

LINDA H. STONE, REGISTER OF DEEDS
FRANKLIN COUNTY, NC

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This instrument prepared by and return to
Davis, Sturges, Tomlinson (CBSIII)
P O Drawer 708
Louisburg, N C 27549

NORTH CAROLINA
FRANKLIN COUNTY

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF
RIDGE HAVEN HOMEOWNERS' ASSOCIATION, INC A NORTH CAROLINA
NON-PROFIT CORPORATION

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is entered into this the 1st Day of November, 2001 between Ridgeco, L L C (hereinafter called "Declarant"), and Ridge Haven Homeowners' Association, Inc, a North Carolina non-profit corporation (hereinafter called the "Association") and all parties hereafter acquiring any of the described property

WITNESSETH

WHEREAS, Declarant is the owner of all lots within a subdivision in the County of Franklin, North Carolina known as Ridge Haven Subdivision and being that certain tract or parcel of land more particularly described by map and survey recorded in Book of Maps 2001, Pages 103(A) of 13 of the Franklin County Registry, and

WHEREAS, it is in the best interest of the Declarant and to the benefit, interest, and advantage of every party hereafter acquiring any of the described property that certain covenants, conditions, easements, assessments, liens, and restrictions governing and regulating the use and occupancy of the property be established, and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities and the desirability and attractiveness of said property, and for the continued maintenance and operation of any recreational and/or common area

NOW THEREFORE, in consideration of the premises, the Declarant agrees with all parties hereafter acquiring any of the property herein described, that it shall be and is hereby subject to the following restrictions, covenants, conditions, easements, assessments, and liens relating to the use and occupancy thereof, which shall be construed as covenants running with the land which shall be binding on all parties acquiring any right, title or interest in any of the properties and which shall inure to the benefit of each owner thereof

ARTICLE ONE

PROPERTIES SUBJECT TO THIS DECLARATION

The property which shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Franklin County, North Carolina, and is more particularly described as being all of that property shown on map and survey recorded in Map Book 2001, Pages 402(A)-210 Franklin County Registry plus all utility and access easements as shown on the aforesaid map. The Declarant hereby subjects the hereto described property to this Declaration and the jurisdiction of the Association. Additional properties may be subjected to these Declarations within ten (10) years from the recording of this instrument subject to all zoning rules of Franklin County.

ARTICLE TWO DEFINITIONS

Section 1 "Association" shall mean and refer to Ridgehaven Homeowners' Associations, Inc., a North Carolina non-profit corporation its successors and assigns.

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

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

Section 4 "Permanent Common Open Space" shall consist of those areas designated on recorded plats of Ridge Haven Subdivision as such. Such areas shall be dedicated in perpetuity to the common use and enjoyment of the owners. The Declarant will convey all Permanent Common Open Space shown on the various plats of the subdivision to the Association. The Association shall be responsible for the repair, maintenance, and repaving as set forth in this Declaration.

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

Section 6 "Declarant" shall mean and refer to Ridgeco, L L C, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7 "Common Expense" shall mean and include but not be limited to

- (a) All sums lawfully assessed by the Association against its members,
- (b) Expenses of the common area and administration, maintenance, repair, or replacement of the Permanent Common Open Space,

(c) Expenses declared to be common expenses by the provisions of this Declaration or the By-Laws,

(d) Hazard, liability, or such other insurance premiums as the Declaration or the By-Laws may require the Association to purchase,

(e) Ad valorem taxes and public assessments lawfully levied against the common areas,

(f) Expenses agreed by the members to be common expenses of the Association

ARTICLE THREE PROPERTY RIGHTS

Section 1 Owner's easements of enjoyment Every owner shall have a right and easement of enjoyment in and to the Permanent Common Open Space and over the common open spaces for access, ingress, egress from and to public streets, walkways, and parking areas and such easements shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions

(a) the right of the Association to suspend the voting rights of any owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty day for any infraction of its published rules and regulations,

(b) the right of the Association to dedicate or transfer all or any part of the Permanent Common Open Space to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members,

