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Prepared by and return to Brewington Holdings LLC, 1425 Doubs Chapel Road, West End, North Carolina 27376

Brief Description for Index: Declaration of Covenants/Union Hills

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR UNION HILLS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR UNION HILLS (this "Declaration") is made as of November 30, 2021, by Brewington Holdings LLC, a North Carolina limited liability company, 1425 Doubs Chapel Road, West End, North Carolina 27376, ("Declarant").

WITNESSETH

WHEREAS Declarant is the owner of the real property more particularly shown on plat recorded in Plat Cabinet 19, Slide 108, Moore County Registry (the "Phase I Plat"); and

WHEREAS Declarant desires to create thereon a community of single family detached residential lots to be named Union Hills; and

WHEREAS Declarant anticipates that the single family detached residential lots will be developed in a single neighborhood; and

WHEREAS, Declarant desires to ensure the attractiveness of the community, to prevent any further impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of all property within the community and to provide for the maintenance and upkeep of all residential units as provided herein, the Common Areas (as hereinafter defined) and to this end, desires to subject the real properties described in Article I to the coverage of the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the real properties described in Article I and each owner thereof; and

WHEREAS, Declarant has incorporated or will incorporate, under North Carolina law, Union Hills Homeowners Association, as a nonprofit corporation for the purpose of exercising and performing the aforesaid functions.

NOW, THEREFORE, Declarant hereby declares that all of the properties described in Article I, Section One, and additions thereto as may be hereafter made pursuant to Article I, Section Two, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the values and desirability of, and which shall run with, the real properties and be binding upon all parties having any right, title or interest in the described properties or any party thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
PROPERTIES SUBJECT TO THIS DECLARATION

Section One: Properties. The property which is and shall be held, transferred, sold, conveyed and occupied subject to this

Submitted electronically by "Robbins May & Rich LLP" in compliance with North Carolina statutes governing recordable documents and the terms of the submitter agreement with the Moore County Register of Deeds.

Declaration, and within the jurisdiction of the Association, is located in Moore County, North Carolina, and includes Lots 1-27 as shown on the Phase I Plat.

Section Two: Additional Properties. Declarant reserves the right to further declare any of the property shown on the Phase I Plat to be held, transferred, sold, conveyed and occupied subject to this Declaration and to be within the jurisdiction of the Association.

ARTICLE II DEFINITIONS

Section One. “Act” shall mean and refer to the North Carolina Planned Community Act.

Section Two. “Association” shall mean and refer to Union Hills Homeowners Association.

Section Three. “Board of Directors” shall mean and refer to the Board of Directors of the Association.

Section Four. “Builder” shall mean and refer to residential homebuilders who purchase Lots from the Declarant for the construction of residential homes to be sold to Owners. H&H Constructors, Inc. and H & H Constructors of Fayetteville, LLC are expressly considered a builder for the purpose of this definition.

Section Five. “Building” shall mean a residential structure constructed or to be constructed on a Lot; provided it is specifically understood that a Building shall be treated as the personal property of, or a betterment to the Lot, by an Owner.

Section Six. “Common Area” shall mean and refer to all real property owned by the Association and all other improvements for the common use, benefit and enjoyment of the Owners. Common Areas, with respect to the property subject to this Declaration, shall be shown on the various plats recorded or to be recorded in the Moore County Registry and designated thereon as “Common Area” or “Open Space” but shall exclude all Lots as herein defined and all publicly dedicated streets, if any. Common Area shall include all private roads and drives shown on said plats as now recorded and as shall be hereinafter recorded in the Moore County Registry covered under Article I, Section One.

Section Seven. “Common Expense” is defined in Article V, Section Four.

Section Eight. “CPI” shall mean and refer to the Consumer Price Index, All Urban Consumers, (1982- 1984=100), All Items, as compiled and published by the Bureau of Labor Statistics, U.S. Department of Labor (or, if discontinued, the replacement therefor) for the most recent reported period of twelve (12) months.

Section Nine. “Declarant” shall mean and refer to Brewington Holdings LLC, a North Carolina limited liability company, its successors and assigns, if such successors or assigns should acquire all of the Declarant’s interest in the Properties.

Section Ten. “Lot” shall mean and refer to any plot of land shown upon an approved site plan or any recorded subdivision map of the Properties covered under Article I, Section One, or additional thereto, with the exception of the Common Area, and shall include all improvements thereon.

Section Eleven. “Member” shall mean and refer to an Owner who holds membership in the Association pursuant to this Declaration.

Section Twelve. “Moore County Registry” shall mean and refer to the Office of the Register of Deeds for Moore County, North Carolina.

Section Thirteen. “Mortgagee” shall mean and refer to means any institutional mortgage lender holding a mortgage or deed of trust on a Lot.

Section Fourteen. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee or fee interest in any Lot which is a part of the Properties, including contract sellers, but excluding those having any interest merely as security for the performance of an obligation.

Section Fifteen. “Project” shall mean and refer to the community of single family detached residential lots to be named Union Hills to be developed upon the Properties.

Section Sixteen. “Properties” shall mean and refer to that certain real property hereinbefore described in Article I, Section One and such additions thereto from the property described in Article I, Section Two, as may hereafter be brought within the jurisdiction of the Association and be made subject to this Declaration.

Section Seventeen. “Rules and Regulations” shall mean and refer to the rules and regulations duly adopted by the Board of Directors on behalf of the Association.

ARTICLE III PROPERTY RIGHTS

Section One. Owners’ Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) [reserved];
- (b) The right of the Association to charge a reasonable admission and other fees for the use of the Common Area and any recreational facility situated thereon;
- (c) The right of the Declarant or the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed by the Members; provided, however, that no such dedication or transfer of any portion of the Common Area, except the roads and streets, shall be effective unless an instrument signed by two-thirds (2/3) of the Members agreeing to such dedication or transfer has been recorded;
- (d) The right of Owners to the exclusive use of their respective driveways and parking spaces as provided in this Article;
- (e) The right of the Association to limit the number of guests of Members;
- (f) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area facilities and in aid thereof to mortgage said properties, and the rights of such mortgage in said properties shall be subordinate to the rights of the homeowners and respective mortgagees hereunder;
- (g) The right of the Association to adopt, publish, and enforce Rules and Regulations (pursuant to which any specific reference in this Declaration to the right of the Association to adopt, publish, and enforce rules and regulations shall not be construed to limit the authority of the Association hereunder or under the Act);
- (h) The right of the Association to enter any Lot or Common Area in order to perform and maintenance, alteration, or repair required herein to be performed by the Association, and the Owner of such Lot shall permit the Association or its representative to enter for such purpose at reasonable times and with reasonable advance notice;
- (i) The right of the Association or its representative to enter any Lot in the case of any emergency threatening such Lot or any other Lot for the purpose of remedying or abating the cause of such emergency. Such right of entry shall be immediate;
- (j) The easement rights of the Declarant reserved in Article X of this Declaration;
- (k) The rights of the Declarant reserved in Article XI of this Declaration.

Section Two. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area depicted on such maps of any property subjected to the terms of this Declaration, to the extent the same are from time to time recorded in the Moore County Registry in the Association, free and clear of all encumbrances and liens, except those set forth in this Declaration and any easements of record. Following the conveyance of Common Area to the Association, Declarant shall be entitled to proration credit for all expenses of the Association incurred by the Declarant (including insurance and real estate taxes) which have not theretofore been reimbursed to Declarant. The Common Area shall be conveyed without any express or implied warranties, which warranties are hereby expressly disclaimed by Declarant.

