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WAKE COUNTY, NC 237
LAURA M RIDDICK
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NORTH CAROLINA

WAKE COUNTY

DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS

GLEN VALLEY SUBDIVISION
HOMEOWNERS ASSOCIATION, INC

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is entered into this 20th day of April, 2007, between ***ECI Custom Homes, Inc.*** (hereinafter "Declarant"), and ***Glen Valley Subdivision Association, Inc.*** , a nonprofit corporation to be later established by Declarant, its successors or assigns (hereinafter "Association"), and all parties hereafter acquiring any of the described property;

W I T N E S S E T H:

WHEREAS, Declarant is the owner of all lots within a subdivision in the County of Wake, State of North Carolina, known as **GLEN VALLEY SUBDIVISION**, and being that certain tract or parcel of land more particularly described by map and survey recorded in Book of Maps 2007, Pages 867-868, Wake 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 to 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 hereinafter 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 I
Properties Subject to this Declaration

The property which shall be held, transferred, sold, conveyed, and occupied subject to this Declaration is located in the County of Wake, State of North Carolina, and is more particularly described as being all of that property shown on map and survey recorded in Book of Maps 2007, Pages 867-868, Wake County Registry, plus all the utility and access easements as shown on the aforesaid map. The Declarant hereby subjects the heretofore-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 date of this instrument.

ARTICLE II
Definitions

Section 1. "Association" shall mean and refer to **Glen Valley Subdivision Homeowners' Association, Inc.**, a non-profit corporation to be later established by Declarant, its successors and assigns.

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

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

Section 4. "Permanent Common Open Space" shall consist of those areas designated on recorded plats of **Glen Valley Subdivision** as such. Such areas shall be dedicated in the perpetuity to the common use and enjoyment of the Owners. The Declarant will convey all Permanent Common Open Space shown of the various plats of the subdivision to the Association. The Association shall be responsible for the repair, maintenance, and repaving as set forth in the Declaration. Permanent Common Open Space shall also include any storm water management facilities measures that may be installed which serve more than one lot and which are situated outside of the public streets rights of way.

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 ECI Custom Homes, Inc., 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:

(a) All sums lawfully assessed by the Association against it members.

(b) Expenses of the common area and administration, maintenance, repair, or replacement of the Permanent Common Open Space and private road.

(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 assessment charges lawfully levied against common areas.

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

Section 8. "Private Road", if any, shall mean Albatross Rd, or if alternatively named. Declarant shall maintain private road until such time as it is conveyed to the Association, whereupon Association pursuant to its rights expressed herein may maintain, replace, repave, convey to a public municipality and assess Owners for said maintenance and improvements.

ARTICLE III
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 private road and over the common open spaces for access, ingress, and egress from and to public streets, walkways, and parking areas; and such easement 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 an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

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

No such dedication or transfer shall be effective unless done by the Declarant or by an instrument agreement to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded and that Wake County has agreed to such conveyance.

(c) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Permanent Common Open Space and facilities and private road 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.

(d) The rights of the Association to adopt, publish, and enforce rules and regulations as provided in Article IX.

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 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 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. If all or any portion of the Property held by the Association is being disposed of, or if the Association is dissolved, adequate Permanent Common Open Space shall be deeded to the County of Wake to satisfy the County's requirements pursuant to the ordinance in effect at the time of said conveyance.

Section 4. ***Parking Rights.*** The Association may regulate parking of boats, trailers, and other such vehicles as well as any placement of items or structures on the Permanent Common Open Space.

ARTICLE IV
Membership and Voting Rights

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

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

(a) ***Class A.*** Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (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 determine, but in no event shall more than one (1) vote be cast with respect to any Lot. Fractional voting with respect to any Lot is hereby prohibited.

(b) ***Class B.*** The Declarant shall be a Class B member and shall be entitled to four (4) 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 earlier:

(i) When the total votes outstanding in the Class A membership exceeds or equals the total vote outstanding in the Class B membership; or

(ii) On December 31, 2009; or

(iii) Upon surrender of all Class B membership by the holder thereof or cancellation by the Association.

ARTICLE V
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 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 for capital improvements, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with interest, cots, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Property at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. The Owners of each Lot shall share all assessments relating to common open spaces or private road equally.

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 and storm water management facilities situated on the Permanent Common Open Space, such maintenance to include the cutting and removal of weeds and grass and the removal of trash and rubbish or any other maintenance or for the use and enjoyment of 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 the 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 that 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 Assessment.*** Until January 1 or the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall *Fifty Dollars per month per lot* ($50.00 per month) per lot, primarily for the purpose of maintaining the sign and light electricity bill, and/or appearance.

(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 five (5%) percent 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 increase permitted in Section 3(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, written notice of which shall be sent to all member 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 limitations 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.

