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Franklin County North Carolina
Brandi S. Davis, Register of Deeds
BK **2171** PG **1852 - 1911 (60)**

PREPARED BY/MAIL TO:
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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE ENCLAVE AT HIDDEN LAKE

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE ENCLAVE AT HIDDEN LAKE

EACH PERSON ACQUIRING A LOT IN THE ENCLAVE AT HIDDEN LAKE IS BOUND BY ALL OF THE TERMS AND PROVISIONS OF THIS DECLARATION AND MUST READ IT IN ITS ENTIRETY IN ORDER TO BE FULLY AWARE OF ALL REQUIREMENTS IMPOSED. AMONG SUCH REQUIREMENTS ARE THE FOLLOWING:

THAT THE ENCLAVE AT HIDDEN LAKE IS INTENDED TO PROVIDE HOUSING PRIMARILY FOR PERSONS 55 YEARS OF AGE OR OLDER AND SHALL BE OPERATED AS AN AGE RESTRICTED COMMUNITY AS SET FORTH IN ARTICLE III, SECTION 5, OF THIS DECLARATION AND IN COMPLIANCE WITH ALL APPLICABLE STATE AND FEDERAL LAWS.

THAT EACH OWNER OF A LOT BE A MEMBER OF, AND PAY ASSESSMENTS TO THE ENCLAVE AT HIDDEN LAKE COMMUNITY ASSOCIATION, INC.

THAT APPROVAL OF THE ARCHITECTURAL CONTROL COMMITTEE BE OBTAINED BEFORE COMMENCEMENT OF ANY IMPROVEMENTS OR DISTURBANCE OF A LOT AS MORE PARTICULARLY SET FORTH IN ARTICLE VIII OF THIS DECLARATION.

THAT THE DECLARANT HEREUNDER HAS RESERVED A RIGHT OF FIRST REFUSAL WITH RESPECT TO UNIMPROVED LOTS, AS SET FORTH IN ARTICLE XI OF THIS DECLARATION.

THE RECITATION OF CERTAIN REQUIREMENTS OF THIS DECLARATION ABOVE DOES NOT RELIEVE ANY OWNER OF A LOT IN THE ENCLAVE AT HIDDEN LAKE FROM THE REQUIREMENTS OF ALL PROVISIONS OF THIS DECLARATION AND ANY AMENDEMENTS TO THIS DECLARATION WHICH MAY HEREAFTER BE RECORDED.

AS SET FORTH IN THIS DECLARATION, THE DECLARANT RESERVES UNTO ITSELF THE RIGHT TO MODIFY, ALTER OR CHANGE THE DEVELOPMENT PLAN FOR THE ENCLAVE AT HIDDEN LAKE, CONSISTENT WITH IT'S UNIFORM SCHEME OF DEVELOPMENT. DECLARANT HAS RESERVED CERTAIN RIGHTS TO UNILATERALLY AMEND THIS DECLARATION, AS PROVIDED IN ARTICLE XII, SECTION 3 HEREOF. DECLARANT HAS ALSO RESERVED THE RIGHT TO ANNEX ADDITIONAL PROPERTY INTO THE ENCLAVE AT HIDDEN LAKE.

Prepared by: J. Michael Weeks, Post Office Box 1097, Zebulon, North Carolina 27597

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STATE OF NORTH CAROLINA

COUNTY OF FRANKLIN

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE ENCLAVE AT HIDDEN LAKE

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration') is made this 1st day of March, 2019, by **BABSON DEVELOPMENT COMPANY, LLC**, a North Carolina limited liability company (the "Declarant"). All capitalized terms used herein shall have the meanings set forth in Article I or elsewhere in this Declaration.

Declarant is the owner of that certain real property located in Franklin County, North Carolina, and more particularly described on Exhibit "A" attached hereto and incorporated herein by reference (the "Property"), which Property, together with such portions of the Additional Property as may be subjected to this Declaration, is being developed by Declarant as a residential community and amenity facility as a portion of the development known as The Enclave at Hidden Lake.

Declarant desires to provide for the preservation of the property values, amenities and opportunities in the Project and for the maintenance of the Property and improvements thereon, and to this end desires to subject the Property to the easements, covenants, conditions, restrictions, charges and liens hereinafter set forth and/or described.

Declarant further desires to create a North Carolina non-profit corporation to be known as THE ENCLAVE AT HIDDEN LAKE COMMUNITY ASSOCIATION, INC. to which will be delegated and assigned the powers of owning, maintaining and administering the Common Areas, administering and enforcing the covenants and restrictions contained herein, and collecting and disbursing the Assessments and charges hereinafter created, in order to efficiently preserve, protect and enhance the value of the Project, to ensure, for the benefit of each Owner, the specific rights, privileges and easements in the Common Areas, and to provide for the maintenance and upkeep of the Common Areas, as provided in this Declaration and the Bylaws.

Although Declarant contemplates that separate easements, covenants, conditions and restrictions (which may include easements, covenants, conditions and restrictions similar to those herein contained} may be imposed with regard to the various phases or sections of the Project, Declarant desires to impose pursuant hereto easements, covenants, conditions and restrictions upon all of the Property, with the understanding that, at the option of Declarant, additional restrictions may be imposed with regard to the various phases or sections of the Project.

NOW, THEREFORE, Declarant hereby subjects the Property to the easements, covenants, conditions, restrictions, charges and liens hereinafter set forth and hereby declares that (subject to certain rights of amendment, as hereinafter described) all of the Property shall be held, sold and conveyed subject to such easements, covenants, conditions, restrictions, charges and liens, all of which are for the purpose of protecting the value, desirability and attractiveness of the Project. Subject to the above-described rights of amendment, such easements, covenants, conditions, restrictions, charges and liens shall run with the Property and be binding on all parties having or acquiring any right, title or interest in the Property, or any part thereof and shall inure to the benefit of each owner of the Property or any part thereof.

ARTICLE I

DEFINITIONS

Section 1. "Activity Card(s)." Those certain cards which are issued by the Association in accordance with the terms and conditions set forth in Section 2.2 and which confer upon the holder rights of access to and use of recreational facilities and other Common Areas within the Properties. This right may be suspended by the Association for failure to pay assessments, special assessments, fines, levies or for any other reason as determined by the Board.

Section 2. "Amenity Area" or "Amenity Areas" shall mean and refer to the parcel or parcels of land labeled "Amenity Area," "Amenity Site," or a similar term, on a Plat, together with any parking area, Lake House, Boathouse, outdoor pavilion, fishing pier, or other recreational amenity or facility constructed or placed thereon for the common use and enjoyment of all Owners.

Section 3. "Age-Qualified Occupant." Any individual: (i) 50 years of age or older who owns and occupies a Lot and was the original purchaser of the Lot from the Declarant; or (ii) 55 years of age or older who occupies a Lot. The terms "occupy," "occupies." or "occupancy" shall mean staying overnight in a particular Lot for at least ninety (90) days in any consecutive twelve (12) month period.

Section 4. "Architectural Changes Committee" shall mean the meaning set forth in Article VIII hereof.

Section 5. "Architectural Control Committee" shall mean and refer to the committee appointed by the Board to oversee the development and enforcement of architectural control standards and restrictions with respect to the Project and to perform certain other functions described in the Declaration.

Section 6. "Articles of Incorporation" shall mean and refer to the Articles of Incorporation for The Enclave at Hidden Lake Community Association, Inc.

Section 7. "Association" shall mean and refer to THE ENCLAVE AT HIDDEN LAKE COMMUNITY ASSOCIATION, INC., a North Carolina non-profit corporation, its successors and assigns.

Section 8. "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association, which shall be elected and shall serve pursuant to the Bylaws.

Section 9. "Bylaws" shall mean and refer to the Bylaws for THE ENCLAVE AT HIDDEN LAKE COMMUNITY ASSOCIATION, INC. as amended from time to time.

Section 10. "Caretaker" shall mean and refer to the individual (if any) employed by the Association, or by the independent manager of the Project for the benefit of the Association, to perform certain maintenance services with respect to the Common Area and improvements located thereon, and to administer certain activities of the Association, all as may be set forth in any agreement entered into by such Caretaker and the Association or independent manager of the Property, which agreement shall be subject to review and approval of the Association.

Section 11. "Cemetery" shall mean and refer to that certain cemetery designated on the Plat as "Cemetery." To the extent required by N.C.G.S. §65-74 and §65-75, non-Owners shall be permitted to enter the Project and access the Cemetery pursuant to those easements described in Article X, Section 9 of this Declaration.

Section 12. "Certificate of Occupancy" shall mean and refer to any required certification issued by the appropriate governmental authorities as a prerequisite to occupancy of any structure on the Property.

Section 13. "Common Area" or "Common Areas" shall mean and refer to the Amenity Area, Parking Area(s), up lighting and landscape lighting installed by Declarant on the Property, the Gates and the Roadways, including hard and soft-surface surface trails, bike paths, drainage facilities, monumentation, street signs, and other improvements located therein, collectively, and any other property specifically shown and designated on any Plat as "Common Area," "Common Open Area," "Common Open Space," "Open Space;' "Park," "COS," or "OS." The Common Areas shall be initially owned by the Declarant and ultimately owned by the Association (except as otherwise provided herein) for the common use, benefit and enjoyment of the Owners. The Declarant reserves the right, but not the obligation, to provide additional Common Areas within the Project.

Section 14. "CPI" shall mean and refer to the Consumer Price Index, All Urban Consumers, United States, All Items (1982-84 = 100) (hereinafter "CPI") issued by the U.S. Bureau of Labor Statistics.

Section 15. "Declarant" shall mean and refer to Babson Development Company, LLC, a North Carolina limited liability company, its successors in title and assigns, provided that any such successor-in-title or assign shall acquire for the purpose of development and/or sale all or substantially all of the remaining undeveloped or unsold portions of the Property and, provided further, that in the instrument of conveyance to any such successor-in-title or assign, such successor-in-title or assign is designated as the "Declarant" hereunder by the grantor of such conveyance, which grantor shall be the "Declarant" hereunder at the time of such conveyance, Provided further, that upon such designation of such successor Declarant, all rights, duties and obligations of the former Declarant in and to such status as "Declarant" hereunder shall cease, it being understood that as to all of the Property, there shall be only one person or legal entity entitled to exercise the rights and powers of the Declarant" hereunder at any time.

Section 16. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions as same may be amended and/or supplemented from time to time as herein provided.

Section 17. "Dwelling Unit" shall mean a room or combination of rooms designed for year-round habitation, containing a bathroom and kitchen facilities, and designed for or used as a residence by a family or household unit.

Section 18. "Entrance Monument Easements" shall mean and refer to the easements reserved by Declarant and granted to the Association in Article X hereof over, across and under certain areas of the Property, for the installation and maintenance of entrance monuments, landscaping and related improvements for the Project, all as more particularly described in Article X.

Section 19. "Gate(s)" shall mean and refer to one or more electric or electronic gates or similar devices to control and limit access to the Project.

Section 20. [D*eliberately omitted*]

Section 21. "Guild Builder" shall have the same meaning as set forth in Article VIII hereof.

Section 22. "Improvement" shall have the same meaning as set forth in Article VIII hereof.

Section 23. "Initial Contribution" shall have the same meaning as set forth in Section 8 of Article V.

Section 24. "Lot" shall mean and refer to any numbered or lettered tract of land (excluding any Common Area) shown on any Plat which is a part of the Property and which shall be restricted for such uses as are consistent with this Declaration and any other restrictions covering the area wherein the tract of land is located. No tract of land shall become

a Lot" as that word is used herein until a Plat of the area in which the same is located is recorded in the Office of the Register of Deeds of Franklin County, North Carolina.

Section 25. "Maintenance Areas" shall have the meaning as set forth in Article X hereof.

Section 26. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 27. "Mortgage" shall mean any mortgage or deed of trust constituting a first lien on a lot.

Section 28. "Mortgagee" shall mean the owner and holder of a Mortgage at the time such term is being applied. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

Section 29. "Occupant" shall mean and refer to any person occupying all or any portion of a Lot or the Property for any period of time, regardless of whether such person is a tenant of the Owner of such Lot or portion of the Property.

Section 30. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot or other portion of the Property, but excluding those having such interest merely as security for the performance of an obligation.

Section 31. "Parking Area" shall mean and refer to the parking lot or lots which may be constructed over certain portions of the Common Area(s), including, without limitation, the Amenity Area, for the common use, benefit and enjoyment of the Owners, their families, guests and invitees.

Section 32. "Period of Declarant Control" shall have the meaning set forth in Article IV hereof.

Section 33. "Person" shall mean and refer to any natural person, corporation, joint venture, partnership (general or limited), Limited Liability Company, association, trust or other legal entity.

Section 34. "Phase" shall mean and refer to any phase, section or portion of the Property for which a separate Plat or Plats are recorded in the Office of the Register of Deeds of Franklin County, North Carolina.

Section 35. "Plat" shall mean and refer to any plat of the Property or any part of it which is recorded from time to time in the Office of the Register of Deeds of Franklin County,

North Carolina, and any and all revisions thereof.

Section 36. "Project" shall mean and refer to the residential development and amenity facility being developed by Declarant on the Property and commonly known as The Enclave at Hidden Lake.