Section Three. Status of Title of Property. The Declarant represents to the Association and all the Owners that, as of the effective date hereof, the Declarant has marketable, fee simple title to the Land and that the rights and interest of all Owners in and to the Property are subject only to (i) liens for real estate taxes for the current year and subsequent years; (ii) existing and/or recorded easements, conditions, covenants, declarations, reservations and restrictions including, without limitation, those set forth in this Declaration; (iii) easements and use rights, if any, reserved by the Declarant hereunder; (iv) applicable governmental regulations, including zoning laws, which may be imposed upon the Property from time to time; and (v) the existing mortgages, deeds of trust, and other security instruments encumbering portions of the Property.

Section Four. Limited Warranty From Declarant. FOR A PERIOD OF ONE (1) YEAR FROM THE DATE OF COMPLETION OF CONSTRUCTION (BEING THE LATER OF SUBSTANTIAL COMPLETION UNDER THE CONSTRUCTION CONTRACT, OR THE DATE A CERTIFICATE OF OCCUPANCY IS ISSUED THEREFOR), THE DECLARANT SHALL AT NO COST TO THE ASSOCIATION REPAIR OR REPLACE (IN THE DECLARANT'S DISCRETION) ANY PORTIONS OF THE COMMON AREAS (EXCEPT FIXTURES, ACCESSORIES AND APPLIANCES COVERED BY SEPARATE WARRANTIES OF THEIR RESPECTIVE MANUFACTURERS) WHICH ARE DEFECTIVE AS TO MATERIALS OR WORKMANSHIP. THIS LIMITED WARRANTY IS IN PLACE OF ALL OTHER CONTRACTUAL OBLIGATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AND THE DECLARANT DISCLAIMS ALL OTHER CONTRACTUAL OBLIGATIONS OR WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE FULLEST EXTENT PERMITTED BY LAW, THE LIABILITY OF THE DECLARANT SHALL BE LIMITED TO SUCH REPAIR OR REPLACEMENT AND THE DECLARANT SHALL NOT BE LIABLE FOR DAMAGES OF ANY NATURE, WHETHER DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL, REGARDLESS OF WHETHER SUCH DAMAGES ARE CLAIMED TO ARISE OUT OF THE LAW OF CONTRACT, TORT OR OTHERWISE, OR PURSUANT TO STATUTE OR ADMINISTRATIVE REGULATIONS. Each Owner, in accepting a deed from the Declarant or any other party to a Lot, expressly acknowledges and agrees that this Section Four establishes the sole liability of the Declarant to the Association and the Owners related to defects in the Common Areas and the remedies available with regard thereto. At the end of the one (1) year warranty period referred to hereinabove in this Section Four, the Declarant will assign to the Association in writing all of its rights, claims, causes of action and demands which it has or which may thereafter accrue against all other people who may be responsible for the design and/or construction of the Common Areas. THIS LIMITED WARRANTY RELATES SOLELY TO THE COMMON AREAS, THE BUILDING CONSTRUCTED UPON EACH LOT IS SUBJECT TO A SEPARATE LIMITED WARRANTY PURSUANT TO THE REAL ESTATE PURCHASE AGREEMENT THEREFOR BETWEEN THE OWNER AND THE BUILDER AND FOR WHICH THE DECLARANT POSSESSES NO LIABILITY.

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

Section One. Every Owner and Builder shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

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

Class A. Class A Members shall be all Owners of a Lot with the exception of the Declarant and shall be entitled to one (1) 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. The Class B Member 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 later:

(a) When the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership; or

(b) Ten years from the later of the date of recording of this Declaration or any supplement adding additional land under Article I.

Section Three. Declarant shall be entitled to appoint the entire Board of Directors while Class B membership exists.

ARTICLE V
COVENANT FOR ASSESSMENTS

Section One. Creation of the Lien and Personal Obligation of Assessments. Each Owner of a 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 agree to pay to the Association: (a) annual assessments or charges, (b) special assessments, such assessments to be established and collected as hereinafter provided, and (c) specific assessments against one or more Lots as provided in this Declaration. The annual, special, and specific assessments, together with interest, late charges, costs and reasonable attorney fees, shall be a charge on the Lot and shall be a continuing lien upon the properties against which each such assessment is made. Each such assessment, together with interest, late charges, costs and reasonable attorney fees, shall also be the personal obligation of the Owner.

Section Two. Any expenses incurred by the Association for the benefit of less than all of the Lots may be specially assessed equitably among all of the Lots which are benefitted according the benefit received. Any Association expenses occasioned by the conduct of fewer than all of those entitled to occupy all of the Lots, or by the licensee or invitees of any such Lots, may be specifically assessed against the Lots whose occupant, licensee or invitee occasioned any such Association expenses. To the extent not inconsistent with the Act, any Association expenses which significantly disproportionately benefit all Lots may be assessed equitably among all Lots according the benefit received.

Section Three. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties including, without limitation, (a) the improvement, repair and maintenance of the Common Areas; (b) private streets and roads, driveways, walks, and parking areas situated on the Common Area; (c) the cutting and removal of weeds and grass, the removal of trash and rubbish, or any other maintenance of the Common Areas; (d) the payment of taxes and public assessments assessed against the Common Areas; (e) the procurement and maintenance of insurance in accordance with this Declaration; (f) the employment of attorneys and accountants to represent the Association when necessary; (g) the provision of adequate reserves for the replacement of capital improvements, including, without limiting the generality of the foregoing, paving, and any other major expense for which the Association is responsible; and (h) such other needs as may arise.

Section Four. Maximum Annual Assessments. The Assessments against the Lots shall be based upon annual estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of the Association's obligations under this Declaration. Such estimated expenses may include, among other things, (a) expenses of management; (b) taxes and special assessments; (c) premiums for all insurance that the Association is required or permitted to maintain hereunder; (d) repairs and maintenance; (e) wages for Association employees, including fees for a manager (if any); (f) utility charges, legal and accounting fees; (g) any deficit remaining from a previous period; (h) creation of reasonable contingency reserves, surplus, and/or sinking funds; and (i) any other expenses and liabilities which may be incurred by the Association under or by reason of this Declaration. Such expenses shall constitute the "Common Expenses." Until January 1 of the year immediately following the conveyance of the first Lot to any Owner, the maximum annual assessment shall be four hundred and fifty dollars (\$450.00) per Lot.

(a) From and after January 1, of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased by the Board of Directors effective January 1 of each year without a vote of the Membership, but subject to the limitation that any such increase shall not exceed the greater of twenty (20%) percent or the percentage increase in the CPI.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, or until increased as provided for in (a) above or (c) below, whichever last occurs, the maximum annual assessment may be increased above the increase permitted in Section 4(a) above 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 monthly assessment at an amount not in excess of the maximum annual assessment.

Section Five. Special Assessments. 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 supplying adequate reserve funds for the replacement of capital improvements; defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any part of the improvements and Properties under this Declaration; obtaining appropriate

insurance; and paying any unusual, unforeseen and non-recurring expenses of the Association. Should the Association, by and through its elected or appointed Board of Directors, as the case may be, at any time determine, in the sole discretion of said Board of Directors, that the annual assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Association, whether it be having reserve funds for the repair, maintenance or replacement of capital improvements or otherwise, said Board of Directors shall have the authority to levy such special assessments as it shall deem necessary.

