

WAKE COUNTY, NC 681
 LAURA M RIDDICK
 REGISTER OF DEEDS
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Prepared By & Return To:
 Senter, Stephenson, & Johnson, PA
 Wake County Registry Box # 175

**NORTH CAROLINA
 WAKE COUNTY**

**DECLARATION OF COVENANTS,
 CONDITIONS, AND RESTRICTIONS FOR
 HIGHLAND TRAILS SUBDIVISION, PHASE II**

THIS DECLARATION, made and entered into this 12th day of September, 2002, by **HIGHLAND SUBDIVISION, INC.**, a North Carolina corporation, hereinafter referred to as "Declarant";

WITNESSETH:

THAT WHEREAS, Declarant is the owner and developer of that certain tract or parcel of land more particularly described as **Highland Trails Subdivision, Phase II**, as the same are shown on map and survey recorded in Book of Maps _____, Page _____, Wake County Registry;

AND WHEREAS, it is for the mutual benefit of all homeowners, present and future, in said Highland Trails Subdivision, Phase II, for Declarant to subject said lot as referenced herein above to the following Protective Covenants;

NOW, THEREFORE, in consideration of the premises and the mutual benefits and duties herein contained, Declarant, with the consent and joinder of Lot Purchaser, does hereby declare that all of the properties referred to above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions all of which are for the purpose of protecting the value and desirability of, and which shall run with, the real property described and be binding on all parties having any right, title or interest in the described properties, or any part thereof, their heirs, successors and assigns, for the term of these covenants as set forth below, and which shall inure to the benefit of each Owner thereof.

**ARTICLE I
 DEFINITIONS**

SECTION 1. "Association." shall mean and refer to Highland Trails Homeowners Association, Inc., its Successors and/or Assigns.

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

SECTION 3. "Properties." shall mean and refer to that certain real property, as shown on map recorded in Book of Maps _____, Page _____, Wake County Registry, and such additions thereto as may hereafter be brought within the jurisdiction of the Association pursuant to the provisions of Article VII hereunder.

SECTION 4. "Permanent Open Spaces." shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners. The Permanent Open Spaces to be owned by the Association will be shown on maps subsequently recorded showing additions to the Properties as contemplated pursuant to the provisions of Article VII hereunder.

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 Open Space.

SECTION 6. "Declarant." shall mean and refer to Highland Subdivision, Inc. and its successors and/or Assigns.

ARTICLE II PROPERTY RIGHTS

SECTION 1. OWNERS' EASEMENT OF ENJOYMENT. Every owner shall have a right and easement of enjoyment in and to the Permanent Open Space which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (A) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Permanent Open Space;
- (B) the right of the Association to suspend the voting right and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;
- (C) the right of the Association to dedicate or transfer all or any part of the Permanent Open Space to any public agency, authority or utility for recreational or other purposes as are allowed by and subject to all applicable governmental ordinances; provided that no such dedication or transfer shall be effective unless approved by local governmental authority having jurisdiction over same, and unless an instrument agreeing to such dedication or transfer signed by 2/3rds of each class of members has been recorded.

SECTION 2. DELEGATION OF USE. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Permanent Open Space and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Every owner of a lot which is subject to these Covenants shall be a member of the Highland Trails Subdivision Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

SECTION 2. The Association shall have two classes of voting membership:

Class A. Class A member (s) shall be all Owners, with the exception of 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.

Class B. Class B member (s) shall be 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 earlier:

- (a.) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b.) On February 15, 2005.

ARTICLE IV 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: (i) annual assessments or charges, and (ii) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a 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 when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

SECTION 2. PURPOSE OF ASSESSMENTS. The assessments levied by the Homeowners Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Permanent Open Space.

SECTION 3. MAXIMUM ANNUAL ASSESSMENT. Until January 1 of the year immediately following the conveyance of the first Lot by Declarant, the maximum annual assessment shall be Sixty Dollars (\$60.00) per Lot.

- (a) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner by Declarant, the maximum annual assessment may be increased each year not more than 5% above the maximum assessment for the previous year without a vote of the membership.
- (b) From and after January of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 5% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

SECTION 4. SPECIAL ASSESSMENT 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 Open Space, 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.

