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DECLARATION OF  
COVENANTS AND RESTRICTIONS  
FOR BRECKENRIDGE  
TOWN OF MORRISVILLE  
WAKE COUNTY, NORTH CAROLINA

Wake County, NC 428  
Laura M Riddick, Register Of Deeds  
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THIS DECLARATION IS BEING RE-RECORDED TO CORRECT THE NAME OF THE ASSOCIATION  
DEFINED IN ARTICLE 1.

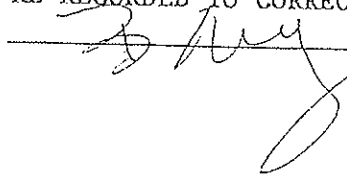


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FOR  
BRECKENRIDGE  
TOWN OF MORRISVILLE  
WAKE COUNTY, NORTH CAROLINA

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DECLARATION OF  
COVENANTS AND RESTRICTIONS  
FOR  
BRECKENRIDGE

TOWN OF MORRISVILLE  
WAKE COUNTY, NORTH CAROLINA

THIS DECLARATION OF COVENANTS AND RESTRICTIONS is made on this 16 day of February, in the year Two Thousand by MORRISVILLE, LLC, a Georgia limited liability company and Pulte Home Corporation, a Michigan corporation ("Pulte").

WITNESSETH:

WHEREAS, Morrisville, LLC is the owner of that certain tract or parcel of land lying and being in the Town of Morrisville, Wake County, North Carolina which is described on Exhibit A, attached to and made a part of this Declaration (the real property which is described on Exhibit A hereto being herein referred to as the "Breckenridge Property"); and

WHEREAS, Morrisville, LLC intends to develop the Breckenridge Property as a planned community to be named "Breckenridge" that will include various types of residential housing; and

WHEREAS, Pulte is the owner of a number of lots comprising part of the Breckenridge Property; and

WHEREAS, Morrisville, LLC also intends to provide certain open spaces, parks, landscape areas and other facilities and amenities for the use and enjoyment of the owners and residents of the aforesaid Breckenridge community; and

WHEREAS, in order to insure the enjoyment of the aforesaid open spaces, parks, landscape areas and other facilities by the owners and residents of the Breckenridge community, and in order to protect the value of the "Membership Property" (as that term is defined in this Declaration), it is desirable to create an association to own, maintain and administer such open spaces, parks, landscape areas and other facilities, and to administer and enforce the covenants and restrictions imposed by this Declaration on the individually owned properties, and to collect, hold and disburse the charges and assessments provided for in this Declaration; and

WHEREAS, it is intended that every owner of any of the said Membership Property automatically, and by reason of such ownership and this Declaration, become a Member of the aforesaid association and be subject to its valid rules and regulations and the assessments and charges made by such association;

NOW, THEREFORE:

## ARTICLE I

### DEFINITIONS

As used in this Declaration, the following terms shall have the meanings ascribed to them in this Article I, such definitions being cumulative of those set forth elsewhere in this Declaration. In addition, all terms used in this Declaration which are defined in the Act shall have the meanings ascribed to them in the Act, unless other definitions are ascribed to them in this Declaration.

"Act" shall mean the North Carolina Planned Community Act, General Statutes of North Carolina Sections 47F-1-101 through 47F-3-120.

"Annual Assessment" shall have the meaning specified in Section 4 of Article V hereof, and shall constitute the assessments which, pursuant to the provisions of Article V hereof, shall be levied by the Association against the Membership Property each year for the purpose of raising the funds necessary to pay the "Annual Expenses" (as that term is defined in Section 3 of Article V hereof).

"Articles of Incorporation" shall mean the Articles of Incorporation of the Association, as the same may be amended from time to time.

"Association" shall mean the Breckenridge Homeowners Association, <sup>3<sup>rd</sup> of N.C.</sup> Inc., a North Carolina non-profit membership corporation.

"Bylaws" shall mean the Bylaws of the Association, as the same may be amended from time to time.

"Common Elements" shall mean all real and personal property submitted to this Declaration which is owned or leased by the Association for common use and enjoyment of the Members, including, without limitation, all of the real and personal property which shall be conveyed and transferred to the Association by the Declarant pursuant to Section 1 of Article III of this Declaration. Common Elements shall not include any Membership Property which shall be acquired by the Association through foreclosure of the lien in favor of the Association, as provided for in Article V of this Declaration.

"Declarant" shall mean Morrisville, LLC, a Georgia limited liability company, and shall also include (a) any successor or assign of Morrisville, LLC who shall acquire the entire interest in the Breckenridge Property which was owned by the immediate predecessor-in-title of such successor or assign, and (b) any successor or assign to whom Morrisville, LLC shall specifically assign the rights, privileges, duties and obligations of the Declarant under this Declaration; provided, however, that at all times only one party shall have the status of the Declarant under this Declaration. Consequently, in the event that Morrisville, LLC shall at any time specifically

assign the rights, privileges, duties and obligation of the Declarant under this Declaration to a successor or assign, then no party who shall subsequently acquire the entire interest of Morrisville, LLC (or any successor of assign) in the Breckenridge Property which was owned by its immediate predecessor-in-title shall have the status of the Declarant under this Declaration unless predecessor-in-title was the only then existing Declarant. .

"Executive Board" shall mean the Board of Directors of the Association.

"Existing Lots" shall mean, collectively, Lot Nos. 1 through 125, inclusive, of The Manors at Breckenridge, as shown and depicted on the Subdivision Plat.

"First Mortgage" shall mean a Mortgage conveying a first priority lien upon or security title to any Membership Property.

"HUD" shall mean the United States Department of Housing and Urban Development and, in the event that said Department shall be abolished and its operations transferred to another division of the United States government, such other division.

"Limited Common Elements" shall mean any Common Elements which shall have been designated as Limited Common Elements in the limited warranty deed by which the Declarant conveyed the same to the Association.

"Lot" shall mean each of the Existing Lots and each additional plot or parcel of the Breckenridge Property, other than Common Elements, which shall be designated for separate ownership and occupancy, as shown on a plat which shall be recorded in the Office of Register of Deeds of Wake County, North Carolina, and which shall be submitted to this Declaration as Membership Property by the recording of a Supplemental Declaration to this Declaration pursuant to the provisions of Section 2 of Article II hereof. A Lot shall also include, without limitation, an individual condominium unit in any condominium that may be submitted to this Declaration as Membership Property. In addition, as used in this Declaration, the term "Lot" shall also mean a "Lot" within the meaning of the Act, such that all provisions of the Act relative to "Lots" shall apply to the "Lots" within the meaning of the Declaration.