Section Six. Annual Budget. The annual assessments shall be determined on a calendar year basis. On or before December 1 of each year, the Association shall prepare or cause to be prepared an operating budget for the upcoming calendar year. The budget shall itemize the estimated expenses of the Association for such calendar year, anticipated receipts (if any), and any document for the assessments for the upcoming fiscal year and as the major guideline under which the Association shall be operating during such annual period.

Section Seven. Reserves. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Areas and those other portions of the Properties which the Association may be obligated to maintain, repair or replace. Such reserve fund is to be established, insofar as is practicable, out of regular assessments for Common Expenses.

Section Eight. [reserved]

Section Nine. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to each Lot on the date of the month on which such Lot is conveyed by Declarant. Such annual assessments shall be paid ratably on a monthly basis. 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. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section Ten. Effect of Nonpayment of Assessments; Remedies of the Association.

(a) The payment of any assessment or installment thereof due to the Association shall be in default if such assessment, or any installment thereof, is not paid to the Association on the due date for such payment. A late charge shall be added to any assessment not paid within fifteen (15) days after the due date, together with interest from the due date at eighteen percent (18.0%) per annum.

(b) In the event of non-payment by an Owner of any assessment, the Association is granted a lien upon the Lot, which shall secure all monies due for all assessments now or hereafter levied and which shall also secure interest payments, late penalties, and costs and expenses, including a reasonable attorneys fee, which may be incurred by the Association in enforcing the lien.

(c) The lien granted to the Association may be foreclosed in the same manner as mortgages may be foreclosed in the State of North Carolina, and in any suit or foreclosure of said lien.

(d) No Owner may exempt himself or herself from liability for any assessment levied against such Owner and his or her Lot by waiver of the use of enjoyment of the Common Area or by abandonment of his or her Lot or in any other manner.

(e) The Association in the event of any default hereunder by an Owner may proceed to enforce and collect the assessment against the Owner in any manner provided herein, including the right of foreclosure and power of sale. In any action instituted by the Association to enforce the provisions of this Declaration, including but not limited to, non-payment of assessments, the offending or defaulting Owner shall be responsible for all the costs of collection, including a reasonable attorneys fee incurred by the Association.

Section Eleven. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. 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 (including, but not limited to, a deed-in-lieu of foreclosure given to any institutional mortgage lender or the development lender or their respective successors and assigns) shall extinguish the lien of such assessments as to payments

which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or form the lien thereof.

Section Twelve. [reserved].

Section Thirteen. Taxes. Taxes assessed against a Lot shall be the responsibility of the Owner but taxes separately assessed against the Common Areas shall be an expense of the Association and shall be paid by the Association.

ARTICLE VI INSURANCE AND CASUALTY LOSSES

Section One. Owner's Property Insurance. Each Owner shall procure and maintain in full force and effect property insurance covering the Building constructed upon any Owner's Lot, as well as all other improvement, fixtures and equipment thereon, in an amount equal to one hundred (100%) percent of the then current replacement cost thereof. Each Owner shall at the original issuance thereof and at each renewal provide to the Association a certificate of insurance for such Owner's Building. The exclusive authority to negotiate, settle and otherwise deal in all respects with a Building's insurer and to adjust losses under the Building's insurance policy provided for herein shall be that of the Owner and the Owner's Mortgagee, if said Mortgagee is to entitled. The cost of the insurance premium for the property insurance under this Article VI, Section One shall be the sole and exclusive obligation of the Owner. Each Owner, at his own expense, may obtain on his Lot, or the improvements thereon, or the contents thereof, title insurance, homeowner's liability insurance, theft and other insurance covering improvements, betterment and personal property damaged and lost. In addition, risk of loss with respect to any improvements made by an Owner upon his Lot, shall be that of the Owner. Betterments coverage or "improvements insurance" shall be secured solely by an Owner wishing such coverage of his risk of loss, and the Association shall have no liability therefor.

Section Two. The Association's Property Insurance.

(a) If the Common Areas include any insurable property, the Association will obtain, maintain and pay the premiums, as a Common Expense, upon a "master" or "blanket" type policy of policies of property insurance covering the Common Areas, except (i) land, foundation, excavation or other items normally excluded from coverage; (ii) all Buildings constructed upon Lots and all other improvements and betterments made to Lot by Owners at their expense; and (iii) personal property of Owners and lessees of Owners, their families, invitees and guests. Such coverage will also insure supplies, equipment and other personal property of the Association. The policy will be in an amount equal to one hundred (100%) percent of the current replacement cost of the Common Areas, exclusive of land, foundations, excavation, and other items normally excluded from coverage. A reasonable "deductible amount" not to exceed five percent (5%) of the policy face amount may be included at the discretion of the Board of Directors if available and if a material savings, as determined by the Board in its sole discretion, in premium cost results therefrom, but the deductible amount will be considered a Common Expense and borne by the Association as a whole, without regard to the number of Owners directly affected by a loss that is later incurred, and reserves will be established for the deductible.

(b) The name of the insured under the Association policy will be the Association. Loss payable provisions will be in favor of the Association and the Trustee, as a trustee for each Owner, and each such Owner's Mortgagee as the interests of such parties may appear. Each Owner and his respective Mortgagee, if any, will be beneficiaries of the policy in a percentage equal to the Percentage Interest attributable to the Lot owned by such Owner. All Association policies will contain a standard mortgagee clause, or equivalent endorsement (without contribution), which is commonly accepted by institutional mortgage investors in the area in which the Property is located, and which appropriately names all institutional mortgage investors or their servicers in such form as reasonably requested by such institutional mortgage investors or their servicers.

(c) All Association policies will be written with a company holding a general policyholder rating of "A" or better by Best's Insurance Reports and in a financial category of Class VI or better in Best's Key Rating Guide. Policies are unacceptable where (i) under the terms of the insurance carrier's charter, bylaws or policy, contributions or assessments may be made against the Association, Owner's Mortgagee or the designees of Mortgagees; or (ii) by the terms of the carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's board of directors, policy holders or members. Association policies may not be cancelable or substantially modified by any party without at least ten (10) days prior written notice to the Association.

(d) The Association will provide to Owners and/or Mortgagees requesting the same in writing a certificate of insurance, or a copy of the certificate of insurance, for the Association, for which the Association may charge reasonable

copying costs.

Section Four. Association's Liability Insurance. The Association will obtain, maintain and pay the premiums, as a Common Expense, upon a policy of comprehensive general liability coverage covering at a minimum all of the Common Areas. Coverage limits will be in amounts generally required by institutional mortgage investors for projects similar in construction, location and use to the Property; provided, however, that such coverage will be for at least one million dollars (\$1,000,000.00) for bodily injury, including death of persons, and property damage arising out of a single occurrence. Coverage under this policy will include, without limitation, legal liability to the insured for property damage, bodily injury and death of persons in connection with the operation, maintenance and use of the Common Areas and legal liability arising out of lawsuits related to employment contracts in which the Association is a party. If the policy does not include "severability of interest" in its terms, an endorsement will be included which precludes the insurer's denial of the claims of an Owner because of the negligent acts of the Association or another Owner. Such policy must provide that it cannot be canceled or substantially modified, by any party, without at least thirty (30) days prior written notice to the Association and each holder of a mortgage listed as a scheduled holder of a Mortgage in the insurance policy.