Section 37. "Property" shall mean and refer to that certain real property located in Franklin County, North Carolina, and more particularly described on Exhibit "A" attached hereto and incorporated herein by reference, as well as such additional property as may be made subject to the provisions of this Declaration pursuant to the provisions of Article II hereof.

Section 38. "Resident or Qualified Resident" shall mean any of the following persons occupying a Lot:

(a) any Age Qualified Occupant;

(b) any Person 19 years of age or older occupying a Lot with an Age Qualified Occupant'

(c) any Person 19 years of age or older who occupied a Lot with an Age Qualified Occupant and who continues, without interruption, to occupy the same Lot after termination of the Age Qualified Occupant's occupancy thereof.

An Individual who occupies a Lot but does not satisfy the criteria of (a), (b), or (c) above shall not be deemed to be a resident and shall not be entitled to any rights or privileges granted to a Resident hereunder.

Section 39. "Roadways" shall mean and refer to the roads, streets, entranceways and cul-de-sacs (if any) in the Project, shown on the Plats, and any other roads, streets, entranceways and cul-de-sacs on the Property, all to be privately maintained as Common Area by the Association.

Section 40. "Shared Drainage" shall mean all storm drainage pipes installed by Declarant or the Association which are located (i) entirely on Common Area, (ii) on two or more Lots, (iii) on Common Area and one or more Lots, or (iv) entirely on one Lot, and the drainage pipe is 12 inches (12") or greater in diameter.

Section 41. "Shared Wall" or "Shared Walls" means one or more retaining walls originally installed by Declarant or the Association for the purpose of providing additional structural support for improvements within Del Webb Traditions, which are located (i) entirely on Common Area, (ii) on two or more Lots, (iii) on Common Area and one or more Lots, or (iv) located entirely on one Lot and (a) has at least one exposed face (i.e., one above-ground surface) exceeding one- hundred and fifty (150) square feet in area, and (b) has an

above-ground height of (X) at least four (4) feet for a continuous span of fifteen (15) feet or (Y) in excess of 10 feet at any point.

Section 42. "Supplemental Declaration" shall mean and refer to any Supplemental Declaration of Covenants, Conditions and Restrictions filed in the office of the Register of Deeds of Franklin County, North Carolina, to bring additional property within the coverage of this Declaration and the jurisdiction of the Association, as more particularly described in Article II hereof.

Section 43. "Trail System" shall mean and refer to all hard surface or soft surface sidewalks, trails, biking, walking or jogging paths, or similar pathways located upon those portions of the Common Area designated by Declarant as part of a system of hard surface or soft surface sidewalks, trails, biking, walking or jogging paths including all trail related signs and structures within the Common Area.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF THE ASSOCIATION

Section 1. Property Made Subject to this Declaration.

The Property is hereby made subject to this Declaration and the Property shall be owned, held, leased, transferred, sold, mortgaged and/or conveyed by Declarant, the Association, each Owner and each party owning record title to any of the Property subject to this Declaration and the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens set forth in this Declaration.

Section 2. Additions to the Property.

(a) Declarant may cause Additional Property (including Common Areas) to be made subject to the terms and scheme of this Declaration by filing one or more Supplemental Declarations in the Office of the Franklin County Register of Deeds, containing a description of the Additional Property and a statement by the Declarant of its intent to extend the operation and effect of this Declaration to the Additional Property. The covenants and restrictions established herein as applied to, or imposed upon, the Additional Property may be altered or modified by the filing of one or more Supplemental Declarations as provided in Subparagraph (b) below. Any such Supplemental Declaration need only be executed by Declarant and the owner of the Additional Property being subjected to this Declaration, and shall not require the execution, joinder or consent of any other party whatsoever. The right set

forth in this subsection (a) may be exercised by Declarant at any time and from time to time until December 31, 2036.

(b) Any Supplemental Declaration may contain complementary additions to the covenants and restrictions contained herein as may be necessary in the judgment of the Declarant to reflect the different character of the Additional Property. Such complementary additions may include provisions that limit the rights of Owners of such Additional Property to use certain facilities located on or adjacent to the Common Areas and provisions for reduced assessments for such Owners to take into account that such Owners will not have the right to use certain of the facilities located on or adjacent to the Common Areas. Any such limitation on use of the Common Area or reduced assessments shall be at the sole option of Declarant. In no event, however, shall any Supplemental Declaration revoke, modify or add to the covenants and restrictions contained herein with respect to the Property initially subjected hereto, nor revoke, modify, change or add to the covenants and restrictions established by previously filed Supplemental Declarations, without meeting the requirements for amendment set forth in this Declaration.

(c) In addition to the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens set forth in this Declaration, Declarant shall have the right, at its election without the consent of any Owner or Owners, to subject any Phase, section or portion of the Property owned by Declarant to additional controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens, by filing an Additional Declaration in the Office of the Register of Deeds of Franklin County covering only such Phase, section or portion of the Property. Such an Additional Declaration may or may not provide for the establishment of a property owners' association to govern the ownership and/or maintenance of the Property affected by and the enforcement of the provisions of such Additional Declaration. Whether or not a property owners' association is formed pursuant to such Additional Declaration, the Association shall have the right and authority to enforce all controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens imposed by such Additional Declaration and any amendments thereto, whether or not such right and authority is expressly provided for in such Additional Declaration. Notwithstanding anything contained herein to the contrary, it is expressly understood and agreed that, so long as Declarant owns any part of the Property, the prior written consent of Declarant shall be required for any parties to modify, change and/or amend, in whole or in part, the terns and provisions of this Declaration, any Supplemental Declaration and/or any Additional Declaration or to impose new or additional covenants, conditions, restrictions or easements on any part of the Property.

ARTICLE III

PROPERTY RIGHTS

Section 1. Each Resident shall have the non-exclusive right and easement to use

and enjoy the Common Area, in common with the Owners of other Lots. Such rights and easements shall run with the land, shall be appurtenant to and pass with title to every Lot, and shall be subject to and governed by the following:

(a) This Declaration and any applicable Supplemental Declaration, amendments thereto, the Bylaws, and all other Governing Documents;

(b) Any covenants, commitments, provisions, restrictions or limitations contained in any deed conveying Common Area to the Association;

(c) Rules and regulations adopted by the Association;

(d) The right of the Association, acting through the Board, to impose fines and to suspend the rights, services and privileges of an Owner or Resident including, without limitation, the right to use recreational facilities;

(e) The right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area (subject to the approval of Developer);

(f) The right of the Association, acting through the Board, to permit use of any Common Area by Persons other than Members upon payment of use fees established by the Board;

(g) The right of the Board to create, enter agreements with, and grant easements to tax- exempt organizations;

(h) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for Association obligations;

(i) The right of the Association to rent, lease, or make available, with or without charge, for any purpose, any portion of any clubhouse and other recreational facilities within the Common Area to any Person approved by the Board for such uses as may be approved by the Board;

(j) The requirement that access to and use of recreational facilities within the Properties shall be subject to the presentation of an Activity Card issued by the Association for such purpose; and

(k) The rights of the Declarant and Developer hereunder.

Section 2. Activity Cards.

(a) Issuance by the Board. One (1) Activity Card shall be allocated to each Qualified Resident of a Lot, up to a maximum of two (2) Activity Cards per Lot. No Activity Cards shall be allocated to any Lot which is not occupied by a Qualified Resident. The Board shall determine entitlement to Activity Cards on an annual basis. Activity Cards shall be automatically renewed without charge, provided the Lot continues to be occupied by a Qualified Resident and all applicable assessments and other charges pertaining to the Lot have been paid. The Board may establish policies, limits, and charges with regard to the issuance of additional or duplicate cards

and guest privilege cards. The Board may issue Activity Cards to Persons who have signed binding contracts to purchase a Lot, subject to such policies as the Board may determine from time to time. An Owner is not entitled to any refund of assessments for any delays associated with the issuance of the activity cards.

(b) Assignment of Rights. The right to an Activity Card is based upon occupancy of a Lot. Any Owner who leases or otherwise transfers occupancy of his or her Lot shall be deemed to have assigned his or her rights to an Activity Card to the Qualified Resident(s) of such Lot. Any Owner who leases or otherwise transfers the right to occupy his or her Lot shall provide the Association with immediate written notice thereof and shall surrender to the Association his or her previously issued Activity Card. Activity Cards shall be surrendered by any holder who ceases to occupy a Lot, or at any time upon written notification from the Association that the holder no longer is entitled to hold an Activity Card.

(c) Issuance to the Declarant. During the Development Period, the Association shall provide the Declarant, free of charge, with as many Activity Cards as the Declarant, in its sole discretion, deems necessary for the purpose of marketing the Properties or for use by its employees. The Declarant may transfer the Activity Cards to prospective purchasers of Lots subject to such terms and conditions as it, in its sole discretion, may determine. Activity Cards provided to the Declarant shall entitle the bearer to use all Common Area subject to the payment of admission fees or other use fees charged to Qualified Residents holding Activity Cards.

Section 3. No Partition. Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action for partition of the whole or any part thereof. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property or from acquiring and disposing of real estate which may or may not be subject to this Declaration.

Section 4. Condemnation. In the case of a taking or condemnation by competent authority of any part of the Common Area, the proceeds awarded in such condemnation shall be paid first to satisfy any indebtedness secured by a mortgage or other lien encumbering such portion of the Common Area and the balance to the Association. The proceeds, if any, paid to the Association, together with any reserve being held for such part of the Common Area shall be used first to restore or replace any improvements taken or condemned, and the balance, if any, shall, in the discretion of the Board, either (i) be distributed to the Owners who have the right to use such Common Area and their respective Mortgagees, as their interests may appear, in equal shares, or (ii) be used for the mutual benefit of such Owners, as determined by the Board in its reasonable discretion; provided, that, during the Development Period, any such action must be consented to by the Declarant.

Section 5. Age Restriction Affecting Occupancy.

(a) Age Restriction. The Enclave is intended to provide housing primarily for Persons 55 years of age or older, subject to the rights reserved to Declarant. The Properties shall

be operated as an age restricted community in compliance with all applicable state and federal laws. No Person under 19 years of age shall stay overnight in any Lot for more than ninety (90) days in any consecutive twelve (12) month period. Each Lot, if occupied, shall be occupied by at least one (1) Age-Qualified Occupant; provided, however, that once a Lot is occupied by an Age-Qualified Occupant, other Qualified Residents of that Lot may continue to occupy the Lot, regardless of the termination of the Age-Qualified Occupant's occupancy. Notwithstanding the above, at all times, at least eighty percent (80%) of the improved and occupied Lots within the Properties shall be occupied by at least one (1) Age-Qualified Occupant. The Board shall establish policies and procedures from time to time as necessary to verify the names and ages of all occupants and Owners of the Lots and to monitor and maintain its status as an age restricted community under state and federal law. The Association may levy monetary fines against the Owner and the Owner's Lot for each day the Owner fails to provide information requested by the Association and/or the Board. The Association shall provide, or contract for the provision of those facilities and services designed to meet the physical and social needs of older Persons as may be required under such laws. The provisions of this Section may be enforced by the Association administratively and/or by an action in law or in equity, including, without limitation, an injunction requiring specific performance hereunder.

(b) Leasing/Sale of Lot. Nothing in this Section 5 shall restrict the ownership of or transfer of title to any Lot; provided no Owner under the age of 55 may occupy a Lot, except in compliance with this Section 5, nor shall any Owner permit occupancy of a Lot in violation of this Section 5. No Owner shall enter into a lease or any other occupancy agreement unless such lease or occupancy agreement expressly requires there to be least one (i) Age Qualified Resident occupying the Dwelling Unit on the Lot pursuant to such agreement. Any Owner who proposes to enter into a lease or other occupancy agreement or agreement of sale relating to the Owner's Lot shall: (i) assure that any such agreement is in writing, (ii) include in such agreement a statement in conspicuous type that the Lots within The Enclave are intended for residency by persons 55 years of age or older, as set forth in this Section 5, (iii) clearly disclose the age-restricted purpose to any tenant, purchaser, or other potential occupant of the Lot, and (iv) include in such agreement a provision stating that any violation of this Section 5 by the tenant or purchaser under the agreement shall constitute a default of the agreement.

(c) Exceptions. Any Owner may request in writing that the Board make an exception to the requirements of this Section 5 with respect to his or her Lot, based on a hardship that is substantiated by documentation supplied with the written request. The Board may, but shall not be obligated to, grant exceptions to this Section 5 in its sole discretion, provided that all of the requirements of the state and federal laws under which the Properties may be developed and operated as an age- restricted community are met in any event.

(d) Notification of Change in Occupancy. In the event of any change in occupancy of any Lot, as a result of a transfer of title, a lease or sublease, a birth or death, change in marital status, vacancy, or otherwise, the Owner of the Lot shall immediately notify the Board

in writing and provide to the Board the names and ages of all current occupants of the Lot and such other information as the Board may reasonably require to verify the age of each occupant required to comply with the state and federal laws under which the Properties may be developed and operated as an age-restricted community. In the event that an Owner fails to notify the Board and provide all required information within ten (10) days after a change in occupancy occurs, the Association may levy monetary fines against the Owner and the Lot for each day after the change in occupancy occurs until the Association receives the required notice and information, regardless of whether the occupants continue to meet the requirements of this Section, in addition to all other remedies available to the Association under this Declaration and North Carolina law.