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 or private road, 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 of each class of members who are voting, in person or by 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 4 or 5 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 each class 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 (25%) percent 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 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 when the assessment on a specified Lot has been paid. Any certificate so given shall be conclusive evidence of payment of the assessment stated therein.

Section 9. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six (6%) percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Property in the same manner in which Deeds of Trust may be foreclosed under Power of Sale pursuant to Chapter 45 of the North Carolina General Statutes, or its successors, and, in either event, interest, costs, and reasonable attorney's fees of any such action shall be added to the assessment. No Owner may waive or otherwise escape liability for the assessments provided for hereby by non-use 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 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 nonprofit 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 ensure that the Association Board will have adequate cash available to meet 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 VI
Architectural Control

Declarant hereby retains all architectural control over Glen Valley Subdivision until such date when the subdivision has reached eighty percent (80%) conveyance to permanent homeowners. Lot owners must submit copies of blueprints to Declarant or Architectural Committee prior to start of construction. Upon satisfaction of this requirement, Declarant shall release said architectural control to the Board of Directors of the Association and/or its Architectural Committee as described herein.

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

ARTICLE VII
Annexation of Additional Properties

Section 1. Annexation of additional property shall require approval from Wake County and shall be required to occur within ten (10) years from the date of this instrument. Provided, however, that all annexations of additional properties to the original development described in Article I hereof must contain a minimum of five (5) acres and be contiguous to the Property described in Article I hereof or Property previously annexed. Provided further that no annexation of additional property shall have the effect of placing the original development in violation of the Wake County Zoning Ordinances.

Section 2. Annexation of additional properties shall be accomplished by recording in the County Registry a Declaration of Annexation, duly executed, describing the lands annexed and incorporating the provisions of this Declaration, either by reference or by fully setting out said provisions of this Declaration. The additional lands shall be deemed annexed to the Properties on the date of recordation of the Declaration of Annexation, and, in the case of an annexation by the Declarant, no action or consent on the part of the Association or any other person or entity shall be necessary to accomplish the annexation, except for the approval by Wake County.

Section 3. Prior to the conveyance of the first Lot in any newly annexed area, the Declarant shall deliver to the Association one or more deeds conveying fee simple title to any Permanent Common Open Space within the lands annexed, free and clear of all encumbrances and liens except utility, storm drainage, and greenway easements.

ARTICLE VIII
Insurance

Section 1. Insurance coverage on the Properties 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 Spaces and facilities shall be insured in an amount equal to one hundred (100%) percent 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 endorsement.

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

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 No/100 Dollars ($1,000,000.000)* 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 of Article V above.

(d) ***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 therefore.

(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 Owners 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 IX
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 each Lot and the Permanent Common Open Space. Such rules and regulations may provide for imposition of fines or penalties for the violation thereof or for the violation of any of the covenants and conditions contained in this Declaration.

Section 2. Use of Properties. 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.

Section 3. Quiet Enjoyment. 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.

Section 4. Animals. No animals, livestock, or poultry 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.

Section 5. Dwelling Specifications. No dwelling shall be constructed or permitted to remain on any Lot having an area of the main structure, heated and finished, exclusive of porches, garages, and decks, of less than three thousand two hundred (3,200) square feet. No vinyl or aluminum siding is permitted on any dwelling. All dwellings must have brick or stone on at least 3 sides. Should a side remain, not brick or stone, it must be the rear or least exposed side. All structures must be shingled with thirty year architectural shingles. All foundation vents are to be wooden. All front steps are to be brick. All porch and rail columns are to be a minimum of eight inches (8") in diameter. All yard and setback requirements shall comply with Wake County Code setback regulations, with the minimum setbacks as described on plat recorded in Book 2007, Pages 867-868, controlling for the subdivision. Said controlling setbacks as per plat are forty feet from the front of the lot, thirty feet from the rear, twenty feet from any side lot line, with the exception of forty feet from any corner side lot line.

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No building shall be erected, altered, placed, or permitted to remain on any Lot other than one (1) detached single-family dwelling not to exceed three and one-half (3 ½) stories in height; and a private garage for no less than two (2) cars; and (with the approval of the Declarant, Board of Directors of the Association or its Architectural Committee) an accessory building or structure for storage or other appropriate use not in excess of two hundred fifty (250) square feet in area. Private garages, either attached or detached, as provided herein, ***shall*** be required. No Lot shall be subdivided without the express consent of the Association and the Wake County Code. An Owner may let or rent his entire dwelling unit, but no portion of any dwelling unit shall be leased separately from the rest of the unit.

Section 6. Temporary Structures. Except as hereinabove set forth, no trailer, tent, shack, barn, or other outbuilding shall be erected or placed on any Lot covered by these covenants.

