants of each Lot.

Section 5. Insurance. Nothing shall be kept, and no activity shall be conducted, on the Property that will increase the rate of insurance applicable to residential use for the Property or any Lots. No Owner shall do or keep anything, nor cause or allow anything to be done or kept, on his Lot or on the Common Areas which will result in the cancellation of insurance on any portion of the Property, or Lots therein, or which will be in violation of any law, ordinance, or regulation. No waste shall be committed on any portion of the Common Areas.

Section 6. Offensive Behavior. No immoral, improper, offensive, or unlawful use shall be made of the Property, or any part thereof. All laws, orders, rules, regulations, ordinances, or requirements of any governmental agency having jurisdiction thereof, relating to any Lot or any portion of the Property, shall be complied with, by and at the sole expense of the Owner or the Association, whichever shall have the obligation to maintain such portion of the Property.

Section 7. Business. Except as otherwise herein permitted with respect to the use of the Property by Declarant or Builders for sales offices and model homes, no trade or business of any kind shall be conducted upon any Lot or part thereof, except that the Board of the Association may approved a home office or business ancillary to the primary use of the Lot as a residence on a case-by-case basis after petition by an Owner. Any such approved home office or business must be conducted by a full-time resident of the Lot, must be ancillary to the primary use of the Lot as a residence, must be operated entirely within the confines of the house, guest quarters or garage located on the Lot and must not create a nuisance to the neighbors, or create, among other things, excessive noise, traffic, odors or unpleasant appearances. Once permission is granted by the Board of the Association for such home office or business, the Board automatically retains the right to terminate approval of such home office or business for violation of the above conditions or any other conditions stated in the Board's initial approval, in which event the Owner or other resident operating such home office or business shall terminate such use within thirty (30) days after written notice from the Board.

Section 8. Signs. No Lot Owner shall display, or cause, or allow to be displayed, to public view any sign, placard, poster, billboard, or identifying name or number upon any Lot, or any portion of the Common Areas, except as allowed by the Association pursuant to its Bylaws or regulations or as required by local governmental authority; provided, however, that the Declarant, or its respective agents, may place "For Sale" or "For Rent" signs on any Lots for sale and in suitable places on the Common Areas approved by the Association. Such permitted signs shall be placed in the approximate center of a Lot and six feet from the front Lot line of that Lot. No sign may be nailed to trees. Notwithstanding the foregoing, during Declarant's Development Period, Declarant, and with the express permission of Declarant, any Builder, shall have the right to erect and maintain signs within the Common Areas or on any Lot owned or leased by Declarant or any such Builder for the purpose of advertising and promoting the sale of the Property.

Section 9. Fences, Walls and Hedges. No fence, wall, hedge or other mass planting shall be erected or permitted in front of a dwelling on any Lot, except as approved by the Architectural Review Board pursuant to Article V herein. Chain-link fencing is not permitted.

Section 10. Alterations. No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Areas except at the direction or with the express written consent of the Association.

Section 11. Common Areas Use. The Common Areas shall be used only for the purposes for which

they are intended and reasonably suited and which are incident to the use and occupancy of the Property, subject to any rules or regulations that may be adopted by the Association pursuant to its Bylaws.

Section 12. Parking, Driveways and Parking Pads, Abandoned Vehicles. Vehicles may be parked or stored only on portions of a Lot improved for that purpose, i.e., garage, driveway, 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 three (3) vehicles. Any driveway or parking pad constructed upon any Lot shall be subject to architectural review in accordance with Article V hereof and otherwise shall have a concrete surface, a cement concrete surface, or brick pavers.

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 Property, or the Common Areas, and no automobiles or mechanical equipment may be dismantled or allowed to accumulate on any Lot.

Section 13. Trailers, etc. No trailer, mobile house trailer (whether on or off wheels), camper, motor-home or commercial vehicle of any kind shall be parked on any street, whether public or private, within or abutting the Property, nor shall any such vehicle be parked or kept on any Lot within the Property. Furthermore, no boat or boat trailer shall be parked on any street, whether public or private, within or abutting the Property. 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 it is screened from all streets, the Common Areas, and all adjacent Lots. Screening may be either by fence or plantings but, in any case, the screening must be approved pursuant to the conditions in Article V of these Covenants. No tractor trailer trucks or cabs shall be parked on any street or Lot within the subdivision.

Section 14. Fuel Tanks. No fuel tanks or similar storage receptacles shall be permitted.

Section 15. Subdivision. No Lot shall be subdivided, or its boundary lines changed except with the prior written consent of the Declarant during the Declarant's Control Period and thereafter only with the prior written consent of the Board. Declarant hereby reserves the right to reconfigure, from time to time and without the consent of any other Owner, the Association or its Members, the boundaries of any portion of the Property owned by Declarant, and to thereby create additional Lots, eliminate existing Lots, create additional Common Areas, eliminate or reconfigure property previously shown as open space, common area or like designations, and reconfigure or create streets and/or easement areas. If Declarant elects to exercise its right to revise the boundaries of any portion of the Property owned by Declarant, or if the Owners of adjacent Lots with the required consent and approval of Declarant or the Association, as the case may be, elect to revise the boundaries of their Lots, the owner(s) thereof shall cause a revised plat of the affected Lots to be recorded. Upon the recording of such a revised plat, each lot shown on the previously recorded plat or plats, the boundaries of which are revised by the revised plat, shall cease to be a "Lot" as defined in this Declaration and each newly configured lot shown on the revised plat shall be a "Lot" as defined in this Declaration.