"Breckenridge Property" shall mean the entirety of the real property described on Exhibit A, hereto attached and made a part hereof.

"Member" shall mean the Declarant, until the termination of the Class B Membership, as provided in Section 3 of Article IV of this Declaration, and every other Person who is the record title owner of any Lot.

"Membership Property" shall mean, collectively, the Existing Lots and all portions of the Breckenridge Property which are hereafter subjected to this Declaration as additional Membership Property in the manner described in Section 2 of Article II of this Declaration.

"Mortgage" shall mean a mortgage or deed of trust or other instrument conveying a lien or security title to property.

"Person" shall mean a natural person, corporation, partnership, association, trust or other entity.

"Subdivision Plat" shall mean, collectively the Final Plat of The Manors at Breckenridge, prepared by Priest, Craven & Associates, Inc., recorded in the Book of Maps of Wake County, North Carolina, in Book 1999, Pages 1953, 1954 and 1955, and any and all other plats of survey which shall be recorded pursuant to the provisions of Article II, Section 2 of this Declaration for the purpose of subjecting additional portions of the Breckenridge Property to this Declaration as Membership Property.

"Supplemental Declaration" shall mean a Supplemental Declaration which shall be executed by the Declarant (and, if applicable, the owner of the real property described therein) and recorded pursuant to the provisions of Section 2 of Article II of this Declaration for the purpose of submitting an additional portion of the Breckenridge Property to the terms and provisions of this Declaration applicable to Membership Property.

"VA" shall mean the United States Department of Veterans Affairs and, in the event that said Department shall be abolished and its operations transferred to another division of the United States government, such other division.

## ARTICLE II

### MEMBERSHIP PROPERTY

Section 1. Membership Property Hereby Subjected to this Declaration. The Declarant and Pulte, for itself and its successors and assigns, do hereby covenant that the Existing Lots be, and the same hereby are, subjected to this Declaration as Membership Property and Lots.

The Declarant and Pulte, for itself, its successors and assigns, hereby further covenants that the Existing Lots shall hereafter be held, transferred, sold, conveyed, used, leased, occupied, mortgaged or otherwise encumbered subject to all of the terms, provisions, liens, charges, easements, covenants and restrictions set forth in the Act and in this Declaration as applicable to Membership Property and Lots, including, but not limited to, the lien provisions set forth in Article V hereof. All of the terms, provisions, liens, charges, easements, covenants and restrictions set forth in this Declaration as applicable to Membership Property and Lots shall be a permanent charge on, and shall run with, the Existing Lots.

Section 2. Additional Membership Property Hereafter Subjected to this Declaration. The Declarant may, at any time, and from time to time, subject additional portions of the Breckenridge Property to the terms, provisions, liens, charges, easements, covenants and restrictions of this Declaration applicable to Membership Property by:

(a) executing and recording in the Office of the Register of Deeds of Wake County, North Carolina, a Supplemental Declaration to this Declaration describing such additional Membership Property and stating that this Declaration is thereby extended to, and shall thereafter apply to, such additional Membership Property; and

(b) recording in the Office of the Register of Deeds of Wake County, North Carolina, a plat of survey showing and depicting the portion of the Breckenridge Property being thereby subjected to this Declaration as additional Membership Property.

From and after the subjecting of such additional Membership Property to this Declaration, such additional Membership Property shall thereafter be held, transferred, sold, conveyed, used, leased, occupied, mortgaged or otherwise encumbered subject to all of the terms, provisions, liens, charges, easements, covenants and restrictions of this Declaration applicable to Membership Property, including, without limitation, all lien and assessment provisions set forth in this Declaration; from and after the subjecting of such additional Membership Property to this Declaration, all of the terms, provisions, liens, charges, easements, covenants and restrictions set forth in this Declaration as applicable to Membership Property shall be a permanent charge on, and shall run with, such additional Membership Property.

No approval from any Member of the Association, or from anyone else whomsoever, shall be required for the Declarant to subject any portion of the Breckenridge Property to this Declaration as Membership Property. In addition it shall not be necessary that the Declarant be the owner of any portion of the Breckenridge Property which is subjected to this Declaration as Membership Property, provided that the Supplemental Declaration which subjects such property to this Declaration shall be executed by both the Declarant and the owner of such portion of the Breckenridge Property.

Section 3. No Effect on Balance of Breckenridge Property. Notwithstanding anything contained in this Declaration which may be constructed to the contrary, this Declaration does not create any charge, lien, encumbrance, restriction, or limitation on any portion of the Breckenridge Property other than the Existing Lots unless and until any additional portion of the Breckenridge Property is subjected to this Declaration in the manner set forth, respectively, in Section 2 of this Article II or in Section 1 of Article III, and then, only from that time forward.

Section 4. All Lots Bear the Burdens and Enjoy the Benefits of this Declaration. Every person who is a record owner of a fee or undivided fee interest in any Membership Property does, by acceptance of a deed or other conveyance thereto, and by acceptance of such ownership, and by taking record title to such Membership Property, agree to all of the terms and provisions of this Declaration. Each of the Lots is subject to all the burdens, and enjoys all the benefits, made applicable thereto hereunder.

Section 5. Easements Over the Lots. The Lots shall be subjected to, and the Declarant does hereby grant to the appropriate grantees thereof, the following easements:

(a) Each Lot shall be subject to all easements which are shown and depicted on the Subdivision Plat as affecting and burdening such Lot;

(b) Each Lot shall be subject to an easement for slope control purposes, including the right to grade and plant slopes and prevent the doing of any activity that might interfere with slopes or which might create erosion or sliding problems or which might change, obstruct or retard drainage flow; and

(c) Each Lot shall be subject to an easement for the entry by the authorized agents and representatives of the Association to go upon such Lot under the circumstances, and for the purposes, described in Articles VI and VIII of this Declaration.

### ARTICLE III

#### COMMON ELEMENTS

Section 1. Common Elements. The Declarant shall have the right to transfer and convey to the Association any portion of the Breckenridge Property. All portions of the Breckenridge Property which the Declarant shall so transfer or convey to the Association shall thereafter constitute Common Elements. There shall be no limitation on the portions of the Breckenridge Property which the Declarant may transfer and convey to the Association as Common Elements pursuant to this Article III, nor on the improvements which may be located on such Common Elements.

