

2012802

WAKE COUNTY, NC 244
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
08/13/2003 AT 10:45:05

BOOK:010362 PAGE:00197 - 00222

DECLARATION
OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR
LINVILLE SUBDIVISION

Prepared by and return to: Alison R. Cayton of Manning, Fulton & Skinner, P. A. (Box 133)

THIS DECLARATION, made on the date hereinafter set forth by Linville LLC a North Carolina limited liability company with its principal office located at 5623 Duraleigh Road, Suite 151, Raleigh, Wake County, North Carolina, 27612 hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Wake, State of North Carolina, commonly referred to as "Linville Subdivision", which is more particularly described on Exhibit "A" attached hereto;

WHEREAS, it is the desire and intention of Declarant (as defined herein) to impose on that Property described in Exhibit "A" attached hereto restrictions, conditions, easements, covenants and agreements under a general plan or scheme of improvement for the benefit of all Property herein described and the future owners thereof; and,

WHEREAS, the Property shall be comprised of single family residential lots and associated open space.

NOW, THEREFORE, Declarant hereby declares that all of the Property described on Exhibit "A" shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the title to, the Property and be binding on all parties having any right, title or interest in the described Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Articles" shall mean the Articles of Incorporation of the Association as filed with the Secretary of State, State of North Carolina, as the same may be from time to time amended.

Section 2. "Association" shall mean and refer to Linville Owners Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 3. "Board" or "Board of Directors" shall mean those persons elected or appointed and acting collectively as the Board of Directors of the Association.

Section 4. "Bylaws" shall mean the document for governance of the Association as adopted initially by the Board and as amended by the Members.

Section 5. "Common Properties" shall mean all real property and any improvements constructed thereon, if any, owned by the Association for the common use and enjoyment of the Owners or members of the Association, as may be designated on any subdivision map of the Property or by the Association. The Common Properties to be owned by the Association at the time of the conveyance of the first Lot is all of that Property other than the Lots including all private streets located on the Property. The Declarant may recombine any portion of the Common Properties with a Lot pursuant to the terms of Article VII, Section 16 herein upon approval by the appropriate governmental authority.

Section 6. "Common Expenses" shall mean and include, as applicable:

- (a) All sums lawfully assessed by the Association against its members;
- (b) Expenses for maintenance, including but not limited to snow removal, of the private roads, private streets and rights of way, the landscape islands within the private roads, any Department of Transportation right-of-way easements, and, as determined by the Homeowners Association or the Board, maintenance of ditches within the right-of-way easements and any amenities as provided in this Declaration;
- (c) Expenses of administration, maintenance, repair, or replacement of the Common Properties including expenses of maintenance of the sign, lighting, irrigation and landscaping located at all entrances to Linville Subdivision as shown on the recorded plat, the expenses of maintenance of any sign, lighting, irrigation and landscaping located on any of the Common Areas within Linville as shown on any recorded plat of the subdivision.
- (d) Expenses associated with security for the Property, including but not limited to the construction, maintenance and repair of a gate and/or gatehouse.
- (e) Expenses declared to be common expenses by the provisions of this Declaration or the Bylaws including amounts due to the Recreation Association as set out in the Recreation Declaration.
- (f) Expenses declared to be common expenses by the provisions of this Declaration or the Bylaws;

(g) Hazard, liability, or such other insurance premiums as the Declaration or the Bylaws may require the Association to purchase; or as the Association may deem appropriate to purchase;

(h) Ad valorem taxes and public assessment charges lawfully levied against Common Properties;

(i) The expense of the maintenance of private drainage and utility easements and facilities located therein which are within the boundaries of the Property, cross Common Properties of the Property and serve both the Property and lands adjacent thereto;

(j) The expense of the maintenance, repair and replacement of the entryway paving on Chestoa Lane near Old Creedmoor Road;

(k) The expense of the maintenance of all easements and landscaping and improvements thereon, conveyed to the Association.

(l) Any other expenses determined by the Board or approved by the members to be common expenses of the Association.

Section 7. "Declarant" shall mean and refer to Linville LLC, a North Carolina limited liability company its successors and assigns, to whom the rights of Declarant hereunder are expressly transferred, in whole or in part, and subject to such terms and conditions as Declarant may impose, or any owner of the Property or Lots or remainder of those resulting from the sale of the Property, Lots or the remainder thereof at foreclosure when held by Declarant or its Successor to the rights of Declarant or resulting from the transfer in lieu of foreclosure.

Section 8. "Lot" shall mean and refer to any plot or tract of land shown upon any recorded subdivision map of the Property, as such map or maps may be from time to time be amended or modified, for detached single-family residential use, designated for residential use and for separate ownership and occupancy.

Section 9. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 10. "Notice" required to be given herein shall be in writing and mailed by U.S. mail, postage prepaid, first class to the address of any Member on the records of the Association or shall be hand delivered to the Member.

Section 11. "Owner" or "Lot 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 Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. A consumer-occupant Lot owner is a Lot owner who occupies the residence on the Lot.

Section 12. "Person" shall mean and refer to any individual, corporation, partnership, association, trustee or other legal entity.

Section 13. "Property" shall mean and refer to that certain real property hereinbefore described on Exhibit "A" hereto attached, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 14. "Recreation Association" shall mean and refer to The Stonemoor and Linville Swim Club, Inc., its successors and assigns.

Section 15. "Swim Club" shall mean and refer to certain areas adjacent to Stonemoor Subdivision, belonging to the Recreation Association and known as The Stonemoor and Linville Swim Club, Inc., with improvements such as tennis courts, swimming pool, pool house, clubhouse, roads and parking areas ("Amenities") constructed thereon, which facilities shall be, among others, for the use and benefit of all persons residing in Linville Subdivision and others as set out in the Recreation Association declaration.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Properties together with and including the right of access, ingress and egress, on and over the Common Properties, all of 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 suspend the voting rights and the right to use the recreational or other Common Element facilities, if any, 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;

(b) the right of the Association to dedicate, sell, lease or transfer all or any part of the Common Properties, or any interest therein, to any public agency, authority, or utility, or to any other person for such purposes and subject to such conditions as may be agreed upon by the members. No such dedication, sale, lease or transfer shall be effective unless it has been approved by two-thirds (2/3) of each class of members and an instrument of dedication, sale, lease, or transfer properly executed by the Association has been recorded and provided the dedication, sale, lease or transfer is in compliance with applicable governmental regulations. On such instrument the Secretary of the Association shall certify that two-thirds (2/3) of each class of members have approved the dedication, sale, lease or transfer and that certificate may be relied upon by any third party without inquiry and shall be conclusive as to any grantee, its successors or assigns; provided, however, conveyances for general utility purposes, as specified herein, may be made by the Association without consent of the members. Notwithstanding the foregoing, the Declarant may recombine any portion of the Common Properties with a Lot pursuant to the terms of Article VII, Section 16 herein and in accord with applicable governmental regulations and upon approval by the appropriate governmental authority;

(c) the right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Properties and facilities and in aid thereof to mortgage the Common Properties, and the rights of such mortgagee in the Common Properties shall be subordinate to the rights of the members hereunder;

(d) the right of the Association in accordance with its Articles of Incorporation or Bylaws to impose rules and regulations for the use and enjoyment of the Common Properties and improvements thereon, which rules and regulations may further restrict the use of the Common Properties.

(e) the right of Owners of Lots on additional lands annexed to the Property initially, or subsequently, to the easements of enjoyment and rights of ingress, egress and access, as specified above, to the initial Property and all lands included in subsequent phases.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Properties to the members of his family, his tenants, or contract purchasers who reside on the Property, but may not delegate or assign responsibility for the actions of those to whom such right is delegated.

Section 3. Title to the Common Properties. While reserving the right to build and own facilities on the Permanent Open Space and to charge reasonable fees for use of said facilities, the Declarant hereby covenants for itself, its heirs and assigns, that it will convey fee simple title to the Common Properties located within the Property to the Association, free and clear of all encumbrances and liens, except for encumbrances of utility, service, access, storm drainage and other similar service or utility easements. The Association shall be deemed to accept such Common Properties for ownership and maintenance as necessary.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

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

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

Class A. Class A Members shall be all Owners with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members; however, the vote for such Lot shall be exercised as they among themselves determine, or as set forth in the Bylaws, but in no event shall more than one vote be cast with respect to any Lot. Fractional voting is prohibited. In the event that two or more Lots are recombined to form one Lot, the owner of the new Lot shall only be entitled to one vote for the new Lot. Likewise, in the event that one Lot is subdivided to form two or more Lots, the owners shall be entitled to one vote per new Lot.

Class B. The Class B Member shall be the Declarant and Declarant shall be entitled to six (6) votes for each lot as may be developed within Linville pursuant to the Subdivision Plan approved by Wake County, as may be amended from time to time. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(i) when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; however, the Class B membership shall be reinstated if thereafter, and before the time stated in subparagraph (b) below, additions are made to the Properties sufficient to give the Class B membership a total number of votes to exceed those of the Class A membership; or;

(ii) Ten (10) years from the date this Declaration is recorded in the Office of the Register of Deeds, Wake County, North Carolina

Section 3. The right of any member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations and the Articles and Bylaws of the Association and according to the provisions of Article II, Section 1(b) herein.

Section 4. Every Owner, by virtue of being a Class A member of the Association, shall also be a member of The Stonemoor and Linville Swim Club, Inc., and entitled to the benefits of, and subject to the restrictions of, that certain "Declaration of Covenants, Conditions and Restrictions for The Stonemoor and Linville Swim Club" ("Recreation Declaration"), which has or will be recorded within the Wake County Registry, notice of which is hereby given by this reference notice of which is hereby given by this reference, and by attachment hereto as Exhibit "B" of a copy of said Recreation Declaration. Each Owner of a Lot, by virtue of acceptance of a deed therefor, whether or not it shall be so express in such deed, is deemed to covenant and agree to be bound by the terms of the Recreation Declaration relating to the Swim Club.

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 Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant, and agree to pay to the Association: (1) annual assessments or charges which are Common Expenses, and (2) special assessments for extraordinary maintenance and capital improvements, (3) special assessments for purchase, construction or reconstruction of improvements; and (4) to the appropriate governmental taxing authority, a pro rata share of assessments for public improvement to the Common Properties and public roads if the Association shall default in payment thereof. The annual and special assessments, together with interest and costs, and reasonable attorney's fees for collection, shall be a charge on the land and shall be a continuing lien upon the Lot 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 Lot at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

The Association shall also have the authority, through the Board of Directors to establish, fix and levy a special assessment on any Lot to secure the liability of the Owner thereof to the Association arising from breach by such Owner of any of the provisions of this Declaration which breach shall require the expenditure of time and money or both, by the Association for repair or remedy.

Each Owner covenants for himself, his heirs, successors and assigns, to pay each assessment levied by the Association on the Lot described in such conveyance to him within ten (10) days of the due date as established by the Board, and further covenants that if said assessment shall not be paid within thirty (30) days of the due date, the payment of such assessment shall be in default and the amount thereof become a lien upon said Owner's Lot as provided herein and shall continue to be such lien until fully paid.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the paying of Common Expenses; and, in particular, but not limited to, for the acquisition, improvement and maintenance of Property, services, amenities and facilities, and for the use and enjoyment of the Common Properties and the property of the Recreation Association, including but not limited to, the cost of repairs, snow removal on the private roads, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes

and public assessments assessed against the Common Properties, the providing for security to the Property, the procurement and maintenance of insurance in accordance with the Bylaws or as deemed appropriate by the Board, the employment of counsel, accountants and other professionals for the Association when necessary, and such other needs as may arise.

Section 3. Amount of Assessment.

(a) Initial Maximum Assessment. To and including December 31, 2003, the maximum annual assessment shall not exceed Two Thousand One Hundred and no/100 Dollars (\$2,100.00) per lot.