(c) the right of the Association, in accordance with its Articles and By-Laws, to borrow money for the sole purpose of improving the Permanent Common Open Space and facilities and in aid thereof to mortgage said property, and the rights of such mortgagee in said Properties shall be subordinate to the rights of the homeowners hereunder, and

(d) the right of the Association to adopt, publish, and enforce rules and regulations as provided in Article Nine

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

Section 3 Title to the Permanent Common Open Space The Declarant hereby covenants for itself, its successors and assigns, that it will convey marketable fee simple title to the Permanent Common Open Space to the Association, free and clear of all encumbrances and liens, prior to the conveyance of the first Lot, except utility and storm drainage easements

Section 4 Parking Rights The Association may regulate the parking of boats, trailers,

and other such items on the Permanent Common Open Space

ARTICLE FOUR
MEMBERSHIP AND VOTING RIGHTS

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

Section 2 The Association shall have two classes of voting member:

Class A Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. Fractional voting with respect to any Lot is hereby prohibited.

Class B The Declarant shall be a Class B member and shall be entitled to twenty (20) votes for each Lot owned. The Class B membership shall cease and be conveyed to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) Upon the sale of all Lots owned by the Declarant,

(b) Upon the surrender of all Class B membership by the holder thereof,

ARTICLE FIVE
COVENANT 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 therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorneys fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys 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 interest unless expressly assumed by them. All assessments relating to the common open spaces shall be shared by the owners of each Lot.

Section 2 Purpose of assessments The assessment levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and in particular for the acquisition, improvement, and maintenance of the Permanent Common Open Space, including the maintenance, repair, and reconstruction of private streets,

driveways, walks, and parking areas situated on the Permanent Common Open Space, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes and public assessments assessed against the Permanent Common Open Space, the procurement and maintenance of insurance in accordance with this Declaration, the employment of attorneys to represent the Association when necessary, the provision of adequate reserves for the replacement of capital improvements including, without limiting, the generality of foregoing, signs, paving, grading, landscaping and any other major expense for which the Association is responsible and such other needs as may arise

Section 3 Reserves The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the common area and those other portions of the Properties which the Association may be obligated to maintain. Such reserve fund is to be established out of regular assessments for common expense.

Section 4 Maximum Annual Assessments Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$10.00 per lot per month. The assessments shall be due and payable twice a year with half of the year's assessment due and payable on January 1st of each year and half of the year's assessment due and payable on July 1st of each year.

(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 effective January 1 of each year without a vote of membership by up to Ten Percent (10%) of the previous year's assessment.

(b) 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 above the permitted in Section 3(a) above by a vote of two-thirds of the votes which are voted in person or by duly notarized proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The limitation hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

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

Section 5 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 that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Permanent Common Open Space, and in connection with exterior maintenance, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes which are voted in person or by duly notarized proxy at a meeting.

duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting

Section 6 Notice and Quorum for any action authorized under Sections 4 and 5
Written Notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60) percent of all the votes of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7 Uniform Rate of Assessment Both annual and special assessments shall, except as herein otherwise specifically provided, be fixed at a uniform rate for all Lots and shall be collected on a monthly basis, provided, however, that the assessment for Lots owned by Declarant, which are not occupied as a residence, may be a lesser amount as fixed by the Board of Directors of the Association, but shall not be less than twenty-five percent (25%) of the regular assessments for other Lots.

Section 8 Date of Commencement of Annual Assessments, 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 Permanent Common Open Space. Such annual assessments shall be paid ratably on a bi-yearly basis with half of the assessment being due and payable on January 1st of each year and the other half of the assessment being due and payable on July 1st of each 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 may be changed by the Board of Directors provided that any change shall go into effect in the next year. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth the assessments on a specified Lot have been paid. Any certificate so given shall be conclusive evidence of payment of the assessments stated therein.