Section Five. Association's Fidelity Bonds and Other Insurance. The Association may, but shall not be required to, obtain, maintain, and pay the premiums, as a Common Expense, upon a blanket fidelity bond for all officers, directors, trustees and employees of the Association and other persons handling or responsible for funds belonging to or administered by the Association, including any professional management company assisting with the administration of the Association. The total amount of the fidelity bond coverage required will be based upon the best business judgment of the Board of Directors. Any fidelity bond that the Association shall, in its sole judgment, determine to secure will meet the following requirements: the Association will be named as an obligee; the bonds will contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions; and the bond will provide that it may not be canceled or substantially modified (including cancellation for nonpayment of a premium) without at least ten (10) days prior written notice to the Association and each holder of a Mortgage listed as a scheduled holder of a Mortgage in the fidelity bond. The Association will obtain, maintain and pay the premiums, as a Common Expense, on a policy of directors and officers liability insurance in such amounts as determined by the Board of Directors. The Board of Directors will be authorized on behalf of the Association to obtain and maintain such other and further insurance as the Board of Directors may determine from time to time.

Section Six. Authority to Adjust Association Loss. The exclusive authority to negotiate, settle and otherwise deal in all respects with insurers and adjust all losses under policies provided for the Association will be vested in the Board of Directors or its duly authorized agent for the benefit of all Owners and Mortgagees; provided, however, that all Owners and Mortgagees having an interest in such loss will be advised in advance of all actions anticipated to be taken of a material nature related to the adjustment of the loss. Each Owner, in accepting a deed to a Lot, expressly appoints the directors, and each of them, his due and lawful attorneys-in-fact, with full power of substitution, to act on behalf of the Owner as fully as the Owner could act in person on all matters related to the authority granted in this Article VI, Section Six, including executing all documents required in connection therewith on behalf of the Owner.

Section Seven. Association Insurance Trustee.

(a) The Board of Directors may, from time to time, designate a third party trustee hereunder (the "Trustee"). The Trustee, whether the Board of Directors acting in said capacity, or a third-party designated by the Board, will serve the Association and the Owners and their Mortgagees (as their interests may appear) as provided herein. Any Trustee, but not the Board of Directors acting in such capacity, will be entitled to receive reasonable compensation for services rendered which will be a Common Expense of the Association.

(b) All insurance policies obtained by the Association will, in the event of the appointment of a Trustee, name the Association and the Trustee as loss payees. Immediately upon the receipt by the Association of any insurance proceeds, the Association will endorse the instrument by means of which such proceeds are paid and deliver the instrument to the Trustee. The Trustee will not be liable for payment of premiums, for the renewal or the sufficiency of the policies or for the failure to collect any insurance proceeds. Nor will the Trustee have any obligation to inspect the Property to determine whether a loss has been sustained or to file any claim or claims against any insurer or any other person.

(c) Among other things, the duties of the Trustee will be to receive proceeds delivered to it, hold such proceeds in trust for the benefit of the Owners and their Mortgagees, and disburse the proceeds as hereinafter provided.

(d) Proceeds of insurance policies received by the Trustee will be disbursed as follows:

(i) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purposes, will be disbursed in payment for such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs will be paid to the Association for the benefit of all Owners and their Mortgagees, if any;

(ii) If it is determined, as provided in Section Nine, that the damage or destruction for which the proceeds are paid will not be repaired or reconstructed, such proceeds will be disbursed to such persons as therein provided; and

(iii) Any and all disbursements of funds by the Trustee for any purpose whatsoever will be made pursuant to and in accordance with a certificate of the Association signed by the President and attested by the Secretary directing the Trustee to make the disbursements.

(e) The Trustee will not incur liability to any Owner, Mortgagee or other person for any disbursements made by it in good faith to and in accordance with the foregoing requirements.

Section Eight. Damage or Destruction to a Lot's Building. Each Owner covenants and agrees that in the event of damage in or destruction of the Building or other structures on his or her Lot, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved by the Association. Alternatively, the Owner shall clear the Lot of all debris and ruins and maintain the Lot in a neat and attractive, landscaped condition approved by the Association. Should the Owner fail to clear the Lot of all debris and ruins and restore the Lot with attractive landscaping, the Association shall have the right to have such work performed and to specially assess such Owner for the cost thereof. Such amount owed shall be lien against the Lot. The Owner shall pay any costs which are not covered by insurance proceeds.

Section Nine. Damage and Destruction to Association Common Areas.

(a) Immediately after all or any part of the Property covered by Association insurance is damaged or destroyed by fire or other casualty, the Board of Directors or its duly authorized agent will proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section Nine, means repairing or restoring the damaged Common Areas to substantially the same conditions in which it existed prior to the fire or other casualty.

(b) Any such damage or destruction will be repaired; provided, however, that should more than seventy-five percent (75%) of the Common Areas consisting of the amenities, roads and other improvements be destroyed and all of the Members vote to disapprove the rebuilding of the Common Areas voting in person or by proxy at a meeting at which a quorum is present, duly called, in whole or in part, for the purpose of disapproving such repair or reconstruction, then such reconstruction of the Common Areas shall not occur. If Common Areas are not reconstructed, all insurance proceeds will be delivered to the Association. Except as otherwise provided, any such damage or destruction in the Common Areas will be repaired and reconstructed as promptly as practicable. No Mortgagee will have any right to restrict the use of insurance proceeds otherwise available for repair, reconstruction or rebuilding.

Section Ten. Insufficient Proceeds to Repair Damage to Association Property.

(a) If the damage or destruction for which Association insurance proceeds are paid to the Trustee is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, or if no insurance proceeds exist with respect to such damage or destruction, the Board of Directors will levy a special assessment against the Owners in sufficient amounts to provide funds to pay costs in excess of insurance proceeds for repair or reconstruction. Special assessments may be made at any time during or following the completion of any repair or reconstruction.

(b) Any and all sums paid to the Association under and by virtue of those assessments provided for in subsection (a) of this Section Ten will be deposited by the Association with the Trustee. Such proceeds from insurance and assessments, if any, received by the Trustee will be disbursed as provided in Section Seven.

ARTICLE VIII
CONDEMNATION

Section One. General. Whenever all or any part of the Property will be taken by any authority having the power of condemnation or eminent domain, each Owner will be entitled to notice thereof and shall have the right to negotiate, settle and otherwise deal in all respects with the condemning authority as to the taking of such Owner's Lot and the improvements thereon; provided, however, that the exclusive right to negotiate, settle and otherwise deal in all respects with the condemning authority as to the taking of the Common Areas will be vested in the Board of Directors or its duly authorized agent on behalf of the Association. Each Owner, in accepting a deed to a Lot, expressly appoints the directors, and each of them, his due and lawful attorneys-in-fact, with full power of substitution, to act on behalf of the Owner as fully as the Owner could act in person in all matters related to the authority granted in this Article VIII, Section One, including executing all documents required in connection therewith on behalf of the Owner. The award made for such taking will be payable to the Trustee. Unless otherwise required by law at the time of such taking, any award made therefore will be disbursed by the Trustee, as hereinafter provided in this Section One.

Section Two. Complete Taking. In the event the entire Property is taken by power of eminent domain, the Association and its ownership of the Common Areas pursuant hereto shall terminate and the condemnation award shall be allocated among and distributed by the Trustee to the Owners in proportion, and their respective Mortgagees and other lienholders as their interests may appear. Notwithstanding, each Owner shall have the right to negotiate, settle and otherwise deal in all respects with the condemning authority as to the taking of such Owner's Lot and the Building and other improvements which may be located therein.

Section Three. Partial Taking of Non-Essential Areas. In the event less than the entire Property is taken by power of eminent domain and if the taking does not include any portion of the Common Areas, the Board of Directors will be permitted to replace any nonessential improvements to the extent deemed appropriate and the Trustee will disburse the proceeds of such awards in the same manner as hereinabove provided for and in connection with the repair, reconstruction or rebuilding of improvements after damage or destruction, with all excess proceeds to be distributed to the Association.