(b) Increase by Association. From and after December 31, 2003, the annual assessment imposed by this Association, initially \$2,100.00, effective for any year (including 2003) may be increased effectively from and after January 1 of the succeeding year by the Board of Directors, without a vote of the membership, by a percentage which may not exceed the greater of twelve (12%) percent or the percentage increase reflected in the Consumer Price Index For All Urban Consumers (CPI-U) - South Urban Area Average (1982-84 = 100) (published by the U.S. Bureau of Labor Statistics, United States Department of Labor, Washington, D.C.), or such other Index as may succeed that Index, for that twelve-month period ending the immediately preceding October 1. Any budget increasing assessments by less than twelve percent (12%), is ratified unless ninety percent (90%) of the total vote of each class of Members vote to reject the budget at a duly called meeting. The Board of Directors, at its option may declare that a special Refurbishment Assessment be levied against all Lots, unless ninety percent (90%) of the total vote of each class of Members vote to reject it. The Refurbishment Assessment shall be in an amount not to exceed Five Hundred and no/100 Dollars (\$500.00) per Lot and may be levied no more than once every five (5) years from the date of the recording of this Declaration. The Refurbishment Assessment shall be used to pay for the cost of enhancing, refurbishing or repairing portions of the Common Properties such as, but not limited to entryway features, lighting and landscaping and the like.

(c) Increase by Members. From and after December 31, 2003, the annual assessment may be increased by a percentage greater than permitted by this Article by an affirmative 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 such purpose. The limitations herein set forth shall not apply to any increase in assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(d) Criteria for Establishing Annual Assessment. In establishing the annual assessment for any assessment year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts, and reserves for future needs, but it may not fix the annual assessment in an amount in excess of the greater of twelve (12%) percent or the sums derived by application of the Consumer Price Index formula provided in Subsection (b) without the consent of members required by Subsection (c) of this Section 3.

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

(f) Declarant Expenses. Until such time as Declarant shall no longer control the Board, Declarant may loan to the Association funds to cover the expenses not otherwise covered by the assessment hereunder.

(g) Attorney's Fees. There shall be an approval by the majority of the votes of the members prior to making a special assessment for attorneys fees or prior to incorporating attorneys fees (other than those typically incurred in the normal management of the Subdivision) into the annual budget on which the annual assessment is based.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, restoration, repair or replacement of a capital improvement upon the Common Properties and the property of the Recreation Association, any extraordinary maintenance, including vegetation, fixtures and personal property related thereto and any property for which the Association is responsible, 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. . Provided, however, the Board of Directors, at its option and without a vote of the members of the Association, may declare that a Special Capital Assessment be levied against all Lots. Provided, however, the Board of Directors, at its option may declare that a Special Capital Assessment be levied against all Lots, unless ninety percent (90%) of the total vote of each class of Members vote to reject it. The Special Capital Assessment shall be in an amount not to exceed Five Hundred and no/100 Dollars (\$500.00) per Lot and may be levied in emergency situations only, no more than once every five (5) years from the date of the recording of this Declaration. The Special Capital Assessment shall be used to defray the cost of any construction, reconstruction, restoration, repair or replacement of a capital improvements upon the Common Properties. This assessment may not be used for any other purposes including litigation involving the Association.

Section 5. Replacement Reserve Out of the Common Expenses assessment, the Board shall create and maintain a reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Properties and any Limited Common Properties which the Association may be obligated to maintain.

Section 6. Private Road Funds. The amount of \$125.00 per lot per year shall be allocated from the annual assessment toward the initial maintenance and repairs, including but not limited to snow removal, for the private roads located on the Property ("Road Allocation"). A portion of the Road Allocation shall be deposited in a Snow Removal Fund which shall maintain a minimum annual balance of \$1,500.00 and a maximum annual balance of \$3,000.00. The balance of the Road Allocation shall be deposited in a Road Maintenance and Repair Fund. For such time as the Declarant owns any Lot, although the Declarant is not required to pay the full annual assessment, the Declarant shall pay the Road Allocation for each Lot owned by the Declarant. Should a Lot be owned by the Builder of the initial improvements on the Lot, the Builder shall pay the percentage of the annual assessment stated in Section 9 below and Declarant shall pay 75% of the Road Allocation until such time as the Builder sells the Lot to a consumer-occupant Lot Owner. At such time as a Lot is sold to a consumer-occupant Lot Owner the Declarant shall no longer be required to pay the Road Allocation on behalf of that Lot.

Section 7. Notice and Quorum for Any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under this Article shall be sent to all members not less than 10 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 a minimum seven (7) day, maximum twenty-one (21) day notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. If at a second meeting, the

requirement of one-half of the required quorum is not met, then in a subsequent meeting the requirement shall be one-fourth (1/4) of the required quorum and successive meetings may be held until a quorum is maintained by successively halving the quorum requirement of the prior meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 8. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and shall be collected on an annual basis or other periodic basis established by the Board.

Section 9. Date of Commencement of Annual Assessments; Due Dates; Initial Working Capital. The annual assessments provided for herein shall commence as to all Lots at the time of recording of a deed from the Declarant to the initial property owner. Provided, however, that Lots owned by the builder of the initial improvements on the Lot ("Builder") shall be assessed at a rate of twenty-five percent (25%) of the amount of the assessment due for a Lot that is owned by the Builder. The assessments on Lots owned by a Builder shall accrue each month that the Builder owns the Lot and shall not be required to be paid by the Builder until the date of closing of the sale of a Lot from a Builder to a consumer-occupant Lot Owner or the date of rental of a Lot from a builder to a consumer-occupant Lot Owner. A consumer-occupant Lot owner shall pay the pro-rata amount of the full annual assessment from the date of closing on any Lot until the first day of the first calendar year following closing of that sale or until the end of such period as the Association chooses to collect the Assessments. 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 if it deems appropriate, 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 issuance.

In addition to the regular assessments to be charged and paid hereunder, each consumer-occupant Lot owner shall, at the time of the initial sale of a Lot by a builder to that consumer-occupant Lot owner, pay to the Association a sum equal to two (2) months assessment on that Lot as additional working capital of the Association. These amounts need not be segregated but may be commingled with regular assessment funds. This working capital amount shall be paid by the consumer-occupant Lot Owner notwithstanding the fact that Declarant may have made prior regular assessment payments to the Association on the Lot being sold pursuant to the provisions of the first sentence hereunder.

Section 10. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall be delinquent, in default, shall be subject to a late charge of Twenty-five and no/100 DOLLARS (\$25.00) per month. The Association may bring an action at law against the Owner personally obligated to pay the same plus interest, costs, late payment charges and reasonable attorneys' fees, or foreclose the lien against the Lot. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Properties or abandonment of his Lot.

The lien herein granted unto the Association shall be enforceable pursuant to Article 2A of Chapter 45 of the General Statutes from and after the time of recording a Claim of Lien in the Office of the Clerk of Superior Court in the County in which the Property is located in the manner provided therefore by Article 8 of Chapter 44 of the North Carolina General Statutes, which claim shall state the description of the Lot encumbered thereby, the name of the record owner, the amount due and

date when due. The claim of lien shall be recordable any time after thirty (30) days after the due date of the assessment or any installment thereof and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid. Such claims of lien shall include all assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record.

Section 11. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any institutional first mortgage and ad valorem taxes on said Lot. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or tax 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, but shall not abate the personal obligation of the prior owner. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 12. Exempt Property. Any portion of the Property dedicated to, and accepted by, a local public authority and any portion of the Property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE V

ARCHITECTURAL CONTROL

No site preparation (including, but not limited to grading, elevation work, landscaping, sloping or tree work) or initial construction, erection or installation of any improvements, including but not limited to, buildings, fences, signs, walls, bulkheads, screens, landscaping, plantings, equipment, swimming pools, or other structures shall be commenced, erected, placed, altered or maintained upon any lot, until the plans and specifications showing the nature, kind, shape, height, materials, exterior colors, siding, location and elevations of the proposed improvements relative to their existing and future septic field disposal areas, landscaping or plantings shall have been submitted to, and approved in writing by, as to harmony of external design and location in relation to surrounding structures and topography, an Architectural Committee composed of no fewer than three (3) persons and no more than eleven (11) persons appointed by the Declarant through and until the date that is five (5) years after commencement of development of the Subdivision, or such earlier date as determined by Declarant in its sole discretion. Initial construction on all Lots shall be reviewed and approved by the Declarant until the sale of the final Lot in the Subdivision by the Declarant. After such date, the Architectural Committee shall be composed of no fewer than three (3) persons and no more than eleven (11) persons, and shall be appointed by the Board. In the event the Architectural Committee fails to approve such submission made by any Lot Owner within thirty (30) days after said plans and specifications have been received by the Committee, approval will be deemed to have been denied. Any plans and specifications that contain inaccurate or missing data or information when submitted shall not be deemed to be approved notwithstanding any prior approval by the Committee.

Upon request, the Association, on behalf of the Architectural Committee, shall provide any Owner with a letter stating that any such work, plans and specifications, landscaping or plantings have been approved, and the letter may be relied upon by third parties.

Approval or disapproval by the Architectural Committee of such plans, location or specifications may be based upon any grounds, including purely aesthetic and environmental, which in the sole discretion of the Committee, it shall deem sufficient. Neither the Association, Board, nor the Architectural Committee shall be responsible for any defects in the plans and specifications submitted to it or in any structure erected or improvements made on any Lot.

The Board and the Architectural Committee, or their appointed agents, shall have the right, at their election, but shall not be so required, to enter upon any of the Lots during site preparation or construction, erection, or installation of improvements to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plans and specifications.

The Architectural Committee shall have the power to grant, and may allow, variances of, and adjustments of, the restrictions established herein in order to overcome practical difficulties and prevent unnecessary hardships in application of the restrictions contained herein; provided, however, that variances or adjustments are done in conformity with the intent and purposes hereof; and, provided also, that in every instance such variance or adjustment will not be materially detrimental or injurious to other Lots in the immediate neighborhood. Variances and adjustments may be of the height, size, and setback requirements, pursuant to the terms herein, but shall not be limited thereto. No variance shall be permitted if it violates governmental minimum standards. Notwithstanding the foregoing, Declarant shall have the power to grant the above variances and adjustments so long as Declarant has the authority to appoint members to the Architectural Committee.

In the event of the grant of any variance in the restrictions established herein, the Declarant for so long as the Declarant has the authority to appoint members to the Architectural Committee, and thereafter the Association on behalf of the Architectural Committee shall execute a document acceptable in substance to the Association attesting to such grant and the specific nature thereof in form suitable for recording, so that the Lot Owner may record the document in the Registry of the County in which the Lot is located. Such document shall be prepared at the cost of the Lot Owner and shall be binding upon the Declarant, the Association, its successors and assigns, and other Lot Owners and may be relied upon by third parties to evidence the variance approval.

Any purchaser of a lot or institution financing a lot shall rely on the foregoing statement.

The Association, so long as Declarant has authority to appoint members to the Architectural Committee, shall defer architectural approvals and grants of variances to Declarant unless Declarant has voluntarily relinquished control of the Association.

ARTICLE VI

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Annexation of additional property, except as provided in Section 2 of this Article VI, shall require the assent of two-thirds (2/3) of the Class A membership and two-thirds (2/3) of the Class B membership, if any, present in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than 15 days nor more than 30 days in advance of the meeting setting forth the purposes of the meeting. The presence of Members or of proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to a notice requirement of a minimum of seven (7) days and a maximum of twenty-one (21) days and the required quorum shall be one-half (2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership are not present in person or by proxy, Members not present may give their written assent to the action taken thereat. Subsequent meetings may be held reducing the quorum requirement by one-half at each meeting until a quorum is attained.