Section 9 Effect of Nonpayment of Assessments, Remedies of the Association Any assessment not paid within thirty days after the due date shall bear interest from that date at the rate of eight (8) percent per annum or such other amount of interest as determined by the Board of Directors said amount not to exceed the then existing prime rate plus five percent (5%). Further, all payments for dues not yet due and payable for that year shall be accelerated and due immediately and subject to the same rate of interest. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property in the same manner in which Deeds of Trust may be foreclosed under Power of Sale pursuant to Chapter 45 of the N C General Statutes or its successors and in either event, interest, costs, and reasonable attorneys fees of any such action shall be added to the assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the

Permanent Common Open Space or abandonment of his Lot Should any deficiency remain after the foreclosure, the Association may also bring an action against the Owner for said deficiency

Section 10 Subordination of the Lien to Mortgages The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes Sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to the payments which became due prior to such sale or transfer No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof

Section 11 Exempt Property All Properties dedicated to, and accepted by, a local public authority and all Properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein However, no land or improvements devoted to dwelling use shall be exempt from said assessments

Section 12 Working Capital Fund At the time of closing of the sale of each unit a sum equal to at least two (2) months assessment for each unit shall be collected and transferred to the Association to be held as a working capital fund The purpose of said fund is to insure that the Association Board will have adequate cash available to meet the unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable Amounts paid into the fund shall not be considered advance payment of regular assessments

ARTICLE SIX INSURANCE

Section 1 Insurance coverage on the Property shall be governed by the following provisions

(a) Ownership of policies All insurance policies upon the common area shall be purchased by the Association for the benefit of all the Association and the Owners

(b) Coverage All buildings and improvements and all personal property included in the Permanent Common Open Space and facilities shall be insured in an amount equal to one hundred percent (100%) insurable replacement value as determined annually by the Association with the assistance of the insurance company providing coverage Such coverage shall provide protection against

(i) Loss or damage by fire and other hazards covered by the standard coverage endorsements, and

(ii) Such other risks as from time to time shall be customarily covered with respect to buildings on the land, if any

(iii) Such policies shall contain clauses providing for waiver of subrogation

(c) **Liability** Public liability insurance shall be secured by the Association with limits of liability of no less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be desirable and necessary.

(d) **Premiums** Premiums for insurance policies purchased by the Association shall be paid by the Association and charged to the Owners as an assessment according to the provisions hereinabove.

(e) **Proceeds** All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustees under this Declaration. The sole duty of the Association as insurance trustees shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein or stated in the By-Laws and for the benefit of the Owners and their mortgagees in the following shares:

(i) **Proceeds on account of damage to Permanent Common Open Space and facilities held for the Association**

(ii) **In the event a mortgagee endorsement has been issued for any Lot, the share of the Owner shall be held in trust for the mortgagee and the Owner as their interests may appear.**

Section 2 Distribution of insurance proceeds Proceeds of insurance policies received by the Association as insurance trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:

(a) **Expense of the Trust** All expenses of the insurance trustees shall be first paid or provisions made therefor.

(b) **Reconstruction or Repair** The remaining proceeds shall be paid to defray the cost of repairs. Any proceeds remaining after defraying such cost shall be distributed to the beneficial as above provided.

Section 3 Fidelity Insurance or Bond All persons responsible for or authorized to expend funds, or otherwise deal in the assets of the Association or those held in trust, shall first be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties in an amount equal to six (6) months' assessments plus reserves accumulated.

ARTICLE SEVEN USE RESTRICTIONS

Section 1 Rules and Regulations The Board of Directors of the Association shall have

the power to formulate, amend, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the front yard space of each Lot and the Permanent Common Open Space

Section 2 In addition to further rules that may be enacted as above stated, the following rules shall apply to all Properties including the Permanent Common Open Space

(a) No portion of the Properties (except for temporary offices of the Declarant and/or any model used by Declarant) shall be used except for residential purposes and for purposes incidental or accessory thereto

(b) No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood

(c) No animals, livestock, poultry or exotic animal of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats, or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes Further, no dog shall be kept which is a member of a breed (or is a half-breed) which has vicious propensities and this shall include but not be limited to pit bulls Further, all dogs shall be confined to the owner's property or if taken outside of the owner's property the dog shall be under the control and supervision of a responsible person In no event, shall a pet be allowed to be outside of the owner's property if that animal is causing a nuisance or a safety hazard