(e) Records. The Association shall be responsible for maintaining records to support and demonstrate compliance with the Fair Housing Act as amended. The Board shall adopt policies, procedures, and rules to monitor and maintain compliance with this Section 5, including policies regarding visitors, updating of age records, the granting of exemptions to compliance, and enforcement. The Association shall periodically distribute such policies, procedures, and rules to the Owners and make copies available to owners, or tenants and mortgagees upon reasonable request.

(f) Enforcement. The Association, acting through the Board, may enforce this Section 5 in any legal or equitable manner available, as the Board deems appropriate, including, without limitation, conducting a census of the occupants of Lots, requiring that copies of birth certificates or other proof of age for one new Age-Qualified Occupant per Lot be provided to the Board on a periodic basis, and in the Board's sole discretion, taking action to evict the occupants of any Lot which does not comply with the requirements and restrictions of this Section 5. Association's records regarding individual members shall be maintained on a confidential basis and shall not be disclosed except as legally required and then only to the Governmental Authorities having jurisdiction and seeking to enforce state and federal laws. Each Owner shall fully and truthfully respond to any request from the Association or Board for information regarding the occupancy of his or her Lot which, in the Board's judgment, is reasonably necessary to monitor compliance with this Section 5. Each Owner hereby appoints the Association, which may act through the Board, as its attorney-in-fact for the purpose of taking legal or equitable action to dispossess, evict, or otherwise remove the occupants of his or her Lot as necessary to enforce compliance with this Section 5.

(g) Compliance. Each Owner shall be responsible for ensuring compliance with the requirements and restrictions of this Section 5 and the Association rules adopted hereunder, by itself and by its tenants and any other occupants of his or her Lot(s). Each Owner, by acceptance of title to a Lot, agrees to indemnify, defend, and hold Declarant, any affiliate of Declarant, and the Association harmless from any and all claims, losses, damages, and causes of action which may arise from failure of such Owner to uphold the obligation set forth in the foregoing sentence. Such defense costs shall include, but not be limited to, attorney fees and costs. Each Owner acknowledges that the Association and/or the Declarant (until the expiration of the Development

Period) are required to conduct a survey every year to verify the ages of the occupants of a Dwelling Unit, all in accordance with the Housing for Older Persons Act. Each Owner agrees to cooperate with the Association and/or Declarant to verify the names and ages of all occupants and Owners of the Lots and provide such other information as may be requested by the Association and/or Declarant.

Section 6. Easements, Leases, Licenses and Concessions and Rights. The Board shall have the right and power from time to time: (i) to lease or grant easements, licenses, concessions or other rights with regard to any portions or all of the Common Area for such uses and purposes as the Board deems to be in the best interests of the Owners including, without limitation, the right to grant easements relating to installation and operation of utilities, communication systems, satellite or cable television systems, and similar and related purposes; and/or (ii) with the agreement of the beneficiary or grantee of the easement, and any Owner whose Lot is benefitted thereby, cancel, alter or modify any easement which affects any Common Area, as the Board in its discretion shall determine. Any and all proceeds from leases, easements, licenses, concessions or other rights received by the Association with respect to the Common Area shall be used to pay the Common Expenses. Each Person, by acceptance of a deed, Mortgage, other evidence of obligation, or other instrument relating to a Lot, shall be deemed to grant a power coupled with an interest to the Board, as attorney-in-fact, to exercise the powers as provided for in this Section. Any instrument executed pursuant to the power granted herein shall be executed by the President and attested to by the Secretary of the Association (or other appropriate officer) and duly recorded in the Public Records.

ARTICLE IV

THE ASSOCIATION

Section 1. Membership. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot, and shall be governed by the Bylaws. In addition, as long as Declarant owns any part of the Property, Declarant shall be a Member of the Association.

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

(a) Class I. The Class I Association Members shall be all Association Members with the exception of Declarant. Class I Association Members shall be entitled to one (I) vote for each Lot owned by such Association Member. When more than one Person owns an interest (other than a leasehold or security interest) in any Lot, all such Persons shall be Members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

(b) Class II. The Class II Association Member shall be Declarant. The Class II Association Member shall be entitled to twenty (20) votes for each Lot owned by the Class II Association Member.

Section 3. Period of Declarant Control. "Period of Declarant Control" means the period of time during which the Declarant shall at all times be entitled to appoint and remove the Association's Board of Directors and the officers of the Association, and during which the Class I Association Members shall have no right to nominate, elect, or remove, or exercise any vote to nominate, elect, or remove, the Board of Directors, such period of time beginning on the date that the Association is incorporated and ending at such time as Declarant does not own any portion of the Property, or at such earlier time as Declarant terminates such right by execution of a written instrument of termination. Anything to the contrary in this Declaration, the Bylaws, the Articles of Incorporation, or the North Carolina Planned Community Act notwithstanding, if not sooner ended or terminated, the Period of Declarant Control shall end on December 31, 2036.

During the Period of Declarant Control occurs, the Board shall have the sole and exclusive authority to exercise all powers and rights of and to act in all instances on behalf of the Association, and the Members shall have no authority to exercise such powers or rights or to act by exercise of their votes, except as determined by the Board in its sole and absolute discretion, and except as provided with respect to the commencement of judicial or administrative proceedings as provided in Article XII, Section 5, of this Declaration, and those acts that the Planned Community Act or other applicable laws provide may not be undertaken unilaterally by the Board, such as, to the extent required, ratification of the budget as provided in Article V, Section 3 of this Declaration.

Section 4. Availability of Documents. The Association shall maintain current copies of the Declaration, the Bylaws and other rules concerning the Project as well as its own books, records, and financial statements available for inspection by all Owners, Mortgagees and insurers and guarantors of Mortgages that are secured by Lots, provided the Association shall have no responsibility to distribute such documents. All such documents shall be available upon reasonable notice and during normal business hours, provided the Association shall have the right to charge the requesting party reasonable costs incurred by the Association in complying with such request, including, without limitation, copy charges. In addition, any Mortgagee may, at its own expense, have an audited statement prepared with respect to the finances of the Association.

Section 5. Management Contracts. The Association is authorized and empowered to engage the services of any person, firm or corporation to act as managing agent of the Association at a compensation level to be established by the Board and to perform all of the powers and duties of the Association. The Association is also authorized and empowered to enter into agreements (and to assume agreements entered into by Declarant) with

caretakers, natural resource managers, and activities and program directors to perform certain maintenance functions and perform other services relating to the administration of the Common Area, the Property, and the Association.

Section 6. Maintenance. The Roadways shall be maintained by the Association. Such maintenance shall include repair and reconstruction of the Roadways, when necessary, including, but not limited to the swales, medians, bridges and associated landscaping and related improvements along and within the Roadways. However, notwithstanding anything to the contrary set forth in this Declaration, each Owner shall maintain all areas within the Roadway right-of-ways between such Owner's Lot boundary adjoining such right-of-way to the edge of the Roadway pavement, to the extent not maintained by the Association, including without limitation mowing grass and keeping ditches and swales free from debris. Maintenance of the Roadways shall conform to the standard of maintenance (if one is ascertainable) which would be required by the North Carolina Department of Transportation or other governmental entity.

The Common Areas and the Maintenance Areas, together with all utilities, easements and amenities located therein and not otherwise maintained by public entities or utilities or any other party as provided herein, shall be maintained by the Association as more particularly described below:

(a) Maintenance of the entryways to the Project shall include maintenance, repair and reconstruction, when necessary, of the entrance monuments, signage, irrigation, planters and lighting located thereon and providing and paying for landscaping, utility charges for irrigation and lighting of the entrance monuments and signage located thereon.

(b) Maintenance of the Parking Area(s) (if any) shall include repair, maintenance and reconstruction, when necessary, of the pavement (if paved) and payment of the costs of lighting.

(c) Maintenance of the Gate(s) shall include repair, maintenance and replacement, when necessary, of said Gates.

(d) The swales and medians and associated landscaping and related improvements along and within the Roadways sha11 be maintained so as to facilitate proper drainage of water through such swales, and providing such landscaping maintenance as the Board deems in its discretion necessary so as to maintain an appearance in keeping with the remainder of the Project.

(e) The Common Areas and Maintenance Areas, including, without limitation, the Amenity Area and Open Areas, shall be clean and free from debris and maintained in a safe and orderly condition, together with the landscaping thereon (if any), in accordance with the highest standards for first-class residential developments located in the Raleigh, North Carolina,

metropolitan area, including any removal and replacement of any landscaping, utilities, or improvements located thereon.

(f) Maintenance of any improvement within the Amenity Area shall include, but not be limited to, any and all interior and exterior maintenance (including, where necessary, repair and/or reconstruction), landscaping and payment of all utility charges related to any such improvement.

(g) The Association shall not be responsible for the maintenance of any Lot or any portion of any Lot or the improvements within the boundaries thereof. The Owners of such Lots shall be solely responsible for same.

(h) Maintenance of the Stormwater Control Facilities shall include the operation, maintenance, repair, and if necessary, reconstruction of the facilities. Maintenance of the facilities shall be at least in accordance with instructions for the specific type of Best Management Practices for the facility as described in Stormwater Best Management Practices ("Manual") , NC Department of Environment and Natural Resources (NCDENR), Division of Water Quality, Water Quality Section, 1999, including any and all subsequent revisions, and in accordance with the provisions of the agreement by and between Franklin County and the Declarant dated January 31, 2019 entitled the "Stormwater Facility/BMP Operation and Maintenance Agreement."

(i) The Drainage Easements and associated landscaping and related improvements sha11 be maintained so as to facilitate proper drainage of water through such easements, and providing such landscaping maintenance as the Board deems in its discretion necessary so as to maintain an appearance in keeping with the remainder of the Project.

Section 7. Reserve Fund. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of all or a portion of the Common Areas or Maintenance Areas and in order to fund unanticipated expenses of the Association or to acquire equipment or services deemed necessary or desirable by the Board of Directors. Such reserve fund shall be collected and maintained out of the Annual Assessments, as hereinafter defined. Assessments collected as reserves shall not be considered to be advance payments of Annual Assessments.

Section 8. Parking Area. Declarant may construct, and the Association shall maintain, repair and, if destroyed, replace, as a common expense of the Association, Parking Areas, which may be paved or unpaved, located on the Amenity Area and other Common Areas. The Parking Areas shall be constructed and maintained in order to provide parking for the Owners, and may be used by Declarant and its assigns and the Owners, their families, guests and invitees, in connection with their use of the Amenity Area.

Section 9. Liability Limitations. Neither Declarant, nor any Association Member, nor the Board, nor any officers, directors, agents or employees of any of them shall be personally liable for debts contracted for or otherwise incurred by the Association or for a tort of another Association Member, whether or not such other Association Member was acting on behalf of the Association or otherwise. Neither Declarant, nor the Association, nor their directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portions thereof or for failure to repair or maintain the same. Declarant, the Association or any other person, firm or association making such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portions thereof. The Association shall, to the extent permitted by applicable law, indemnify and defend all members of the Board from and against any and all loss, cost, expense, damage, liability, claim, action or cause of action arising from or relating to the performance by the Board of its duties and obligations, except for any such loss, cost, expense, damage, liability, claim, action or cause of action resulting from the gross negligence or willful misconduct of the person(s) to be indemnified.

ARTICLE V

COVENANT FOR ANNUAL ASSESSMENTS, SPECIAL ASSESSMENTS AND INITIAL CONTRIBUTION TO CAPITAL

Section 1. Creation of the Lien and Personal Obligation for Annual, Supplemental Annual, Special, and Special Individual Assessments. Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance document, is deemed to covenant and agrees to pay to the Association Annual Assessments, Supplemental Annual Assessments, Special Assessments, and Special Individual Assessments (collectively, the "Assessments"), as hereinafter defined, established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorneys' fees, shall be a charge and a continuing lien upon the Lot against which each such assessment or charge is made. Each such assessment or charge, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner, at the time when the assessment fell due, of the Lot against which such assessment or charge is made. The personal obligation for delinquent assessments or charges shall not pass to an Owner's successors in title unless expressly assumed by them, provided such assessments or charges, together with interest, costs, and reasonable attorneys' fees, shall, as set forth above, be a continuing lien upon the Lot against which such assessments or charges are made.