Section Four. Partial Taking of Essential Areas. In the event less than the entire Property is taken by power of eminent domain and the taking includes any portion of a Lot or the Common Areas essential to the use of any Lot, as soon as practicable thereafter, the Board of Directors shall, reasonably and in good faith, apportion the condemnation award between compensation, severance damages or other proceeds and shall allocate such apportioned amounts and pay the same to the Owners as follows:

(a) The respective amounts apportioned to the taking of, or injury to, such portion of the Common Areas affecting primarily the use or enjoyment of one or more particular Lots and the improvements thereon (e.g. the taking of, or injury to, Common Areas immediately around one or more Lots which prevents such Lot from rebuilding their improvements or causes them to have to modify their improvements within their Lots because of changes in setbacks or otherwise), then the proceeds from such taking of, or injury to, as it affects such particular Lots shall be allocated and distributed to the Owners of such affected Lots;

(b) The total amount apportioned to the taking of or injury to the Common Areas which equally affects the Owners of all Lots (such as the taking of, or injury to, the Amenities) shall be allocated among and distributed to all Owners in proportion;

(c) The total amount apportioned to severance damages shall be allocated among and distributed to the Owners of those Lots that have not been taken, in proportion to their respective percentage interests as adjusted for the removal of those Owners whose Lots have been taken;

(d) The total amount apportioned to consequential damages and any other takings or injuries shall be allocated and distributed as the Association determines to be equitable under the circumstances;

(e) If apportionment or allocation is already established by negotiation, judicial decree, statute or otherwise, the Association shall employ such apportionment and allocation to the extent it is relevant and applicable; and

(f) Distribution of allocated proceeds shall be made by the Association or the designated Trustee to the Owners and their respective Mortgagees as appropriate and as their interests may appear.

Section Five. Continuation and Reorganization. If less than the entire Property is taken by power of eminent domain, the Association and the ownership of the Common Areas by its members pursuant hereto shall not terminate, but shall continue. If any partial taking results in the taking of an entire Lot, the Owner thereof shall cease to be a Member of the Association and an Owner under this Declaration. The Association shall reallocate the voting rights and the undivided interest in the Common Areas appurtenant to such Lot in accordance with this Declaration.

ARTICLE IX ARCHITECTURAL CONTROL

Section One. Approval Required for Buildings and Interior Features. To preserve the original architectural appearance of the Project, the Property, and the Buildings' designs within the Lots, including architectural and engineering aspects, no construction, reconstruction or Lot or Building modification of any nature whatsoever, except as specified in this Declaration, will be commenced or maintained upon the Lot and to the Building located, or to be located thereon, nor will there be any change, modification or alteration of any nature whatsoever of the design and appearance of any surfaces or facades, nor will any Owner change the paint color on the exterior of any Building or change the roof, nor will any Owner change the design or color of the exterior lights, nor will any Owner construct, erect or attach to any part of the exterior any addition or change until after the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same will have been submitted to and approved in writing as to harmony of design, color and location in relation to the surrounding features by the Board of Directors and pursuant to original plans and specifications or design guidelines adopted therefore. Furthermore, such required approval by the Board of Directors shall extend to any landscaping installed by Owner within the Lot, as well as any interior features or aesthetic elements that are in plain view from outside a Building. The failure of an Owner to secure the required approval of the Board of Directors as aforesaid, or to take such action, remedial or otherwise, as the Board of Directors shall at any time determine to be required hereunder shall be subject to the authority and enforcement powers of the Board of Directors as set forth in Article X. The Board of Directors may delegate the architectural review functions to a committee, but enforcement of all violations shall remain with the Board of Directors.

ARTICLE X MAINTENANCE

Section One. Responsibility of Association. Except as specifically provided to the contrary herein, the Association will maintain the Common Areas in first class condition in accordance with proper maintenance procedures applicable thereto. In addition, the Association will repair or replace all parts of the Common Areas, and, except as otherwise provided herein, the cost of such will be charged to the Owners as a Common Expense.

Section Two. Access to Lots. The Association will have the irrevocable right, to be exercised by the Board of Directors or its agent, which term includes any Association manager, to have reasonable access to each Lot from time to time for the inspection, maintenance, repair or replacement of any of the Common Areas accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Areas.

Section Three. Responsibility of Owner. In the event that the Board of Directors should determine that the need for maintenance or repairs by the Association as provided for in this Article X, Section Three is caused through the willful or negligent act of an Owner or the lessee of an Owner or any of their respective families or invitees, or the Owner's pets, the cost of which is not covered or paid for by insurance, then the cost, both direct and indirect, of such maintenance or repairs will be added to and become a part of the specific assessment to which such Owner and his Lot are subject. Each Owner will maintain, repair or replace at his or her own expense all the Building and other improvements upon the Lot which may become in need thereof. Further, each Owner will, at his or her own expense, maintain, repair and replace, when necessary, that heating and air-conditioning condensers and other such exterior appurtenances to such Owner's Building whether or not located within such Owner's Lot. Each Owner shall keep the exterior of his or her Building and other improvements in a neat and well maintained and first class condition. If the Owner does not make those repairs to his or her Building and/or other improvements required to be made within thirty (30) days from the date of receipt of written demand from the Association, the same may be repaired by the Association and the cost thereof will be assessed against the Owner and the Lot owned by such Owner as a specific assessment. In the event an Owner's Building is severely damaged by catastrophic event, such Owner shall commence to either repair and/or rebuild such Building or tear down the Building and grade and landscape the Building site within three (3) months of such catastrophic event. Should Owner fail to tear down its Building and grade and landscape the Building site or fail to commence reconstruction and repair of the Building within such three (3) month period, the Association shall have the right to tear down the Owner's Building and to grade and landscape the

Building site, and the cost thereof will be assessed against the Owner and the Lot owned by such Owner as a specific assessment.

Section Four. Access, Ingress and Egress. All Owners, by accepting title to a Lot, waive all rights of uncontrolled and unlimited access, ingress, and egress to and from such Lot and acknowledge and agree that such access, ingress, and egress will be limited to roadways, sidewalks and walkways located within the Property from time to time, provided that pedestrian and vehicular access to and from all such Lot will be provided at all times. There is reserved unto Declarant, the Association, and their respective successors and assigns, the right and privilege, but not the obligation, to install and maintain electronic gates controlling vehicular access to and from the Property, provided that reasonable steps are taken to facilitate the access of all Owners and their respective invitees. Neither the Declarant nor the Association will be responsible, in the exercise of its reasonable judgment, for the granting or denial of access to the Property in accordance with the foregoing.

Section Five. Declarant's Right to Develop. Notwithstanding anything herein contained to the contrary, the Declarant hereby reserves unto itself, its successors and assigns, the right and option to control any gate to the Property and to leave the gate in an open position for the unobstructed and uncontrolled passage of construction vehicles for persons engaged in both infrastructure and building construction activities. The within right, if exercised, will be limited to the hours of 6 a.m. to 6 p.m..