Section 7. Fences and Signs. No fence or fencing-type barrier of any kind shall be placed, erected, allowed, or maintained upon any portion of the Properties, including any Lot, without the prior written consent of the Declarant, the Association or its designated Architectural Committee. The Declarant, Board or Committee may issue guidelines detailing acceptable fence styles or specifications, but in no even shall "hog wire" or "chain link" fencing be approved. No signs shall be erected or allowed to remain on any Lot except with the written consent of the Declarant, Board of Directors and Wake County. Declarant and Architectural Committee reserves the right to preserve continuity of appearance of in order to create a consistency of the type of fencing allowed in the community.

Section 8. Accessory Buildings and Other Outdoor Structures. No accessory building of any nature whatsoever (including, but not limited to, detached garages, storage buildings, doghouses, and greenhouses) shall be placed on any Lot without the prior written approval of the Declarant, Board of Directors or Architectural Committee, with said Declarant, Board or Committee to have the sole discretion relating to the location and type of accessory building which shall be permitted on any Lot. Under no circumstances shall metal storage buildings be permitted. All accessory buildings must conform to the same architectural style as the residence located on the same Lot. No outside clotheslines, tree houses, play houses, motorcycles, supplies, tractors, boats, trucks [other than one (1) pick-up truck rated three-quarter (3/4) ton or less], trailers, vans [other than one (1) non-commercial van owned and operated on a regular, daily basis by the Owner or occupant of the Lot]. Garbage and refuse containers, transformers, air conditioning, and other alternative energy devices shall either be concealed behind screening or integrated into the building design so as to be inconspicuous. All outdoor equipment and accessories on a Lot, such as play structures, benches, sculptures, etc., shall be concealed by approved screening or approved in writing by the Declarant, Board or Architectural Committee as compatible and harmonious with the surroundings.

Section 9. Appearance. Communication towers are expressly prohibited. Stick-built homes are expressly required; that is, no prefabricated or manufactured homes are permitted on any Lot. Flat roofs are prohibited unless approval in writing is obtained from the Declarant, Board or Architectural Committee. All primary fuel storage tanks must be placed underground. Home curtain foundation walls are expressly prohibited unless approval for same is first obtained, in writing, from the Board or Architectural Committee. No inoperable motor vehicles may be parked on any Lot if visible from any road within the subdivision.

All driveways and walks must be paved with concrete, asphalt, brick, stone or concrete pavers. All Lots on which a dwelling unit is approved and built shall be landscaped in accordance with Wake County Code specifications. Landscaping must be finished upon completion of the dwelling unit for occupancy. All yard areas forward of the front corners of the dwelling are to be covered with sod on new construction. Total construction time, from the date of final approval of plans by the Declarant, Board or Architectural Committee to the completion of the dwelling unit for occupancy, shall not exceed twelve (12) months. All buffer areas are to be according to the Wake County Code requirements.

Slab foundations are expressly prohibited hereby. Exterior foundation walls must be constructed of brick, stucco, or painted stamped concrete; block exterior foundation walls are expressly prohibited hereby. Roof slope must be at least eight (8) inches of rise for every twelve (12) inches of run, except that a garage or shed roof not clearly visible from the street may have a less steep slope, so long as approval for same is first approved in writing by the Declarant, Association or its designated Architectural Committee.

Each lot owner shall keep their lot free of tall grass, undergrowth, dead trees, trash and rubbish. Each lot shall be maintained so as to present a neat appearance. No more than twenty-five percent (25%) of the mature trees on any lot may be removed without approval of the Declarant, Board or Architectural Committee. In the event the owner does not properly maintain his building site as provided in these covenants, in the opinion of the Architectural Committee or Declarant, then Declarant or Association may have the required work done and the costs thus incurred shall be paid by the Owner.

Section 10. ***Vehicles.*** No junked or disabled automobiles/vehicles or commercial vehicles larger than a 4-dour car with signage shall be allowed to remain on any lot under any circumstances or in any location on lot. No boats, campers, trailers or motor homes shall be kept in the front yard, or front driveway of the dwelling or on the streets in the development. Such vehicles shall be parked in a garage, or in a screened area behind the house so that said vehicles are in no way visible from any street adjoining said lot. Owners may park travel trailers and other recreational vehicles, including boats behind the dwelling on any lot covered by these covenants as long as appropriate screening and/or garaging as described above is provided. At no time may travel trailers or RVs be used as a residence either permanently or temporarily.

Section 11. ***Parking.*** Adequate off-street parking shall be provided to the owner of each lot for the parking of automobiles owned by such owner, No owner shall be permitted to park automobiles in the streets of the development.

Section 12. ***Nuisances.*** No noxious or offensive trade or activity shall be carried out upon any lot, nor shall anything be done to become an annoyance or nuisance to the property owners in the subdivision.