(d) No dwelling shall be constructed or permitted to remain on any lot having an area of the main structure, heated and finished, exclusive of open porches and decks, of less than 1250 square feet All yard and set back requirements shall comply with the applicable zoning regulations

(e) All dwellings shall have a 5/12 roof pitch or greater

(f) All dwellings shall have a brick foundation with standard size bricks

(g) All front porches shall be painted white or to match the trim or clad in vinyl to match the trim color Any addition to a house or a free standing building erected on a lot (including but not limited to a garage) shall match the main house in architectural style and color Utility sheds are exempt from this so long as the shed is kept in the back yard All fences shall be in the back yard and shall be constructed of 1) vinyl, 2) split rail, 3) wrought iron, 4) or chain link so long as the chain link is less than 5 inches and less than 5 feet in height,

(h) no satellite dishes shall be greater than 24 inches in diameter and may only be placed in the front yard if hidden from view by landscaping

(i) no tree removal or brush clearing shall be in violation of applicable erosion laws and regulations and in any event no tree larger than 12 inches in diameter shall be

removed unless the tree is dead, diseased, threatening a house, or with the written approval of the Board. Further, there shall be no removal or modification of any erosion control devices without the express written permission of the applicable state and/or local agencies mandated to monitor erosion control. However, the Declarant or its agents may clear anything from any lot it owns if the Declarant deems it necessary for the development of any lot it owns. That the decision to clear property shall be in the sole judgment of the Declarant,

(j) No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently

(k) No sign of any kind shall be displayed to public view on any lot, provided one professional sign of not more than one square foot may be placed and one sign not exceeding six square feet advertising a property during the construction and/or sale may be utilized

(l) No lot shall be used or maintained as a dumping ground for rubbish or trash. Garbage or other shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition and shall be kept behind the house. The Declarant reserves the right to store and maintain building materials and/or rubbish and/or trash on any lot it owns during the building process

(m) All clotheslines, animal pens, playground equipment, including but not limited to swings, swing sets, merry go rounds, play pens, sandboxes, toys, etc. shall be located in the rear yard and not in the front yard and must be kept in neat order

(n) No motorized vehicles that are unregistered or unlawful for road use except for electric golf carts or authorized handicapped devices shall be allowed to be used or stored outside. Motor bikes, all terrain vehicles, mopeds and other like vehicles are specifically forbidden

(o) All buildings shall conform to the then existing set back rules as promulgated by the relevant zoning authorities,

(p) No inoperable or unlicensed motor vehicles shall be parked on any lot or dedicated subdivision street for more than thirty (30) days with the purpose of this restriction to prohibit any junk vehicle being located in the subdivision

(q) All driveways must be paved with concrete, asphalt, or brick

(r) All yards must be kept in a neat and orderly appearance and the grass must be kept cut. That if in the opinion of the Board of Directors, whose opinion shall be final, the yard is not properly maintained then, in that event, the Association may enter the relevant property for the purpose of mowing the grass and/or cleaning up the lot. That, in this event, the Association may charge up to 150% of the actual cost of this service and this amount shall become a lien on the real property. That the Board of Directors must, before entering the

property, inform the property owners, via registered mail, of the problems with the property and what must be done to alleviate the problems. The property owner then has thirty days from the issuance of the letter to alleviate the problems. If the property owner fails to alleviate the problem then the Association may enter the property as hereinabove stated.

(s) In no event shall a vehicle be parked on a street for more than a day. Further, all boats, trailers, other recreational vehicles, transfer trucks, other commercial trucks, and other commercial vehicles of every sort and description shall be parked in a garage or in the back of the property. Further, no commercial vehicle of any sort or description is allowed to be parked on a street for any purpose other than the picking up or dropping off of freight. Commercial vehicles include, but are not limited to, transfer trucks, wreckers, delivery trucks, farm equipment, waste disposal vehicles, and earth moving equipment. The Association shall be the final authority on what is defined as a commercial vehicle.