Section 2. If within ten (10) years of the date of conveyance by Declarant of the first Lot, the Declarant or a Member of Declarant should develop additional land which Declarant or a Member of Declarant owns or may hereafter acquire, which land is contiguous to the boundaries of the Property, or such other land as Declarant or member of Declarant may hereafter acquire contiguous to the additional land, which additional land has been subjected to this Declaration, such land may be annexed by the Declarant without the consent of members; and, in doing so, Declarant may file and record such amendments to this Declaration as are necessary without the consent of the members in order to subject such additional lands to the terms of this Declaration and the jurisdiction of the Association.

Section 3. Annexation of additional lands shall be accomplished by recording in the Office of the Register of Deeds in the county in which the Property is located, a Declaration of Annexation, duly executed by the Declarant, if the Declarant has the right to annex pursuant to Section 2 above, (and by the Association if pursuant to Section 1 above), describing the lands annexed and incorporating the provisions of this Declaration, either by reference or by fully setting out said provisions of this Declaration. The additional lands shall be deemed annexed to the Property on the date of recordation of the Declaration of Annexation, and in the case of an annexation by the Declarant, no action or consent on the part of the Association or any other person or entity shall be necessary to accomplish the annexation except any local governmental authority if required by its ordinances.

Section 4. Subsequent to recordation of the Declaration of Annexation by the Declarant, the Declarant shall deliver to the Association one or more deeds conveying any Common Properties within the lands annexed as such Common Properties are developed and by recordation of such deed by the Declarant, the Association is deemed to accept such Common Properties for ownership and maintenance as necessary.

Section 5. Should Declarant elect to annex any additional property and accordingly to subject such property to the terms and conditions of this Declaration, Declarant reserves the right to alter the restrictions contained in Sections 1 and 2 of Article VIII herein. The addition of property authorized under this paragraph may increase the cumulative maximum number of lots authorized in the properties, and, therefore, may alter the relative maximum potential voting strength of the various types of membership of the Association.

ARTICLE VII

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Properties. Such rules and regulations may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration.

Section 2. Use of Property. No portion of the Property (except for a temporary office of the Declarant and building models used by Declarant shall be used except for single-family residential purposes and for purposes incidental or accessory thereto.

No trade or business of any kind shall be conducted upon any Lot or part thereof, except as may be approved by the Board of Directors on a case-by-case basis after petition by an Owner. Provided however, that any such approved business must be conducted entirely within the confines of the house or garage of an Owner and must not create, among other things, a nuisance to the neighbors, or create among other things, excessive noise, traffic, odors or unpleasant appearances. Once permission is granted by the Board of Directors for such a business, the Board of Directors automatically retains the right to terminate approval of such business for violation of the above conditions or any other conditions stated in the Board's initial approval and the Owner shall terminate such business within thirty (30) days after receipt of notice from the Board.

Section 3. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Property, nor shall anything be done which may be, or may become, a nuisance or annoyance to the neighborhood.

Section 4. Animals. No animals, birds, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats, pet birds or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and are controlled in accordance with applicable governmental ordinances and are not a nuisance to other Owners. The location of and the materials used in the construction of any dog runs and fences are improvements which require the review and approval of the Architectural Committee as set out in Article V herein.

Section 5. Insurance. Nothing shall be kept, and no activity shall be conducted, on the Property which will increase the rate of insurance applicable to residential use for the Property or any Lots. No Owner shall do or keep anything, nor cause or allow anything to be done or kept, on his Lot or on the Common Properties which will result in the cancellation of insurance on any portion of the Property, or Lots therein, or which will be in violation of any law, ordinance, or regulation. No waste shall be committed on any portion of the Common Properties.

Section 6. Offensive Behavior. No immoral, improper, offensive, or unlawful use shall be made of the Property, or any part thereof. All laws, orders, rules, regulations, ordinances, or requirements of any governmental agency having jurisdiction thereof, relating to any Lot or any portion of the Property, shall be complied with, by and at the sole expense of the Owner or the Association, whichever shall have the obligation to maintain such portion of the Property.

Section 7. Business. No industry, business, trade, occupation, or profession of any kind, whether commercial or otherwise, shall be conducted, maintained, or permitted on any Lot except as provided for in Article VII, Section 2 hereinabove, except that the Declarant or its agents may use any unsold Lots for sales or display purposes, Declarant may maintain a sales or rental office on the Property.

Section 8. Signs. No Lot Owner shall display, or cause, or allow to be displayed, to public view any sign, placard, poster, billboard, or identifying name or number upon any Lot, or any portion of the Common Properties, except as allowed by the Association pursuant to its Bylaws or regulations or as required by local governmental authority; provided, however, that the Declarant, or its respective agents, may place "For Sale" or "For Rent" signs on any Lots for sale and in suitable places on the Common Properties approved by the Association; provided, however, that during the development of the Property and the initial marketing of Lots, the Declarant may maintain a sales office and may erect and display such signs as the Declarant deems appropriate as aids to such development and marketing, provided that such signs do not violate any applicable laws. Such permitted signs shall be placed in the approximate center of a Lot and six feet from the road curb. No sign shall be nailed to trees.

Section 9. Fences, Walls and Hedges. No fence, wall, hedge or other mass planting shall be erected or permitted in front of a dwelling on any Lot, except as approved by the Architectural Committee pursuant to Article V herein.

Section 10. Alterations. No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Properties except at the direction or with the express written consent of the Association.

Section 11. Common Properties Use. The Common Properties shall be used only for the purposes for which they are intended and reasonably suited and which are incident to the use and occupancy of the Property, subject to any rules or regulations that may be adopted by the Association pursuant to its Bylaws.

Section 12. Parking. No boats, trailers, campers, motorhomes, trucks or tractors shall be parked on any Lot, on the Common Properties, or on any right of way of any roads or streets within the Property or adjoining the Property by any Lot Owner, its family members, tenants or contract purchasers, except inside an enclosed garage located on a Lot or in a specified storage area established by the Association or except as otherwise may be permitted by Rules and Regulations of the Association. Delivery and maintenance vehicles are permitted. Notwithstanding the foregoing, this prohibition shall not apply to contractor's trucks and vehicles during the construction of any dwelling, garage or accessory building, it being clearly understood that contractor's trucks and vehicles shall be permitted to park on the roads and streets within the Property until completion of any dwelling, garage or accessory building.

Section 13. Trailers, etc. No trailer, tent, mobile home, modular home or other structure of a temporary character shall be placed upon any Lot at any time, provided, however, that this prohibition shall not apply to shelters or storage units used by the contractor during the construction of a dwelling, garage or accessory building, it being clearly understood that these latter temporary shelters may not, at any time, be used as residences or permitted to remain on the Lot after completion of construction.

Section 14. Fuel Tanks. No fuel tanks or similar storage receptacles may be exposed to view. Any such receptacles may be installed only within an accessory building or within a screened area, or buried underground; provided, however, that nothing contained herein shall prevent the

Declarant or Association from erecting, placing or permitting the placing of tanks, or other apparatus, on the Property for uses related to the provision of utility or other service.

Section 15. Guest Facility. A guest apartment or guest facility may be included as part of a main detached single family dwelling or accessory building, upon receipt of necessary governmental approvals.

Section 16. Subdividing. No Lot shall be subdivided, or its boundary lines changed except with the prior written consent of the Declarant during the period of Declarant control of the Association and thereafter by the Board. However, the Declarant hereby expressly reserves unto itself, and to any successor to which Declarant makes a specific assignment of this right, the right to replat any two (2) or more Lots and/or Common Properties (so long as replatting of the Common Properties conforms with applicable governmental regulations and upon approval by the appropriate governmental authority) shown on the plat of any subdivision of the Property in order to create one or more modified Lots; to recombine one or more Lots and/or Common Properties to create a larger Lot; to eliminate from this Declaration Lots that are not otherwise buildable or Lots and/or Common Areas that are needed for access to any area of the Property or are needed for use as private roads or access areas, and to take such steps as are reasonably necessary to make such replatted Lots suitable and fit as a building site or access area or roadway, said steps to include, but not to be limited to the relocation of easements, walkways, and rights-of-way to conform to the new boundaries of the said replatted Lots. Any of the Common Properties is recombined with a Lot, the Association shall execute all necessary documents to effect the recombination.

Section 17. Delivery Receptacle. No mail box, paper box or other receptacle of any kind for use in the delivery of mail, newspapers, magazines or similar material shall be erected or located on any Lot unless and until the size, location, design and type of material for the receptacle shall have been approved by the Board or the architectural committee.

Section 18. Antennae. With exception to the Federal Communications Commissions Restrictions identified in the Telecommunications Act of 1996, the following applies: Exterior radio and television antennae, aerials, disks and dishes for reception of commercial broadcasts shall not be permitted on any Lot and no other aerials, disks and dishes (for example, without limitation, amateur short wave or ship to shore) shall be permitted on any Lot without permission of the Board as to design, appearance and location or pursuant to Regulations issued for that purpose

Section 19. Construction Limitations. During construction, all vehicles involved, including those delivering supplies, must enter the Lot on a driveway only as approved by the Board so as not to damage unnecessarily trees, street paving and curbs. During construction, builders must keep the homes, garages, and building sites clean and free of debris. All building debris, stumps, trees, etc., must be removed from each Lot by builder as often as necessary to keep the house and Lot attractive. Such debris will not be dumped in any area of the Property.

Section 20. Firearms; Hunting Prohibited. There shall be no discharging of firearms, guns or pistols of any kind, caliber, type, or method of propulsion; and no hunting of any type shall be carried on or conducted on the Property.

Section 21. Drying Areas. Clotheslines or drying yards shall not be located upon any Lot without the prior written consent of the Board, which consent may be conditioned or withheld in the sole discretion of the Board, or as set forth in Regulations established for that purpose.

Section 22. Maintenance. Subject to any other applicable terms of this Declaration, the Owner of each portion of the Property, at such Owner's sole cost and expense, shall Maintain its

portion of the Property, including improvements thereon, in a safe, clean and attractive condition at all times, including but not limited to the following thereon:

- (a) Prompt removal of all litter, trash, refuse and wastes;
- (b) Lawn Maintenance on a regular basis, including Landscape Easements, Sign Easements and Landscaped Rights-of-Way if requested by the Association or according to the terms of any recorded easement agreements should they exist;
- (c) Tree and shrub pruning and removal of dead or diseased trees, shrubs and other plant material;
- (d) Maintenance of flower and plant gardens;
- (e) Maintenance of exterior lighting and mechanical facilities;
- (f) Maintenance of parking areas and driveways;
- (g) Maintenance of all Improvements thereon;
- (h) Maintaining adequate soil erosion controls;
- (i) Maintenance of storm water drainage easements and portions of the Properties served by storm water drainage easements, as required by this Declaration; and
- (j) To the extent not adequately Maintained by the applicable governmental authority, the Association or a public utility provider, Maintenance of the sidewalk, driveway, driveway apron and utility laterals serving each Owner's portion of the Property, even if located in the Common Property. Each Owner also shall provide snow and ice removal for any sidewalks located adjacent to such Owner's portion of The Property.

Each Owner shall perform the foregoing responsibilities in a manner that does not reasonably disturb or interfere with the reasonable enjoyment by the other Owners of their portions of the Property.

If any Owner fails to perform any of the foregoing Maintenance Responsibilities, then the Association may give such Owner written notice of the failure and such Owner must, within ten (10) days after such notice is given by the Association, perform the required Maintenance. If any such Owner fails to perform the required Maintenance within the allotted time period, then the Association, acting through its authorized agent or agents, shall have the right and power, but not the obligation, to enter such Owner's portion of The Property and perform such Maintenance without any liability to any Person for damages for wrongful entry or trespass. Such Owner shall be liable to the Association for the expenses incurred by the Association in performing the required Maintenance, and shall reimburse the Association for such expenses within thirty (30) days after the Association mails or delivers to such Owner an invoice therefor. If the Owner fails to reimburse the Association as required, the Association shall have the same rights and remedies for collection of the amount as provided in Article IV, Section 9 herein for tax collection of Assessments.