SECTION 5. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 3 AND 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) 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 60 days following the preceding meeting.

SECTION 6. UNIFORM RATE OF ASSESSMENT. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on an annual, quarterly, or monthly basis as determined by the Board of Directors.

SECTION 7. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS: DUE DATES. The annual assessments provided for herein shall commence as to all Lots other than those owned by the original Declarant on the first day of the month following the recordation of this Amendment. The first annual assessment shall be adjusted according to the number of months remaining in the

calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

SECTION 8. 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 6 per cent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Permanent Open Space or abandonment of his Lot.

SECTION 9. SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessment s provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V ARCHITECTURAL CONTROL

No building, fence, wall, or any other structure shall be commenced, erected, placed, maintained or altered on any premises in said development, nor shall any exterior addition to or change or alteration therein be made until the building plans, specifications and plot plan 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 Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval by said Board or its designated committee will not be required and this Article will be deemed to have been fully complied with; provided that notwithstanding the above, all such matters must be in full compliance with local governmental ordinances and regulations.

ARTICLE VI BUILDING AND USE

SECTION 1. USE. No lot shall be used except for residential purposes, provided that with local governmental approval, Declarant or its assigns may use a Lot for a community water system or recreational facility to benefit all Lot Owners in the subdivision. Furthermore, Declarant may maintain a Sales/Operations trailer or similar facility and may approve location of a construction trailer for a builder's use while any builder has a house under construction within the subdivision. No satellite dish which exceeds 18' in width, or other communications reception or transmitting tower shall be placed or erected on any Lot. Declarant shall provide and install on each Lot a mailbox, the specifications for which shall be uniform throughout the subdivision, and said specifications must be adhered to for any replacement mailbox that may be erected by an Owner. No noxious or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No motor vehicle licensed to carry more than two tons shall be allowed or parked on any Lot or street within said subdivision except those vehicles delivering building materials to develop or improve the Lots within the subdivision or to carry furniture for any homeowner within said subdivision. Not motor vehicle which cannot move under its own power or which is not currently licensed, any storage trailer or van, or house trailer shall remain parked on any Lot or street in the subdivision for more than thirty days. No heavy equipment, earth-moving equipment, trade materials, inventories or farm machinery shall be parked or stored on any Lot or street at any time except for equipment engaged

by the Declarant or homebuilder for the development and improvement of the Lots in the subdivision. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except that dogs, cats or other household pets which are not dangerous may be kept provided they are not kept, bred or maintained for commercial purposes. Each owner shall keep his Lot free of tall grass, undergrowth, dead trees, trash, and rubbish and properly maintained so as to present a pleasing appearance. In the event an Owner does not properly maintain his Lot as above provided, in the opinion of the Architectural Committee, then the Committee may have the required work done and the costs thus incurred shall be paid by the Owner. Such Committee cost shall be a lien on the Lot to which attributable.

SECTION 2. FENCE/WALLS. Before the addition of a fence or wall on the property the location and type of fence or wall must be indicated on a copy of the property survey and submitted in writing to the Board of Directors for approval. It is required that all fencing that face the road be constructed of wood. On corner lots, this applies to all road frontages. The fence/wall cannot be constructed any closer to the road than the rear line of the dwelling.

SECTION 3. OUTBUILDINGS/POOLS. All requests for outbuildings/pools must be submitted in written form to the Board of Directors for approval. The request must include the nature, kind, shape, height, materials, and location of the structure indicated on a copy of the property survey. Materials uses must be like those of the main structure on the property (appropriate siding and shingle roof). The structure cannot be forward of the restline of the main dwelling. The location of the structure must adhere to the Wake County Minimum Building Setbacks, i.e. fifteen (15) feet from the rear line and five (5) feet from the sidelines, except exterior property lines and exterior right-of-way lines which setback is thirty (30) feet. 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. Carports opening to the front of the house are expressly prohibited hereby.

