

proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become 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 10. Exempt Property. Any portion of the Property 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, except no land or improvements devoted to dwelling use shall be exempt from such assessments.

ARTICLE VII

MAINTENANCE

Section 1. Exterior Maintenance. In addition to maintenance of the common area, the Association shall provide exterior maintenance upon each lot which is subject to assessment hereunder, as follows:

- Stain and/or paint the exterior of the cluster homes and garages;
- Repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, walks, mailboxes, fences installed by Declarant or the Association, exterior post lights (excluding electricity therefore) and other such exterior improvements.

Such exterior maintenance shall not include:

- Glass surfaces
- Windows
- Doors and door frames (including garage doors)
- Exterior lighting fixtures and outlets attached to the units

Any owner who fences or encloses any portion of his lot (which fence or enclosure shall require the prior approval of the Association) may plant trees, shrubs, flowers, and grass in the fenced or enclosed portion at his own expense, provided that such maintenance does not hinder the Association in performing its maintenance duties as to the cluster home, the remaining yard spaces, or the common area. No such maintenance by an owner shall reduce the assessment payable by him to the Association.

If, however, in the opinion of the Association any owner shall fail to maintain any Lot owned by him in a manner which is reasonably neat and orderly or shall fail to keep improvements constructed thereon in a state of repair so as not to be unsightly, all in the opinion of the Association, the Association in its discretion, by the affirmative vote of two-thirds of the members of the Board of Directors, and following ten (10) days written notice to the owner, may enter upon and make or cause to be made repairs to such improvements and perform such maintenance on the lot as the removal of trash, cutting of grass, pruning of shrubbery, seeding and items of erosion control. The Association shall have an easement for the purpose of accomplishing the foregoing. The cost incurred by the Association shall be added to and become a part of the assessment to which such lot is subject.

②

The owner shall not plant any vegetation in front of his cluster home except with the prior written approval of the Association.

In the event that the need for maintenance or repair of a lot or the improvements thereon is caused through the willful or negligent acts of its owner or his family, tenants, contract purchaser, guests, or invitees, or is caused by fire, lightning, windstorms, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, or smoke, as the foregoing are defined and explained in North Carolina standard fire and extended coverage insurance policies, the cost of such maintenance, replacement, or repairs shall be added to and become a part of the assessment to which such lot is subject.

Section 2. Maintenance and Repair of Common Area by the Association. The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the Common Area, including private streets and all conduits, ducts, plumbing, wiring and other facilities located in the Common Area, for the furnishing of utility and other services to the cluster homes and said Common Area, and should any damage be caused to any lot or cluster home by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair or replacement of any Common Area, the Association shall. At its expense, repair such damage. Whenever the maintenance, repair and replacement of any item which the Association is obligated to maintain, replace or repair, at its expense is occasioned by any act, normal wear and tear expected, of a Owner, his licensees, employees, guests, tenants, lessees, or invitees, and such loss or damage is covered by any insurance maintained by the Association, any insurance proceeds received by the Association shall be first applied to the cost of such maintenance, repair, or replacement. However, the Owner responsible for the act causing the damage (whether done by himself or by his licensees, employees, guests or invitees) shall be required to pay such portion of the cost of such maintenance, repair and replacement as shall, by reason of the applicability of such deductibility provision of such insurances, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement.

ARTICLE VIII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the cluster home and associated garage upon the property and placed on the dividing line between the lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The costs of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however to the right of any such owner to call for a