Section 23. Independent Covenants. Each and every covenant and restriction contained herein shall be considered to be an independent and separate covenant and agreement, and in the event any one or more of said covenants or restrictions shall, for any reason, be held to be invalid, or

unenforceable, all remaining covenants and restrictions shall nevertheless remain in full force and effect.

Section 24. Additional Restrictions. Declarant may include in any contract or deed hereafter made any additional covenants and restrictions that are not inconsistent with and which do not diminish the covenants and restrictions set forth herein.

ARTICLE VIII BUILDING RESTRICTIONS

Section 1. Square Footage. Any dwelling erected on a detached single-family residential Lot shall contain a minimum enclosed dwelling area of 5,000 square feet. In addition thereto, and unless a variance is granted therefor as provided herein, all dwellings shall have an enclosed two car garage attached to the main dwelling. The term "enclosed dwelling area" as used in this Section 1 shall mean the total enclosed area within a dwelling subject to heating and cooling; provided however, that the term specifically does not include garages, terraces, open porches, decks, stoops and like areas regardless of heating or cooling. At the Declarant's sole discretion, up to one thousand (1000) square feet of a heated and cooled, finished basement may be credited toward the minimum enclosed square footage requirement herein. For example, a 4,000 square foot house may be constructed with a 2,000 square foot heated and finished basement; since up to 1,000 square feet of that basement could be credited toward the house square footage, the house to complies with the 5,000 minimum square footage requirement. Variances of these square footage requirements in the amount of 15% may be granted by Declarant or the Board of Directors of the Association pursuant to Article V hereof, but in no case will a variance be granted if any portion of the basement square footage is credited toward the minimum enclosed square footage, and in no case shall the size be less than that required by the governmental agency having jurisdiction over the Property.

Section 2. Setback Lines. No dwelling erected on a detached single-family residential Lot (including garage) shall be constructed nearer than eighty (80') feet to the front Lot line, twenty (20') feet to any side Lot line, fifty (50') feet from the side lot line for any corner lot, or fifty (50') feet to the rear Lot line. This restriction shall prevail over any lesser governmental setback standard. Variances of these setback requirements may be granted by Declarant or the Board of Directors of the Association pursuant to Article V hereof, but in no case will the setback be less than that required by the governmental agency having jurisdiction over the Property.

Section 3. Height and Accessory Building. No structure, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on any detached single-family residential Lot other than a detached single family dwelling not to exceed two and one half (2 ½) stories in height exclusive of the basement, a garage and small accessory building (which may include a pool house, servants' quarters, or guest facilities), provided, the use of such dwelling or accessory building does not in the opinion of the Board or Architectural Committee overcrowd the site. Such accessory building may not be constructed prior to the construction of the primary dwelling. All garages must be attached to the main dwelling, unless the Board, Declarant or the Architectural Committee pursuant to Article V hereof, approves in writing a variance permitting a detached garage. The Board, Declarant, or the Architectural Committee, pursuant to Article V hereof, may approve in writing a variance permitting a single-family dwelling of more than three stories.

Section 4. Multi-Family Use Prohibited. No multiplex residence or apartment house shall be erected or placed on, or allowed to occupy, any detached single-family residential Lots, and no dwelling once approved and constructed shall be altered or converted into a multiplex residence or apartment house.

Section 5. Remedies. If the finished dwelling, garage, accessory building or other structure does not comply with the submitted and approved plans and specifications, the Board retains the right to make the necessary changes at owner's expense to comply with the approved plans and specifications, the right to treat such charge or cost as an assessment, the right to file under the North Carolina lien laws as described in Article IV, Section 9 herein, a notice of liens for any costs incurred, and the further right to resort to all remedies provided under the laws of North Carolina for the recovery of such costs and the expenses of collection, including without limitation, reasonable attorneys' fees. Any changes in plans or specifications must first be reapproved by the Company in accordance with the procedure herein specified for architectural control.

Section 6. Trash Receptacles. Each Lot Owner shall provide receptacles for garbage in a screened area not generally visible from the road, or provide underground receptacles or similar facilities in accordance with standards established by the Association.

Section 7. Parking Spaces. Each Lot Owner shall provide space for parking two automobiles off the street prior to the occupancy of any dwelling constructed on said Lot in accordance with standards established by the Association.

Section 8. Storm Drainage. Each Lot Owner shall maintain the drainage devices on its Lot at its own expense. Furthermore, each Lot Owner shall not allow the diversion or concentration of stormwater runoff without the prior written approval of the Architectural Committee, and no drainage diversion or structure may be constructed in violation of any North Carolina Department of Transportation regulation.

ARTICLE IX

EASEMENTS

Section 1. Utility Easements. All of the Property, including Lots and Common Properties, shall be subject to such easements for driveways, walkways, parking areas, water lines, sewer lines, storm drainage, gas lines, telephone and electric power line and other public utilities as shall be established by the Declarant or by his predecessors in title, prior to the subjecting of the Property to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under and across the Common Properties conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Property without approval of the membership as provided in the Articles of Incorporation and this Declaration.

Section 2. Easement for the Benefit of Governmental Authorities. An easement is hereby established for the benefit of any governmental authority having jurisdiction over the Property, or other governmental agency, over all Common Properties for the setting, removing and reading of water meters (which shall be separate for each Lot), maintaining and replacing water, sewage and drainage facilities, for police protection, fire fighting and garbage collection and the rendering of such other services as are appropriate and necessary for the use and enjoyment of the Property. In no case shall the governmental authority or other responsible agency, be responsible for failing to provide any emergency or regular fire, police, or other public service to the Property or to any of its occupants when such failure is due to the lack of access to such area due to inadequate design or construction, blocking of access routes, or any other factor within the control of the Declarant, the Association, the Owners or occupants. All conveyances of any portion of the Property shall be subject to these limitations on the governmental authorities responsibilities.

Section 3. Specific Utility Easements. There is hereby reserved an easement fifteen (15') feet in width along the front and side property lines, and fifteen (15') feet along the rear property line of each Lot designated for detached single-family residential use for the purpose of installation, repair, maintenance, erection, construction and inspection of water lines, sewer lines, gas lines, electric lines, telephone lines, cablevision lines or other such utility or service lines and for drainage cuts and storm sewer lines. The Declarant reserves the right to subject the real property in this subdivision to a contract with Carolina Power & Light Company for the installation of underground electric cables which may require an initial contribution and/or the installation of street lighting, which will require a continuing monthly payment to Carolina Power & Light Company by the owner of each lot.

Section 4. Recorded Easements. There are hereby reserved easements as shown on the recorded map or maps of the subdivision. In the event of a conflict in the width of any easement reserved herein or on the recorded map, the wider easement shall prevail.

Section 5. Drainage Easement. In addition to the foregoing reserved specific easements, the Declarant so long as it controls the Association, and thereafter the Association, may cut and create drains and drainways both above ground and underground for the purpose of facilitating the removal of surface water whenever such action may appear to be necessary in order to maintain reasonable standards of health, safety and appearance along, over or across any Lot.

Section 6. Ground Disturbance. These reservations of easements expressly include the right to cut any trees, bushes, shrubs or growth, the grading, cutting or ditching of the soil and any other action necessary to complete installation.

Section 7. Priority of Easements. Each of the easements hereinabove referred to shall be deemed to be established upon the recordation of this Declaration and shall henceforth be deemed to be covenants running with the land for the use and benefit of the Lots, and the Common Properties, as the case may be, superior to all other encumbrances which may hereafter be applied against or in favor of the Property or any portion thereof.

Section 8. Declarant Easement. If any encroachment shall occur subsequent to subjecting the Property to this Declaration, there is hereby created and shall be a valid easement for such encroachment and for the maintenance of the same. Every Lot shall be subject to an easement for entry and encroachment by the Declarant for a period not to exceed eighteen (18) months following conveyance of a Lot to an Owner for the purpose of correcting any problems that may arise regarding utilities, grading and drainage. The Declarant, upon making entry for such purpose, shall restore the affected Lot or Lots to as near the original condition as practicable.

Section 9. Emergencies. Every Lot shall be subject to an easement for entry by the Association for the purpose of correcting, repairing, or alleviating any emergency condition which arises upon any Lot that endangers any building or any portion of the Common Properties.

ARTICLE X

INSURANCE

Section 1. Insurance to be Maintained by the Association. The following insurance coverage shall be maintained in full force and effect by the Association:

(a) Public liability and property damage insurance in such amounts and in such forms as shall be required by the Association.

(b) All liability insurance shall contain cross-liability endorsements to cover liability of the Owners as a group to an individual Owner.

(c) Such other insurance coverage as it may determine to be desirable and necessary.

(d) Fidelity bonds for those officers or employees having control over Association funds.

(e) Other insurance required by law.

Section 2. Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association and charged ratably to Owners as an assessment according to the applicable provisions of this Declaration.

Section 3. Insurance Beneficiaries. All such insurance policies shall be purchased by the Association for the benefit of the Association and the Owners.

ARTICLE XI

RIGHTS OF INSTITUTIONAL LENDERS

Section 1. Rights Reserved to Institutional Lenders. "Institutional Lender" or "Institutional Lenders", as the terms are used herein, shall mean and refer to banks, savings and loan associations, savings banks, insurance companies, U. S. Department of Veterans Affairs, Federal Housing Authority, Federal National Mortgage Association and other reputable mortgage lenders and guarantors and insurers of such first mortgages. So long as any Institutional Lender or Institutional Lenders shall hold any mortgage upon any Lot, or shall be the Owner of any Lot, such Institutional Lender or Institutional Lenders shall have the following rights:

(a) To be furnished with at least one copy of the Annual Financial Statement and Report of the Association, including a detailed statement of annual carrying charges or income collected and operating expenses, such Financial Statement and Report to be furnished by April 15 of each calendar year.

(b) To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering any proposed Amendment to the Declaration, or the Articles of Incorporation and Bylaws of the Association, which notice shall state the nature of the amendment being proposed, and to be given permission to designate a representative to attend all such meetings.

(c) To be given notice of default in the payment of assessments by any Owner of a Lot encumbered by a mortgage held by the Institutional Lender or Institutional Lenders, such notice to be given in writing and to be sent to the principal office of such Institutional Lender or Institutional Lenders, or to the place which it or they may designate in writing to the Association.

(d) To inspect the books and records of the Association and the Declaration, Bylaws and any Rules and Regulations during normal business hours, and to obtain copies thereof.

(e) To be given notice by the Association of any substantial damage to any part of the Common Properties.

(f) To be given notice by the Association if any portion of the Common Properties, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority.

Whenever any Institutional Lender, guarantor or insurer desires the benefits of the provisions of this section requiring notice to be given or to be furnished a financial statement, such Lender shall serve written notice of such fact upon the Association by Registered Mail or Certified Mail addressed to the Association and sent to its address stated herein, or to the address of the Property, identifying the Lot upon which any such Institutional Lender or Institutional Lenders hold any mortgage or mortgages, or identifying any Lot owned by them, or any of them, together with sufficient pertinent facts to identify any mortgage or mortgages which may be held by it or them, and which notice shall designate the place to which notices are to be given by the Association to such Institutional Lender.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. General Amendments. 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 seventy-five percent (75%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners.