Section 2. Purpose of Annual Assessments. The assessments to be levied annually by the Association ("Annual Assessments") shall be used as follows:

(a) to repair, operate, maintain, reconstruct (when necessary) and keep

clean and free from debris the Common Areas, the Community Pressure System, and the Maintenance Areas and any improvements located thereon and to maintain the landscaping in accordance with the highest standards for first-class residential developments located in the Raleigh, North Carolina, metropolitan area, including any necessary removal or replacement of landscaping;

(b) to maintain and repair the Roadways to the standards of the maintenance (if one is ascertainable) for residential streets in developments similar to the Project prevailing in theRaleigh, North Carolina, metropolitan area;

(c) to maintain, operate, repair and reconstruct, when necessary, the entryways to the Project, including the entrance monuments, signage, irrigation, planters, landscaping and lighting locatedthereon;

(d) to maintain and repair the swales and medians, and landscaping and related improvements along and within the Roadways;

(e) to pay all costs associated with the operation of any up lighting and landscape lighting initially installed by Declarant, including utility costs;

(f) to pay all ad valorem taxes levied against the Common Areas and any other property owned by the Association;

(g) to pay the premiums on all insurance carried by the Association pursuant hereto or pursuant to the Bylaws;

(h) to pay all legal, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the Bylaws;

(j) to carry out all other purposes and duties of the Association, the Board of Directors and the Architectural Control Committee as stated in the Articles, the Bylaws and *in* this Declaration;

(k) to maintain contingency reserves for the purposes set forth in Article IV hereof in amounts as determined by the Board of Directors;

(l) to pay the salary of and all other costs associated with the employment of any Caretaker, and any other persons who may be employed by the Association;

(m) to pay all costs incurred with respect to any resource manager or other consultant engaged to assist with the preservation of flora and fauna within the Property; and

(n) to maintain, operate, repair and replace, when necessary, the Gates.

The expenses of the Association for the foregoing are sometimes referred to herein as "common expenses."

Section 3. Payment of Annual Assessments; Due Dates. Each Owner of a Lot shall pay to the Association Annual Assessments as hereinafter set forth.

Annual Assessments provided for herein shall commence as to all Lots shown on a Plat of any Phase of the Property as of the date of the conveyance of the first Lot in such Phase by Declarant to an Owner (other than Declarant) of such Lot, or on January 1, 2019, whichever shall later occur. The Annual Assessment for the first year in which a Lot is subject thereto shall be prorated based upon the number of days remaining in the applicable billing period from the date of such conveyance. The Annual Assessment amount for the calendar year beginning January 1, 2019, shall be Two Thousand Four Hundred and No/100 Dollars ($2,400.00) per Lot. The Annual Assessment amount for each and every year thereafter shall be in an amount as set by the Board of Directors, in accordance with the terms of this Article V. Annual Assessments shall be due and payable in advance in equal monthly installments on the first day of each month of the calendar year. The Board of Directors shall prepare an annual budget and fix the amount of the Annual Assessments as to each Lot for any calendar year on or before December 1 of the prior calendar year, and the Association shall send written notice of the amount of the Annual Assessments, as well as the amount of the payment due, to each Owner on or before December 15 of the prior calendar year. To the extent required by North Carolina General Statutes 47F-3-103(c) or other applicable law, such notice shall include notice of a meeting of the Members to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. If such a meeting is required by N.C. General Statutes 47F-3-103(c), or other applicable law, the Board of Directors shall set a date for a meeting of the Members to consider ratification of the budget to be held not less than ten (I0) nor more than sixty (60) days after mailing of the summary and notice. If such meeting is required as set forth above, there shall be no requirement that a quorum be present at the meeting. The budget will be ratified unless: (a) if such vote is taken during the Period of Declarant Control, at such meeting Members exercising ninety percent (90.0%) of the votes in the Association reject the budget if such vote is taken after the Period of Declarant Control, at such meeting Members exercising a majority of the votes in the Association reject the budget.

(b) The failure of the Association to send, or of a Member to receive, such notice shall not relieve any Member of the obligation to pay Annual Assessments.

(c) If the Board of Directors shall, during any calendar year, determine that the important and essential functions of the Association cannot be funded by the Annual Assessment, the Board may, by vote in accordance with the Bylaws, levy a supplemental Annual Assessment ("Supplemental Annual Assessment"), subject to the procedures set forth in Article V, Section 3 above.

(d) With respect to any Lot conveyed by Declarant, the purchaser of such Lot shall pay to the Association at closing the amount of the Annual Assessment for the installment period in which the closing occurs on such Lot, prorated based upon the number of days remaining in such installment period. With respect to any Lot conveyed by any Owner other than Declarant, the amount of the Annual Assessment applicable to such Lot for the installment period in which such closing occurs shall be prorated between the buyer and seller thereof as of the date of closing of such conveyance.

Section 4. Special Assessments. In addition to the Annual Assessment authorized above, the Association may levy, in any assessment year, a special assessment ("Special Assessment") applicable to that year only for the purpose of defraying, in whole or in part, the cost of (i) the construction of any Common Area and/or Maintenance Area improvements which are not originally constructed by Declarant or (ii) the reconstruction, repair or replacement of the Common Areas and/or Maintenance Areas, including any improvements located thereon, and including, without limitation, the Amenity Area, Roadways, and Gates. Provided, however, (a) Declarant shall not be obligated to pay any Special Assessments on Lots owned by Declarant except with Declarant's prior written approval, and (b) any Special Assessment must be approved by Declarant (so long as Declarant owns any part of the Property) and by a vote of a majority of the votes appurtenant to the Lots which are then subject to this Declaration.

Section 5. Special Individual Assessments. In addition to the Annual Assessments and Special Assessments authorized above, the Board of Directors shall have the power to levy a special assessment applicable to any particular Owner ("Special Individual Assessment") (i) for the purpose of paying for the cost of any construction, reconstruction, repair or replacement of any damaged component of the Common Areas and/or Maintenance Areas, including, without limitation, Roadways, Gates, and the Amenity Area, and any improvements located thereon, occasioned by any act or omission of such Owner(s), members of such Owner's family or such Owner's agents, guests, employees, tenants or invitees and not the result of ordinary wear and tear; or (ii) for payment of fines, penalties or other charges imposed against any particular Owner relative to such Owner's failure to comply with the terms and provisions of this Declaration, the Bylaws or any rules or regulations promulgated by the Association or the Declarant pursuant to this Declaration or the Bylaws. Provided, however, Declarant shall not be obligated to pay any Special Individual Assessment except with Declarant's prior written approval. The due date of any Special Individual Assessment levied pursuant to this Section 5 shall be fixed in the Board of Directors resolution authorizing such Special Individual Assessment. Upon the establishment of a Special Individual Assessment, the Board shall send written notice of the amount and due date of such Special Individual Assessment to the affected Owner(s) at least thirty (30) days prior to the date such Special Individual Assessment is due.

Section 6. Collection Agent. At the option of the Board of Directors, any person or entity designated by the Board of Directors may act as collection agent for any and all

assessments imposed by the Association and/or the Board against the Owners.

Section 7. Assessments against Lots owned by Declarant.

Anything to the contrary set forth in this Declaration notwithstanding, Assessments on each Lot owned by Declarant as the Class II Association Member and owned by Guild Builders as Class I Association Members shall be in the reduced amount of ten percent (10%) of the per Lot Assessment amount established by the Association for the Lots owned by all other Class I Association Members. Furthermore, Declarant and Guild Builders shall be entitled to credit against any Assessments on Lots owned by them for any and all amounts which they have paid directly for common expenses, or have paid or contributed to the Association for the Association's payment of common expenses.

Section 8. Initial Contribution to Capital.

Upon acquisition of title to a Lot by the first Owner thereof other than Declarant, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association initially in the amount of Two Thousand and 00/100 Dollars ($2,000.00) ("Initial Contribution"). The Initial Contribution shall be in addition to, not in lieu of, the Annual Assessment and shall not be considered an advance payment of such Assessment. The Initial Contribution shall be collected at the closing of the purchase of the Lot and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to this Declaration and the By-Laws. The Initial Contribution may be changed by Declarant from time to time during the Development Period, or by the Association from time to time, following the end of the Development Period, as necessary to properly establish and ensure that all Owners fairly contribute to the working capital of the Association.

ARTICLE VI

GENERAL ASSESSMENT PROVISIONS

Section 1. Certificate Regarding Assessments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 2. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment (or installment thereof) not paid by its due date as set forth herein shall bear interest from such due date at the rate of eighteen percent (18%) per annum or the highest rate then permitted by law, whichever is less. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the Board of Directors to defray the costs arising because of late payment. The Association may bring an action at law against the delinquent Owner (or foreclose the lien against the applicable portion of the Property), and interest, late payment charges, court or collection costs, any fines imposed, and reasonable

attorney's fees related to such action or foreclosure shall be added to the amount of such assessment and the lien securing such assessment. Additionally, the Association may accelerate all monthly installments of the Annual Assessment for the calendar year in which the default occurs. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of his or her property or the Common Areas or otherwise.

Section 3. Subordination of the Lien to Mortgages. The lien of the assessments provided for in Article V and in Article VII of this Declaration shall be subordinate to the lien of any first Mortgage on a Lot. Sale or transfer of any Lot shall not affect the assessment lien. The sale or transfer of any Lot pursuant to a mortgage foreclosure under any first Mortgage on a Lot, or any proceeding in lieu thereof, however, shall extinguish the lien *(but* not the personal obligation of the mortgagor or any prior Owner) of such assessments as to payments which became due prior to such sale or transfer; provided, however, that the Board of Directors may in its sole discretion determine such unpaid assessments to be an Annual, Special or Special Individual Assessment , as applicable, collectable pro rata from all Owners, including the foreclosure sale purchaser. Such pro rata portions are payable by all Owners. No sale or transfer shall relieve the purchaser of such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the lien provided for herein shall continue to be subordinate to the lien of any first Mortgage on a Lot.

Section 4. Uniformity of Assessments. Except as otherwise specifically set forth herein, all Annual Assessments and Special Assessments shall be uniform as to all Lots; provided, however, this provision shall not apply to reduced assessments against Lots owned by Declarant authorized by Article V, Section 7, of this Declaration.

ARTICLE VII

RESTRICTIONS

Section 1. Residential Restrictions. Each Lot shall be used exclusively for sing1e-family, non-transient residential purposes; provided, however, Declarant shall have the right to use the Lots designated from time to time by Declarant for the purpose of construction and operation of construction offices and sales/marketing offices (and for related uses) for the Project. No trade, business or business activity of any kind shall be conducted upon a Lot or any part thereof except by Declarant as described hereinabove or except with the written approval of the Board. Provided, however, the Board may permit a business or business activity to be conducted on a Lot so long as such business, in the sole discretion of the Board, does not otherwise violate the provisions of this Declaration, does not create a disturbance and does not unduly increase traffic flow or parking congestion on the Property or in the Project. The Board may issue rules regarding permitted business activities.

Except those to be utilized by Declarant as described hereinabove, no structure shall be erected, placed, altered, used or permitted to remain on any Lot other than one single-

family Dwelling Unit, and such other secondary Dwelling Units and Accessory Structures as are approved in advance in writing by the Architectural Control Committee pursuant to the Guidelines. Each Lot Owner shall notify the Architectural Control Committee prior to the commencement of construction upon their respective Lots as to which structure on their Lot shall be the primary Dwelling Unit subject to the minimum heated floor area requirements in Section 2 of this Article VII. No Lot and no Improvements may be used for hotel or other transient residential purposes. Each lease relating to any Lot or any Improvements thereon (or any part of either thereof) must be for a term of at least six (6) months, must be in writing, and must provide that the tenant is obligated to observe and perform all of the terms and provisions hereof applicable to such Lot and/or Improvements. Copies of all lease agreements must be delivered to the Association promptly after the execution thereof. Nothing herein contained shall be construed to prohibit or prevent the construction, operation and use of any cottage, villa, lodge or other similar dwelling within the Amenity Area intended to be used for overnight stay by guests of an Owner entitled to use the same.

Section 2. Primary Dwelling Unit Size. Any primary Dwelling Unit erected upon any Lot shall contain not less than 1,400 square feet of enclosed heated floor area as measured from the ground level up (said ground level being the first level of any primary Dwelling Unit as viewed from the Roadway fronting same) and exclusive of the areas in heated or unheated basements, vaulted ceiling areas and attics, unheated porches of any type, attached or detached garages, porte-cocheres and unheated storage areas, decks and patios. Notwithstanding the foregoing requirements, the Architectural Control Committee shall have the right (but not the obligation), because of restrictive topography, lot shape, dimensions or unusual site related conditions or other reasons, to allow variances from such minimum square footage requirements by granting a specific written variance.

Section 3. HVAC Equipment. No air conditioning or heating equipment or apparatus shall be installed on the ground in front of, or attached to any front wall of, any Dwelling Unit or Accessory Structure on a Lot. Additionally, air conditioning and heating equipment and apparatus shall be screened from view from Roadways by landscape improvements, as more particularly provided in the Guidelines.

Section 4. Exterior Lighting. Exterior lighting on Lots shall be subject to the applicable requirements and limitations in the Guidelines and shall be subject to the approval of the Association.

Section 5. Fences and Walls. In addition to the restrictions contained elsewhere in this Declaration, only fences or walls (including, without limitation, densely planted hedges, rows or similar landscape barriers) approved in advance by Declarant and/or the Architectural Control Committee, in their sole and absolute discretion, shall be used, installed and/or constructed along or near the front, side and/or rear boundary lines of each Lot within the Project. All fences and walls shall be maintained in a structurally sound and

attractive manner. No fence or wall shall be erected on any Lot until the Architectural Control Committee has given its prior written approval of the color, size, design, materials and location for such fence or wall. The Architectural Control Committee may, in its sole and absolute discretion, refuse to allow any fences or walls on a Lot, even if fences or walls are allowed on other Lots.

Section 6. Mail Boxes; House Numbers. Mail for the Lot Owners shall be delivered to a Central Mail Kiosk. No mailbox or newspaper box shall be erected or maintained on any Lot. House numbers may be displayed on the Dwelling Unit only as approved by the Architectural Control Committee.