SECTION 4. DWELLING SIZE. The minimum heated areas, excluding porches, garages, and basement square footage, shall not be less than 1200 square feet for ranch style dwellings; 1300 square feet for story and a half dwellings; and 1400 square feet for two-story buildings.

SECTION 5. BUILDING LOCATION. No dwelling shall be erected or permitted to remain on any Lot nearer to the street, side and rear lines than those Wake County Minimum building Setback Limits as shown on the recorded plat of the subdivision. All other buildings, structures, and recreational facilities shall be located only in accordance with local governmental ordinances and regulations.

SECTION 6. PARKING. Adequate off-street parking shall be provided by the owner of each lot for the parking of the licensed automobiles owned by such owner, and owners of lots shall not be permitted to park their automobiles on the streets in the development. Owners of lots shall not be permitted to park boats, trailers, campers, mobile homes, motor homes, commercial vehicles and all other similar property on the streets in the development, nor in the front yard of any Lot, nor in the side set-back of any Lot, but such property may be parked in a garage or screened area in the rear yard of the Owner.

SECTION 7. EASEMENTS AND UTILITIES. Each lot in the subdivision shall be subject to an easement of five (5) feet from its front, side and rear property lines to accommodate such underground services as electricity, telephone, cable television, natural gas, water, and sewer lines or other facilities to service the needs of said Lot Owner as they may from time to time be available to said Lot including the installation of street lighting which may impose a continuing monthly or annual expenses to the Owner of each Lot. Declarant reserves the right to subject the real property in this subdivision to a contract with Carolina Power & Light Company for the installation of street lighting, which requires a continuing monthly payment to Carolina Power & Light Company by each residential customer.

**ARTICLE VII
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 or any part thereof by judgment or court order shall in no way affect any of the 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 percent (90%) of the Lot owners, and thereafter by an instrument signed by not less than seventy-five (75%) of the Lot owners. Any amendment must be recorded.

SECTION 4. STAGED DEVELOPMENT. Additional land may be annexed by the Declarant without the consent of members within five (5) years of the date of this instrument provided that the FHA and the VA determine that the annexation is in accord with the general plan heretofore approved.

SECTION 5. ANNEXATION. Additional residential property and Permanent Open Space may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members except as provided hereinabove in Section 4. Staged Development.

SECTION 6. FHA/VA APPROVAL. As long as there is a Class B membership, the following action will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Permanent Open Space, and amendment of this Declaration of Covenants, Conditions, and Restrictions.

IN TESTIMONY WHEREOF, HIGHLAND SUBDIVISION, INC. has caused this instrument to be executed in its corporate name by its President and sealed with its corporate seal, by authority of its Board of Directors, as of the day and year first above-written.

**HIGHLAND SUBDIVISION, INC.
A NORTH CAROLINA CORPORATION**

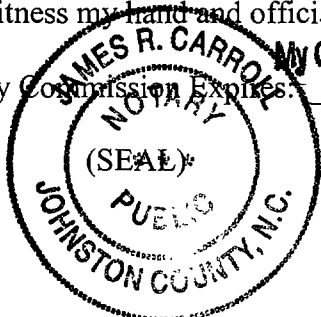
BY: Forrest Ball (Seal)
FORREST BALL, President

**NORTH CAROLINA
WAKE COUNTY**

I, JAMES R. CARROLL, Notary Public for the State of North Carolina, County of Johnston, certify that **Forrest Ball** personally came before me this day and acknowledged that he is **President of Highland Subdivision, Inc., a North Carolina Corporation** and that he as President, being duly authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official stamp or self, this 12th day of September, 2002.

My Commission Expires 10-23-2005.



James R. Carroll
Notary Public

Laura M Riddick
Register of Deeds
Wake County, NC



Book : 009718 Page : 00101 - 00107

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Please retain with original document and submit for rerecording.



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

North Carolina - Wake County

The foregoing certificate___ of _____

James R. Carroll

____ Notary(ies) Public is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the first page hereof.

Laura M. Riddick, Register of Deeds

By:

Assistant/Deputy Register of Deeds

Fredrick C. Baymon
Deputy

This Customer Group

1 # of Time Stamps Needed

This Document

7 New Time Stamp
of Pages