Section 16. Delivery Receptacle. No mail box, paper box or other receptacle of any kind for use in the delivery of mail, newspapers, magazines or similar material shall be erected or located on any Lot unless and until the size, location, design and type of material for the receptacle shall have been approved by the Architectural Review Board.

Section 17. Antennae. No satellite dishes, antennas, and similar devices for the transmission of television, radio, satellite, or other signals of any kind shall be placed, allowed, or maintained within the Property, except that Declarant and the Association shall have the right, without the obligation, to erect or install and maintain any such apparatus for the benefit of all or a portion of the Property, and except that (i) satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (ii) satellite dishes designed to receive video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement; and (iii) antennas designed to receive television broadcast signals

((i), (ii), and (iii), collectively, "Permitted Devices") shall be permitted, *provided that* any such Permitted Device is placed in the least conspicuous location on the Lot (generally being the rear of the Lot) at which an acceptable quality signal can be received and is not visible from the street, Common Areas, or neighboring property or is screened from the view in a manner consistent with any design guidelines established by the Architectural Review Board.

Section 18. Construction Limitations. During all construction projects, all vehicles involved, including those delivering supplies, must enter a designated Lot on a driveway only. Vehicles and heavy machinery are strictly prohibited from entering a Lot over the front lot line where no designated driveway exists. The purpose of this provision is to prevent damage to trees, street paving, utilities and landscaping, and to promote the aesthetic value of all Lots during construction throughout the Subdivision. During construction, builders must keep the homes, garages, and building sites clean and free of debris. All building debris, stumps, trees, etc., must be removed from each Lot by the builder as often as necessary to keep the house and Lot attractive. Such debris shall not be dumped in any area of the Property.

Section 19. Firearms; Hunting Prohibited. There shall be no discharging of firearms, guns or pistols of any kind, caliber, type, or method of propulsion; and no hunting of any type shall be carried on or conducted on the Property.

Section 20. Drying Areas. Clotheslines or drying yards shall not be permitted on any Lot.

Section 21. Unightly Growth. No weeds, underbrush or other unsightly growth shall be permitted to grow or remain on any Lot. No refuse pile or unsightly objects shall be allowed to be placed or to remain on the Property, including vacant parcels.

Section 22. Garbage; Unightly Storage. All trash and rubbish shall be kept in garbage cans stored behind the house or in a screened area not generally visible from the road. 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 23. Swimming Pools. No above-ground swimming pools shall be permitted in the subdivision, except that small, temporary wading pools shall be permitted. All in-ground swimming pools must be approved by the Architectural Review Board prior to any construction taking place.

Section 24. Maintenance of Lot; Construction. Each owner shall keep his Lot in an orderly condition and shall keep the improvements thereon in a suitable state of repair. In the event that any residence or structure on any Lot is destroyed or partially destroyed by fire, Act of God, or as a result of any other act or thing, the owner of such Lot shall repair such damage and/or reconstruct the improvement within twelve (12) months after such damage or destruction; provided, however, that if the structure damaged is not part of or attached to the residence constructed on such Lot, the owner may at his option, either completely remove the damaged structure and landscape the area on which the structure stood or repair or reconstruct the structure.

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 house 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 his Lot.

Section 25 Exterior Maintenance. The owner of each Lot shall maintain the grounds and improvements situated on his Lot, including, but not limited to, plantings, landscaping and lawns, at all times in a neat and attractive manner reasonably satisfactory to the Board of Directors of the Association. Upon the owner's failure to do so, the Association may, at its option, and after giving the owner twenty (20) days written notice, have the grass, weeds, shrubs, and vegetation cut when and as often as the same is necessary in its judgment, and have dead trees, shrubs and plants removed from such Lot, and replaced, and may have any portion of the Lot resodded, reseeded or landscaped, and the Owner of such Lot shall be responsible to the Association for all expenses incurred by the Association for such work.

Upon an owner's failure to maintain the exterior of any structure, including the roof, in good repair and appearance, the Association may, at its option, and after giving the owner thirty (30) days written notice, make repairs and improve the appearance of such structure in a reasonable and workmanlike manner. The Owner shall be liable to the Association for the cost of any work performed by the Association upon the owner's failure to do so maintain the improvements located on the Owner's Lot.

In the event the Association must do any maintenance, repair, replacement or upkeep on any Lot, each Lot Owner hereby gives to the Association, and the same is hereby reserved unto the Association, its agents, servants or independent contractors, the right and easement for unobstructed access in, over and on each Lot at all reasonable times to perform such repair or replacement by the Association.