Section 7. Animals. No animals, livestock or poultry, including horses, shall be raised, bred or kept on any portion of the Property, except that dogs, cats or other household pets may be kept, but not for any commercial purposes, provided they do not create a nuisance (in the judgment of the Board) such as, but without limitation, by noise, odor, damage or destruction of property or refuse. Any excrement deposited by an animal on any portion of the Property shall be promptly removed and appropriately disposed of by the owner of such animal. No household pets shall be kept or maintained outside the Dwelling Unit on a Lot. Dogs shall at all times whenever they are outside of a Dwelling Unit be on a leash or otherwise confined in a manner acceptable to the Board. Animal control authorities shall be permitted to enter the Project and the Property to patrol and remove pets and wild animals. All pets shall be registered, licensed and inoculated as required by law. No fenced dog enclosure or other structure for pets may be constructed or maintained on any Lot unless the same has been approved in writing by the Architectural Control Committee.

Section 8. Signs. No sign of any kind shall be displayed on any Lot except for sign(s) approved in advance by the Architectural Control Committee. Notwithstanding the foregoing, Declarant shall be entitled to erect and maintain signs and billboards advertising the Property, the Project or portions of either, or for any other purpose, on any portion of the Property owned by Declarant or in the Common Areas or Maintenance Areas.

Section 9. Temporary Structures; Structure Materials. No residence or building of a temporary nature, including a construction trailer, shall be erected or allowed to remain on any Lot, and no metal, fiberglass, plastic or canvas tent, barn, carport, garage, utility building, storage building or other metal, fiberglass, plastic or canvas structure shall be erected on any Lot or attached to any residence unless approved by the Architectural Control Committee. Provided, however, nothing herein shall prohibit Declarant or a Guild Builder (subject to the prior written approval of Declarant) from erecting or moving temporary buildings onto Lots owned by Declarant or such Guild Builder to be used for storage, or for construction or sales offices.

Section 10. [Intentionally *Omitted*]

Section 11. Utilities. All utilities and utility connections shall be located underground, including electrical, telephone and cable television lines. Transformers, electric, gas or other

meters of any type, or other apparatus shall be located at the rear of the buildings constructed on Lots or, if approved by the Architectural Control Committee in writing, located elsewhere on the Lot provided they are adequately screened as required by the Architectural Control Committee in accordance with the provisions of this Declaration.

Section 12. Sediment Control. Sufficient sediment control measures, including, but not limited to, installation and maintenance of silt fences, straw bale fences, storm water inlet protection and temporary seeding, to the extent deemed reasonably necessary by Declarant or the Architectural Control Committee, shall be taken by the Owner or Owner's builder to ensure that all sediment resulting from any land disturbance or construction operation is retained on the Lot in question. All sediment control measures must be maintained until such Lot has been permanently stabilized with respect to soil erosion.

Section 13. "Building Envelope". Unless approved in advance by the Architectural Control Committee, no construction activities, Dwelling Unit, Accessory Structure, building or other Improvement on any Lot (including any stoops or porches, patios, decks, terraces, etc.) shall be erected or permitted to remain outside of the "Building Envelope" for that particular Lot as established by the Architectural Control Committee (as to each Lot, the "Building Envelope"). The Building Envelope approved for any Lot will be available from the Architectural Control Committee on a site illustration diagram. The Architectural Control Committee shall have the right in its sole discretion to make exceptions to any Building Envelope to recognize any special topography, vegetation, Lot shape or dimension, or other site-related conditions. In the event any zoning or subdivision ordinance, floodway regulation or other ordinance, law or regulation applicable to a Lot shall prescribe greater setbacks, then all buildings erected during the pendency of such requirements shall conform thereto.

Section 14. Waste. No Lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. During construction of Improvements on a Lot, all rubbish and debris shall be stored and disposed of in accordance with the rules and established by the Architectural Control Committee.

Section 15. Combination or Subdivision of Lots. Should the Owner of a Lot own an adjacent Lot(s) and desire that two (2) or more such Lots be considered as one Lot, then such Lots shall (except as provided herein) be considered as one Lot for the purposes of this Article VII upon the recordation in the Office of the Register of Deeds of Franklin County, North Carolina, of an instrument by such Owner expressing such intent (such instrument shall refer specifically to this section in this Declaration and shall identify the Lots to be considered as one Lot for purposes of this Article VII, and a copy of such recorded instrument shall be promptly delivered by such Owner to the Architectural Control Committee); and in each such case, Building Envelopes, setback lines, and easements reserved in this Declaration shall be adjusted accordingly by the Architectural Control Committee. The Owner of any Lot which combines with all or a portion of a contiguous Lot

shall be solely responsible for any costs which may result from such combination, including the costs of relocating any existing easements. With respect to combined Lots, such lots shall be considered multiple Lots for purposes of payment of assessments. No Lot shall be subdivided by sale, lease or otherwise without the prior written consent of Declarant. Declarant reserves the right to change the size, boundaries or dimensions of any Lot owned by Declarant for any reason, and to determine in its sole discretion whether combined Lots are to be treated as one Lot or multiple Lots, including for assessment purposes.

Section 16. Restricted Activities in Common Areas and Maintenance Areas. No cutting of vegetation, dumping, digging, filling, destruction or other waste shall be committed on the Common Areas or the Maintenance Areas except as approved by the Association and Declarant. There shall be no obstruction of the Common Areas or the Maintenance Areas, nor shall anything be kept or stored in the Common Areas or the Maintenance Areas, nor shall anything be altered, or constructed or planted in, or removed from, the Common Areas or the Maintenance Areas, nor shall water from Hidden Lake or Brandy Creek be drawn for irrigation or any other purpose. Each Owner shall be liable to the Association and/or Declarant for any damage to any Common Area and/or the Maintenance Area caused by the negligence or willful misconduct of the Owner or his family, tenants, guests, agents, employees, or invitees. Provided, however, the provisions in this paragraph shall not apply to Declarant in connection with Declarant's construction activities on the Property.

Section 17. Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any Lot, other than in enclosed garages.

Section 18. Rules of the Board. All Owners of any Lot shall abide by all rules and regulations adopted by the Board from time to time. The Board shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and an Owner determined by judicial action to have violated said rules and regulations shall be liable to the Association and/or Declarant for all damages and costs, including attorneys' fees.

Section 19. Recreational and OtherEquipment.

· (a) No recreational equipment (including, but not limited to, basketball backboards and hoops, trampolines, swing sets, tree houses, children's climbing or play apparatus and other equipment associated with either adult or juvenile leisure or recreation) shall be attached to the exterior of any Dwelling Unit or Accessory Structure or otherwise placed or kept on any Lot, except in accordance with the requirements as set forth in the

Guidelines and with the prior written approval of the Architectural Control Committee.

(b) No such recreational equipment shall be located in such a manner as to constitute a nuisance or unsightly condition to adjoining Owners.

(c) No such recreational equipment shall be located within hundred feet (100') of any area designated as "Open Space," "Common Open Space," "OS," or "COS" (or similar designation) on a Plat.

(d) Children's play toys and other moveable equipment of any type (such as lawn mowers, garden tools, etc.) shall not remain repeatedly overnight within any front yard of any Lot, or within the side yards of any Lot located on a Roadway corner, in such number or for such a long period of time as to create a continuing, unsightly condition.

Section 20. Parking; Storage.

No vehicles, trucks, vans, cars, trailers, construction equipment, etc. may be parked overnight on any Roadway within the Property. Commercial-use vehicles and trucks not involved with construction activity on the Property and having a carrying capacity and/or size designation greater than or equal to three-fourths (3/4 t) ton shall not be permitted to park overnight on the Roadways, driveways or otherwise within the Property, unless stored in an enclosed garage. No vehicle of any size which transports inflammatory or explosive cargo may be kept within the Property at any time. Vehicles that are not in a condition to be normally operated or that do not have a current registration tag may not be stored or situated on any Lot unless stored in an enclosed garage.

(a) The Owner of each Lot will be responsible for providing on such Owner's Lot a sufficient paved parking area for all vehicles normally parked and/or situated on or in regard to such Lot.

. (b) No recreational vehicles or related equipment, including any boat, houseboat, trailer, motor home or "camper" vehicle may be maintained, stored or kept on any portion of the Property except as approved in writing by the Architectural Control Committee.

(c) No construction office trailers may be placed, erected or allowed to remain on any Lots during construction, except as approved in writing by the Architectural Control Committee; provided, however, nothing herein shall prohibit Declarant from erecting or moving temporary buildings onto Lots owned by Declarant to be used as construction or sales offices. Other construction vehicles (trucks, vans, cars, construction equipment, equipment trailers, etc.) may be left overnight on the Property (including any Lot or Roadway) only in accordance with such rules as may be established by the Architectural Control Committee.

Section 21. [Intentionally *Omitted]*

Section 22. [*Intentionally Omitted*]

Section 23. Nuisances. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on such Owner's property. No Lot shall be used, in whole or in part, for the deposit, storage or burial of any property or thing that will cause such property to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within any Lot, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Project. There shall not be maintained on any Lot any plants or animals or device or thing of any sort whose activity or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Project. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Dwelling Unit, Accessory Structure, or any unimproved Lot unless required by law. All exterior lighting shall be in conformance with the Guidelines.

Section 24. Diligent Construction. All construction, landscaping or other work which has been commenced on any Lot must be continued with reasonable diligence to completion and no partially completed Dwelling Units, Accessory Structures or other Improvements shall be permitted to exist on any Lot, except during such reasonable time period as is necessary for completion. All construction and landscaping must be completed within one year after the date upon which it commenced, unless a longer time is approved in writing by the Architectural Control Committee. Any damage to the Roadways, curbs or sidewalks or any part of any Common Area, Maintenance Area or any utility system caused by an Owner or Owner's builder or such builder's subcontractors shall be repaired by such responsible Owner. Any builder of Improvements and such builder's subcontractors on any portion of the Property shall keep such portion of the Property free of unsightly construction debris, in accordance with the construction rules established by the Architectural Control Committee (or, in the absence of such rules, in accordance with standard construction practices), and shall similarly keep contiguous public and private areas free from any dirt, mud, garbage, trash, or other debris which is occasioned by construction of Improvements. The Board may levy a Special Individual Assessment against an Owner's property in the Project to pay for the cost of repairing any damage to Roadways, curbs or sidewalks or any part of any Roadway, Common Area, Maintenance Area or utility system, to pay for the cost of cleaning public and private areas, including the Roadways in the Project, and to pay for the cost of the removal of garbage, trash or other debris, which are occasioned by the

activities of an Owner or Owner's builder or such builder's subcontractors during the construction of Improvements.

Section 25. Public Water System; No Private Individual Wells. Irrigation Restrictions. All water supplies necessary to serve the Project (the "Water System"), and all water mains, pipes and other equipment necessary for the operation and maintenance of the Water System, shall be owned, operated, repaired and maintained by Franklin County, which is duly licensed and operating under the authority granted by the North Carolina Department of Public Utilities Commission. All Owners shall connect to the Water System for domestic water service. The Water System shall be the sole provider of water supply to the Project, and no well may be dug or constructed on any Lot for the purpose of providing domestic water supply provided, however, subject to the approval of the Architectural Control Committee, wells may be dug or constructed for uses including heating, cooling, and irrigation systems.

Section 26. [*Intentionally Omitted*]

Section 27. [Intentionally *Omitted*]

Section 28. [*Intentionally Omitted*]

Section 29. Governmental Requirements. Nothing herein contained shall be deemed to constitute a waiver of any governmental requirements applicable to any Lot and all applicable governmental requirements or restrictions relative to the construction of Improvements on and/or use and utilization of any Lot shall continue to be applicable and shall be complied with in regard to the Lots. Each Owner shall comply with all laws, regulations, ordinances and other governmental rules and restrictions in regard to the Lot(s) or other portion of the Property owned by such Owner (including, without limitation, applicable zoning and watershed laws, rules, regulations and ordinances).

Section 30. Occupants Bound. All provisions of this Declaration, any Additional or Supplemental Declaration and the Bylaws and any and all rules and regulations, use restrictions or Guidelines promulgated pursuant hereto or thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Occupants even though Occupants are not specifically mentioned.

Section 31. Recreational Vehicles. No motorized vehicle used primarily for recreational purposes, including, without limitation, any motorcycle, moped, go-cart, snow mobile, three- or four-wheeled all-terrain vehicle, or similar vehicle, may be operated on any Lot or any other part of the Property; provided, however, Declarant and the Association, and their respective employees, contractors and agents, shall have the right to operate such recreational vehicles in connection with the development, marketing, maintenance and operation of the Property.