All portions of the Breckenridge Property which shall be transferred to the Association by the Declarant (a) shall be conveyed to the Association by limited warranty deed free of debt encumbrance, and (b) shall be conveyed to the Association subject to the rights and easements set forth in Sections 2 and 3 of this Article III, irrespective of whether the deed of conveyance shall make a specific reference to such rights and easements. Provided that the conveyance of Common Elements to the Association satisfies the requirements set forth in subparagraphs (a) and (b) hereof, any portion of the Breckenridge Property which the Declarant may elect to convey to the Association as Common Elements may be subject to such covenants, restrictions, easements and encumbrances as shall be determined by the Declarant in its sole discretion.

In the event that any portion of any Common Elements to be conveyed by the Declarant to the Association is to constitute Limited Common Elements, the deed by which the same shall be conveyed to the Association shall identify such Limited Common Elements and designate the particular Membership Property which shall have the exclusive use of such Limited Common Elements. In this event, the Limited Common Elements so identified in such deed shall be reserved for the exclusive use of those entitled to occupy the Membership Property so designated in such deed.

By joining in the execution of this Declaration, the Association does hereby covenant and agree to accept all conveyances of the Common Elements which may be made to it pursuant to, and in accordance with, the terms and provisions of this Section 1.

Section 2. Members' Rights in Common Elements. Every owner of any Lot shall have a non-exclusive right and easement of enjoyment and use in and to the Common Elements (except for Limited Common Elements reserved for the exclusive use of any Membership Property not owned by such owner) and such right and easement shall be appurtenant to, and shall pass with, the title to the Lot(s) owned by such owner. Such right and easement of enjoyment and use are and shall be subject to the easements which are described in Section 3 of this Article III and to the right of the Association to promulgate reasonable rules and regulations regarding the use of Common Elements, and the right of the Association, as provided in the Bylaws, to suspend the enjoyment rights of the owner of any Lot during any period in which any assessment which is due to the Association from such owner remains unpaid, and such period as the Executive Board may consider appropriate for any infraction of its published rules and regulations. In addition, the Executive Board may permit other persons who are not residents of any Lots to use the Common Elements (other than Limited Common Elements) upon such terms and conditions, and for the payment of such fees, as shall be determined by the Executive Board.

Section 3. Easements Over Common Elements. All Common Elements shall be subject to, and Declarant and the Association do hereby grant, the following easements:

(a) An easement across, in, under, over and through the Common Elements for the purposes of the construction, installation, repair, maintenance and use of all utility and drainage facilities as exist on the date of this Declaration; and

(b) An easement in favor of Declarant for the exclusive use of such portions of the Common Elements as may be reasonably desirable, convenient or incidental to the construction and installation of improvements on, and the sale of, any Lots, including, but not limited to, sales and business offices, storage areas, construction yards and signs. Such easements shall be exercisable by any and all persons who the Declarant shall authorize to exercise the same, including, without limitation, real estate sales agents and brokers and builders of residences upon the Lots, irrespective of whether such persons are affiliated with the Declarant. Such easements shall exist notwithstanding any provision of this Declaration which might be construed to the contrary, but shall terminate at such time as the construction on the Lots of residential buildings has been completed and all of the Lots shall have been conveyed to owners thereof who shall not have acquired the Lots for the purpose of immediate resale of the same. Such easements shall and do exist without affecting the obligation of the owner of any Lot to pay assessments or charges coming due during such period of time as portions of the Common Elements shall be used by authorized persons pursuant to the exercise of the easements herein stated.

Section 4. Insurance. As provided in Section 47F-3-113 of the Act, it shall be the duty of the Association to obtain and maintain in effect at all times a policy of casualty insurance on all improvements located on the Common Elements. The amount of such policy shall be in amount that is no less than eighty percent (80%) of the replacement cost of the improvements to be insured with deductibles in amount to be determined by the Executive

Board. It shall also be the duty of the Association to obtain and maintain in effect at all times a comprehensive policy of public liability insurance. The comprehensive policy of public liability insurance shall have a reasonable amount of coverage, as shall be determined by the Executive Board, and shall provide for such deductibles, as shall be determined by the Executive Board. During the existence of the Class B membership of the Association, both insurances may be provided by a self-insurance program maintained by the Declarant.

Section 5. Damage or Destruction. In the event that any improvements located on any Common Elements shall be damaged or destroyed on account of the occurrence of any casualty, the Executive Board shall proceed with the filing and settlement of all claims arising under any policy of insurance maintained by the Association with respect to such improvements and shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed improvements.

Any such damage or destruction shall be repaired or reconstructed unless it shall be decided, within ninety (90) days after the occurrence of the casualty, by eighty percent (80%) of the total vote of all then existing classes of Membership of the Association not to so repair or reconstruct such damage. In the event that it shall be so decided not to repair or reconstruct any such damage or destruction, the proceeds of any insurance as may become payable to the Association as a result of such damage or destruction shall be applied to such purposes as may be determined by the Executive Board.

Section 6. Sale or Abandonment of Common Elements. In no event shall the Association abandon, sell or transfer any portion of the Common Elements unless such abandonment, sale or transfer shall be first approved in writing by: (a) the owners of no fewer than eighty percent (80%) of the Lots, and (b) the holders of no fewer than eighty percent (80%) of the First Mortgages existing in regard to the Lots; and (c) HUD, VÅ and the Declarant, until such time as the Class B Membership shall terminate (as provided for in Article IV, Section 3 of this Declaration). Notwithstanding the foregoing, however, the provisions of this Section 5 shall not be deemed to prohibit or limit the power and authority of the Association to grant a security interest in any Common Elements, both real and personal, as collateral for money borrowed by the Association for any Association purpose. Without limiting the generality of the foregoing, the Executive Board shall have the power and authority, upon the affirmative vote of a simple majority of the members thereof (and without the requirement that the same be approved by any Members of the holders of any Mortgage upon an Lot), to subject any Common Elements to a Mortgage to secure the repayment by the Association of any money borrowed by the Association in connection with the repair and replacement of any Common Elements and/or the construction of any capital improvements upon any Common Elements.

## ARTICLE IV

### THE ASSOCIATION

Section 1. The Association. Prior to the date this Declaration has been filed for record with the Register of Deeds of Wake County, North Carolina, the Declarant has caused the Association to be formed, and the Association does now exist, under its Articles of Incorporation and Bylaws.