ARTICLE XI LOT RESTRICTIONS

Section One. Lots. All Lots will be, and the same are hereby restricted exclusively, for single-family residential use, provided, however, a Lot's Building may be used as a combined residence and executive or professional office by the Owner hereof so long as such use does not interfere with the quiet enjoyment by other Owners and does not include visitation by clients, or unreasonable levels of mail, shipping, storage or trash requirements. No immoral, improper, offensive or unlawful use will be made of any Lot or Building, and no use or condition will be permitted which is a source of unreasonable noise or interference with the peaceful possession and quiet enjoyment of any other portion of the Property by other Owners or lessees of Owners, their families, invitees and guests. All Lots and the Buildings thereon or therein will be kept in a clean and sanitary condition and no rubbish, refuse or garbage will be allowed to accumulate. No fire hazard will be allowed to exist, and no use or condition will be permitted which will increase any rate of insurance related to the Property. In addition, all Owners, guests of Owners, lessees of Owners, renters, their families, invitees and guests will abide by all Rules and Regulations in effect from time to time governing the use of the Property.

Section Two. Animals and Pets. No animals, livestock or poultry of any kind will be raised, bred or kept on any part of the Property, except that dogs, cats or other normal household pets may be kept by the respective Owners inside their respective Buildings; provided, however, that (a) the Board of Directors may, in its sole discretion, establish by rule that certain animals are deemed not to be normal household pets and that dogs of a certain breed are potential hazards to the Association and its Members and are deemed not to be normal household pets; (b) the Board of Directors may establish Rules and Regulations to insure that all permitted pets are properly licensed and inoculated for rabies and such other disease for which inoculation is necessary for that breed of pet; (c) permitted pets are not kept, bred or maintained for any commercial purpose and do not create any health hazard or, in the sole discretion of the Board of Directors, unreasonably disturb the peaceful possession and quiet enjoyment of any other portion of the Property by other Owners and lessees of Owners, their families, invitees and guests; and (d) the Board may establish reasonable rules to limit the number of such allowed pets. Pets shall be kept on a leash at all times when outside a Building, and the Owner shall clean up after his or her pet. Any occupant of a Lot or Building other than the Owner shall be prohibited from keeping animals, including household pets on the Lot, or in the Building.

Section Three. Antennas. No television antenna, radio receiver, or other similar device will be attached to or installed on any portion of the Building and other improvements upon the Lot, by an Owner, except as required by the Telecommunications Act of 1996 and implementing rules therefor issued by the Federal Communications Commission and by the Association in conformity with rules or guidelines of the Federal Communications Commission; provided, however, the Declarant and the Association, and their successors and assigns, will not be prohibited from installing equipment necessary for internet, security, cable television, or other similar systems within the Properties.

Section Four. Leasing of Lots. An Owner of a Lot will have the right to lease or rent his or her Lot and the Building upon such Lot, subject to applicable local ordinances, for a period of not less than one (1) year; provided, however, that all leases will require the lessee to abide by all conditions and restrictions placed on the use and occupancy of the Lot by this Declaration. The Board of Directors will have the right to approve the form of all such leases at any time if it elects to do

so. Occupancy by a tenant under any such approved form of lease is subject to continuing approval of the Board of Directors thereunder, which may be removed at any time by the Board of Directors for any violation by any such tenant or renter of the Rules and Regulations. In order to promote health, safety and welfare of the Properties, the Owners and their tenants, each Lot, the Building upon each Lot, and the Common Areas, all tenants of Owners shall first register (the "Registration Requirement") their names, addresses, automobile license plate numbers, if any, and length of lease with the Association.

Section Five. Motor Homes, Trailers, and Boats. All vehicles will be parked on the driveway on a Lot or in parking spaces, if any, within the Common Areas. The Association shall have the power to impose rules and regulations prohibiting or otherwise controlling the storage or parking upon any portion of the Property of any motor home, trailer (either with or without wheels), tractor, truck (other than pick-up trucks), commercial vehicles of any type, camper, motorized camper or trailer, boat or other watercraft, boat trailer, motorcycle, motorized bicycle, motorized go-cart, or any other related forms of transportation devices (but specifically excluding golf carts which shall be deemed in the same manner as passenger automobiles), provided, however, the Association rules regarding storage or other parking must not allow such mobile home, trailer (either with or without wheels), motor home, tractor, truck (other than pick-up trucks), commercial vehicles of any type, camper or trailer, boat or other watercraft, boat trailer, motorcycle, motorized bicycle, motorized go-cart, or any other related forms of transportation devices to be visible from the adjoining street.

Section Six. Signs. Except as may be required by law or by legal proceedings, no signs or advertising posters of any kind (except customary "For Rent" and "For Sale" signs) shall be erected by an Owner, the Association or any contractor or subcontractor thereof, nor shall any sign or poster be maintained or permitted on any Building window, or within a Building and viewable through any window, or on the exterior of any improvements or on any unimproved portion of property located within the Property, without the express written permission of the Association. The approval of any signs shall be upon such conditions as may be from time to time determined by the Association. Notwithstanding the foregoing, the restrictions of this Article XI, Section Seven shall not apply to the Declarant or to any person having the prior written approval of the Declarant. In addition, the Declarant and/or Association shall have the right to erect reasonable and appropriate signs on any portion of the Common Areas in accordance with architectural design standards adopted therefor and approved by governmental authority with jurisdiction thereof.

ARTICLE XII EASEMENTS

Section One. Encroachments. If any portion of the Common Areas encroaches upon any Lot or as a result of variances from the site plan and/or recorded plats of the Property, an easement will exist for the encroachment and for the maintenance of the same so long as the improvements comprising a portion of the Common Areas continue to encroach upon such Lot. If the improvements comprising a portion of the Common Areas will be partially or totally destroyed as a result of fire or other casualty or a result of eminent domain proceedings, and then rebuilt, encroachments of parts of the Common Areas upon any Lot due to such rebuilding, will be permitted, and valid easements for such encroachments and the maintenance thereof will exist so long as the improvements remain.

Section Two. Utilities. There is hereby granted a blanket easement upon, across, over and under all the Property for ingress, egress, installation, replacing, repairing and maintaining utilities, including, but not limited to water, gas, sewers, internet, telephone, and electricity, and other forms of telecommunication and technology cabling, now existing or developed in the future. Such easements grant to appropriate utility companies the right to erect and maintain the necessary poles and other necessary equipment on the Property. In addition, the Board of Directors will be entitled to grant additional permits, licenses, and easements over the Common Areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance and operation of the Property.

Section Three. Easement for Construction. Notwithstanding anything herein to the contrary, Declarant and persons designated by the Declarant will have an easement to enter upon and cross over the Common Areas for purposes of ingress and egress to all portions of the Property; to use portions of the Common Areas and any Lots owned by the Declarant for construction or renovation related purposes including the storage of tools, machinery, equipment, building materials, appliances, supplies and fixtures, and the performance of work respecting the Property; and to maintain and correct drainage of surface, roof or storm water.

Section Five. Easement for Inspection by Declarant. Notwithstanding anything herein to the contrary, Declarant and persons designated by the Declarant will have an easement to enter upon and cross over the Common Areas for purposes of ingress and egress to all portions of the Property as well as an easement for reasonable access to each Lot as the Declarant may find desirable, for the inspection of the whole or any portion of the Property, its Lots, the Buildings thereon or therein, the

Common Areas, the components and structural parts thereof, if any, as well as their maintenance requirements and the maintenance performed thereon to the date of any such inspection. Nothing herein shall require the Declarant to perform any such inspection, but if the Declarant does undertake any such inspection, Declarant shall provide to the Board of Directors a copy of its findings or the inspection report produced therefrom. Nothing herein shall relieve the Board from engaging a professional inspector to perform an annual maintenance audit as part of the Board's annual budgeting process under Article XII, Section Four.