ARTICLE VIII

ARCHITECTURAL AND LANDSCAPING CONTROL

Section 1. General. Notwithstanding anything contained in this Declaration to the contrary, no Improvements, including, without limitation, site preparation on any Lot, change in grade or slope of any Lot, or erection of buildings or exterior additions or alterations to any building situated upon the Property; the erection of or changes or additions in fences, hedges, walls and other structures, any landscaping, or any cutting of trees on any Lot shall be commenced, erected or maintained on any portion of the Property, subject to the provisions of Article VIII, Section 7 hereof, until: (a) the Architectural Control Committee, appointed as hereinafter provided, has approved the plans and specifications therefor and the location of such Improvements and has given its written approval for commencement of construction, all in accordance with the terms and requirements in the Guidelines (as defined in Section 3 of this; Article VIII) (b) the fees set forth in or contemplated in this Article VIII have been paid; and (c) the contracts identified in this Article VIII have been executed. In addition to any standards established pursuant to this Declaration, Declarant may establish, by Additional Declarations, architectural and landscaping control standards, guidelines and restrictions in regard to various Phases or sections of the Property. Except as otherwise expressly provided herein, the provisions of this Article VIII shall not apply to the construction of any Improvements commenced, erected or maintained by Declarant on any Lot or upon any of the Common Areas or Maintenance Areas.

The Board may delegate to the Architectural Control Committee any powers or authority reserved or granted to the Board under this Article VIII.

Section 2. Composition of Architectural Control Committee. So long as Declarant owns any Lot or other portion of the Property, the members of the Architectural Control Committee shall be appointed by Declarant in its sole discretion. At such time as Declarant no longer owns any Lot or other portion of the Property or at such earlier date as Declarant releases its right to appoint the members of the Architectural Control Committee, the members of the Architectural Control Committee shall thereafter be appointed by the Board. The members of the Architectural Control Committee shall be appointed annually and will be composed of at least three (3) and not more than seven (7) individuals, the exact number of members of the Architectural Control Committee to be designated from time to time by the body then having the authority to appoint such members (Declarant or the Board, as the case may be). The members of the Architectural Control Committee need not be Owners of property in the Project. In the event of the death or resignation of any member of the Architectural Control Committee, the party or body then having the authority to appoint members to the Architectural Control Committee shall have full authority to designate and appoint a successor. Members of the Architectural Control Committee may be removed and replaced at any time, with or without cause, and without prior notice, by the party or body

then having the authority to appoint such members. Notwithstanding anything contained herein to the contrary, the Architectural Control Committee shall have the right, power and authority to employ and/or use the services of any architects, engineers, attorneys or other professionals as it deems necessary or advisable, in its sole discretion, to carry out the duties and obligations of the Architectural Control Committee as described in this Article VIII.

Section 3. [*Intentionally Omitted*]

Section 4. Definition of "Improvements". The term "Improvement" or "Improvements" shall mean and include any and all man-made changes or additions to a Lot, including, but not limited to, the location, materials, size and design of all Dwelling Units (both primary and secondary), Accessory Structures, and other buildings (including any exterior devices attached to or separate from buildings, such as heating and air conditioning equipment, solar heating devices, lighting, antennae, satellite dishes, etc.); storage sheds or areas; piers; roofed structures; parking areas; fences; "invisible" pet fencing; pet "runs," lines and similar tethers or enclosures; walls; irrigation equipment, apparatus and systems; landscaping (including cutting of trees); hedges; mass plantings; poles; driveways; ponds; lakes; changes in grade or slope; site preparation; swimming pools; hot tubs; Jacuzzis; tennis courts; tree houses; basketball goals; skateboard ramps; and other sports or play apparatus; signs; exterior illumination; and changes in any exterior color or shape. The definition of Improvements includes both original Improvements and all later changes to Improvements. The definition of Improvements, however, does not include the replacement or repair of Improvements previously approved by the Architectural Control Committee, provided such replacement or repair does not change exterior colors, materials, designs or appearances from that which were previously approved by the Architectural Control Committee.

Section 5. Enforcement.

(a) It is Declarant's intent that the architectural control provisions of this Declaration and any Additional Declarations are to permit control of the architectural design and landscaping and to establish quality standards for construction and construction activity in the Project and to help preserve values of properties in the Project. All Owners, by purchasing property subject to this Declaration, acknowledge that a violation of any such provisions could result in irreparable harm and damage to other Owners of property in the Project and to Declarant, and to the values of their respective properties in the Project, a monetary measure of such harm and damage would be difficult to establish. Accordingly, the Association shall have the specific right (but not the obligation) to enforce and/or to prevent any violation of the provisions contained in this Article VIII by a proceeding at law or in equity against the person or persons violating or attempting to violate any such provisions. Declarant hereby specifically reserves and grants unto the Architectural Control Committee, the Board and any agent or member thereof, the right of entry and inspection upon any portion of the Property for the purpose of determination by the Architectural Control Committee or the Board whether there

exists any construction of any Improvement which violates the terms of any approval by the Architectural Control Committee, the terms of the Guidelines, the terms of this Declaration or any Additional Declaration, or the terms of any amendments hereto or thereto.

(b) As to nonconforming or unapproved Improvements, the Association may require any Owner to restore such Owner's Improvements to the condition existing prior to the construction thereof (including, without limitation, the demolition and removal of any unapproved Improvements) if such Improvements were commenced or constructed in violation of this Article. In addition, the Association may, but has no obligation to, cause such restoration, demolition and removal to be performed and to levy the amount of the cost thereof as a Special Individual Assessment against the Lot or portion of the Property upon which such Improvements were commenced or constructed. The Association shall also have the right and power to levy fines and penalties in the amount and in accordance with the procedures determined by the Board, to the full extent allowed under the North Carolina Planned Community Act. In the event that it becomes necessary to resort to litigation to determine the propriety of any constructed Improvement, to remove any unapproved Improvement or otherwise to remedy a violation of the Guidelines, the Association shall be entitled to recover court costs, attorneys' fees and expenses incurred by the Association and/or the Architectural Control Committee in connection therewith, and all fines and penalties levied by the Association, which costs, fees and expenses, fines, and penalties may be levied as a Special Individual Assessment against the Lot or other portion of the Property upon which such Improvement was commenced or constructed.

Section 6. [*Intentionally Omitted*]

Section 7. Variances. Upon submission of a written request for a variance, which request shall set forth, among other things, the extraordinary circumstances applicable to a Lot giving rise to the need for a variance, the Architectural Control Committee may, from time to time, in its sole discretion, permit Owners to construct, erect or install Improvements which are at variance with restrictions, requirements or provisions of this Declaration or any Additional Declaration from which a variance is permitted, pursuant to the terms hereof or thereof. In any case, however, the Architectural Control Committee may grant a variance only due to the existence of extraordinary circumstances applicable to a Lot, which extraordinary circumstance (i) has not been caused by the Owner of such Lot and (ii) materially impairs the ability of an Owner to construct a Dwelling Unit on such Owner's Lot. Any variance granted shall be in basic conformity with and shall blend effectively with the general architectural style and design of the community and shall not materially change the scheme of restrictions herein set forth. Written requests for variances shall be deemed to be disapproved in the event the Architectural Control Committee has not expressly and in writing approved such request within thirty (30) business days of the submission of such request. No member of the Architectural Control Committee shall be liable to any Owner for any claims, causes of action, or damages arising out of the grant or denial of any variance to any Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Architectural Control Committee's right to strictly enforce the covenants, restrictions and architectural standards provided hereunder or under any Additional Declaration against any other Owner. If a variance is granted, the Owner receiving such

variance shall comply with the more restrictive of the terms of the variance or applicable local, state or federal laws (including, without limitation, local zoning and development laws), and the granting of a variance shall not relieve any Owner from the obligation of complying with such laws. Notwithstanding anything contained herein to the contrary, in no event shall a variance granted by the Architectural Control Committee be deemed a waiver or assurance of any future variance requests.

Section 8. Fees Required by the Architectural Control Committee. The Architectural Control Committee, in its sole discretion, may require that each Person submitting plans and specifications for Improvements to the Architectural Control Committee pay one or more fees to the Architectural Control Committee or to Declarant as a condition to commencement of construction of such Improvements. Such fee(s), including the amount(s), payee and purpose(s) thereof, shall be established by, and may be increased from time to time by the Architectural Control Committee and shall be set forth in the Guidelines. Guild Builders are exempt from the payment of those fees which may be imposed by the Architectural Control Committee pursuant to this Section 8.

Section 9. Guild Builders. The Architectural Control Committee shall provide a list of Guild Builders in accordance with the provisions of the Guidelines. To qualify as a Guild Builder, a builder must satisfy certain criteria and requirements established by the Architectural Control Committee and Declarant. However, the criteria and requirements established by the Architectural Control Committee and Declarant for a builder to qualify as a Guild Builder are solely for the Architectural Control Committee's and Declarant's protection and benefit and are not intended to, and shall not be construed to, benefit any Owner or any other party whatsoever. The Architectural Control Committee and Declarant make no representation, express or implied, to any Owner or any other party whatsoever with regard to the Guild Builders, including, without limitation, the existence, nature and extent (including coverage amounts and deductibles) of insurance policies that may be maintained by the Guild Builders from time to time, the solvency or financial status of the Guild Builders from time to time, the nature and amount of any bonds that may be maintained by the Guild Builders from time to time, the performance (or the ability to perform) by the Guild Builders of their contractual obligations (including any contractual obligations of any of the Guild Builders in favor of any Owner or any other party whatsoever), the compliance by the Guild Builders with building codes and other requirements, rules, laws and ordinances of federal, state and local governmental and quasi-governmental bodies and agencies relating to the construction of homes and other activities engaged in by the Guild Builders from time to time, the use of any substance or material, including, without limitation, any stucco or synthetic material by the Guild Builders in connection with the construction of homes, the compliance by any Guild Builder with any licensing requirements imposed by federal, state and local governmental and quasi-governmental bodies and agencies from time to time, including, without limitation, the maintenance of any required builder's and/or contractor's license, and the failure or alleged failure of any Guild Builder to comply with any industry standard or any other reasonable standard or practice with respect to such builder's work or materials used in the construction of houses and other activities engaged in by such Guild Builder at The Enclave. Furthermore, neither the Architectural Control Committee nor Declarant, nor the officers, directors, members, employees, agents or affiliates of either of

them, shall have any responsibility whatsoever for any sum that any Owner or any other party may deposit with a Guild Builder, including, without limitation, any earnest money or other deposit that any Owner may deliver to a Guild Builder. The selection of a Guild Builder by an Owner shall be conclusive evidence that such Owner is independently satisfied with regard to any and all concerns such Owner may have about the Guild Builder's work product and/or qualifications. Owners shall not rely on the advice or representations of the Architectural Control Committee, Declarant or the officers, directors, members, employees, agents or affiliates of either of them in that regard.

Section 10. No Construction without Payment of Fees and Use of Guild Builder. Notwithstanding anything contained in this Article VIII to the contrary, plans and specifications for Improvements to be constructed on a Lot or other portion of the Property shall not be deemed to have been properly submitted unless and until any and all fees required by the Architectural Control Committee to be paid in connection with such Improvements, as provided in Article VIII, Section 8 above, shall have been paid to the Architectural Control Committee or Declarant as required.

Section 11. Notices and Submittals. Notices and submittals to the Architectural Control Committee shall be in accordance with the notice provisions set forth from time to time in the Guidelines.

Section 12. Separate Committee for Changes to Existing Improvements. The Board shall have the right, power and authority, in its sole discretion, to appoint a committee separate and apart from the Architectural Control Committee to review plans and specifications for any and all renovations, changes and additions to existing Improvements located on a Lot or other portion of the Property (herein, the "Architectural Changes Committee"). Should the Board appoint such an Architectural Changes Committee, then the Architectural Control Committee shall relinquish to the Architectural Changes Committee its authority to review plans and specifications for any such changes to existing Improvements, and the Architectural Changes Committee shall be solely responsible for review and approval of the same. The composition of the Architectural Changes Committee shall be determined by the Board in its sole discretion and the procedure for submission, review and approval of plans and specifications to and by the Architectural Changes Committee shall be set forth in the Guidelines. Notwithstanding the foregoing, nothing herein shall be deemed to obligate the Board to appoint an Architectural Changes Committee, and until an Architectural Changes Committee is appointed, the Architectural Control Committee shall be responsible for reviewing and approving or disapproving all plans and specifications for renovations, changes and additions to existing Improvements in accordance with the provisions of this Article VIII and the Guidelines.

Section 13. Limitation of Liability. No member of the Architectural Control Committee or the Architectural Changes Committee shall be liable for claims, causes of action or damages (except where occasioned by willful misconduct of such member) arising out of services performed pursuant to this Article VIII. Neither the Architectural Control Committee, nor the Architectural Changes Committee (if applicable), nor the members thereof, nor the Association, nor Declarant, nor any officers, directors, members, employees, agents or affiliates of any of

them, shall be liable for damages or otherwise to anyone submitting plans and specifications and other submittals for approval or to any Owner by reason of mistake of judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval of, or the failure to approve or disapprove of, any plans and specifications. The approval of plans and specifications by the Architectural Control Committee or the Architectural Changes Committee (if applicable) shall not be deemed or construed as a representation or warranty of the Architectural Control Committee or the Architectural Changes Committee (as the case may be), Declarant, or any officer, director, member, employee, agent or affiliate of any of them, (i) that Improvements constructed in accordance with such plans and specifications will comply with applicable zoning ordinances, building codes, or other governmental or quasi-governmental laws, ordinances, rules and regulations or (ii) as to the structural soundness, quality, durability, suitability, fitness or proper functioning of Improvements constructed in accordance with such plans and specifications; and any responsibility or liability therefor is hereby disclaimed. Every person who submits plans and specifications, and every Owner, agrees that he will not bring any action or suit against Declarant, the Association, the Architectural Control Committee, the Architectural Changes Committee (if applicable), the Board, or the officers, directors, members, employees, agents or affiliates of any of them, to recover any such damages and hereby releases, demises, and quitclaims all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given. Declarant shall be the sole party responsible for the performance of Declarant's obligations under this Declaration, and no other person, firm or entity, including, without limitation, any entity affiliated with Declarant, shall have any obligation or liability for Declarant's obligations under this Declaration.