Section 4. Amendments Permitted Without Membership Approval. The following amendments may be effected by the Declarant, or the Board, as the case may be, without consent of the members:

- (a) Prior to the sale of the first Lot, this Declaration may be amended by the Declarant.
- (b) The Declarant, so long as it shall retain control of the Association, shall have the right to amend this Declaration to conform to the requirements of any law or governmental agency having legal jurisdiction over the Property or to qualify the Property or any Lots and improvements thereon for mortgage or improvement loans made, insured or guaranteed by a governmental agency or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by, or under the substantial control of, the United States Government or the State of North Carolina, regarding purchase or sale in such lots and improvements, or mortgage interests therein, as well as any other law or regulation

relating to the control of Property, including, without limitation, ecological controls, construction standards, aesthetics, and matters affecting the public health, safety and general welfare. A letter from an official of any such corporation or agency, including, without limitation, the Veterans Administration, U.S. Department of Housing and Urban Development, the Federal Home Loan Mortgage Corporation, Government National Mortgage Corporation, or the Federal National Mortgage Association, requesting or suggesting an amendment necessary to comply with the requirements of such corporation or agency shall be sufficient evidence of the approval of such corporation or agency, provided that the changes made substantially conform to such request or suggestion.

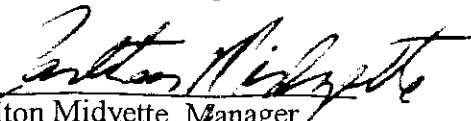
- (c) The Declarant, for so long as it shall retain control of the Association, and, thereafter, the Board of Directors, may amend this Declaration as shall be necessary, in its opinion, and without the consent of any Owner, to qualify the Association or the Property, or any portion thereof, for tax-exempt status.
- (d) The Declarant for so long as it has control of the Board may amend this Declaration to include any platting change of the Property as permitted herein or to make amendments correcting minor typographical errors or other similar clerical errors.

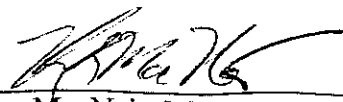
Section 5. Governmental Authority Amendments. No amendment which would change or delete any provision herein required by any governmental authority shall become effective until submitted to and approved by that authority; provided, however, if that authority fails to approve or disapprove such amendment within thirty (30) days after the same has been submitted to it, such approval shall not be required and this covenant shall be deemed to have been fully complied with.

Section 6. Recordation. No amendment shall be effective until recorded in the County in which the Property is situate.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 12 day of August, 2003.

**Linville LLC, a North Carolina
limited liability company**

By: 
Carlton Midyette, Manager

By: 
Henry MacNair, Manager

STATE OF NORTH CAROLINA :

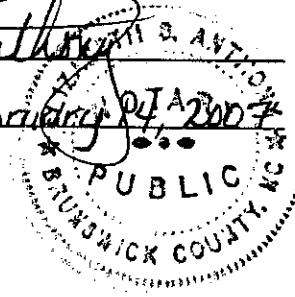
COUNTY OF WAKE :

I, the undersigned Notary Public, certify that Carlton Midyette, Manager of Linville LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed on behalf of said company.

Q3.

Witness my hand and Notarial Stamp/Seal this 12th day of August, 2007

Elizabeth S. Anthony
Notary Public
My Commission Expires: February 14, 2007



STATE OF NORTH CAROLINA :

COUNTY OF WAKE :

I, the undersigned Notary Public, certify that Henry MacNair, Manager of Linville LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed on behalf of said company.

Witness my hand and Notarial Stamp/Seal this 12th day of August, 2007

Elizabeth S. Anthony
Notary Public
My Commission Expires: February 14, 2007

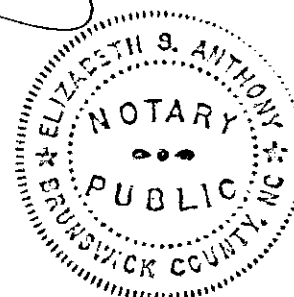


EXHIBIT "A"

Legal Description for LINVILLE – Phase 1

Commencing at a P.K. nail in the intersection of Old Creedmoor Road and Norwood Road, thence N19°25'29"W, a distance of 1584.56 feet to an iron pipe, in the eastern right-of-way of Old Creedmoor Road, being the point and place of BEGINNING; thence N18°21'18"W, a distance of 23.19 feet; thence N18°21'18"W, 278.04 feet to a point; thence N18°37'07"W, 63.82 feet to a point; thence N18°37'07"W, 15.15 feet to a point; thence N18°32'40"W, 247.31 feet to a point; thence N18°34'10"W, 137.41 feet to a point; thence N18°34'10"W, 42.43 feet to a point; thence N18°33'34"W, 154.33 feet to a point; thence N18°33'34"W, 51.92 feet to a point; thence N18°33'34"W, 37.75 feet to a point; thence N18°28'32"W, 104.00 feet to a point; thence N19°11'44"W, 198.95 feet to a point; thence N10°34'46"W, 26.00 feet to a point; thence N10°34'46"W, 340.21 feet to a point; thence N24°10'39"W, 108.08 feet to a point; thence N23°29'23"W, 57.94 feet to a point; thence N23°29'23"W, 69.67 feet to a point; thence N23°29'23"W, 63.16 feet to a point; thence N23°29'23"W, 61.85 feet to a point; thence N23°29'23"W, 40.00 feet to a point; thence N23°29'23"W, 65.00 feet to a point; thence N23°14'06"W, 80.00 feet to a point; thence N23°14'06"W, 52.50 feet to a point; thence N19°52'00"W, 247.65 feet to a point; thence N20°00'00"W, 221.84 feet to a point in Upper Barton's Creek; thence following said creek in a easterly direction N78°39'14"E, 121.13 feet to a point; thence S56°37'33"E, 202.09 feet to a point; thence S18°04'20"E, 133.85 feet to a point; thence N55°02'06"E, 116.86 feet to a point; thence S21°57'16"E, 186.30 feet to a point; thence N84°38'39"E, 86.10 feet to a point; thence S50°26'56"E, 309.42 feet to a point; thence S62°11'50"E, 108.84 feet to a point; thence N52°00'05"E, 163.17 feet to a point; thence S86°42'19"E, 162.93 feet to a point; thence N28°41'37"E, 163.37 feet to a point; thence S65°39'32"E, 185.23 feet to a point; thence N57°15'53"E, 66.88 feet to a point; thence N88°29'48"E, 386.07 feet to a point; thence S18°39'28"E, 220.98 feet to a point; thence S71°29'57"W, 76.08 feet to a point; thence S14°01'33"E, 245.95 feet to a point; thence S11°25'12"E, 92.59 feet to a point; thence S70°40'28"W, 91.16 feet to a point; thence S37°45'39"E, 64.18 feet to a point; thence S18°31'57"W, 36.42 feet to a point; thence S32°15'20"E, 113.26 feet to a point; thence S24°00'16"E, 101.04 feet to a point; thence S77°08'42"E, 72.51 feet to a point; thence S06°43'29"E, 129.77 feet to a point; thence N54°19'30"E, 49.80 feet to a point; thence S34°15'32"E, 105.64 feet to a point; thence S38°21'00"W, 78.03 feet to a point; thence S07°59'18"E, 29.19 feet to a point; thence S39°32'44"E, 32.31 feet to a point; thence S33°43'05"W, 93.68 feet to a point; thence S15°44'04"E, 114.67 feet to a point; thence S73°32'51"E, 55.34 feet to a point; thence S79°14'36"E, 35.81 feet to a point; thence leaving said creek in a southwesterly direction S37°22'32"W, 188.03 feet to a point; thence S37°22'32"W, 191.51 feet to a point; thence S37°22'32"W, 19.40 feet to a point; thence S49°37'53"W, 444.20 feet to a point; thence S56°14'08"W, 128.56 feet to a point; thence S26°09'29"W, 71.21 feet to a point; thence S26°09'29"W, 133.57 feet to a point; thence S52°48'26"W, 350.78 feet to a point; thence S44°33'51"W, 30.42 feet to a point to a point of cusp on a curve concave to the south having a radius of 25.00 feet and a central angle of 77°54'47" and being subtended by a chord which bears N76°19'31"W 31.44 feet; thence northwesterly, westerly and southwesterly along said curve, a distance of 34.00 feet of reverse curvature; thence along a curve to the right having a radius of 205.00 feet, an arc length of 26.18 feet, a chord of 26.17 feet with a chord bearing of S68°22'38"W to a point of reverse curvature; thence along a curve to the left having a radius of 195.00 feet, an arc length of 46.48 feet, a chord of 46.37 feet with a chord bearing of S65°12'26"W to a point of compound curvature; thence along a curve to the left having a radius of 25.00 feet, an arc length of 38.43 feet, a chord of 34.76 feet with a chord bearing of

S14°20'08"W to a point on the proposed right of way of Old Creedmoor Road; thence along the southerly right of way of Old Creedmoor Road along a curve to the right having a radius of 10920.15 feet, an arc length of 44.05 feet, a chord of 44.05 feet with a chord bearing of S29°35'29"E to a point of compound curvature; thence along a curve to the right having a radius of 1395.75 feet, an arc length of 286.30 feet, a chord of 285.79 feet with a chord bearing of S23°35'59"E to a point of intersection on a curve; thence along a curve to the right having a radius of 2020.27 feet, an arc length of 67.00 feet, a chord of 66.99 feet with a chord bearing of S17°14'54"E to a point; thence along a non tangent line S73°42'06"W, 5.00 feet to the point on the existing right of way of Old Creedmoor Road, the point being the beginning of a curve radial to said line; thence northerly along the existing right of way of Old Creedmoor Road a distance of 66.85 feet along the curve concave to the west, having a radius of 2015.27 feet and a central angle of 1°54'02" of intersection on a curve; thence along a curve to the left having a radius of 1390.75 feet, an arc length of 285.29 feet, a chord of 284.79 feet with a chord bearing of N23°35'58"W to a point of compound curvature; thence along a curve to the left having a radius of 10915.15 feet, an arc length of 195.63 feet, a chord of 195.62 feet with a chord bearing of N29°59'22"W to a point of compound curvature; thence along a curve to the left having a radius of 32735.00 feet, an arc length of 160.77 feet, a chord of 160.77 feet with a chord bearing of N30°38'37"W to a point and place of beginning. Containing 3,351,897 SQ FT, 76.95 ACRES, more or less.

BEING all of that 76.95 acre tract shown on that map entitled Subdivision Plat Lots 1-30 Phase 1 Linville and dated July 21, 2003 by Withers & Ravenel and recorded in Book of Maps 2003, pages 1434, 1435 and 1436 Wake County Registry.

BK014587PG02717

WAKE COUNTY, NC 176
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
12/22/2011 AT 11:35:32

BOOK:014587 PAGE:02717 - 02723

Prepared by and return to: Brian S. Edlin, P.O. Box 10669, Raleigh, NC 27605

STATE OF NORTH CAROLINA
COUNTY OF WAKE

**ACKNOWLEDGEMENT TO
AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS**

This Acknowledgment to the Amendment to the Declaration of Covenants, Conditions, Easements and Restrictions for Linville Subdivision, made and entered into this 20 day of December, 2011, by the undersigned Lot Owners and the Linville Owners Association, Inc.