ARTICLE EIGHT EASEMENTS

Section 1 All of the properties including Lots and Permanent Common Open Space shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, and other public utilities as shall be established by the Declarant or by its predecessors in title, prior to the subjecting of the Properties to this Declaration, and the Association shall have the power and authority to grant and establish upon, over, under, and across the Permanent Common Open Space conveyed to it, such further easements as are requisite for the convenience, use, and enjoyment of the Properties. In addition, there is hereby reserved in the Declarant and its agents and employees an easement and right of ingress, egress, and regress across all Permanent Common Open Space, now or hereafter owned by the Association, for the purpose of construction of improvements, maintenance, and upkeep of the Properties.

Section 2 All lots shall be subject to easements for the encroachments constructed on adjacent Lots by Declarant to the extent that such initial improvements actually encroach including but not limited to such items as overhanging eaves, gutters, and down spouts and walls.

Section 3 An easement is hereby established over the Permanent Common Open Space and facilities for the benefit of applicable governmental agencies, public utility companies, and public service agencies as necessary for setting, removing, and reading of meters, replacing and maintaining water, sewer, and drainage facilities, electrical, telephone, gas and cable antenna lines, fire fighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities.

Section 4 The Association reserves an easement over each lot for the purpose of maintaining the lots pursuant to Article 7 (r) of these covenants.

Section 5 The Declarant reserves the right to subject the real property in this subdivision to a contract with Carolina Power and Light Company or its successors in interest for the

installation of street lighting, which requires a continuing monthly payment to Carolina Power and Light Company or its successors in interest by each residential customer

ARTICLE NINE GENERAL PROVISIONS

Section 1 Enforcement The Association, or any Owner, shall have the right to enforce, by an 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 any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2 Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 3 Amendment The conveyances and restrictions of this Declaration shall run with and bind the land for a term of twenty years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty year period by an instrument signed by not less than ninety percent (90%) of the votes, and thereafter, by an instrument signed by not less than seventy five percent (75%) of the Lot owners so long as said amendment does not violate any duly enacted law or ordinance.

Section 4 Management and contract rights of association Declarant may enter into a contract with a Management company for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the property. However, no contract shall be binding upon the Association except through express adoption or ratification of the terms and conditions of such contract. Any contract or lease entered into by Declarant or by the Association while Declarant is in control thereof shall contain a provision allowing the Association to terminate such contract without cause or penalty after transfer or management by Declarant to the Association.

Section 5 Any institutional holder of a first mortgage on a Lot will, upon request, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive an annual audited financial statement of the Association within ninety (90) days following the end of its fiscal year, (c) receive written notice of all meetings of the Association and right to designate a representative to attend all such meetings, (d) receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage, (e) receive written notice of any sixty day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage, (f) receive written notice of a lapse cancellation, or material modification of any insurance policy or fidelity bond maintained by the Owners Association, (g) receive written notice of any proposed action that requires the consent of a specified percentage of mortgage holders, and (h) receive a master

copy of the insurance policies for the Association

Section 6 If any amendment to these covenants, conditions, and restrictions is executed, each such amendment shall be delivered to the Board of Directors of this Association Thereupon, the Board of Directors shall, within thirty (30) days, do the following

(a) Reasonably assure itself that the amendment has been executed by the Owners of the required number of Lots (For this purpose, the Board may rely on its roster of members and shall not be required to cause any title to any Lot to be examined)

(b) Attach to the amendment a certification as to its validity, which certification shall be executed by the Association in the same manner that deeds are executed The following form of certification is suggested

CERTIFICATION OF VALIDITY OF AMENDMENT TO COVENANT, CONDITIONS, AND RESTRICTIONS OF RIDGEHAVEN HOMEOWNERS' ASSOCIATION, INC

RIDGE HAVEN HOMEOWNERS' ASSOCIATION, INC

By _____
President

(Corporate Seal)

ATTEST

Secretary

STATE OF

COUNTY OF FRANKLIN

I, _____, a Notary Public, do hereby certify that John Jackson Dean, III personally came before me this day and acknowledged that he is the President of Ridge Haven Home Owners Association, Inc and that, by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name