Section 14. Right to Notice of Design or Construction Claims. No Person shall retain an expert for the purpose of inspecting the design or construction of any structures or improvements within the Property in connection with or in anticipation of any potential or pending claim, demand or litigation involving that design or construction unless Declarant and any builder involved in the design or construction have been first notified in writing and given an opportunity to meet with the applicable Owner to discuss the Owner's concerns and conduct their own inspection pursuant to the rights hereafter reserved in Section 12 of Article X.

Section 15. Miscellaneous. Members of the Architectural Control Committee and, if applicable, the Architectural Changes Committee, in the sole discretion of the party or body appointing such members (i.e., either Declarant or the Board, as the case may be) may be compensated for their services. The Association shall reimburse members of the Architectural Control Committee and the Architectural Changes Committee (if applicable) for reasonable out-of-pocket expenses associated with their activities hereunder. All costs, expenses and attorneys' fees of the Architectural Control Committee and the Architectural Changes Committee (if applicable), including those incurred in connection with the exercise of their enforcement or other powers as provided herein, shall be borne by the Association; provided, however, nothing herein shall be deemed to negate the Association's right to an award of court costs, attorneys' fees and expenses in accordance with Article VIII, Section 5 hereof.

ARTICLE IX

INSURANCE; REPAIR AND RESTORATION; CONDEMNATION

Section 1. Board of Directors. To the extent such insurance is reasonably available, the Board of Directors shall obtain and maintain at all times insurance of the type and kind and in no less than the amounts set forth below:

(a) Property Insurance. All improvements and all fixtures and personal property included in the Common Areas and Maintenance Areas and all personal property and supplies belonging to the Association shall be insured in an amount equal to the current replacement cost (exclusive of land, foundation, excavation and other normally excluded items) as determined annually by the Board with the assistance of the insurance company providing coverage. The Board shall, at least annually, review the insurance coverage required herein to determine adequacy. Such coverage shall provide protection against loss or damage by fire or other hazards covered by a standard Special Form property policy including endorsements for windstorm and water damage, vandalism and malicious damage. In addition to the provisions and endorsements set forth in Article IX, Section 3 and Section 4, the property insurance described herein shall contain the following provisions:

(1) standard "Agreed Amount" endorsements;

(2) construction code endorsements if the Common Area becomes subject to a construction code provision which would require changes to undamaged portions of any building thereby imposing significant costs in the event of partial destruction of such building by an insured peril;

(3) a waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent or employee of the Association, the Owners and their employees, agents, tenants and invitees; and

(4) a provision that the coverage will not be prejudiced by act or neglect of one or more Owners when said act or neglect is not within the control of the Association or by any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control.

The property insurance policy shall not contain (and the insurance shall not be placed with companies whose charters or bylaws contain) provisions whereby: (1) contributions or assessments may be made against the Association or the Owners; (2) loss payments are contingent: upon action by the carrier's directors, policy holders or members; and (3) there are limiting clauses (other than insurance conditions) which could prevent Owners from collecting the proceeds.

(b) Commercial General Liability. The Board shall also be required to provide occurrence form commercial general liability insurance (ISO-1986 or broader) and officer's and director's liability insurance in such limits as the Board may, from time to time, determine to be customary for projects similar in construction, location and use as the Project, covering each member of the Board, the managing agent, if any, and each Owner with respect to his liability arising out of the ownership, maintenance, or repair of the Common Areas and Maintenance Areas, or from service on the Board; provided, with a limit of no less than $1,000,000 per occurrence and $2,000,000 in the aggregate. Such insurance shall include endorsements covering cross liability claims of one insured against another, including the liability of the Owners as a group to a single Owner. The Board shall review such limits annually.

(c) Fidelity Coverage. The Board shall also be required to obtain fidelity coverage against dishonest acts on the part of all persons, whether officers, directors, trustees, employees, agents or independent contractors, responsible for handling funds belonging to or administered by the Association. The fidelity insurance policy shall be written in an amount sufficient to provide protection which is in no event less than one and one-half times the Association's estimated annual operating expenses and reserves. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

(d) Other. Such other insurance coverages, including flood insurance and worker's compensation, as the Board shall determine from time to time desirable.

Section 2. Premium Expense. Premiums upon insurance policies purchased by the Board shall be paid by the Board and charged as a common expense to be collected from the Owners pursuant to the terms of this Declaration.

Section 3. Special Endorsements. The Board shall make diligent efforts to secure insurance policies that will provide for the following:

(a) recognition of any insurance trust agreement entered into by the Association;

(b) coverage that may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written notice to the named insured and any insurance trustee; and

(c) coverage that cannot be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Board without prior demand in writing that the Board cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association or any Owner.

Section 4. General Guidelines. All insurance policies purchased by the Board shall be with a company or companies licensed to do business in the State of North Carolina and holding a rating of "A VIII" or better by the current issue of Best's Insurance Reports. All insurance policies shall be written for the benefit of the Association and shall be issued in the name of and provide that all proceeds thereof shall be payable to the Association. Notwithstanding any of the foregoing provisions and requirements relating to insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, who shall have exclusive authority to negotiate losses under any policy providing such insurance.

Section 5. Insurance Proceeds. Subject to any limitations imposed by any applicable financing documents, the Association shall use the net proceeds of casualty insurance covered by it to repair and/or replace any damage or destruction of property, real or personal, covered by such insurance. Any balance from the proceeds of casualty insurance paid to the Association remaining after satisfactory completion of repair and replacement shall be retained by the Association as part of the general reserve fund for repair and replacement of the Common Area and/or Maintenance Areas.

Section 6. Insufficient Proceeds. If the insurance proceeds received by the Association are insufficient to reimburse, to repair and/or replace any damage or destruction to person or property, the Board may levy a Special Assessment against the Owners to cover the deficiency.

Section 7. Owner's Personal Property. Neither the Association nor Declarant shall be liable in any manner for the safekeeping or condition of any personal property belonging to or used by any Owner or his family, tenants, guests or invitees, located on or used at the Common Areas. Further, neither the Association nor Declarant shall be responsible or liable for any damage or loss to any personal property of any Owner, his family, tenants, guests or invitees located on or used at the Common Areas. Each Owner shall be solely responsible for all personal property and for any damage thereto or loss thereof, and shall be responsible for the purchase of, at such Owner's sole cost and expense, any liability or other insurance for damage to or loss of such property. Neither the Association nor Declarant shall be responsible or liable for any damage or loss to or of any boat, its tackle, gear, equipment or other property located thereon, or any other personal property of any Owner, his family, tenants, guests or invitees located on or used at the Amenity Area, Parking Area or other Common Areas or Maintenance Areas. Each Owner shall be solely responsible for all such personal property and for any damage thereto or loss thereof, and shall be responsible for the purchase, at such Owner's sole cost and expense, of any liability or other insurance for damage to or loss of such property.

Section 8. No Obligation to Insure Owners' Property. By virtue of taking title to a Lot within the Project, each Owner acknowledges that neither the Association nor Declarant has any obligation to provide any insurance for any portion of such Lot or any Dwelling Unit or other property located thereon.

Section 9. Security. The Association may, in its sole discretion, but shall not be obligated to, provide certain security and fire protection measures, and maintain or support certain

other activities within the Project designed to make the Project safer than it might otherwise be. Provided, however, should the Association provide, maintain or support any such measures or activities, then neither the Association, Declarant, nor any successor of Declarant shall in any way be considered insurers or guarantors of security or fire protection within the Project, and neither the Association, Declarant nor any successor of Declarant shall be held liable for any loss or damage by reason of failure to provide or take any security or fire protection measures or for the ineffectiveness of any such measures undertaken. Each Owner and Occupant of any Lot and each tenant, guest and invitee thereof acknowledges and understands that neither the Association, Declarant nor any successor of Declarant are insurers, and each such Owner, and Occupant of a Lot and their tenants, guests and invitees hereby assume all risks for loss or damage to persons, property or contents belonging to any such persons.

Section 10. Condemnation. Whenever all or part of the Common Area shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages for and on account of such taking shall be paid to the Association. The Association, acting through the Board, shall have the right to negotiate and litigate the issues with respect to the taking and compensation affecting its interest in the Common Area, without limitation on the right of the Owners to represent their own interests. Each Owner, by his acceptance of a deed to a Lot or other portion of the Property, hereby appoints the Association as his attorney-in-fact to negotiate, litigate or settle on his behalf all claims arising from the condemnation of the Common Area. All compensation and damages paid to the Association on account of such a taking shall be used to restore the Common Area, provided such restoration is possible, with the excess, if any, to be retained by the Association and applied to future operating expenses by the Board, in its sole discretion. Nothing herein is to prevent Owners whose Lots or other property are specifically affected by the taking or condemnation from joining in the condemnation proceedings and petitioning on their own behalf for consequential damages relating to loss of value of the affected Lots or other property, or improvements, fixtures or personal property thereon, exclusive of damages relating to the Common Area. In the event that the condemnation award does not allocate consequential damages to specific Owners, but by its terms includes an award for reduction in value of Common Area, Lots or other property without such allocation, the award shall be divided between affected Owners and the Board, as their interests may appear, by the Board in its sole discretion.

ARTICLE X

EASEMENTS AND OTHER RIGHTS

Declarant, in addition to any other easements granted or reserved herein, hereby reserves unto itself, its successors and assigns, and grants to the Association and any other persons or entities hereinafter set forth, the following non-exclusive easements on, upon, over, across, through and under the Property. In addition, Declarant hereby reserves unto itself, its successors and assigns, the right, on behalf of itself and the Association, to grant additional easements on, upon, over, across, through and under the Common Areas and any portion of the Property owned by Declarant as deemed to be in the best interests of and proper for the Project, including, but not limited to, easements in favor of Declarant, the Association, the Owners, and all their family members, guests, invitees and tenants and to various governmental and quasi-governmental authorities and agencies and private concerns for the purposes and uses hereinafter specified.

Section 1. Easements and Cross-Easements on Common Areas. Declarant, for itself, its designees and the Association, reserves the right to impose upon the Common Areas henceforth and from time to time such easements and cross-easements for ingress and egress, installation, maintenance, construction and repair of utilities and facilities including, but not limited to, electric power, telephone, cable television, master antenna transmission, data transmission, surveillance services, governmental and quasi-governmental purposes, sewer, water, gas, drainage, landscaping, trails and accompanying minor structures, irrigation, storm water management, lighting, television transmission, garbage and waste removal, emergency services, and the like as it deems to be in the best interests of, and necessary and proper for, the Project or any portion thereof.

Section 2. Use of Common Areas. Subject to any limitation or restriction set forth in this Declaration, Declarant declares that the Common Areas are subject to a perpetual nonexclusive easement in favor of Declarant, the Association and their designees, the Owners and all their family members, guests, invitees and tenants, and appropriate governmental and quasi-governmental agencies to use the Common Areas for all proper and nominal purposes including, but not limited to, ingress, egress and access for the furnishing of services and utilities and for such use of the facilities as the same are reasonably intended in accordance with the terms of this Declaration and any Additional Declaration. If ingress or egress to any Lot or other portion of the Property is through any Common Area, any conveyance or encumbrance of such area is subject to this easement.

Section 3. Right-of-Way over Roadways. Declarant hereby reserves, for the benefit of itself, its agents, employees, lessees, invitees, designees, successors and assigns, and grants to the Association, its agents, employees, tenants, invitees, designees, successors and assigns, and to each Owner of a Lot, their family members, tenants, guests, invitees, successors

and assigns, and to each Occupant of a Lot, and to all governmental and quasi-governmental agencies and service entities having jurisdiction over the Property while engaged in their respective functions, a perpetual non-exclusive easement, license, right and privilege of passage and use, both pedestrian and vehicular, over and across the Roadways for the purpose of providing access, ingress and egress to and from, through and between the Property. Declarant further hereby reserves the right and easement to use the Roadways for ingress and egress to and from all portions of the land marked as "Future Phase" on the Plats, whether or not such Future Phases are subjected to this Declaration, as an appurtenance to such Future Phase land. Declarant, until the expiration of the Period of Declarant Control, and the Association thereafter, shall have the right to limit access to the Roadways by operation of the Gates, and each Owner, by acceptance of a deed conveying a Lot, acknowledges and agrees that access to the Property is subject to such reasonable rules and regulations as may be promulgated by Declarant or the Association concerning use of the Gates, issuance of cards or devices to operate the Gates, and related matters. Notwithstanding the foregoing, to the extent required by N.C.G.S. §65-74 and §65-75, Declarant or the Association (as the case may be) shall have the right to give non- Owners access through the Gates and to the Property for the sole purpose of accessing the Cemetery. Each Owner further acknowledges and agrees that the operation of the Gates does not assure that unauthorized persons will be prevented from gaining access to the Property, and each Owner, by acceptance of a deed conveying a Lot, releases Declarant, any party installing or operating the Gates, and the Association, from any liability for the entry of unauthorized persons onto the Property.

