



FOR REGISTRATION REGISTER OF DEEDS
KIMBERLY S. HARGROVE
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DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS
FOR
KENLAN FARMS SUBDIVISION, PHASE ONE, SECTION ONE

Prepared by/return to:
Rebecca F. Person
McCauley & Person, LLP
P.O. Box 53606
Fayetteville, NC 28305

THIS DECLARATION, made this 13th day of October, 2009, by ABJ INVESTMENTS, LLC, a North Carolina limited liability company, hereinafter referred to "Declarant:",

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Stewart's Creek Township, Harnett County, North Carolina, which is more particularly described as KENLAN FARMS SUBDIVISION, PHASE ONE, SECTION ONE, according to a plat of the same duly recorded in Map No. 2009-584, Harnett County, Registry;

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of the 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 or any part thereof, their heirs, successors and assigns, and shall insure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

- Section 1. Association shall mean and refer to Kenlan Farms Homeowners Association ("KFHA"), its successors and/or 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 herein before described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.
- Section 4. Common Area shall mean all real property owned by the Association for the common use and enjoyment of the Owners. Common Area may be added in future sections of Kenlan Farms.
- Section 5. Lot shall mean and refer to any of the lots as shown on the plat of Kenlan Farms, Phase One, Section One, recorded as aforesaid in the Harnett County Registry, and any lots in future sections of Kenlan Farms Subdivision, if any.
- Section 6. Declarant shall mean and refer to ABJ INVESTMENTS, LLC, a North Carolina limited liability company, its successors and assigns. The address of the Declarant is 2031 Middle Road, Eastover, NC 28312.
- Section 7. Declaration shall mean this instrument as it may be from time to time amended or supplemented.
- Section 8. Eligible Mortgage Holder or Eligible Holder is defined as a holder of a first mortgage or lien on a Lot who has requested notice of certain matters from the Association.
- Section 9. Mortgagee shall mean a beneficiary under a mortgage or deed of trust.

ARTICLE II PROPERTY RIGHTS

- Section 1. Owner's Easements of Enjoyment. The title to the common area shall be preserved to the perpetual benefit of the owners association. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every lot subject to the following provisions:
- a. The right of the Association to dedicate or transfer all or part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the members agreeing to such dedication or transfer has been recorded. If ingress or egress to any lot is through the Common Area, any conveyance or encumbrance of such area shall be subject to the

lot owner's easement. The Association shall not have the right to exercise the provisions of this paragraph until Declarant has sold 98% of the lots that are of record in the office of the Register of Deeds of Harnett County at the time the Association exercises its rights under this paragraph. This limitation in favor of the Declarant shall automatically terminate thirty (30) years from the date of recordation of these covenants.

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

Section 2. Delegation of use. Any owner may delegate, in accordance with the By-laws, his right of enjoyment to the Common Area and facilities to the members of his family or contract purchasers who reside on the property. If the KFHA builds a clubhouse it may limit the use to the landowners and not allow the use of the clubhouse by renters.

ARTICLE III EASEMENTS

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

Section 2. The Association, acting through its officers, agents, servants, and/or employees shall have the right of unobstructed access at all reasonable times to all properties as may be reasonably necessary to perform the maintenance to the Common Area.

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

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

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

Section 6. All easements and rights described herein are easements appurtenant, running

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

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

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

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

a. Class "A". Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to the Lot.

b. Class "B". Class B members shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs last:

1. 98% of all lots have been sold by Declarant; or
2. December 31, 2030.

ARTICLE V COVENANTS FOR MAINTENANCE ASSESSMENTS

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

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

- c. The annual and special assessment, together with interest costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.
- d. Notwithstanding anything to the contrary set out herein, no assessment shall be made against a lot upon which no construction has been commenced.
- e. The lien of any assessment is subordinate to the lien of any first mortgage. Mortgagees are not required to collect assessments. Failure to pay assessments does not constitute a default under a first or insured mortgage.

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

Section 3. Maximum Annual Assessment. Until January 1 of each year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment shall be \$400.00 per Lot.

- a. From and after January 1 of the year immediately following the conveyance of the first Lot to Owner, the maximum annual assessment may be increased each year not more than five percent (5%) above the maximum assessment for the previous year without a vote of the membership.
- b. From and after January 1 of the year immediately following conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above five percent (5%) 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 or Declarant may fix annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to the year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or

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

Section 5. Liability Insurance.