The Association is and shall be responsible for the ownership, management and operation of the Common Elements, the enforcement of the covenants and restrictions set forth in this Declaration, the collection of all assessments provided for in Article V of this Declaration, and the performance of such other duties and the provision of such services as the Executive Board shall deem to be in the best interests of the Members. The Association shall have all the power and authority provided in the Association by the provisions of Section 47F-3-102 of the Act. Without limiting the generality of the foregoing, the Association shall have the specific power and authority: (a) to provide landscape and grounds maintenance services for real property which does not constitute Common Elements, including real property owned by any governmental entity and (b) to maintain, repair and replace, and pay charges for electric service to, any street lights that are located within the right-of-way of any public road if the applicable governmental entity shall neglect to do the same, and, in the case of both of the activities identified in clauses (a) and (b) hereof, the Executive Board shall have determined that the carrying out of such activities by the Association is in the interest of the Members.

The Declarant's plan for the development of the Breckenridge Property contemplates that the Lots located in different portions of the Membership Property will be developed with separate and distinct types of residential structures, and that the Association may provide certain services (such as landscaping and grounds maintenance and property insurance coverage) for the benefit of certain Lots that it will not provide for other Lots. There shall be no requirement that the services to be provided by the Association be provided uniformly to all of the Membership Property and the Executive Board shall have the specific power and authority to cause the Association to provide certain services to certain Lots that it shall not provide to other Lots.

Section 2. Membership. Every person who is, or who becomes, a record owner of a fee or undivided fee interest in any Lot is and shall be a Member of the Association; provided, however, that any such person who holds such interest merely as security for the performance of an obligation shall not be a Member of the Association. The transfer of ownership of a fee or undivided fee interest in any Lot shall automatically transfer membership in the Association, and in no event shall such membership be severed from the ownership of such Lot.

Section 3. Classes of Membership; Voting Rights. The Association shall have two classes of voting membership: Class A and Class B.

(a) Class A. The Class A Members shall be all those persons holding an interest required for membership in the Association, as specified in Section 2 of this Article IV, except for the Class B Member. The Class A Members shall be entitled to full voting privileges on the earliest of the following dates to occur: (i) the date which the Declarant may so designate by a written designation executed by both the Declarant and by the holder or holders of any Mortgage upon any portion of the Breckenridge Property which is owned by the Declarant and which is

recorded with the Register of Deeds of Wake County, North Carolina, (ii) the date on which the Declarant shall have conveyed to individual owners thereof seventy-five (75%) of the Lots, or (iii) April 1, 2011. Before the earliest of these dates to occur, the Class A Members shall be entitled to vote only on (a) any proposal of merger, consolidation or dissolution of the Association; (b) any proposal pursuant to Article IX of this Declaration to amend this Declaration; and (c) any other matter for which it is herein specifically provided, or for which it is provided by the Act or the North Carolina Nonprofit Corporation Code, that approval of each and every class of membership of the Association is required.

When entitled to vote, the Class A Members shall be entitled to cast one (1) vote for each Lot in which they hold an interest required for membership by Section 2 of this Article IV.

(b) Class B. The Declarant shall be the sole Class B Member. Class B membership shall be a full voting membership and, during its existence, the Class B Member shall be entitled to vote on all matters and in all events. Without limiting the generality of the foregoing, the Class B Member will itself elect all of the members of the Executive Board until the termination of the Class B membership. At such time as the Class A Members shall be entitled to full voting privileges, as provided in paragraph (a) hereof, the Class B membership shall automatically terminate and cease to exist, and the Class B Member shall be and become a Class A Member insofar as it may then hold any interest required for membership by Section 2 of this Article IV.

From and after the date on which the Class B membership automatically terminates and ceases to exist, such membership shall not be renewed or reinstated.

Section 4. Suspension of Membership Rights. The membership rights of any Member of the Association, including the right to vote and to use the Common Elements, may be suspended by the Executive Board pursuant to the authority granted in the Bylaws. Any such suspension shall not affect such Member's obligation to pay assessments coming due during the period of such suspension and shall not affect the permanent charge and lien on the Member's property in favor of the Association.

Section 5. Meetings of the Membership. All matters concerning the meetings of Members of the Association, including the time at which and the manner in which notice of any said meeting shall be given to Members, the quorum required for the transaction of business at any meeting, and the vote required on any matter, shall be as specified in the Act, the North Carolina Nonprofit Corporation Code, this Declaration, or in the Articles of Incorporation or the Bylaws.

Section 6. Association Acts Through Its Executive Board. The Executive Board shall have the power and authority to exercise all of the power and authority of the Association, as provided for in Section 1 hereof. Whenever approval of, or action or inaction by, the Association is referred to or called for in this Declaration, such action, inaction or approval shall be by the Executive Board of the Association, unless it is specifically stated in this Declaration,

the Articles of Incorporation or the Bylaws with respect to such action, inaction or approval that the Members of the Association must vote. No member of the Executive Board of the Association or any officer of the Association (including, without limitation, any such individual who shall have been elected by a vote of the Class B Member) shall be personally liable to any owner of any Member for any mistake of judgment or for any other act or omission of any nature whatsoever, except for any acts or omissions found by a court of competent jurisdiction to constitute gross negligence or fraud.

Section 7. Professional Management. The Association may, but shall not be obligated to, obtain and pay for the services of any person or other entity to manage the affairs of the Association, or any part thereof, and may enter into such agreements for the management of the Common Elements as the Executive Board deems to be in the best interests of the Association.

## ARTICLE V

### ASSESSMENTS

Section 1. Assessments; Lien Therefor. Each person other than the Declarant who shall own any Lot, by acceptance of a deed or other conveyance thereto, and by acceptance of such ownership, and by taking record title thereto, shall be deemed to covenant and agree to pay to the Association all assessments and charges which are levied by the Association against the Lot(s) owned by such person in accordance with the terms and provisions of this Declaration.

As more fully provided in Section 47F-3-116 of the Act, all sums lawfully assessed by the Association against any Lot and the owner thereof, which shall remain unpaid for a period of thirty (30) days from the date of such assessment, shall constitute a lien in favor of the Association on such Lot when a claim of lien is filed of record in the office of the clerk of superior court of the county in which the Lot is located. Such lien shall be prior and superior to all other liens whatsoever, except:

- (a) liens for ad valorem taxes and other governmental assessments on the Lot;
- (b) any lien that was properly recorded prior to the docketing of the claim of lien in the office of the clerk of superior court;
- (c) the lien of any First Mortgage or the lien of any prior Mortgage recorded in the Deed Records of Wake County, North Carolina prior to the recording of this Declaration; or
- (d) the lien of any secondary purchase money Mortgage covering the Lot, provided that neither the grantee nor any successor grantee on the Mortgage is the seller of the Lot.

