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J. LEE WARREN JR.
REGISTER OF DEEDS
CUMBERLAND CO., N.C.

Prepared By& Return to: Barfield Law Firm
Susan R. Benoit
2929 Breezewood Avenue
Fayetteville, NC 28303

STATE OF NORTH CAROLINA

COUNTY OF CUMBERLAND

SECOND AMENDMENT TO
RESTRICTIVE COVENANTS
STEEPLECHASE, SECTION ONE

THIS AMENDMENT TO RESTRICTIVE COVENANTS, is entered into this 22ND day of December, 2005, by and between NPS Associates, a NC Partnership, Party of the First Part, (hereinafter sometimes referred to as the "Developer"); Jerry D. Berry and wife Rosemary P. Berry, Caviness Land Development, Inc., CSW Development, LLC, Hardin Builders, Inc., LDS Homes, LLC, Regency Homes, Inc., Stanley Construction Company, LLC, and Westan Partners, LLC; All Present and Future Owners of the lots hereinafter set out (hereinafter collectively referred to as the "Affected Lots Owners");

WITNESSETH:

WHEREAS, "Developer" developed a certain subdivision known as Steeplechase Section One, according to a plat of the same duly recorded in Plat Book 114, page 132 of the Cumberland County North Carolina Registry (hereinafter the "Subdivision"); and

WHEREAS, pursuant to a plan of development the Developer caused certain restrictive covenants for the Subdivision to be recorded in Book 6930, Page 192 of the Cumberland County, N.C. Registry (hereinafter the "Original Covenants"); and

WHEREAS, Developer and Affected Lot Owners desire to amend the Restrictive Covenants to provide for a Homeowner's Association that will be responsible for the maintenance and upkeep of the common areas within Steeplechase Subdivision;

NOW THEREFORE, Developer and Affected Lot Owners hereby join in the amendment of the restrictive covenants by signature hereto and declare that all of the properties described above shall be held, sold and conveyed subject to the following additional covenants, 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 described properties of any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
Definitions

Section 1. "Association" shall mean and refer to the Steeplechase Homeowners Association of Cumberland County, Inc., its successors and assigns.

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 Association.

Section 4. "Common Area" shall mean all property owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

All That area shown as "Common Area" including but not limited to the private streets as shown on that certain map of Steeplechase, which is recorded in map Book 114, Page 132, in the Office of the Register of Deeds of Cumberland County, North Carolina and which shall also include that area designated as "Common Area" on any other maps of annexed additions to Steeplechase.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to NPS Associates, a NC partnership, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. 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 and shall be preserved to the perpetual benefit of the owners Association, subject to the following provisions:

(a) the right of the Association to suspend the voting rights of an owner for any period during which any assessment against his Lot remains unpaid; 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 to dedicate or transfer all or any part of the Common Area to any public agency, 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 each class of members agreeing to such dedication or transfer has been recorded.

(c) the right of individual owners to the exclusive use of parking spaces as provided in this Article.

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

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

Section 3. Access Rights. Ownership of each Lot shall include easements over the common areas for access, ingress and egress from and to public streets and walkways and easements for enjoyment of the common areas.

ARTICLE III

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 (2) classes of voting membership:

Class A. Class A members shall be all owners of detached units 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 vote be cast with respect to any Lot.

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 a Class A membership respectively upon the happening of either of the following events, whichever occurs earlier:

(a) When the total aggregate votes outstanding of Class A equals the total votes outstanding in the Class B Membership; or

(b) On January 1, 2040.