WITNESSETH:

WHEREAS, Linville, LLC, recorded a Declaration of Covenants, Conditions, Easements and Restrictions for Linville Subdivision dated August 13, 2003, recorded in Book 10362, Page 197, of the Wake County Registry and re-recorded in Book 11283, Page 2198 of the Wake County Registry (collectively, the "Declaration"); and

WHEREAS, the Linville Owners Association, Inc. was incorporated with the North Carolina Secretary of State on or about 12 August 2003;

WHEREAS, an Amendment to the Declaration of Covenants, Conditions, Easements and Restrictions for Linville Subdivision was recorded at book 14521, page 1807 of the Wake County Register of Deeds ("the Amendment");

WHEREAS, the undersigned Lot Owners of Lot 37 in the Linville Subdivision were in agreement with the Amendment in all respects and intended to sign off on the amendment indicating their intent to be bound by the amendment and did, in fact, sign off on the Amendment indicating their intent to be bound by it;

WHEREAS, William H. Scheick, Jr., Trustee of the Carolyn R. Scheick Revocable Trust – 1994/TR, Carolyn R. Scheick, Trustee of the William H. Scheick Revocable Trust – 1994/TR John T. Scheick, Trustee of the Gloria M. Verrochi Irrevocable Trust – 1994, Carolyn R. Scheick, Trustee of the Gloria M. Verrochi Irrevocable Trust – 1994, John T. Scheick, Trustee of the Gloria M. Verrochi Revocable Trust – 1994, Carolyn R. Scheick, Trustee of the Gloria M. Verrochi Revocable Trust – 1994, all wish to sign this Acknowledgement of the Amendment to ratify and affirm that all Lot Owners for Lot 37 in the Linville Subdivision agree to the Amendment;

NOW, THEREFORE, the undersigned does hereby declare that the Declaration for Linville be amended as follows:

1. To amend Article VII, Section 16 of the Declaration by deleting that section in its entirety and substituting in lieu thereof the following language (new language in bold and underlined):

“Section 16. Subdividing **and Recombination of Lots**. No Lot shall be subdivided, **re-combined**, or its boundary lines changed except with the prior written consent of the Declarant during the period of Declarant control of the Association and thereafter by the LHOA Board. **In the event any Lots are re-combined or boundary lines of existing Lots are changed, the same number of assessable Lots that existed prior to the re-combination or boundary line change will exist after the re-combination or boundary line change. The Owner(s) of any newly re-drawn or re-combined Lot shall pay assessments for his/her original Lot and the pro rata share assessments of the Lot(s) combined with his/her original Lot. For example: If Owner of Lot A combined all of Lot B with Lot A the Owner will pay for assessments of two Lots or if Owner of Lot A combines 50 % or half of lot B with Lot A the Owner will pay for one Lot assessment for original Lot A and 50% of one half assessment for Lot B regardless whether Lots A and B (or portion thereof) are combined into one Lot. This requirement for re-combined Lot assessments will ensure there is no loss of an assessment to the Association should any Lot be re-combined with another in a portion thereof or in whole.**”

2. All remaining provisions of the Declaration with the exception of the herein stated amendment shall remain in full force and effect.

3. The undersigned hereby re-affirm the Amendment previously recorded on 31 October 2011 and recorded at book 14521, page 1807 of the Wake County Registry.

BK014587PG02719

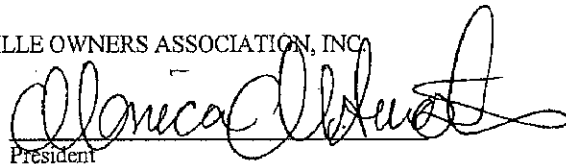
IN WITNESS WHEREOF, the undersigned Lot Owners and Association have hereunto set their hands and seals on the date first above written.

**CERTIFICATION OF VALIDITY OF ACKNOWLEDGMENT TO AMENDMENT
TO DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND
RESTRICTIONS FOR LINVILLE SUBDIVISION**

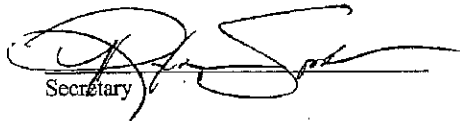
The undersigned officers of the Association sign this Certification in conjunction with the previous Certification which accompanied the Amendment in order to acknowledge the signatures of Lot 37. By authority of its Board of Directors, Linville Owners Association, Inc. hereby certifies that the Amendment has been duly executed by the written signatures of seventy-five percent (75%) of the membership and is, therefore, a valid amendment to the existing Declaration of Covenants, Conditions, Easements and Restrictions for Linville Subdivision.

LINVILLE OWNERS ASSOCIATION, INC.

By:


President

ATTEST:


Secretary

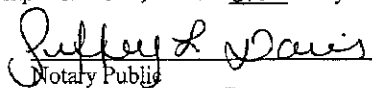
STATE OF NORTH CAROLINA

ACKNOWLEDGMENT

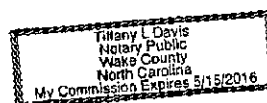
COUNTY OF WAKE

I, Tiffany L. Davis, a Notary Public of the County and State aforesaid, certify that Monica M. Anas, personally came before me this day and acknowledged that he/she is Secretary of Linville Owners Association, Inc., and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and attested by Royanne E. Spink as its Secretary/Assistant Secretary.

Witness my hand and official stamp or seal, this 20th day of December, 2011.


Notary Public
Tiffany L. Davis
Printed Name

My commission expires: 5/15/2016



BK014587PG02710

WAKE COUNTY, NC 175
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
12/22/2011 AT 11:35:32

BOOK:014587 PAGE:02710 - 02716

Prepared by and return to: Brian S. Edlin, P.O. Box 10669, Raleigh, NC 27605

STATE OF NORTH CAROLINA
COUNTY OF WAKE

**ACKNOWLEDGEMENT TO
AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS**

This Acknowledgment to the Amendment to the Declaration of Covenants, Conditions, Easements and Restrictions for Linville Subdivision, made and entered into this 20 day of December, 2011, by the undersigned Lot Owners and the Linville Owners Association, Inc.

WITNESSETH:

WHEREAS, Linville, LLC, recorded a Declaration of Covenants, Conditions, Easements and Restrictions for Linville Subdivision dated August 13, 2003, recorded in Book 10362, Page 197, of the Wake County Registry and re-recorded in Book 11283, Page 2198 of the Wake County Registry (collectively, the "Declaration"); and

WHEREAS, the Linville Owners Association, Inc. was incorporated with the North Carolina Secretary of State on or about 12 August 2003;

WHEREAS, an Amendment to the Declaration of Covenants, Conditions, Easements and Restrictions for Linville Subdivision was recorded at book 14530, page 2295 of the Wake County Register of Deeds ("the Amendment");

WHEREAS, the undersigned Lot Owners of Lot 37 in the Linville Subdivision were in agreement with the Amendment in all respects and intended to sign off on the amendment indicating their intent to be bound by the amendment and did, in fact, sign off on the Amendment indicating their intent to be bound by it;

WHEREAS, William H. Scheick, Jr., Trustee of the Carolyn R. Scheick Revocable Trust – 1994/TR, Carolyn R. Scheick, Trustee of the William H. Scheick Revocable Trust – 1994/TR John T. Scheick, Trustee of the Gloria M. Verrochi Irrevocable Trust – 1994, Carolyn R. Scheick, Trustee of the Gloria M. Verrochi Irrevocable Trust – 1994, John T. Scheick, Trustee of the Gloria M. Verrochi Revocable Trust – 1994, Carolyn R. Scheick, Trustee of the Gloria M. Verrochi Revocable Trust – 1994 all wish to sign this Acknowledgement of the Amendment to ratify and affirm that all Lot Owners for Lot 37 in the Linville Subdivision agree to the Amendment and signed off on the previously recorded Amendment;

NOW, THEREFORE, the undersigned does hereby declare that the Declaration for Linville be amended as follows:

1. To amend Article IV, Section 9 of the Declaration by deleting that section in its entirety and substituting in lieu thereof the following language:

“Section 9. Date of Commencement of Annual Assessment. The annual assessment provided for herein shall commence as to all Lots at the time of recording of a deed from the Declarant to the initial property Owner. There shall be no reduced assessment or delayed payment schedule for any Lot, regardless who owns the Lot or whether or not the Lot has been developed. 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 if it deems appropriate, 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 issuance.

As of the effective date of this amendment, Owners of developed/unsold, partially developed or undeveloped Lots will be required to pay all accrued assessments in full that were previously scheduled to be due per the old Article IV, Section 9 prior to this amendment (at the previous 25% rate). These assessments are to be paid by January 31, 2012.

2. This amendment shall become effective on January 1, 2012.

3. All remaining provisions of the Declaration with the exception of the herein stated amendment shall remain in full force and effect.

4. The undersigned hereby re-affirm the Amendment previously recorded on 7 November 2011 and recorded at book 14530, page 2295 of the Wake County Registry.

BK014587PG02712

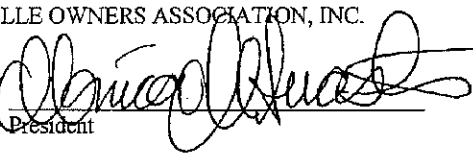
IN WITNESS WHEREOF, the undersigned Lot Owners and Association have hereunto set their hands and seals on the date first above written.

**CERTIFICATION OF VALIDITY OF ACKNOWLEDGMENT TO AMENDMENT
TO DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND
RESTRICTIONS FOR LINVILLE SUBDIVISION**

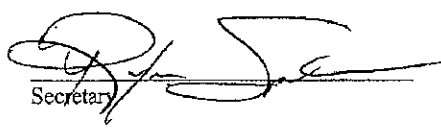
The undersigned officers of the Association sign this Certification in conjunction with the previous Certification which accompanied the Amendment in order to acknowledge the signatures of Lot 37. By authority of its Board of Directors, Linville Owners Association, Inc. hereby certifies that the Amendment has been duly executed by the written signatures of seventy-five percent (75%) of the membership and is, therefore, a valid amendment to the existing Declaration of Covenants, Conditions, Easements and Restrictions for Linville Subdivision.

LINVILLE OWNERS ASSOCIATION, INC.

By:


President

ATTEST:


Secretary

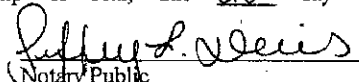
STATE OF NORTH CAROLINA

ACKNOWLEDGMENT

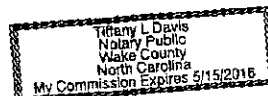
COUNTY OF WAKE

I, Tiffany L. Davis, a Notary Public of the County and State aforesaid, certify that Monica M. Audsith, personally came before me this day and acknowledged that he/she is Secretary of Linville Owners Association, Inc., and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and attested by Roxanne E. Spickard as its Secretary/Assistant Secretary.

Witness my hand and official stamp or seal, this 20 day of December, 2011.


Notary Public
Tiffany L. Davis
Printed Name

My commission expires: 5/15/2016



BK014587PG02663

WAKE COUNTY, NC 173
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
12/22/2011 AT 11:35:32

BOOK:014587 PAGE:02663 - 02709

Prepared by and return to: Brian S. Edlin, P.O. Box 10669, Raleigh, NC 27605

STATE OF NORTH CAROLINA AMENDMENT TO DECLARATION
COUNTY OF WAKE OF COVENANTS, CONDITIONS,
 EASEMENTS AND RESTRICTIONS

This Amendment to the Declaration of Covenants, Conditions, Easements and Restrictions for Linville Subdivision, made and entered into this 28 day of October, 2011, by the undersigned Lot Owners and the Linville Owners Association, Inc.

WITNESSETH:

WHEREAS, Linville, LLC, recorded a Declaration of Covenants, Conditions, Easements and Restrictions for Linville Subdivision dated August 13, 2003, recorded in Book 10362, Page 197, of the Wake County Registry and re-recorded in Book 11283, Page 2198 of the Wake County Registry (collectively, the "Declaration"); and

WHEREAS, the Linville Owners Association, Inc. was incorporated with the North Carolina Secretary of State on or about 12 August 2003;

WHEREAS, Article XII, Section 3 of the Declaration provides that during the first twenty (20) year period from the date the Declaration is recorded, the Declaration may be amended by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners; and

WHEREAS, not less than seventy-five percent (75%) of the Lot Owners desire to amend Article V relating to architectural control;

BK014587PG02664 .

NOW, THEREFORE, the undersigned does hereby declare that the Declaration for Linville be amended as follows:

1. To amend Article V of the Declaration by deleting that section in its entirety and substituting in lieu thereof the following language :

Section 1. Architectural Control.