Witness my hand and notarial seal, this the ____ day of _____, 2002

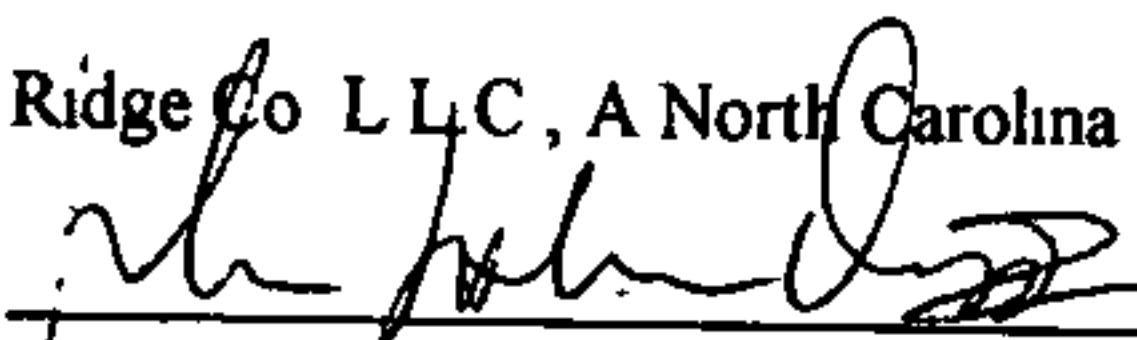
Notary Public (SEAL)

My Commission expires _____

(SEAL)

This is the 4th February, 2002

Ridge Co L L C, A North Carolina Limited Liability Company



(SEAL)

John Jackson Dean, III,
Member and Manager of Ridge Co L L C

STATE OF NORTH CAROLINA

COUNTY OF FRANKLIN

I, Conrad Boyd Sturges, III, a Notary Public, do hereby certify that JOHN JACKSON DEAN, III personally came before me this day and acknowledged that is a member of Ridgeco, L L C a North Carolina Limited Liability Company and that, by authority duly given and as the act of the Limited Liability Company, the foregoing instrument was signed in its name by him

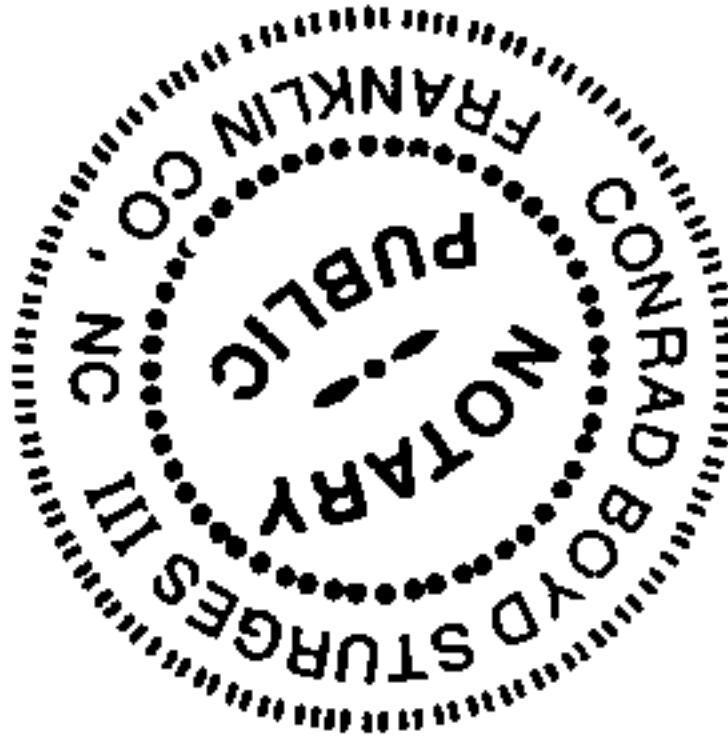
Witness my hand and notarial seal, this the 4th day of February, 2002



(SEAL)

Notary Public

My Commission expires
(SEAL)

10/9/2005

North Carolina-Franklin County

The foregoing certificate of Conrad Boyd Sturges, III, a Notary Public, is certified to be correct and duly recorded this 21st day of February, 2002.

Linda H. Stone

Linda H. Stone, Register of Deeds

by: Betty Shawington Deputy