The Association shall be entitled to assess the Owner of a Lot for any costs or expenses incurred by the Association pursuant to the provisions of this Section in accordance with the provisions of Article IV hereof, provided the Association: (i) conducts a hearing before the Board of Directors, or an adjudicatory panel appointed by the Board, to determine the responsibility of the Owner for such charges, which hearing shall afford notice of the charge to the Owner, an opportunity for the Owner to be heard and to present evidence, and a notice of decision by the Board. The amount of any such assessment shall be limited to the jurisdictional amount established for small claims under North Carolina law, and the Association may pursue all other legal rights and remedies with respect to any charges in excess of such amount.

Section 26. Independent Covenants. Each and every covenant and restriction contained herein shall be considered to be an independent and separate covenant and agreement, and in the event one or more of said covenants or restrictions shall, for any reason, be held to be invalid, or unenforceable, all remaining covenants and restrictions shall nevertheless remain in full force and effect.

Section 27. Additional Restrictions. Declarant may include in any contract or deed hereafter made any additional covenants and restrictions that are not inconsistent with and which do not diminish the covenants and restrictions set forth herein.

Section 28. Wetlands. The areas labeled "Wetlands" and shown on any subdivision plat of the Property shall be maintained in perpetuity in their natural or mitigated condition. No person or entity shall perform any of the following activities on such conservation area: (a) fill, grade, excavate or perform any other land disturbing activities; (b) cut, mow, burn, remove or harm any vegetation; (c) construct or place any roads, trails, walkways, buildings, mobile homes, signs, utility poles or towers, or any other permanent or temporary structures; (d) drain or otherwise disrupt or alter the hydrology or drainage ways of the conservation area; (e) dump or store soil, trash or other waste; and (f) graze or water animals or use for any agricultural or horticultural purpose. This covenant is intended to ensure continued compliance with the mitigation condition of a Clean Water Act authorization issued by the United States of America, U.S. Army Corps of Engineers, Wilmington District, and therefore may be enforced by the United States of America. This covenant is to run with the land, and shall be binding on the Declarant and all parties claiming under it.

ARTICLE VII  
BUILDING RESTRICTIONS

Section 1. Square Footage. Any dwelling erected on a Lot shall contain a minimum enclosed dwelling area of two thousand six hundred (2,600) square feet. In addition thereto, and unless a variance is granted therefore as provided herein, all dwellings shall have an enclosed two (2) car garage attached to the main dwelling. The term "enclosed dwelling area" as used in this Article VII, Section 1 shall mean the total enclosed area within a dwelling which could be subject to heating and cooling (including such areas as unfinished third floor walk up attics and basements); provided however, that the term specifically does not include garages, terraces, open porches, decks, stoops and like areas regardless of heating or cooling. Variances of these square footage requirements in the amount of 10% may be granted by the Board of Directors of the Association pursuant to Article V hereof, but in no case will the size be less than that required by the governmental agency having jurisdiction over the Property.

Section 2. Height and Accessory Building. No structure, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single-family dwelling not to exceed two (2) stories in height (exclusive of any basement or walk-up attic) and a garage. All garages must be attached to the main dwelling, unless the Board, Declarant or the Architectural Review Board pursuant to Article V hereof, approves in writing a variance permitting a detached garage. The Board, Declarant, or the Architectural Review Board, pursuant to Article V hereof, may approve in writing a variance permitting a single-family dwelling of more than two stories.

Section 3. Multi-Family Use Prohibited. No multiplex residence or apartment house shall be erected or placed on, or allowed to occupy, any detached single-family residential Lots, and no dwelling once approved and constructed shall be altered or converted into a multiplex residence or apartment house.

Section 4. Remedies. If the finished dwelling, garage, accessory building or other structure does not comply with the submitted and approved plans and specifications, the Board retains the right to make the necessary changes at owner's expense to comply with the approved plans and specifications, the right to treat such charge or cost as an assessment, the right to file under the North Carolina lien laws, a notice of liens for any costs incurred, and the further right to resort to all remedies provided under the laws of North Carolina for the recovery of such costs and the expenses of collection, including without limitation, reasonable attorneys' fees. Any changes in plans or specifications must first be reapproved by the Board, Declarant or the Architectural Review Board in accordance with the procedure herein specified for architectural control.

Section 5. Storm Drainage. Each Lot Owner shall maintain the drainage devices on its Lot at its own expense. Furthermore, each Lot Owner shall not allow the diversion or concentration of stormwater runoff without the prior written approval of the Architectural Review Board, and no drainage diversion or structure may be constructed in violation of any North Carolina Department of Transportation regulation.

Section 6. Dwelling Façade and Garages. Each dwelling shall be constructed of either constructed of brick or vinyl siding.

ARTICLE VIII  
EASEMENTS

Section 1. Utility Easements. All of the Property, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sewer lines, storm drainage, gas lines, telephone and electric power line and other public utilities as shall be established by the Declarant or by his predecessors in title, prior to the subjecting of the Property to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under and across the Common Areas conveyed