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

Section 6. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written

notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than ten (10) days nor more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of all the votes of each class of membership shall constitute a quorum. The required quorum at the subsequent meeting shall be one-half of the required quorums at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. Notwithstanding the above, the vote required in Sections 3 and 4 shall control where appropriate.

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

Section 8. Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following 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 each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors and the Board of Directors shall have the authority to require the assessments to be paid monthly, semi-annually or annually. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

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

Section 10. Effect of Default in Payment of Ad Valorem Taxes or Assessments for Public Improvements by Association. Upon default of the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area, which default shall continue for a period of six (6)

months, each Owner of a Lot in the development shall become personally obligated to pay the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by dividing the total taxes and/or assessments due to the governmental authority by the total number of certificates in the Association. If such sum is not paid by the Owner within thirty (30) days following the receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

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

Section 12. Rights of Eligible Mortgage Holders.

- a. To the extent permitted by law, an eligible mortgage holder upon written request to the Association, identifying the name and address of the holder, will be entitled to timely written notice of:
 1. Any condemnation, loss or casualty loss which affects a material portion of the project or any Lots on which there is a mortgage held by such eligible mortgage holder.
 2. Any delinquency in payment of the assessments or charges owned by and Owner of the Lot subject to a first mortgage held, by such Eligible Holder, which remains uncured for a period of sixty (60) days.
 3. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
 4. Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders.
 5. In addition to the foregoing rights, the Eligible Mortgage Holders

shall be afforded the following rights subject to the extent permitted by law and as allowed by the North Carolina General Statutes as they now exist or as may be amended from time to time.

6. Any election to terminate the legal status of the project after substantial destruction or a substantial taking in condemnation of the Common Area must require the approval of at least fifty-one percent (51%) of the votes of the unit estates subject to the approval of the Declarant and subject to Eligible Mortgage Holders.
7. Unless otherwise provided in the Declaration or By-Laws, no reallocation of interest in the Common Areas resulting from a partial condemnation or partial destruction of the Common Area may be effected without the prior approval of Eligible Holders holding mortgages on all remaining unit estates whether existing in whole or in part, and which have at least fifty-one percent (51%) of the votes of such remaining unit estates subject to Eligible Holders of mortgages.
 - b. Notwithstanding the above, an election by the Association to dedicate all or part of the Common Area to a governmental authority shall not require the consent of Eligible Mortgage Holders.

ARTICLE VI USE RESTRICTIONS

1. All "Lots" shall be used for residential purposes only and shall not be used for any business or commercial purposes. Group family homes are prohibited. All "Lots" in the Kenlan Farms, Phase One, Section One, shall be residential lots, and no structure shall be erected, altered, placed or permitted to remain on any said lots except one detached single family dwelling of not more than two and one-half stories in height (basements are not counted in computing the number of stories); a private garage for not more than three cars or other out-buildings in the rear of the dwelling house, which may be incidental to normal residential use in subdivisions of similar category.
2. No dwellings shall be erected or allowed to remain on any of the said "Lots" which shall contain a heated-area living space of less than twelve hundred (1,200) square feet. Heated-area living space shall mean the ordinary living space in a house which is designed and constructed so as to be capable of being heated for regular living use in cold weather. In the computation of floor space, furnace room areas, garages, carports, and porches shall not be counted.
3. The building line on any dwelling house or the building appurtenant thereto

constructed on any Lot, other than corner lots, shall not be less than thirty feet (30') from the street line on which the dwelling house fronts, not less than ten feet (10') from any interior side line, not less than twenty-five feet (25') from any interior rear line and not less than thirty-five feet (35') from any rear line on a periphery lot. For corner lots no dwelling shall be located nearer to the front or rear lot lines or nearer to a side street line than the minimum building setback lines or nearer to a side street line than the minimum building setback lines and dimensions for corner lots as are set out in the PND Residential Zone of the Harnett County Zoning Ordinances as of the date of the reading of these restrictions. For the purpose of this covenant eaves shall not be considered as part of a building; provided, however, that this shall not be construed to permit any portion of a building on lot to encroach upon another lot. Open fire escapes, outside stairways, the ordinary projections of chimneys and flues, swimming pools, flag poles, decorative fountains, and other similar items may be erected in required yards when placed so as not to obstruct light and ventilation necessary for the structure. No above ground pools are allowed.