Section 2. Personal Obligation of Members. Each member of the Association other than the Declarant, by acceptance of a deed or other conveyance to the Lot(s) owned by such member, irrespective of whether it shall be so expressed in any such deed or other conveyance, and by acceptance of ownership of such Lot (s), and by taking record title to such Lot(s), shall be deemed to covenant and agree to pay to the Association:

(a) His share of the Annual Assessments which shall be levied by the Association in accordance with Section 4 hereof; and

(b) When properly authorized in accordance with Section 5 hereof, special assessments, such annual and special assessments to be fixed, established and collected from time to time as hereinafter provided.

All such assessments, together with interest thereon and costs of collection thereof, as hereinafter provided, shall be the personal obligation of the person who is the owner of the Lot against which such assessments are levied at the time such assessments become due and payable. The covenant to pay assessments herein stated is and shall be a covenant running with the land.

Section 3. Purposes of Assessments. The assessments levied by the Association pursuant to this Article V shall be used to pay the costs and expenses which the Association shall incur in connection with the performance of its duties and responsibilities pursuant to this Declaration, the Articles of Incorporation and the Bylaws (such costs and expenses being herein referred to as the "Annual Expenses"). Without limiting the generality of the foregoing, the Annual Expenses shall include the costs of: repair and maintenance of all Common Elements; payment of all governmental charges, taxes and assessments which shall be levied against all Common Elements; payment of all costs and expenses incurred by the Association in connection with its operations, including, without limitation, the payment of electricity charges for all lighting located on Breckenridge Property which does not serve a particular Lot; payment of costs of irrigation of Common Elements; payment of the premiums for all policies of property and liability insurance maintained by the Association with respect to Common Elements; payment of the premiums for all fidelity bonds which shall be obtained by the Association; the maintenance of reserves for the repair and replacement of improvements located on the Common Elements and for such other purposes as the Executive Board shall determine, in all cases in such amounts as the Executive Board shall determine; the payment of the fees of such management firms as the Executive Board shall employ; and payment of the fees for the provision of such professional services as the Executive Board shall determine to be required by the Association, including legal, accounting and architectural services.

Section 4. Determination of Annual Assessment. Prior to the commencement of each fiscal year of the Association (said fiscal year being specified in the Bylaws), the Executive Board shall estimate the total amount of the Annual Expenses which are anticipated to be incurred by the Association during such fiscal year and shall determine the amount which will

be deposited during such fiscal year into reserve funds maintained by the Association. The Executive Board shall thereupon adopt a budget for the Association's expenditures and reserve fundings based upon such estimate and providing for the total annual assessment to be levied against the members of the Association for such fiscal year (the total assessment which shall be so determined and levied against all of the members of the Association for any fiscal year is herein referred to as the "Annual Assessment"). In connection with its determination of the amount of the Annual Assessment, the Executive Board shall also determine the amount of the Annual Expenses which, in the judgment of the Executive Board, will benefit less than all of the Lots (such as Annual Expenses which the Association shall incur for the provision of any services to some, but less than all, of the Lots) and the amount of the Annual Expenses which shall significantly disproportionately benefit all of the Lots. The amounts of the Annual Expenses which the Executive Board shall determine as benefiting less than all of the Lots shall be specially assessed equitably among all of the Lots so benefited, and shall be made a part of the Annual Assessment which shall be payable by the owners of the Lots so benefited.

In addition, the amount of the Annual Expenses which the Association shall incur in regard to any Limited Common Elements shall be specially assessed among all of the Lots which shall have the exclusive use of such Limited Common Elements, and shall be part of the Annual Assessment which shall be payable by the owners of such Lots.

Prior to the commencement of the fiscal year during which any Annual Assessment is to be levied, the Association shall send to each Member a copy of the budget so adopted for the Association by the Executive Board, together with a statement setting forth both the gross amount of the Annual Assessment which shall be payable for such fiscal year and the specific amount of such Annual Assessment which shall be levied against the Lot(s) owned by such Member. Each Lot shall be liable for that share of each Annual Assessment which shall be so determined by the Executive Board and set forth in the notice given to the owner of such Lot, as aforesaid. Notwithstanding the foregoing, however, the failure by the Association to provide to the Members the information described in this paragraph within the times required herein shall have no effect on the liability of the Members for the payment of the Annual Assessment.

The amount of each Annual Assessment which shall be levied against each Lot shall be due and payable to the Association in such installments as the Executive Board shall determine, and after notice of the same shall have been given to all of the Members, shall be paid to the Association when due without further notice.

Section 5. Special Assessments. If for any reason, including non-payment of any assessments to the Association by the persons liable therefor, the budget adopted by the Executive Board for any fiscal year shall prove to be inadequate to defray the Annual Expenses for such fiscal year, or if the Executive Board shall determine that it is in the best interests of the Association to levy a special assessment to pay the costs of any capital improvements or capital repairs, the Executive Board shall have the authority to levy a special assessment against the Lots and the owners thereof (other than the Declarant) to raise such needed funds.



Any special assessment levied by the Executive Board pursuant to the provisions of this Section 5 shall be payable at such times and such installments as the Executive Board shall determine.

Section 6. Lots Owned by Declarant. Notwithstanding any term or provision of this Declaration which may be construed to the contrary, no Lot owned by the Declarant shall be subject to any assessment provided for in this Article V. Rather, all Lots owned by the Declarant shall be exempt from the payment of all assessments for so long as such Lots are owned by the Declarant. At such time as any Lot which is owned by the Declarant shall be conveyed or transferred away by the Declarant, all liens and assessments provided for in this Article V shall become immediately levied against such Lot and the owner of such Lot shall immediately become liable for the payment of all such assessments. The amount of each Annual Assessment which shall become so payable with respect to any Lot shall be prorated according to the respective portions of the fiscal year that such Lot was owned by the Declarant and by such successor owner.

Section 7. Effect of Non-Payment of Assessments; Remedies of the Association.

(a) In the event that any member of the Association shall fail to pay, within ten (10) days after the date the same is due and payable, any annual or special assessment, or any installment of any annual or special assessment which is payable by him to the Association, the entire amount of such assessment, including the portion thereof which would otherwise be payable in installments, may be declared by the Executive Board to be immediately due and payable in full to the Association. As more fully provided in the Act, all such amounts so declared by the Executive Board to be due and payable in full to the Association shall be secured by the lien of the Association on every Lot owned by the delinquent member, which lien shall bind such Lot or Lots in the hands of the then owner, and his heirs, devisees, successors and assigns.

(b) All amounts which the Executive Board shall declare to be due and payable pursuant to this Section 7 shall bear interest from the date of delinquency at the lower of the rate of eighteen (18%) percent per annum or the highest rate permitted by law, and the Association may bring legal action against the member of the Association personally obligated to pay the same, or foreclose its lien upon the Lot or Lots of such member, in either of which events such member shall also be liable to the Association for all costs and attorneys' fees which the Association shall incur in connection with the collection of such delinquent amounts.