No site preparation (including, but not limited to grading, elevation work, landscaping, sloping or tree work) or initial construction, erection or installation of any improvements, including but not limited to, buildings, fences, signs, walls, bulkheads, screens, landscaping, plantings, equipment, swimming pools, or other structures shall be commenced, erected, placed, altered or maintained upon any lot, until the plans and specifications showing the nature, kind, shape, height, materials, exterior colors, siding, location and elevations of the proposed improvements relative to their existing and future septic field disposal areas, landscaping or plantings shall have been submitted to, and approved in writing by, as to harmony of external design and location in relation to surrounding structures and topography, an Architectural Committee composed of no fewer than three (3) persons and no more than eleven (11) persons appointed by the Declarant through and until the date that is five (5) years after commencement of development of the Subdivision, or such earlier date as determined by Declarant in its sole discretion. Initial construction on all Lots shall be reviewed and approved by the Declarant until the sale of the final Lot in the Subdivision by the Declarant. After such date, the Architectural Committee shall be composed of no fewer than three (3) person and no more than (11) persons, and shall be appointed by the Board. In the event the Architectural Committee fails to approve such submission made by any Lot Owner within thirty (30) days after said plans and specifications have been received by the Committee, approval will be deemed to have been denied. Any plans and specifications that contain inaccurate or missing dates or information when submitted shall not be deemed to be approved notwithstanding any prior approval by the Committee.

Upon request, the Association, on behalf of the Architectural Committee, shall provide any Owner with a letter stating that any such work, plans and specifications, landscaping or plantings have been approved, and the letter may be relied upon by third parties.

Approval or disapproval by the Architectural Committee of such plans, location or specifications may be based upon any grounds, including purely aesthetic and environmental, which in the sole discretion of the Committee, it shall deem sufficient. Neither the Association, Board nor any member of the Architectural Committee shall be responsible for any defects in the plans and specifications submitted to it or in any structure erected or improvements made on any Lot.

BK014587PG02665

The Board and the Architectural Committee ("AC"), or their appointed agents, shall have the right, at their election, but shall not be so required, to enter upon any of the Lots during site preparation or construction, erection, or installation of improvements to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plans and specifications. Notwithstanding anything contained herein to the contrary, no action of the AC is intended to be, nor shall any action be construed to be, approval by the AC of the adequacy, reasonableness, safety or fitness for the intended use of the submitted plans, products or construction or satisfaction of zoning or any other regulatory requirements. Neither the Board nor any member of the AC shall be liable in damages or in any other respect to anyone submitting plans and specifications for approval under this Article, or to any Owner, or any person with an interest in the Lot or Dwelling Unit, by reason of mistake in judgment, negligence or malfeasance arising out of or in connection with the approval or disapproval or failure to approve any such plans or specifications.

The Architectural Committee shall have the power to grant, and may allow, variances of, and adjustments of, the restrictions established herein in order to overcome practical difficulties and prevent unnecessary hardships in application of the restrictions contained herein; provided, however, that variances or adjustments are done in conformity with the intent and purposes hereof; and, provided also, that in every instance such variance or adjustment will not be materially detrimental or injurious to other Lots in the immediate neighborhood. Variances and adjustments may be of the height, size, and setback requirements, pursuant to the terms herein, but shall not be limited thereto. No variance shall be permitted if it violates governmental minimum standards. Notwithstanding the foregoing, Declarant shall have the power to grant the above variances and adjustments so long as Declarant has the authority to appoint members to the Architectural Committee, and thereafter the Association.

In the event of the grant of any variance in the restrictions established herein, the Declarant for so long as the Declarant has the authority to appoint members to the Architectural Committee, and thereafter the Association on behalf of the Architectural Committee shall execute a document acceptable in substance to the Association attesting to such grant and the specific nature thereof in form suitable for recording, so that the Lot Owner may record the document in the Registry of the County in which the Lot is located. Such document shall be prepared at the cost of the Lot Owner and shall be binding upon the Declarant, the Association, its successors and assigns, and other Lot Owners and may be relied upon by third parties to evidence the variance approval.

Any purchaser of a lot or institution financing a Lot shall rely on the foregoing statement.

BK014587PG02666

The Association, so long as Declarant has authority to appoint members of the Architectural Committee, shall defer architectural approvals and grants of variances to Declarant unless Declarant has voluntarily relinquished control of the Association.

Section 2. Performance Bond and Builder Agreement.

a. Any Owner who desires to construct a house on a Lot agrees to indemnify and hold harmless the Association for any and all damage to the roads, gates, and/or the grounds and facilities designated as Common Properties or other Lot/Home Owner, which proximately results from the construction traffic to and from said Owner's Lot.

b. Subsequent to receiving written approval of a new home construction application and prior to any Lot disturbance or construction, Owner (and builder of said home if different than Owner) must sign a current Builder Agreement and post a Construction Performance Bond in the amount of ten thousand and 00/100 Dollars (\$10,000) with the Association.

c. The purpose of the Performance Bond shall be:

- i. To offset any damages to the roads, gates, and/or the grounds and facilities designated as Common Properties or any other damages sustained by the Association or other Lot/Home Owner which is a direct result of the Owner or Builder's construction activities on the Lot in question; and
- ii. To be charged against violations by the Owner/Builder of conditions of the Builder Agreement.

d. The Performance Bond (or portion of) will be refunded within 30 days after the construction is completed and inspection conducted and signed off by the Architectural Committee or its agent.

e. The purpose of the Builder Agreement will be:

- i. To more specifically define the duties and obligations of the Owner/Builder with respect to the construction of the home on the Lot.
- ii. The Builder Agreement shall be enforceable to the same extent as this Declaration. A true and accurate copy of the Builder Agreement is attached hereto and incorporated herein by reference as Exhibit A." The Builder Agreement may be revised from time to time at the discretion of the Linville Board of Directors. Therefore, it is the duty of the Owner and Builder

BK014587PG02667

to obtain the most recent copy of the Builder Agreement prior to planning construction.

- f. All Owners of vacant unimproved Lots shall be required to sign and abide by a Linville Lot Owner/Vacant Lot Agreement which form is attached hereto and incorporated herein by reference as Exhibit B. The Linville Lot Owner/Vacant Lot Agreement shall be enforceable to the same extent as this Declaration.

2. This amendment will become effective on 1 December 2011.

3. All remaining provisions of the Declaration with the exception of the herein stated amendment shall remain in full force and effect.

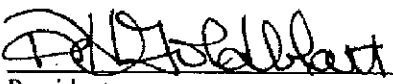
IN WITNESS WHEREOF, the undersigned Lot Owners and Association have hereunto set their hands and seals on the date first above written.

BK014587PG02668

**CERTIFICATION OF VALIDITY OF AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR LINVILLE SUBDIVISION**

By authority of its Board of Directors, Linville Owners Association, Inc. hereby certifies that the foregoing instrument has been duly executed by the written signatures of seventy-five percent (75%) of the membership and is, therefore, a valid amendment to the existing Declaration of Covenants, Conditions, Easements and Restrictions for Linville Subdivision.

LINVILLE OWNERS ASSOCIATION, INC.

By: 
President

ATTEST:


Secretary

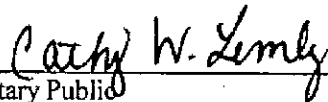
STATE OF NORTH CAROLINA

ACKNOWLEDGMENT

COUNTY OF WAKE

I, Cathy W. Lemly a Notary Public of the County and State aforesaid, certify that Roxanne Sparkman, personally came before me this day and acknowledged that he/she is Secretary of Linville Owners Association, Inc., and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and attested by Roxanne Sparkman as its Secretary/Assistant Secretary.

Witness my hand and official stamp or seal, this 28 day of October, 2011.


Notary Public

Cathy W. Lemly
Printed Name



BK014587PG02706

Exhibit B

LINVILLE LOT OWNER/VACANT LOT AGREEMENT

THIS LOT OWNER VACANT LOT AGREEMENT ("Agreement") is made by and between Linville Owners Association, Inc. and _____
_____, ("Owner") dated _____.

Page | 1

RECITALS:

This agreement is regarding property located in the Linville subdivision known as _____ ("LOT").

In consideration of the promises, covenants, and conditions contained herein, Owner agrees as follows:

SALE/TRANSFER OF LOT:

Owner agrees to disclose the requirements of this Agreement to potential buyers of Lot. Owner will notify potential buyers that should the purchase of Lot be completed, buyers will be required to sign a LOT OWNER/VACANT LOT AGREEMENT at closing.

MAINTENANCE OF LOT:

Owner is responsible for promptly removing any unsightly storm debris within the first 70 feet of the right of way. Lot should be maintained and not become unsightly to neighboring properties. Owner agrees to keep grass/weeds mowed within 20 feet of right of way and keep Lot free of trash. No vehicles, equipment, personal or business property or structures of any kind may be stored or erected on Lot while vacant.

NEW HOME CONSTRUCTION:

Owner agrees to the following conditions regarding construction of a new home on Lot:

1. Builder must have an unlimited general contractor's license and be in good credit limit standing.
2. All new home construction must be approved by the Linville Architectural Committee prior to any land disturbance or construction activity on Lot.
3. All new home plans and construction activity must follow the Architectural Guidelines developed by the Linville Architectural Committee and approved by the Linville Board of Directors.
4. All Architectural review approvals are contingent on the Builder and Lot Owner signing an OWNER/BUILDER AGREEMENT with the Linville Homeowner's Association and posting a Ten Thousand and 00/100 Dollars (\$10,000.00) PERFORMANCE BOND with the Linville Owners Association, Inc. The Performance Bond shall serve to guarantee the Owner/Builder's compliance with the OWNER/BUILDER AGREEMENT and will be refunded after the Owner/Builder completes construction of the home and landscaping and is signed off by the Architectural Committee or its representative.

12/01/2011

BK014587PG02707

- Page | 2
- a. Linville Owners Association, Inc. may draw upon the Performance Bond in the event the Owner/Builder, after five (5) days written notice, fails to comply with any provision of the OWNER/BUILDER AGREEMENT including but not limited to storm water concerns, erosion control, tracking mud on streets, absence of trash enclosure, etc. In addition, should OWNER/BUILDER fail to comply with any provision of the Agreement and the Linville Owners Association, Inc. exercises its right to draw upon the Performance Bond, OWNER/BUILDER shall immediately restore the Performance Bond to the original Ten Thousand and 00/100 Dollars (\$10,000.00) limit if construction on the Lot is not complete.
 - b. Performance Bond will be refunded within Ten (10) days after the construction and landscaping has been satisfactorily signed off by the Linville Architectural Committee or its representative.
 - c. If Owner/Builder sells Lot prior to completion of construction, the \$10,000 Performance bond on deposit will be held by Linville Owners Association, Inc., until the terms of the OWNER/BUILDER AGREEMENT have been fulfilled.
5. Owner/Builder agrees its landscaping plan will include at least Twenty Thousand and 00/1 00 Dollars (\$20,000.00) in bush/tree plantings in the **front** yard of each house. This does not include sod, seeding or irrigation. Sod will be mandatory in the front yard of Lot.
 6. It is in the collective interest of all involved at Linville to make a concerted effort to save as many trees as practical on each Lot, particularly front yard trees.
 7. It is the responsibility of the OWNER/Builder to mow the shoulders of the Lot to pavement. Permanent open space areas will be the responsibility of the Linville Homeowners Association.

PRIVATE ROADS:

Owner understands that the roads in Linville are private roads and will not be maintained by the NCDOT Roads Maintenance Division. The Linville Owners Association, Inc., through assessments collected by all property owners, will be responsible for the maintenance of the private roads. This responsibility includes snow removal. The roads are constructed to exceed Wake County Private Road Standards. A reserve fund for road maintenance has been set up with additional contributions funded by Linville Owner Association assessments.