4. Easements for drainage and for drainage swells, and for installation and maintenance of drainage facilities, including pipelines are reserved as shown on the recorded plat; and additionally, ten (10') foot easements for all such purposes are reserved along all interior "Lot" lines, such ten (10') foot easements being five (5') feet on each side of each interior "Lot" line of each of the aforesaid "Lots" provided that if Declarant at the time of the initial conveyance of any Lot or Lots of said subdivision shall change the size or shape of any building lot by adding a strip of land to a "Lot" or be deleting a strip of land from a "Lot", that the ten (10') foot easement herein reserved shall be five (5') feet on each side of the interior lot line after the Lot as initially conveyed by Declarant.
5. No construction may be constructed with an exterior wall finish of material of concrete or cinder block type construction.
6. The only fencing allowed on a lot are vinyl, cast aluminum, stack stone, wrought iron or treated lumber with a minimum thickness of 3/4". No wire or solid panel fences may be erected closer to any street line than the corner of the house closest to the street line. Ornamental fences (e.g. split rail fences, or fences through which there is at least 75% visibility) not to exceed three (3') feet in height may be constructed within the areas between the house and the street lines. No fence, wall, or hedge higher than six feet (6') shall be erected or maintained on any lot. An exception for hedges is granted for the rear property line only. A vegetive evergreen hedge in excess of six feet (6') is permitted along the rear property line.
7. Prior to December 31, 2030, no building, fence, garage, storage building shed, or other improvement or structure shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing location of the structure on the individual lot have been approved in writing by ABJ

INVESTMENTS, LLC or its designees, as to duality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finished grade elevation. This includes, without limitation, conversion of garages or carports into heated living area.

8. Only furniture that is specifically manufactured for outdoor use may be placed and/or used outdoors or on patios, decks, or porches on a Lot. Seasonal decoration is permitted for a period of 45 days before and 30 days after a holiday the decoration honors.
9. All lots as shown on the aforesaid recorded plat are approved as to size and shape. No lot shall be re-subdivided in any manner except as provided for herein. The Declarant reserves the right to remove from dedication any lots not yet sold by the Declarant by filing a revised plat showing any changes in the original dedication.
10. All areas indicated as streets and easements on the aforesaid recorded plat are hereby dedicated to public use forever.
11. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuildings shall be used on any lot at any time as a residence, either temporarily or permanently.
12. Large television satellite dish antennas placed in yards are prohibited. Small television satellite antennas (nor more than 24" in diameter) may be attached to the rear of the house.
13. No automobile or motor vehicle may be dismantled or stored on said property; and no mechanically defective automobile, motor vehicle, mechanical machine, or machinery, shall be placed or allowed to remain on said property for over thirty (30) days. Notwithstanding the above, these restrictions shall not apply if such vehicle is kept in an enclosed garage. No automobile or motor vehicle may be parked in grassed areas on a Lot; all automobiles and motor vehicles must be parked on the driveway.
14. No animals or poultry of any kind, except common pets, may be kept on the premises. No more than two (2) dogs shall be allowed for each lot. All lot owners in Kenlan Farms Subdivision shall comply fully with the terms and provisions of the "County of Harnett Code of Ordinances", as amended, as it pertains to animals. There shall not be any use of the premises that would be offensive or obnoxious to the neighboring inhabitants.
15. Declarant reserves the right to subject the real property in this entire subdivision to a contract with the provider of electrical and water services for the installation of street and entrance lighting, water meters and water usage, either or both,

which may require an initial payment and/or continuing monthly payment to the providers of the electrical and water services by the owner of each building.