## ARTICLE VI

### ARCHITECTURAL RESTRICTIONS AND ARCHITECTURAL CONTROL

Section 1. Architectural Restrictions Applicable to Existing Lots. There shall be no restrictions under the terms and provisions of this Declaration on the original design of the houses located on the Existing Lots.

Section 2. Architectural Restrictions Applicable to Additional Membership Property. It is the intent of the Declarant for the development of the Breckenridge community that different portions of the Membership Property will be subject to different architectural restrictions, even though the architectural restrictions to which any part of the Membership Property will be subject to will be enforced by the Executive Board pursuant to the terms and provisions of this Declaration. Not all of the Membership Property will be subject to the same architectural restrictions. Each Supplemental Declaration will set forth the architectural restrictions that will apply to the additional Membership Property which shall be subjected to this Declaration as Membership Property by the Declarant's execution and recording of such Supplemental Declaration. All architectural restrictions which shall be set forth in any Supplemental Declaration shall thereafter be as binding on the Membership Property which is the subject of such Supplemental Declaration as if such architectural restrictions were set forth in their entirety in this Declaration.

Section 3. Combination of Lots. Unless the same shall be prohibited or restricted under the terms of any other declaration of covenants to which the same may be subject, the owner of any two or more contiguous Lots shall have the right to cause such Lots to be combined together by furnishing the Executive Board with a notice of his intent to do so. Upon the receipt by the Executive Board of any such notice, the Lot created by such combination shall thereafter be deemed to be a single Lot for all purposes of this Declaration, except as hereinafter provided. Notwithstanding the foregoing, the amount of assessments for which such single Lot shall be thereafter liable pursuant to the provisions of Article V of this Declaration shall be equal to the total assessments for which all of the Lots which were so combined would have been liable had such combination not taken place.

Section 4. Architectural Control.

(a) No building, fence, wall, garage, patio, carport, playhouse, children's play equipment, exercise equipment, swimming pool, mail-box or any other structure shall be commenced, constructed, installed, erected or maintained upon any Membership Property, nor shall any exterior addition to, change in (including, without limitation, any change in the type of roofing material or in the color of the paint, stain or varnish), or alteration of, any structure located on any Membership Property be made until complete and final plans and specifications, setting forth the information hereinafter described, shall have been submitted to, and approved in writing by, the Executive Board. It shall be the duty of the Executive Board to approve or disapprove each request for approval of the construction of a structure on a Lot, or the alteration of an existing structure located on any Lot, within thirty (30) days after said plans and specifications including all of the information identified in paragraph (b) hereof shall have been submitted to it.

(b) The plans and specifications which must be submitted to the Executive Board prior to the commencement of any structure upon any Lot, or the alteration of any existing structure on any Lot, as hereinabove provided, shall contain at least the following information:

(i) In the case of a proposed new structure, a site plan showing the shape and size of the proposed structure and its location on the Lot on which the same is proposed to be constructed;

(ii) In the case of a proposed alteration to or change in an existing structure, a description of the proposed alteration or change, including a color sample, if applicable; and

(iii) In either case, such additional information as the Executive Board may require concerning the proposed structure or alteration.

(c) All approvals and disapprovals by the Executive Board of the plans and specifications for any structure to be constructed or altered on any Membership Property shall be conclusive and binding upon all Members.

(d) It shall be the duty of the Executive Board to maintain in effect a series of standardized designs of fences that may be erected upon the Lots. Said standardized fence designs which shall be so maintained by the Executive Board are hereinafter referred to as the "Approved Fence Details." The Executive Board may modify and change the Approved Fence Details, and adopt additional Approved Fence Details, at any time, and from time to time, as the Executive Board believes to be in the best interests of the owners of the Lots. There shall be no requirement that every Approved Fence Detail be available for every Lot; rather, certain Approved Fence Details may be available only for certain Lots. The Executive Board shall furnish the owner of any Lot with a copy of the then existing Approved Fence Details upon such Lot owner's request.

In no event shall any fence be erected on any Lot unless (i) the design of such fence shall conform to the Approved Fence Details then available for the particular Lot and (ii) the specific location of the fence on the Lot shall have been approved in writing by the Executive Board.

(e) The Association shall upon demand at any time, furnish to any owner of any Lot a certificate in writing signed by an officer of the Association, stating that any building, fence, wall, garage, patio, carport, playhouse, swimming pool, mail-box or other structure erected upon such owner's Lot, or any exterior addition to, change in, or alteration of any structure owned by such Member on a Lot, is in compliance with the provisions of this Section 4 of Article VI, and such certificate shall be conclusive as to whether the same is in such compliance.

(f) In the event that any construction or alteration work is undertaken or performed upon any Membership Property without application having been first made and approval obtained as provided in paragraph (a) of this Section 4, said construction or alteration work shall be deemed to be in violation of this covenant, and the Person upon whose Membership Property said construction or alteration work was undertaken or performed may be required to restore to its original condition, at his sole expense, the property upon which said

construction or alteration was undertaken or performed. Upon the failure or refusal of any Person to perform the restoration required herein, the Executive Board, or their authorized agents or employees, may, after fourteen (14) days' notice to such Person, enter upon the property upon which such unauthorized construction or alteration work has been performed, and make such restoration as the Executive Board, in the exercise of its discretion, may deem necessary or advisable. The Person upon whose Membership Property such restoration work shall have been so performed shall be personally liable to the Association for all direct and indirect costs which the Association shall incur in the performance of such restoration work, and the liability for such cost shall be secured by all the liens, and shall be subject to the same means of collection, as the assessments provided for in Article V of this Declaration. Such costs shall be paid to the Association by the Person liable for the same at the same time as the next due Annual Assessment payment, as provided in Section 4 of Article V of this Declaration, or at such earlier time, and in such installments, as the Executive Board shall determine.

Section 5. Declarant Exemption. Notwithstanding anything stated to the contrary herein, the Declarant shall be exempt from the architectural control provisions set forth in Section 4 of this Article VI. Nothing contained in this Article VI shall be construed as prohibiting any construction by the Declarant upon any Lot while such Lot is owned by the Declarant. The exemption of the Declarant from the architectural control provisions of Section 4 of this Article VI shall survive the termination of the Class B Membership.