ARTICLE IV

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the lien and Personal Obligation of Assessment. The Declarant, for each Lot owned within the Properties, 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 to the Association:

(1) annual assessments or charges, and

(2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, 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 fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the properties and for the improvements and maintenance of the Common Area, including, but not limited to maintenance of the entrance way, fences, including perimeter fences, private streets, street lighting, brick walkways and landscape maintenance.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the annual maximum assessment for owners of lots shall be \$120.00 per lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the annual maximum assessment may be increased each year not more than five (5%) percent above the assessments of the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an owner, the annual maximum assessment may be increased above five (5%) percent 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.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

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

Section 5. Taxes. As an additional annual assessment, the Association shall levy against the owners equally an amount sufficient to pay the annual cost of liability insurance premiums for such insurance on the Common Area and the amount of ad valorem property taxes and/or special assessments levied by any lawful governmental authority on the Common Area. It shall be the duty of the Association to pay all such premiums and taxes promptly when they shall become due. Upon default by the Owners Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the common areas or assessments for public improvements to the common areas, which default shall continue for a period of six (6) months, each owner of a building site in the development shall become personally obligated to pay to the tax assessing governmental authority a portion of such taxes or assessments in an amount determined by dividing the total taxes and/or assessments due by the total number of building sites in the development. If such sum is not paid by the owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the building site 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 against the owner personally obligated to pay the same or may elect to foreclose the lien against the property of the owner.

Section 6. Notice and quorum for any Action 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 thirty (30) 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 (60%) percent of all the cumulative votes of Class A and Class B membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum and the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following 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 collected on an annual or monthly basis.

Section 8. Date of Commencement of Annual Assessments: Due Dates. The written assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. 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 such 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 in pro-rata monthly installments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. At the time prescribed for payment of annual dues, members shall be required to submit proof of insurance coverage in amount and form acceptable to the Board of Directors.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six (6%) percent per annum. The Association may bring an action at law against the

Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

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

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected, replaced or maintained upon the Properties, nor shall any exterior color, exterior addition to or change or alteration therein be made until the plans and specifications showing the color, nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural Committee composed, of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI

MAINTENANCE OF COMMON STREET AND STORM DRAINAGE

Section 1. Sharing of Repair and Maintenance. The Declarant reserves for the use and benefit of the Declarant and the Association right of access to said storm drainage system for purpose of repair and maintenance if required.

Section 2. Right to Contribution Runs with Land. The right of any owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

Section 3. Removal of Vehicles. Any owner completely blocked from access or egress to or from his unit from either direction may have any vehicle or vehicles removed from the common drive as required to gain such access or egress and the owner or owners of such vehicle or vehicles will be liable for any towing and/or storage charges resulting from such removal; and any owner may cause to have removed from the common drive any vehicle which is parked within the continues of the common drive for a period of more than 14 continuous hours or a total of 24 hours in a 72 hour period and the owner of such vehicle will be liable for any towing and/or storage charge resulting from such removal.

Section 4. Maintenance of Easement and Right-of-Way Areas. Each property Owner shall be responsible for the maintenance of the area lying between the pavement of the common drive and the back property line of the Owner's Lot and any planting, fencing, or other treatment of this area provided by the developer or agreed upon jointly by all the Owner's shall be installed, maintained, and if replaced, in a uniform manner unless such maintenance is taken over by a homeowner's association.

Section 5. Arbitration. In the event of any dispute arising concerning the common drive, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VII

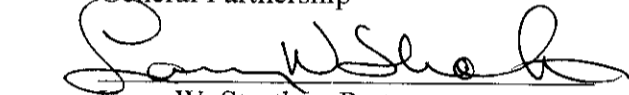
EXTERIOR MAINTENANCE

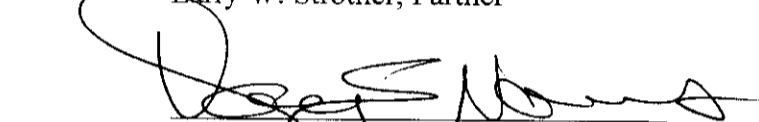
The Association shall provide maintenance for the private streets, storm drainage systems, landscaping, street lighting, perimeter wall and perimeter fencing. The cost of such maintenance, repairs and replacements shall be paid for out of the assessments provided for in Article IV above. In the event an Owner neglects or otherwise refuses to maintain his or her house and other accoutrements in a state of repair consistent with the beauty and welfare of the remaining area, including but not limited to painting of the exterior, then and in that event, the Architectural Control Board may effect such maintenance, repairs or replacement, and the cost of such maintenance, repairs and replacements shall be added to and become a part of the assessment to which such lot is subject pursuant to Article IV.