Section Six. Easement for Sales Purposes. Declarant and persons designated by the Declarant will have an easement to maintain one or more sales offices, management offices and models throughout the Property and to maintain one or more advertising signs on the Common Areas while the Declarant is selling Lots in the Property, or any contemplated expansion thereof. Declarant reserves the right to place model home Buildings, management offices and sales offices on any Lots, owned or leased by Declarant and on any portion of the Common Areas in such number, of such size and in such locations as Declarant deems appropriate. So long as Declarant will be selling Lots in the Property or any contemplated expansion thereof, Declarant will have the right to restrict the use of a reasonable number of parking spaces, for purposes including, but not limited to, the providing of spaces for use by prospective Lot purchasers, Declarant's employees and others engaged in sales, maintenance, construction or management activities.

Section Seven. No View Easements. No view easement, express or implied, will be granted to any Owner in connection with the conveyance of a Lot to such Owner.

Section Eight. Other. There is hereby granted to the Association, its directors, officers, agents and employees and to any manager employed by the Association and to all policemen, firemen, ambulance personnel, and all similar emergency personnel, an easement to enter upon the Property in any part thereof in the proper performance of their respective duties. Except in the event of emergencies, the rights under this Article XII, Section Eight will be exercised only during reasonable daylight hours, and then, whenever practicable, only after advance notice to the Owner or Owners affected thereby.

ARTICLE XIII THE DEVELOPMENT PLAN FOR THE PROPERTY

Section One. Phase I. Phase I of the Property includes Lots 1-27 as shown on the Phase I Plat.

Section Two. Reservation of Right to Expand and Contract.

- (a) Anything to the contrary contained in this Declaration notwithstanding, at any time on or before January 1, 2041, the Declarant will be entitled, but not required, to expand the property which is the subject of this Declaration by including any of the property shown on the Phase I Plat as "Future Phase 2" and to contract the property which is subject to this Declaration in accordance with these expansion and contraction rights as provided in Article I, Section Two, above and in this Article XIII, Section One.
- (b) During the period in which the Class B membership exists, the Declarant is entitled to subdivide portions of the Common Areas from the Properties, upon which no Lots have been created, and to remove the subdivided portion from the application of this Declaration by filing one or more amendments to this Declaration (a "Contraction Amendment"). A Contraction Amendment will be executed solely by the Declarant for itself and as attorney in fact for all Owners and shall be effective upon recording in the Moore County Registry.

Section Three. Declarant's Reservation of Right to Modify Owned Lots. The Declarant shall have the right, so long as it owns any Lot, to modify each such Lot and the Building thereon by filing an amended plat ("Lot Modification Plat").

Section Four. [reserved]

Section Five. Assignability of Rights. The Declarant may assign the rights reserved in this Article XIII to any person or entity by an instrument recorded in the Moore County Registry.

Section Six. Application of Declaration. Any Expansion Amendment, Contraction Amendment, Lot Modification Plat (a "Declarant Amendment") may be filed separately or in concert as one amendment. Upon the filing of a Declarant Amendment prescribed by herein, all definitions contained in the Declaration will be deemed amended to the extension necessary to cause the addition of real property and the improvements described in such amendment to be treated as fully an integral part of the property which is subject to the Declaration.

Section Seven. No Consent Required. Subject to the time limit set forth in herein, the Declarant, its successors and assigns, will have the absolute right to effect an expansion or contraction of the property which is subject to the Declaration, or a modification of a Lot in accordance with this Article XIII and to file Declarant Amendments to this Declaration without any action or consent on the part of any Owner or Mortgage holder; provided, however, that to the extent any action on the part of any Owner is required by any third party to assure the expansion of the property which is subject to the Declaration as provided in this Article XIII, each Owner, in accepting a deed to a Lot, agrees to undertake such actions and/or provide such consents as are reasonably requested, and expressly appoints the Declarant his due and lawful attorney in fact with full power of substitution, to execute all documents reasonably required to evidence the requisite action or consent.

ARTICLE XIV TRANSITION PROVISION

Section One. Appointment of Directors and Officers.

(a) The Declarant shall have the right to appoint or remove any or all members of the Board of Directors and any or all officers of the Association until such time as the first of the following dates: (i) January 1, 2041; (ii) after the conveyance by the Declarant, in the ordinary course of business to persons other than a successor developer, or development/construction lender for the Declarant or successor developer pursuant to a foreclosure or deed-in-lieu of foreclosure, of one hundred percent (100%) of the maximum number of Lots to be contained in all Phases of the Properties; or (iii) the date the Declarant surrenders its authority to appoint directors of the Association by an express amendment to any Declaration executed and filed of record by the Declarant.

(b) After the expiration of the Declarant's right to appoint under both subparagraph (a) above, and notwithstanding anything contained herein to the contrary, the Declarant shall, nevertheless and so long as it holds one or more Lots included in the Property which is subject to this Declaration, have the right to appoint one (1) member of the Board of Directors.

Section Two. Special Meeting to Elect Board. Within sixty (60) days after the date on which Owners other than the Declarant become entitled pursuant to this Article XIV to elect members of the Board of Directors of the Association, the Association will call, and give not less than thirty (30) days and not more than sixty (60) days notice of, a special meeting of the Members to elect the Board of Directors. The existing board members appointed by the Declarant shall remain on the Board of Directors with full authority and control until their elected successors take office. In the event such an appointed board member is no longer able or willing to serve prior to his or her elected successor takes office, the Declarant may appoint an interim board member until such elected successor takes office.

Section Three. Controlling Provisions. In the event of my inconsistency between this Article XIV and the other provisions of this Declaration, this Article XIV will be controlling and binding on all parties having an interest in the Association or the Properties.

ARTICLE XV [RESERVED]

ARTICLE XVI GENERAL PROVISIONS

Section One. Adherence to Provisions of Declaration, Bylaws and Rules and Regulations. Every Owner who lease his or her Building upon a Lot must post inside his Building a list of the Rules and Regulations of the Association applicable thereto. Any rental agency must further agree to abide by the Rules and Regulations and will be responsible for informing persons renting through its agency of any breaches of the Rules and Regulations by said persons and for taking any and all necessary corrective action. Should a particular agency or person continue not to take corrective action against the renters it has contracted with, or refuse to cooperate with the Association in the enforcement of its Rules and Regulations or other provisions of the Association Documents, the Association may require the Owner to cease using the services of that particular rental agency. Refusal to do so may result in fines against the Owner in an amount to be determined by the Board of Directors. Any fines will be added to and become part of the Assessment against the Lot and the Owner.

Section Two. Amendment. Amendments to this Declaration, except Declarant Amendments set forth in Article XIII and as

herein expressly provided to the contrary, will be proposed by the Board of Directors in accordance with the following procedure:

(a) Notice. Notice of the subject matter of the proposed amendment or amendments will be included in the notice of the meeting of the Association at which such proposed amendment or amendments are to be considered.

(b) Adoption. The Declaration may be amended at any time from time to time at a meeting of the Association called in accordance with the Bylaws and this Declaration upon the vote of Members holding sixty-seven percent (67%) or more of the total vote in the Association; provided, however, that if the Association will vote to amend the Bylaws in any respect, such amendment will be set forth in an amendment to this Declaration and will be valid only when approved by Members holding more than sixty-seven percent (67%) of the total vote in the Association.

(c) Nondiscrimination. Irrespective of the foregoing, no amendment will (i) alter the Percentage Interest applicable to each Lot (except as permitted in accordance with provisions hereof); (ii) discriminate against any Owner or against any Lot or class or group of Lots, unless in each instance all Owners adversely affected thereby expressly consent thereto in writing.