Section 6. Architectural Advisory Committee. The Executive Board shall be authorized to appoint an architectural advisory committee to advise it and assist it in connection with its performance of its responsibilities under Section 4 of this Article VI. The functions which may be performed by any such architectural advisory committee shall include reviewing plans and specifications which are submitted to the Executive Board in connection with proposals to construct or alter improvements upon the Lots and to make recommendations to the Executive Board with respect to such plans and specifications.

## ARTICLE VII

### RESTRICTIONS

In order to provide for the maximum enjoyment of the Membership Property by all of the residents and occupants thereof, and to provide protection for the value of the same, the use of the Membership Property shall be restricted to, and shall be only in accordance with, the following provisions:

Section 1. Single-Family Use. All of the Lots shall be restricted exclusively to single-family residential use. The term "single-family" shall include one or more related or unrelated adults, as well as the children of any such adults. No Lot shall at any time be used for any commercial, business or professional purpose. Notwithstanding the foregoing, however, nothing set forth in this Section 1 shall prohibit: (a) the Declarant from conducting such sales, leasing and promotional activities on any Lot as said Declarant shall determine; or (b) the owner of any Lot from using a portion of a building located on such Lot as an office, provided that such use

does not create regular customer or client traffic to and from such Lot and no sign, logo, symbol or nameplate identifying such business is displayed anywhere on such Lot.

Section 2. Other Use Restrictions. Any Supplemental Declaration may set forth use restrictions that will apply to the additional Membership Property which shall be subjected to this Declaration as Membership Property by the Declarant's execution and recording of such Supplemental Declaration. Any use restrictions which shall be set forth in any Supplemental Declaration shall thereafter be as binding on the Membership Property which is the subject of such Supplemental Declaration as if such use restrictions were set forth in their entirety in this Declaration, and will be enforceable by the Executive Board and the Members pursuant to the terms and provisions of this Declaration. Not all of the Membership Property must be subject to the same use restrictions.

Section 3. Prohibited Activities. No noxious or offensive activity shall be conducted on any Membership Property. Each owner of any Lot, his family, tenants, guests and invitees, shall refrain from any act or use of his Membership Property which could reasonably cause embarrassment, discomfort, annoyance or nuisance to any other resident or residents of any other Lot.

Section 4. Nuisances. No nuisance shall be permitted to exist upon any Membership Property. Without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells, or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any Lot, or any portion thereof.

Section 5. Trash; Animals. No portion of any Membership Property shall be used as a dumping ground for rubbish, trash or garbage, nor shall any trash or garbage be permitted to accumulate upon any Membership Property. Garbage containers shall be buried or screened on each Lot so that the same shall not be visible from the street or from any part of any other Lot.

No Membership Property shall be used for the keeping or breeding of livestock animals or poultry of any kind, except that a reasonable number of household pets may be kept, provided that they are neither kept for breeding nor maintained for any commercial purpose, and provided that none of such pets are permitted to be a source of annoyance to any other resident or residents of any other Lot.

Section 6. Signs. Except as hereinbelow provided, no sign of any kind or character shall be erected on any portion of any Lot, or displayed to the public on any portion of any Lot, without the prior written consent of the Executive Board. The restriction herein stated shall include the prohibition of placement of any sign within a building located on any Lot in a location from which the same shall be visible from the outside and the placement of any sign in or upon any motor vehicle.

It shall be the duty of the Executive Board to adopt specifications for signs that may be posted on the Lots to advertise the same for sale or rent and to promulgate such specifications. Unless the display of any such sign is prohibited under the terms of any other restrictions to

which the particular Lot may be subject, the owner of every Lot shall have the right to post one such sign on his Lot, provided that such sign complies with the specifications for the same that shall have been so adopted by the Executive Board.

Section 7. Antennas; Aerials; Satellite Dishes. No antennas, aerials, satellite dishes or other reception devices having a diameter or diagonal measurement greater than one meter shall be installed on any Membership Property. So long as reception of an acceptable quality is not precluded, the antenna, aerial, satellite dish or other reception device of appropriate size shall be located only on that portion of a Lot which is least visible from public view and shielded so as to minimize any risk and to ensure a nuisance is not created.

Section 8. Clotheslines. No clothesline shall be erected on any portion of any Membership Property.

Section 9. Window Air-Conditioners. No air-conditioner shall be installed in any window of any building located on any Lot, nor shall any air-conditioner be installed on any building located on any Lot so that the same protrudes through any exterior wall of such building.

Section 10. Temporary Structures. Subject to the right of the Declarant to promote the sale of Lots, no structure of a temporary character, including, without limitation, any trailer, tent, shack, garage or other building, shall be permitted on any Lot at any time, whether temporarily or permanently, except with the prior written consent of the Executive Board; provided, however, that temporary structures may be erected or placed upon a Lot for use in connection with the repair or construction of structures upon such Lot.

Section 11. Vehicles; Trailers; Boats; Automobiles. No boat, trailer, boat trailer, camper, truck or utility trailer shall be permitted to be stored or repaired upon any Lot unless the same is entirely confined within a garage located on such Lot and the door of such garage is kept in a closed position. No automobile may be parked upon any Lot unless the same is parked on a pavement area located on such Lot for such purpose, and the same is in operating condition and has affixed thereto a then current license tag and, if applicable, operating sticker.

Section 12. Enforcement by Members. In the event that the owner of any Lot, or any Person who is entitled to occupy any Lot, shall fail to comply with or abide by any restriction set forth in this Article VII, then, in addition to his rights under Section 1 of Article X of this Declaration, the owner of any other Lot who is aggrieved by such failure of compliance or abidance shall have the right to proceed at law or in equity to compel such owner or such occupant to comply therewith and abide thereby. Additionally, any owner of any Lot who, or whose lessee, shall fail to comply with or abide by any such restriction shall be liable for any damages as may be suffered by any other owner of any Lot as a consequence of such failure.

## ARTICLE VIII

### MAINTENANCE OF MEMBERSHIP PROPERTY AND LANDSCAPING

Section 1. Maintenance of Membership Property.

(a) All Membership Property, including, without limitation all Lots and all buildings and other improvements located on any Lots, shall be kept and maintained in a neat and attractive condition which is satisfactory to the Executive Board by the owner(s) thereof or other party (such as a community association) who shall have the responsibility for maintaining the same.

(b) No children's play equipment, exercise equipment, picnic equipment, athletic equipment or any similar item may be placed upon any Membership Property if the same is not satisfactory to the Executive Board.

All determinations made by the Executive Board concerning whether any Membership Property is in a satisfactory condition, and whether any item placed upon any Membership Property is satisfactory, shall be conclusive and binding upon all Members.