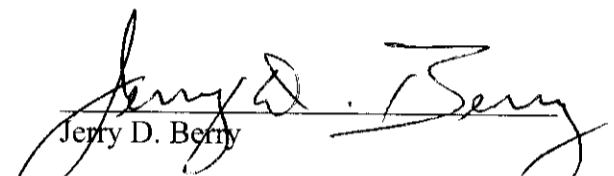
NOW THEREFORE IN CONSIDERATION OF PREMISES the party of the first part agrees with the Affected Lot Owners and all Present and Future Owners of the lots setout in Plat Book 114, Page 132, Cumberland County Registry, North Carolina.

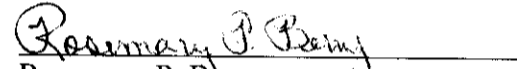
IN WITNESS WHEREOF, the undersigned, party of the first part and the Affected Lot Owners have caused this instrument to be executed by its duly authorized officers or manager/members, the day and year first above written.

NPS ASSOCIATES, a North Carolina
General Partnership



Larry W. Strother, Partner


Danny E. Norris, Partner



Jerry D. Berry


Rosemary P. Berry

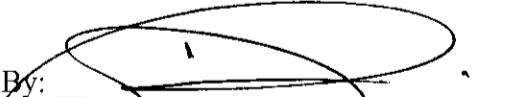
CAVINESS LAND DEVELOPMENT,
INC.

BY: 
Watson G. Caviness, President

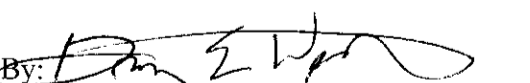
HARDIN BUILDERS, INC.

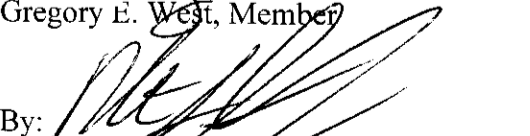
BY: 
Lawrence Hardin, President

REGENCY HOMES, INC.

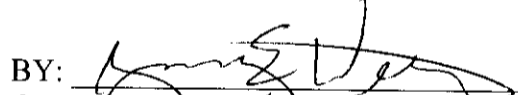
By: 
Jimmy Puczyłowski, President

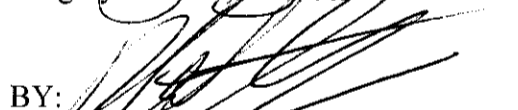
WESTAN PARTNERS, LLC

By: 
Gregory E. West, Member

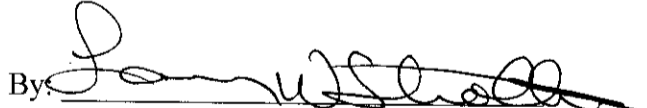
By: 
Robert S. Stanley, Member

CSW DEVELOPMENT, LLC


BY: 
Gregory E. West, Member

BY: 
Robert S. Stanley, Member

LDS Homes, LLC

By: 
Larry W. Strother, Member-Manger

STANLEY CONSTRUCTION
COMPANY, LLC

By: 
Robert S. Stanley, Member/Manager

NORTH CAROLINA
Harnett COUNTY

I, Carla W Pace, a Notary Public of the County and State aforesaid, certify that **Larry W. Strother and Danny E. Norris**, both **Partners of NPS Associates**, A NC General Partnership, personally came before me this date and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal on this 12th day of January, ~~2005~~ ²⁰⁰⁶.

Carla W Pace
NOTARY PUBLIC

My Commission Expires: June 3, 2009

NORTH CAROLINA
Harnett COUNTY

I, Carla W Pace, a Notary Public of the County and State aforesaid, certify that **Jerry D. Berry and wife Rosemary P. Berry**, personally came before me this date and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal on this 11th day of January, ~~2005~~ ²⁰⁰⁶.