(d) Necessary Amendments. Notwithstanding any other provisions of this Declaration to the contrary, if any amendment is necessary in the judgment of the Board of Directors to cure any ambiguity or to correct or supplement any provision of this Declaration that is defective, missing or inconsistent with any other provision thereof, or if such amendment is necessary to conform to the requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or other secondary mortgage market lenders, guarantors or insurers with respect to condominium projects, then at any time and from time to time, the Board of Directors may effect an appropriate corrective amendment without requiring the vote of the Members.

(e) Recording. A copy of each amendment provided for in this Article XVI will be certified by the Association as having been duly adopted and will be effective when recorded.

(f) Approval of the Declarant. In recognition of the fact that certain provisions of this Declaration are for the benefit of the Declarant, no amendment in derogation of any right reserved or granted to the Declarant by provisions of this Declaration may be made without the written approval of the Declarant and any attempt at such shall be a nullity and without effect on the terms, provisions, rights and reservations within this Declaration until such written approval has been obtained and recorded with the amending instrument. Except with respect to Declarant Amendments, the Declarant's written consent, to be withheld in its sole and absolute discretion, shall be required for any amendment to this Declaration to be effective at any time during which Declarant owns any Lot and such written consent must be attached to the instrument and recorded therewith.

Section Three. Covenants Running with the Land. All provisions of this Declaration will be construed to be covenants running with the land, and with every part hereof and interest therein, including, but not limited to every Lot and the appurtenances thereto; and each and every provision of this Declaration will bind and inure to the benefit of the Developer and all Owners and claimants of the Association or any part thereof or interest therein, and their heirs, executors administrators, successors and assigns.

Section Five. Enforcement. Each Owner will comply strictly with the Association Documents, as the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in this Declaration and in the deed to his Lot. Failure to comply with any of the same will be grounds for an action to recover sums due for damages or injunctive relief or for all three maintainable by the Board of Directors on behalf of the Association or by any aggrieved Owner. In addition, the rights of any Owner or lease of an Owner, the families, invitees or guests to use and to enjoy the Common Areas may be suspended by the Board of Directors. Failure by the Association or any Owner to enforce any of the foregoing will in no event be deemed a waiver of the right to do so thereafter.

(a) Authority and Enforcement. Upon the violation of the Association Documents, including, without limitation, the failure to timely pay any Assessments, the Board will have the power (i) to impose reasonable monetary fines which will constitute an equitable charges and a continuing lien as a specific Assessment, (ii) to suspend an Owner-Member's right to vote in the Association, or (iii) to suspend an Owner's, or Lot occupant's right to use any of the Common Areas. The Board will have the power to impose all or any combination of these sanctions, and may establish each day a violation remains uncured as a separate violation for which a fine is due; provided, however, an Owner's access to its

property over the private roads and streets constituting Common Areas will not be terminated hereunder. An Owner, or Lot's occupant will be subject to the foregoing sanctions in the event of such a violation by such Owner, or Lot's occupant. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, not to exceed thirty (30) days.

(b) Procedure. Except with respect to the failure to pay Assessments, the Board will not impose a fine, suspend voting rights, or infringe upon or suspend any other rights of an Owner or other occupant of the Project for violations of the Association Documents, unless and until the Board has given notice to the Owner responsible for such violation and such Owner has been given reasonable opportunity to correct a violation that may be cured. No such notice and cure period need be given for continuing violations of the same provision in this Declaration or of the same Rule or Regulation of the Association.

Section Six. Severability. All provisions of this Declaration and all of the Association Documents will be construed in a manner that complies with the laws, specifically including the Act, to the fullest extent possible. If all or any portion of any provision of this Declaration or any other Association Documents will be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability will not affect any other provision hereof or thereof, and such provision will be limited and construed as if such invalid, illegal or unenforceable provision or portion thereof were not contained herein or therein.

Section Seven. Gender or Grammar. The singular whenever used herein will be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, will in all cases be assumed as though in each case fully expressed. In addition, the use of the terms "herein" or "hereof" will mean this Declaration and not merely the Section or paragraph in which such term is utilized.

Section Eight. Headings. All Section headings are utilized merely for convenience and will not restrict or limit the application of the respective Sections.

Section Nine. Powers of Attorney. By acceptance of a deed or other conveyance of an interest in a Lot, all Members do hereby grant, and if further required, do agree to vote in a manner to provide to, and to ratify and confirm retention by, Declarant of Declarant's rights under this Declaration, including, without limitation, the right to amend this Declaration in accordance with the provisions hereof. In connection with this voting agreement, each Member appoints Declarant as proxy for such member with full power of substitution to vote for the Member on all such matters on which the Member may be entitled to vote, and with respect to which there is a reservation or designation of voting rights in Declarant under this Declaration, and with all powers which the member would possess if personally present at any meeting of Members. Such appointment will be, upon acceptance of a deed or other conveyance by the Member and without the necessity of further action by the Declarant or the member, a power coupled with an interest and will be irrevocable. Such appointment will be effective as of the date on which a deed or other conveyance of an interest to the Member is recorded in the Moore County Registry. This irrevocable proxy will automatically terminate upon the sale by Declarant of all of the Lots. The within voting agreements and proxy are in addition to, and not in substitution of, all rights of Declarant herein provided, which will run with the land.

Section Ten. Lot Deeds. In accepting a deed to any Lot, the grantee will be deemed to have accepted and agreed to all terms and conditions contained in this Declaration, as amended, and further agrees to execute any and all documents reasonably requested by the Declarant or the Association from time to time to expressly evidence the foregoing.


Section Eleven. Conflicts. In the case of any conflict between the Articles of Incorporation and the Declaration, the Articles of Incorporation shall control; in the case of any conflict between the Declaration and the Bylaws, the Declaration shall control; and in the case of any conflict between the Declaration and any required term or condition imposed by the laws of North Carolina, upon the Association and/or the governance of the Association, the provisions of the law shall control.

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IN WITNESS WHEREOF, Declarant has hereunto set its hand as of the date hereof.

DECLARANT

Brewington Holdings LLC


 By: Bradley Maples
 Its: Manager

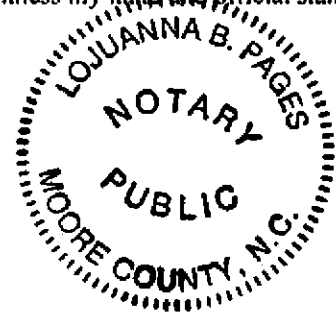
STATE OF North Carolina
 COUNTY OF Moore

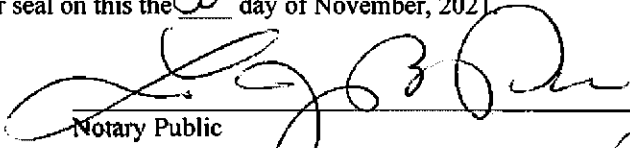
I certify that the following person personally appeared before me this day and acknowledged to me that the following person voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Name	Capacity
Bradley Maples	Manager, Brewington Holdings LLC

- I have personal knowledge of the identity of the principal;
- I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a _____; or
- A credible witness has sworn to the identity of the principal

Witness my hand and official stamp or seal on this the 30 day of November, 2021.




 Notary Public
 Print notary name: LoJuanna B. Pages
 (notary name must be exactly as on notary seal)
 My commission expires: 3/13/2025

[affix notary seal, which must be fully legible, below]