16. It is understood and agreed that these restrictions are made for the mutual benefit of the grantors and grantees and any and all subsequent grantees, and all such parties shall be deemed to have a vested interest in these restrictions and the right to enforce the same.
17. Declarant and its successors in title may devote any lot or portion thereof, not already sold, for any constructions and uses which it, in its discretion, deems necessary in order to provide the subdivision with utilities.
18. The invalidation of any one or more or any part of any one or more of the covenants and conditions set forth herein shall not affect or invalidate the remaining covenants or portions thereof.
19. No owner, tenant, occupant, guest nor invitee shall park at any time a commercial truck, recreational vehicle or boat within the right of way of any public street located within the subdivision. The Declarant and Association shall not incur any liability from any lot owner or third party for their legal inability or failure to enforce the provisions of this Paragraph Number 19. No boats or RV's are allowed on the property unless a garage is constructed to accommodate such boats or vehicles. No guest may park on the street for more than 24 hours at a time without moving their vehicle.
20. No marketing signs or tubes (for sale, for rent, for lease, etc.) are permitted on any Home site in the windows or any home or structure, on any cabana, common property or any KFHA right-of-way at any time unless placed under the direction of the Declarant. No sign or banner of any kind is allowed unless approved by the Declarant and KFHA before installation. Declarant and KFHA will approve builder signs and permit boxes. The purpose of these signs is to identify job sites and give a contact number for the builder. A developer's or KFHA representative will remove signs from Home sites within 30 days of the completion of construction. No subcontractor signs are allowed. Builders and Declarant are specifically permitted to place signs at locations and of designs approved by the KFHA.
21. Any propane tanks or other storage containers for heating must be located on the rear of any residential structure.
22. A mailbox for any lot must be approved by the Declarant.

ARTICLE VII
ANNEXATION OF ADDITIONAL PROPERTIES

- Section 1. Except as provided in Sections 2 and 3, below, annexation of additional property shall require the assent of two-thirds (2/3) of the Class B members, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than ten (10) days nor more than fifty (50) days in advance of the meeting.
- Section 2. If the Declarant, successors or assigns, shall develop all of any portion of any land contiguous to property which is subject to this Declaration, such additional tract or tracts may be annexed to said properties without the consent of the Class A members, provided, however, the development of the additional tract described in this section shall be in accordance with the same general scheme of development as Kenlan Farms, Phase One, Section One.
- Section 3. The rights of Declarant reserved in Section 2 above shall expire automatically on December 31, 2030, if not exercised prior thereto.

ARTICLE VIII GENERAL PROVISIONS

- Section 1. Enforcement. The Declarant, Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by an Owner to enforce any covenants or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.
- Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.
- Section 3. Lots Subject to Declaration. All present and future owners, tenants and occupants of Lots and their guests or invitees shall be subject to, and shall comply with the provisions of the Declaration, and as the Declaration may be amended from time to time. The acceptance of a deed of conveyance or the execution of a lease or the entering into occupancy of any lot shall constitute an agreement that the provisions of the Declaration are accepted and ratified by such owner, tenant or occupant. The covenants and restrictions of the Declaration shall inure to the benefit of and be enforceable by the Association, or the Owner of any lot, their respective legal representatives, heirs, successors and assigns, and shall run with and bind the land and shall bind any person having at any time any interest or estate in any lot as though such provisions were made a part of each and every deed of conveyance or lease.

Section 4. **Amendment of Declaration.** The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date of this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration (other than Paragraphs 3 and 4 of Article VI) may be amended by an instrument signed by not less than sixty-six (66%) percent of the Lot Owners. Any amendment must be recorded.

a. It is understood and agreed, that any or all of the above restrictive covenants set forth as Paragraphs 3 and 4 of Article VI may be released, changed, modified, or amended, with respect to all lots, or with respect to one or more specific lots as follows:

1. By an instrument executed by ABJ INVESTMENTS, LLC so long as ABJ INVESTMENTS, LLC is an owner of (or holds a purchase money deed of trust on) one or more of the lots in said subdivision or;

2. When ABJ INVESTMENTS, LLC is no longer the owner of nor holds a purchase money deed of trust on any lot or lots within said subdivision, by an instrument signed by not less than sixty-six percent (66%) of the lot owners.

Section 5. **FBA/VA Approval.** As long as there is a Class B membership, the following actions will not require the prior approval of the Federal Housing Administration or the Veteran's Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 6. **Use Restrictions Survive.** Notwithstanding any other provisions in these Declarations or By-Laws, in the event the Common Areas and facilities are offered for dedication to the public and such offer is accepted by a governmental agency, these Use Restrictions shall survive any termination of the Association.

Section 7. **Law Controlling.** This development is being undertaken pursuant to the provisions of Chapter 47(A) of the North Carolina General Statutes and Section 3.24(t) of the Harnett County Zoning Ordinance, both of which are incorporated by reference. In the event of any conflict between the Statute and Ordinance cited, then the statute shall control.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be signed in its name the day and year first above written.

ABJ INVESTMENTS, LLC

By: D. Brian Payne
Name:
Title: Manager