*****Remainder of this page is left intentionally blank; signatures on next page*****

BK014587PG02708

IN WITNESS WHEREOF, The parties have executed this Agreement on the dates set forth below:

Lot Owner (s)

Page | 3

Date: _____

Phone: _____

Fax: _____

Email: _____

Mail Address: _____

Linville, Home Owner's Association

By: _____

Its: _____

Date: _____

Phone: _____

Fax: _____

Email: _____

Mail Address: _____

12/01/2011

BK014587PG02700

Exhibit A

LINVILLE NEW HOME CONSTRUCTION AGREEMENT

This Linville New Home Construction Agreement ("Agreement") is made by and between Linville Owners Association, Inc. (LHOA) and _____ ("Lot Owner") and _____ ("Builder") dated the ____ day of ____, 2011.

RECITALS

Lot Owner and Builder desire to construct a residential home in the Subdivision on Lot# ____ (Lot) subject to the terms and conditions hereof.

AGREEMENT

In consideration of the mutual promises, covenants, and conditions contained herein, LHOA and Builder agree as follows:

1. **DEPOSIT:** Builder must have an unlimited general contractor's license and be in good credit limit standing. Builder, at its expense, shall deliver to LHOA a deposit ("Deposit"), in the amount of Ten Thousand and 00/100 Dollars (\$10,000.00) in cash upon the following terms:
 - a. Deposit shall serve as a Performance Bond ("Performance Bond") guaranteeing Builder's compliance with this agreement and will be refunded five days after the following is completed: Builder completes approved House and Site Plans, approved landscape plan is completed and LHOA inspection with sign off by the Linville Architectural Committee or its representative (ARC).
 - b. ARC may draw upon the Performance Bond in the event Builder, after five (5) days written notice from ARC fails to comply with any provision of this Agreement including but not limited to storm water concerns, tracking mud on streets, not cutting grass, absence of trash enclosure, etc. In addition, should Builder fail to comply with any provision of this Agreement and ARC exercises its right to draw from the Performance Bond, Builder shall immediately restore the Performance Bond to the original Ten Thousand and 00/100 Dollars (\$10,000.00) limit if the construction is not complete. If Builder fails to comply, the Performance Bond will be forfeited.
2. **DEVELOPER'S IMPROVEMENTS:** The Subdivision has been developed and improvements constructed according to subdivision improvement plans submitted to and approved by Wake County. The Lots are part of a recorded subdivision plat fronting on paved private roads built to exceed Wake County Private Road standards. Lot is to be sewered via individual septic system that is to be installed at Builder's expense.

BK014587PG02701

3. **COMMUNITY MAINTENANCE:** Builder shall keep in place a stone or other all-weather entrance drive apron from the road to the house to minimize mud tracking on neighborhood streets. Such all-weather surface to be renewed as determined by the ARC during construction period. Builder will be responsible for promptly removing debris and mud from the street in front of Lot or Home the Builder has under construction. In addition, Builder agrees to promptly remove any unsightly storm debris within the first (seventy) 70 feet of the right of way. ARC may, after notice to the Builder, have mud removed from streets, loose debris removed from Builder's Lot, repair shoulders/ditch banks or if applicable provide a secure marketing pedestrian access to Lot and charge back the cost of these items to the Builder for failure to maintain his Lots in accordance with this Agreement.
4. **PLANS:** Two (2) sets of plans must be submitted to the Linville Owners Association, Inc. c/o PPM, Inc. ("Association") or other property management company identified by ARC, at least thirty (30) days prior to the expected start of construction and written approval must be received from the ARC before any construction is permitted on the Lot. Plans are deemed "not approved" if not approved within thirty (30) days of submission. Plans should include, but are not limited to the site plan, erosion control plans, Wake County septic layout/ permit, house plans including floor plan, physical samples of exterior materials and colors, and roofing materials and colors. Landscape plan (including location of tree-save areas) must be submitted thirty (30) days prior to the expected start of installation. For speculative homes the following information is also required: Standard features, price and options offered. Builder agrees to comply with the setbacks in the covenants. To the extent any of the terms herein conflict with Article V of the Declaration of Covenants, Conditions, Easements and Restrictions, as amended, ("the Declaration") pertaining to architectural control, the terms of the Declaration shall control.

Builder agrees its landscaping plan will include at least Twenty Thousand and 00/100 Dollars (\$20,000.00) in bush/tree plantings (installed cost) in the front (NOT SIDE) yard of house. This does not include sod, seeding or irrigation. Sod is mandatory in the front yard of each Lot. The landscape plan must include the design and a copy of the price quote/invoice showing landscape material, count, and height or gallon size. The landscape plan must include any hardscaping and materials to be used. This and all other Builder commitments will remain the responsibility of the Builder and Lot Owner (if not the same) regardless of presale or construction-perm financing arrangements Builder may make with Homebuyer. **Builder may not, without prior written permission of ARC, permit Homebuyer to assume responsibility for completion of the allowance portion of the landscape plan.** It is the collective interest of all involved at Linville to make a concerted effort to save as many trees as practical on each Lot, particularly front yard trees. Builder shall take appropriate protective measures to protect from damage those trees that do not have to be removed to construct the house. No seeding, irrigation or land disturbing activity to take place within

BK014587PG02702

tree protection areas. Tree protection areas are to be fenced and protected from all construction activities.

5. **Construction:** ARC and Builder shall have a pre-construction meeting prior to Builder's clearing of a Lot. Builder agrees to contact ARC at least five (5) days in advance of Builder's expected schedule to begin clearing in order to schedule this meeting. The purpose of the pre-construction meeting is to discuss the implementation of Builder's plan and any special conditions pertaining to the Lot, including storm water runoff, erosion control and tree protection measures planned by Builder. **No land disturbance activity may take place on Lot prior to the pre-construction meeting and the closing of the Lot.**

Builder agrees to complete home within the time frame approved on the ARC Application. If Builder does not start construction of the home within sixty (60) days of approved start date the Builder and Lot Owner are required to submit a new application. Builder agrees to construct and enforce the use of a trash enclosure on each Lot. Builder agrees to instruct all subcontractors to deposit all construction debris in the trash enclosure. All construction sites should be maintained in a neat and orderly manner, which includes removing trash on a weekly basis, mowing grass on the Lot and the right-of-way in front of the Lot, and removing all material and debris from the street in front of the Lot as needed. Builder's responsibilities shall include seeding, fertilizing, covering with straw and mowing as necessary the roadway shoulders/ditches on Lot as many times as necessary to keep a groomed appearance throughout the construction process. All residues from concrete truck washout shall remain on Lot. Builder agrees to maintain a 'Port-a-John' on Lot that is under construction. Port-a John should be placed on Lot at least 30 feet from right of way.

Builder shall construct and maintain at Builder's expense silt fence, drainage swales, impoundments or other appropriate means of assuring storm water from Lot is controlled with no silt carried beyond Lot lines. ARC reserves the right to later require additional measures if, during Builder's construction, erosion or on-site storm water control concerns appear. Builder is responsible for installation of driveway as required by approved Subdivision Plan to all Wake County private road standards. Asphalt paving of streets has been completed in one lift. There will be no additional future lifts; therefore, concrete drives should be built to existing grade of asphalt. Builder's responsibilities under this Agreement shall include repair or replacement of any damaged road section, water meter, fire hydrant, or other public/private facilities appurtenances on Lot or within the right of way adjacent to Lot. Any damage caused by the Builder or subcontractors to the main entrance, construction entrance, common areas or Homeowners' properties will be the responsibility of the Builder and Lot Owner to repair/replace.

No overnight parking of construction vehicles on streets or within twenty (20) feet of right of way is permitted. No overnight construction parking at all is permitted on weekends or

BK014587PG02703

Holidays. Construction activities are not permitted on weekends except the first weekend of the month from 9:00 am to 5:00 pm. Weekday construction hours are limited to 8:00 am until 6:00 pm. Construction is not permitted on the following Holidays: New Year's Day, Thanksgiving Day, Friday immediately following Thanksgiving Day and Christmas Day. Builder is not permitted to duplicate construction gate key or give the key out to subcontractors. Builder must be available to open and close construction gate for large trucks such as concrete, flat bed trucks etc. All other construction personnel will use a specific gate code to enter and exit through the main entrance. Upon ARC approval of New Home Construction Application, Builder will be given unique code to main entrance gate and a key to the construction gate.

6. **ARCHITECTURAL CONTROL:** Builder and Lot Owner accept and assume the responsibility to inform Home buyer (if not the same as Lot Owner or Builder) of the existence and nature of recorded covenants affecting all Lots in the subdivision, specifically informing Home Buyer (if not the same as Lot Owner or builder) that improvements including but not limited to fences, pools, storage buildings, significant changes in landscaping, patios, decks, etc. must be approved in writing by the ARC before beginning construction of said improvements on the Lot. Builder agrees that no building, fence, mailbox, or other structure shall be erected, placed, or altered until the proposed building location, specifications, exterior materials and colors or finishes and plot plans have been approved in writing by the ARC.
7. **MAILBOXES:** Builder will erect a uniform mailbox as specified by ARC and construct stone headwalls at each driveway pipe opening according to **Exhibit A**. The headwall stone shall either match the stone used by Developer on the neighborhood entry feature or the stone used on the house on said Lot.
8. **PRIVATE ROADS:** Builder understands and agrees to inform Home Buyer (if not the same as Lot Owner or Builder) that the roads in Linville are private roads and will not be maintained by the NCDOT Roads Maintenance Division. Property owners in Linville and the LHOA are responsible for the maintenance of the private roads. A portion of the LHOA dues is set aside for road maintenance and snow removal. The roads have been constructed to exceed Wake County Private Road Standards. As required by the North Carolina General Statutes, attached as **Exhibit B** is the Private Road Disclosure Statement, which is to be executed by Lot Owner, Builder, and Home Buyer (if not the same as Lot Owner or Builder), and LHOA for each home purchased in Linville. This disclosure statement must be signed by all parties prior to Lot closing. Closing hours of both the Main and Construction gates are determined by the LHOA Board and may change at the Board's discretion with a five (5) day notice.

BK014587PG02704

9. MISCELLANEOUS:

- a. Time is of the essence with regards to this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina.
- b. The terms, conditions, and covenants contained in this Agreement shall survive the Closings and delivery of deeds. If the deeds and this Agreement are inconsistent, the provisions of this Agreement shall control.
- c. Any notices to be given under this Agreement shall be in writing and may be faxed, personally delivered or sent by regular mail to the addressed set forth below, or at such other addresses as the parties may specify by written notice to each other. All notices shall be deemed given when received or mailed as provided for in this Paragraph.
- d. This Agreement contains the entire understanding between the parties and may be amended only by written agreement signed by the LHOA, Lot Owner and Builder.
- e. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision, all of which shall be valid and enforceable to the fullest extent permitted by law.
- f. The waiver of any party of a breach of any provision of this Agreement shall not be considered a waiver of any other breach of such provision or any other provision of this Agreement.
- g. At all times, the parties will operate in good faith in carrying out the terms of this Agreement.
- h. LHOA warrants to Lot Owner and Builder that LHOA has the full power and authority to enter into this Agreement and carry out its provisions.
- i. One or more of the LHOA Board and ARC, as individuals or other business entities, may be licensed North Carolina real estate brokers.

*****Remainder of this page is left intentionally blank; signatures on next page*****

BK014587PG02705

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below

Lot Owner

Builder:

By: _____

Its: _____

Date: _____

Phone: _____

Fax: _____

Email: _____

Mail Address: _____

Linville, Home Owner's Association

By: _____

Its: _____

Date: _____

Phone: _____

Fax: _____

Email: _____

Mail Address: _____