Section 13. ***Antennas. Satellite Dishes.*** No outside television or radio antennas shall be erected, installed or maintained on any lot, or any structure thereon, except for outside television antennas less that four feet in diameter, and satellite dishes less than twenty inches in diameter shall be allowed.

Section 14. ***Garbage Receptacles.*** All garbage shall be stored in receptacles, which are picked up and disposed of weekly. Receptacles shall be place out of sight of the subdivision street at all times with the exception of the purpose of garbage pickup.

Section 15. ***Propane Tanks.*** All propane tanks must be buried.

Section 16. ***Variances.*** Declarant and Architectural Committee reserves the right to allow deviations from any of the above covenants providing proposed deviation/variance is in line with the original intention of that covenant (e.g. substituting 8" column with a suggested brick pillar).

ARTICLE X
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 within 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 downspouts, 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. If any dwelling is located closer than the setback requirements as provided herein and by being so located is closer than (5) five feet from its Lot line, so long as such setback complies with the Wake County Code and its applicable Zoning Ordinances, the Owner thereof shall have a perpetual access easement over the adjoining lot to the extent reasonably necessary to perform repair, maintenance, or reconstruction of his dwelling. Such repair, maintenance, or reconstruction shall be done expeditiously, and, upon completion of the work, the Owner shall restore the adjoining lot to as near the same condition as that which prevailed prior to the commencement of the work as is reasonably practicable.

Section 5. ***Water and Sewer.*** All Lot Owners shall be subject to monthly charges as approved by the proper public authorities for water and sewer for domestic usage.

ARTICLE XI
General Provisions

Section 1. ***Enforcement.*** The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by 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. ***Severability.*** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 3. ***Amendment.*** The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) 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 (20) year period by an instrument signed by not less than ninety (90%) percent of the Lot Owners, and thereafter by and instrument signed by not less that seventy-five (75%) percent of the Lot Owners, so long as any amendment is first approved by Wake County. Amendments shall not become effective until approved by Wake County or until the Commissioners, in the interest of lack of discrimination, after twenty (20) days' notice, fails to comment on the amendment.

Section 4. If any amendment to these covenants, conditions, and restrictions is executed, each such amendment shall be delivered to the Board of Directors of the 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:

BK012506PG01294

CERTIFICATION OF VALIDITY OF AMENDMENT TO COVENANTS, CONDITIONS, AND RESTRICTIONS OF GLEN VALLEY SUBDIVISION HOMEOWNERS' ASSOCIATION, INC.

THE GLEN VALLEY SUBDIVISION HOMEOWNERS' ASSOCIATION, INC.

BY:______________________________________

______________________________, President

Section 5. ***Management and Contract Rights of Association.*** Declarant may enter into a contract with a management company manager for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the Property. However, no such 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 justification or penalty after transfer of management by Declarant to the Association.

Section 6. ***Rights of Noteholders.*** 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 (60) 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 Association.

(g) Receive written notice of any proposed action that requires the consent of a specified percentage of mortgage holders.

(h) Be furnished with a copy of the master insurance policy.

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ARTICLE XII
Electrical Service

Declarant reserves the right to subject the above-described Properties to a contract with Progress Energy Carolinas for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to N/A by the Owner of each Lot within said Properties.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed by authority of its Board of Directors this 20th day of April, 2007.

DECLARANT:

ECI CUSTOM HOMES, INC.

BY: ______________________

Doug Muhle, ***President***

STATE OF NORTH CAROLINA
COUNTY OF Wake

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that ***Doug Muhle*** did personally appear before me this day and acknowledge that he is President of ***ECI Custom Homes, Inc.***, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, ~~sealed with its corporate seal~~.
WITNESS my hand and official stamp or seal this 20th day of April, 2007.

OFFICIAL SEAL
North Carolina - Wake County
WRAY HARRISON
NOTARY PUBLIC

____
NOTARY PUBLIC

My Commission Expires: 09-18-07

IN WITNESS WHEREOF, this Homeowners Association Agreement is executed as of the day and year first above written

GRANTOR:

ECI CUSTOM HOMES, INC.

BY:____________________
Doug Muhle, ***President***

STATE OF NORTH CAROLINA
COUNTY OF Wake

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that ***Doug Muhle*** did personally appear before me this day and acknowledge that he is President of ***ECI Custom Homes, Inc.***, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, ~~sealed with its corporate seal~~.
WITNESS my hand and official stamp or seal this 20th day of April, 2007.

____
NOTARY PUBLIC

My Commission Expires: 09-18-07

OFFICIAL SEAL
North Carolina - Wake County
WRAY HARRISON
NOTARY PUBLIC

BOOK:012506 PAGE:01279 - 01297

Yellow probate sheet is a vital part of your recorded document.
Please retain with original document and submit for rerecording.

Wake County Register of Deeds
Laura M. Riddick
Register of Deeds

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