Section 2. Failure of Maintenance. In the event that any Membership Property shall not be maintained in a condition which is satisfactory to the Executive Board, or if any item which is unsatisfactory to the Executive Board shall be kept upon any portion of the Membership Property, the Executive Board shall have the right, exercisable by it or through its agents or employees, and after giving to the owner of such Membership Property at least fourteen (14) days' notice and an opportunity to correct the unsatisfactory condition or to remove the unsatisfactory item, to enter upon the Membership Property and correct the unsatisfactory condition or to remove the unsatisfactory item, including, without limitation, cutting the grass, weeds, and other vegetation, and removing dead trees, shrubs and other plants, and removing the unsatisfactory item. The owner of the Membership Property upon which such work is performed by the Association (or its agents or employees) shall be personally liable to the Association for all direct and indirect costs as may be incurred by the Association in connection with the performance of such work, and the liability for such costs shall be secured by all the liens, and shall be subject to the same means of collection, as are the assessments and charges provided in Article V of this Declaration. In addition, all such costs shall be paid to the Association by such owner at the same time as the next due Annual Assessment payment, as provided in Section 4 of Article V of this Declaration, or at such earlier time, and in such installments, as the Executive Board shall determine.

ARTICLE IX

AMENDMENT

The terms, provisions, covenants and restrictions of this Declaration may be amended upon the approval of such amendment by (a) those Members of the Association who own in the aggregate, no-fewer than sixty-seven percent (67%) of the Lots not owned by the Declarant, (b) the Declarant, if the Declarant shall then own any Lot or any other portion of the Breckenridge Property, and (c) HUD and VA, if the Class B membership has not terminated, as

provided in Article IV, Section 3 of this Declaration. The approval of any such amendment by the Members of the Association shall be given by each such Member either casting a vote in favor of such amendment at a meeting of the Members of the Association duly called for such purpose, or by such Member signing a written approval of such amendment after the date on which such meeting was held, notwithstanding anything set forth to the contrary in the Articles of Incorporation or Bylaws. If any such amendment is required to be approved by the Declarant, such approval shall be given only by such Person executing a written approval of the same.

Any amendment to the terms, provisions, covenants or restrictions of this Declaration shall become effective only upon the recording with the Register of Deeds of Wake County, North Carolina, of an instrument certified by the incumbent Secretary of the Association setting forth such amendment and stating that the approval of the Members of the Association which, under the provisions of this Article IX, is required for such amendment to be effective, has been given and obtained, and containing the written approval of the Declarant and/or HUD and VA, if the same is required (as hereinabove provided).

The matters set forth in such instrument shall be presumed to be true and accurate and the amendment which is set forth in such instrument shall be effective, unless it shall be determined by a court of competent jurisdiction that the matters certified to in such instrument are not true and accurate.

Each Person who shall own any Lot, by acceptance of a deed or other conveyance thereto, and by acceptance of such ownership, and by taking record title thereto, and each holder of a Mortgage upon any portion of any Lot, by acceptance of such Mortgage, thereby agrees that the terms, provisions, covenants and restrictions of this Declaration may be amended as provided in this Article IX.

## ARTICLE X

### MISCELLANEOUS

Section 1. Failure of Enforcement. In the event that the Association shall fail to enforce the compliance with any of the provisions of this Declaration by the owner of any Lot, then the owner of any other Lot shall have the right to file an action in a court of competent jurisdiction for an order from such court requiring that the Association enforce such compliance; provided, however, in no event shall the Executive Board, or any officer of the Association, or any of their agents, be personally liable to anyone on account of their failure to enforce any of the terms, provisions or restrictions set forth in this Declaration.

Section 2. Waivers. In no event shall the failure by the Association to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, provisions or agreements set forth in this Declaration be construed as a waiver or relinquishment of the future enforcement of any such term, covenant, condition, provision, or agreement. The acceptance of performance of anything required to be performed with knowledge of the breach of a term, covenant, condition, provision or agreement shall not be deemed a waiver of such

breach, and no waiver by the Association of any term, covenant, condition, provision or agreement shall be deemed to have been made unless expressed in writing and signed by a duly authorized officer of the Association.

Section 3. Duration. This Declaration, and all of the terms, easements, provisions, liens, charges, restrictions and covenants set forth herein, shall run with and bind the land (the Membership Property"), shall be and shall remain in effect, and shall inure to the benefit of, and be enforceable by, the Association, and by any owner of any Membership Property, their respective legal representatives, heirs, successors and assigns, perpetually.

Section 4. Notices. Any notice required to be sent to any Member of the Association pursuant to any provision of this Declaration may be served by depositing such notice in the mails, postage prepaid, addressed to the Member to whom it is intended, at the address which such Member shall have furnished to the Secretary of the Association in accordance with the Bylaws, or, in the absence of any such address having been so furnished to the Secretary of the Association, at the address of any Lot owned by such Member. The date of service shall be the date of mailing.

Section 5. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if any provision of this Declaration or the application thereof to any Person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

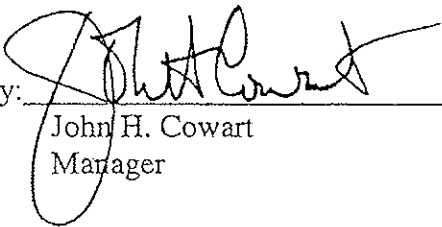
Section 6. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any Person or Persons or other entities violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the Lots, to enforce any liens created by this Declaration.

Section 7. Successors to Declarant. In no event shall any Person or other entity succeeding to the interest of the Declarant by operation of law or through purchase of the Declarant's interest in all or any portion of the Membership Property at foreclosure, sale under power or by deed in lieu of foreclosure, be liable for any act, omission or matter occurring, or arising from any act, omission or matter occurring, prior to the date such successor succeeded to the interest of the Declarant.

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IN WITNESS WHEREOF, Morrisville, LLC and Breckenridge Homeowners Association, Inc. have caused this Declaration to be executed by their duly authorized officers on the day and year first above written.

MORRISVILLE, LLC

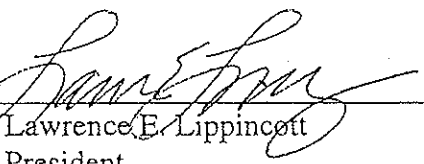
By:   
John H. Cowart  
Manager

PULTE HOME CORPORATION

By:   
Lawrence E. Lippincott  
City President

[CORPORATE SEAL]

BRECKENRIDGE HOMEOWNERS  
ASSOCIATION, INC.

By:   
Lawrence E. Lippincott  
President

[CORPORATE SEAL]