Carla W Pace
NOTARY PUBLIC

My Commission Expires: June 3, 2009

NORTH CAROLINA
Harnett COUNTY

I, Carla W Pace, a Notary Public of the County and State aforesaid, certify that **Watson G. Caviness** personally came before me this day and acknowledged he is President of **Caviness Land Development, Inc.**, a corporation and he as President being authorized to do so, executed the foregoing on behalf of Caviness Land Development, Inc.

Witness my hand and official seal on this 23rd day of January, ~~2005~~ ²⁰⁰⁶.

Carla W Pace
NOTARY PUBLIC

My Commission Expires: June 3, 2009

NORTH CAROLINA
Harnett COUNTY

I, Carla W Pace, a Notary Public of the County and State aforesaid, certify that **Gregory E. West and Robert S. Stanley**, personally came before me this date and acknowledged they are Members/Managers of **CSW Development, LLC.**, a limited liability company and as Member/Managers being authorized to do so, executed the foregoing on behalf of CSW Development, LLC.

Witness my hand and official seal on this 6th day of January, ~~2005~~ ²⁰⁰⁶.

Carla W Pace
NOTARY PUBLIC

My Commission Expires: June 3, 2009

NORTH CAROLINA
Harnett COUNTY

I, Carla W Pace, a Notary Public of the County and State aforesaid, certify that **Lawrence Hardin** personally came before me this day and acknowledged he is President of **Hardin Builders, Inc.**, a corporation and he as President being authorized to do so, executed the foregoing on behalf of Hardin Builders, Inc.

Witness my hand and official seal on this 17th day of January, ²⁰⁰⁶~~2005~~.

Carla W Pace
NOTARY PUBLIC

My Commission Expires: June 3, 2009

NORTH CAROLINA
Harnett COUNTY

I, Carla W Pace, a Notary Public of the County and State aforesaid, certify that **Larry W. Strother**, personally came before me this date and acknowledged he is are Member-Manager of **LDS Homes, LLC.**, a limited liability company and as Member-Manager being authorized to do so, executed the foregoing on behalf of LDS Homes, LLC.

Witness my hand and official seal on this 12th day of January, ²⁰⁰⁶~~2005~~.

Carla W Pace
NOTARY PUBLIC

My Commission Expires: June 3, 2009

NORTH CAROLINA
Harnett COUNTY

I, Carla W Pace, a Notary Public of the County and State aforesaid, certify that **Jimmy Puczykowski** personally came before me this day and acknowledged he is President of **Regency Homes, Inc.**, a corporation and he as President being authorized to do so, executed the foregoing on behalf of Regency Homes, Inc.

Witness my hand and official seal on this 31st day of January, ²⁰⁰⁶~~2005~~.

Carla W Pace
NOTARY PUBLIC

My Commission Expires: June 3, 2009

NORTH CAROLINA
Harnett COUNTY

I, Carla W Pace, a Notary Public of the County and State aforesaid, certify that **Robert S. Stanley**, personally came before me this date and acknowledged he is are Member-Manager of **Stanley Construction Company, LLC.**, a limited liability company and as Member-Manager being authorized to do so, executed the foregoing on behalf of Stanley Construction Company, LLC.

Witness my hand and official seal on this 6th day of January, ²⁰⁰⁶~~2005~~.

Carla W Pace
NOTARY PUBLIC

My Con. mission Expires: June 3, 2009

NORTH CAROLINA
Harnett COUNTY

I, Carla W Pace, a Notary Public of the County and State aforesaid, certify that **Gregory E. West and Robert S. Stanley**, personally came before me this date and acknowledged they are Members/Managers of **Westan Partners, LLC.**, a limited liability company and as Member/Managers being authorized to do so, executed the foregoing on behalf of Westan Partners, LLC.

Witness my hand and official seal on this 6th day of January, ~~2005~~ ²⁰⁰⁶

Carla W Pace
NOTARY PUBLIC

My Commission Expires: June 3, 2009