Section 4. Right of the Association and Declarant to Enter Upon the Common Areas and Maintenance Areas. Declarant hereby reserves for the benefit of itself, its successors in interest and assigns, and grants to the Association and all agents, employees or other designees of Declarant or the Association an easement for ingress, egress and access to enter upon or over the Common Areas and Maintenance Areas for the purposes of inspecting any construction, proposed construction, or Improvements or fulfilling the rights, duties and responsibilities of ownership, administration, maintenance and repair of Declarant or the Association, as appropriate. Such easement includes an easement in favor of the Association and Declarant to enter upon the Common Areas and Maintenance Areas now or hereafter created to use, repair, maintain and replace the same for the purposes for which they are initially designated or for such purposes as they are hereafter re-designated or as Declarant otherwise determines them to be reasonably suited. Notwithstanding the foregoing, nothing contained herein shall be interpreted as imposing any obligation upon the Association or Declarant to maintain, repair, or construct Improvements which an Owner is required to maintain, construct or repair.

Section 5. Easement for Encroachments.

Declarant hereby reserves, for the benefit of itself, its successors in interest and assigns, and grants to the Association, the Owners, their successors and assigns, and to the Occupants of Lots, easements for encroachments, to the extent necessary, in the event any portion of the Improvements located on any portion of the Property now or hereafter encroaches upon any of the remaining portions of the Property as a result of minor inaccuracies in survey, construction

or reconstruction, or due to settlement or movement. Any easement(s) for encroachment shall include an easement(s) for the maintenance and use of the encroaching Improvements in favor of Declarant, the Association, the Owners and all their designees.

Section 6. Maintenance Areas.

Declarant hereby reserves, for the benefit of itself, its successors in interest and assigns, and grants to the Association, its successors and assigns, the following nonexclusive perpetual easements over certain areas of the Property as hereinafter described for the purposes hereinafter described:

(a) Easements for the purposes of landscaping and maintaining entryways and erecting and maintaining entrance monument(s) for the Project, over, across and under those portions of the Property shown and designated for such purpose on the Plats (herein referred to as the "Entrance Monument Easements"). Declarant and/or the Association shall have the right to landscape and maintain the areas of the Property so designated as entryways to the Project, to erect and maintain entrance monument(s) thereon bearing the name of the Project, and to erect and maintain lighting for such monument(s), plantings, landscaping, irrigation systems and other improvements typically used for entryways.

(b) Easements for the installation, maintenance, repair and removal of landscaping and landscaping amenities, including signage, lighting, monuments and irrigation systems, over, across and under those portions of the Property shown and designated as "Landscape Easements" or by similar designation on the Plats (herein referred to as "Landscape Easements").

(c) Easements for the installation, maintenance, repair and removal of hard surface or soft surface sidewalks, trails, walking or jogging paths, or similar pathways over, and shelters, railing, boardwalks, and similar facilities, across and under the Property.

All of the above-described areas and items shall herein be referred to as the "Maintenance Areas." The Association shall maintain the Maintenance Areas to a consistent standard of maintenance typical of a first-class development.

Section 7. Utility and Drainage Easements. The Property shall be subject to all easements and rights-of-way for utilities and drainage shown on the Plats, including, but not limited to, those certain easements shown and designated on the Plats as:

(a) "Utility Easement"

(b) "Public Storm Drainage Easement";

(c) "Sanitary Sewer Easement"; and

(d) "Sanitary Sewer Right-of-Way,"

Or by similar designations. Such easements are hereby reserved for the use of Declarant, its successors and assigns, and are hereby established for the use of the Association, its successors and assigns, and include, without limitation, storm drainage easements of variable width, whether or not depicted on a Plat, over the entire area within all ditches along any Roadway.

Additionally, Declarant hereby reserves, for the benefit of itself, its successors and assigns, and grants to the Association, its successors and assigns, a non-exclusive easement and right-of-way over, under and along (a) a twenty (20) feet-wide strip of land adjacent to the front, side and rear boundary lines of all Lots within the Property and (b) all Landscape Easements, for the installation and maintenance of lines, conduits, pipes and other equipment necessary for furnishing electric power, gas, telephone service, cable service, data transmission, water, irrigation, septic system, sanitary sewer and drainage facilities, storm drainage and/or other utilities. Within the above-described easements no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation of utilities or which may change the direction or flow of drainage channels in the easements. This reservation of easements shall not prohibit the construction of driveways, at locations approved by the Architectural Control Committee, over such easements.

Section 8. Irrigation Easements. Declarant hereby reserves, for the benefit of itself, its successors and assigns, and grants to the Association, its successors and assigns, non-exclusive perpetual easements over, across and under those portions of the Property shown and designated as "Irrigation Easement" or by similar designation on the Plats, and over all portions of the Property upon which Declarant has installed irrigation systems, for the installation, maintenance, repair and removal of irrigation systems to service the landscaping to be installed and maintained in the Landscape Easement areas (herein referred to as the "Irrigation Easements"). Within the Irrigation Easements no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation, repair and maintenance of irrigation systems. This reservation of easements shall not prohibit the construction of driveways, at locations approved by the Architectural Control Committee, over such easements.

Section 9. Cemetery Easements. To the extent required by N.C.G.S. §65-74 and §65- 75, Declarant may, in its sole discretion, dedicate and reserve for the benefit of non-Owners, nonexclusive perpetual easements of passage and use, both pedestrian and vehicular, over and across the Roadways and certain portions of the Common Areas indicated and shown on the Plat as being reserved as easements for the benefit of the Cemetery (for example, labeled as "Cemetery Easement ") for the purpose of providing access, ingress and egress to and from the Cemetery.

Section 10. Declarant's Right to Assign Easements, Maintenance of Easement

Areas. Declarant shall have the right to assign and convey, in whole or in part, the easements reserved by it hereunder. The areas burdened by the easements and rights-of-way reserved by Declarant on each Lot or other portion of the Property pursuant hereto, including any Improvements in such areas, which are not to be maintained by the Association or a public authority or utility, shall be maintained continuously by each Owner of such Lot or other portion of the Property, but no structures, plantings or other material shall be placed or permitted to remain upon such areas or other activities undertaken thereon which may damage or interfere with the installation or maintenance of utilities or other services, or which may retard, obstruct or reverse the flow of water or which may damage or interfere with established slope ratios or create erosion problems. Notwithstanding the above, the Association and/or Declarant shall have the right, but not the obligation, to maintain the landscaping in the easement areas on any Lot.

Section 11. Easement Reserved for the Association and Declarant. Full rights of access, ingress and egress are hereby reserved by Declarant for itself and the Association at all times over and upon any Lot or other portion of the Property for the exercise of the easement rights described in this Article X and for the carrying out by Declarant or the Association of the rights, functions, duties and obligations of each hereunder; provided, that any such entry by Declarant or the Association upon any Lot or portion of the Property shall be made with the minimum inconvenience to the Owner of such property as is reasonably practical, and any damage caused as a result of the gross negligence of Declarant, the Association or their employees or agents shall be repaired by Declarant or the Association, as the case may be, at the expense of Declarant or the Association, as the case may be.

Section 12. Easement to Inspect and Right to Correct. Declarant reserves for itself, the Builders and others it may designate, the right to inspect, monitor, test, redesign and correct any structure, improvement or condition that may exist on any portion of the Property, including Units, and a perpetual, nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise that right. Except in an emergency, entry onto a Unit shall be only after reasonable notice to the Owner and no entry into a dwelling shall be permitted without the consent of the Owner. The person exercising this easement shall promptly repair, at that person's own expense, any damage resulting from such exercise.

Section 13. Additional Easements. Declarant shall have the right to grant over, under, across and upon any portion of the Property owned by Declarant, and the Board shall have the authority, in its sole discretion, to grant over, under, across and upon the Common Areas, such easements, rights-of-way, licenses and other rights in accordance with or to supplement the provisions of this Declaration or as may otherwise be desirable for the development of the Project, by the execution, without further authorization, of such grants of easement or other instruments as may from time to time be necessary or desirable. Such easements may be for the use and benefit of persons who are not Association Members or Owners. After such time as the members of the Board are no longer appointed by Declarant, the Board shall cooperate with Declarant and execute such grants of easements over the

Common Areas as may be desirable to Declarant for the development of the Project and the preservation and enhancement of Declarant's interest therein.

Section 14. No Merger of Easements. The easements hereby established shall not be terminated by merger or otherwise, except upon execution and recordation of an instrument specifically terminating any such easement.

ARTICLE XI

RIGHT OF FIRST REFUSAL

Section 1. Applicability. Except for sales and conveyances by Declarant, no unimproved Lot (as defined below) may be sold by any Owner except in compliance with the provisions of this Article XI.

Section 2. Right of First Refusal. Before any unimproved Lot (or any ownership interest therein) may be sold to any Person other than Declarant or its successors, the Owner or Owners of such Lot shall first offer in writing to sell the Lot to Declarant or its successors at a price equal to: (1) the contract purchase price paid by such Owner for such Lot (excluding all finance charges related to the purchase) increased by the percentage increase, from the closing date of such Owner's purchase of such Lot to the date of such written offer to sell the Lot to Declarant or its successors, in the CPI, less (2) the cost of removing all liens and encumbrances on the Lot and customary seller's closing costs (including, without limitation, the cost of preparing the deed and any documentary or transfer tax stamps to be affixed to said deed). If the CPI is discontinued, then there shall be used the index most similar to the CPI which is published by the United States Government indicating changes in the cost of living. For the purposes of this Article, a Lot shall be considered as unimproved unless and until any proposed Improvements to such Lot have been approved by the Architectural Control Committee and the good faith commencement of the construction of such Improvements (i.e., at a minimum, completion of footings and foundation of the approved residence and bona fide evidence of total expenditures for Improvements to the Lot of at least $50,000.00) shall have occurred. Upon receipt by an Owner of a bona fide offer to purchase an unimproved Lot, such Owner shall send to Declarant a copy of such bona fide offer along with written notification that such Owner is offering the Lot for sale to Declarant pursuant to this right of first refusal. If Declarant or its successor does not accept or reject in writing said offer of sale within thirty (30) days from the date of receipt of the same, then the Owner or Owners of such Lot shall have the right to sell the Lot to the third party making such bona fide offer pursuant to such bona fide offer, without any further additional obligation to offer the Lot to Declarant. Declarant shall have this right of first refusal with regard to each bona fide offer which an Owner receives for the purchase of an unimproved Lot. Any party who buys an unimproved Lot from another Owner shall be governed by the provisions of this Article and the waiver of the right of first refusal with respect to any sale shall not limit Declarant's rights of first refusal with respect to any subsequent sale of any unimproved Lot. Provided, however, the right of first refusal reserved by Declarant pursuant to this Section 2 shall be valid and enforceable with respect to any unimproved Lot only for a period of twenty (20) years from the date of the first conveyance of such Lot from Declarant to an Owner other than Declarant, and upon the expiration

of said twenty (20) year period, the Owner or Owners of such Lot shall have the right to sell the unimproved Lot to any third party without the obligation to offer the Lot to Declarant. Further provided that this Section 2 shall not be applicable with respect to any foreclosure sale of a first lien deed of trust or first lien mortgage on an unimproved Lot or deed in lieu thereof which is made and delivered in good faith. In each instance where an offer to purchase an unimproved Lot is presented to Declarant by an Owner pursuant to the right of first refusal granted herein, Declarant shall determine in its sole discretion and on a case by case basis whether to exercise its right of first refusal, and such determination may be made on such basis and for such reason as Declarant in its sole discretion shall choose. Should an Owner fail to comply with the provisions of this Section 2 and sell an unimproved Lot without first offering said Lot to Declarant in accordance with the terms hereof, then the purchaser of such unimproved Lot shall purchase such Lot subject to the right of first refusal herein granted, and Declarant shall thereafter at any time have the right to purchase such Lot, whether or not it is subsequently improved, from the purchaser thereof at the price as set forth in this Section 2, and shall also be entitled to any other rights and remedies available at law or in equity for the violation of this Section 2.

Section 3. Death of an Owner; Gift. The personal representative, heirs, successors and assigns of any Owner who dies while owning any unimproved Lot, or the donee of a gift of a Lot from an Owner, shall become an Owner subject to the terms and conditions of this Declaration and any subsequent sale, transfer and conveyance of such Lot shall be governed by the provisions of this Article.

Section 4. Transfers to Declarant. In the event that Declarant exercises its right of first refusal pursuant to Section 2 above, the closing of the conveyance of such Lot shall occur within sixty (60) days after receipt by the Owner of written notice from Declarant or its successors that it elects to exercise its right of first refusal with respect to such Lot. At the closing, Declarant shall make payment to such Owner of the purchase price as described in Section 2 above, in cash or cash equivalent. The Owner shall deliver to Declarant a special warranty deed conveying fee simple marketable title to the Lot free and clear of all exceptions except those that existed at the time of the acquisition of the Lot by such Owner, the lien of ad valorem taxes for the current year and any other exceptions which may be approved by Declarant. In the event the closing occurs after the death of an Owner, Declarant may, in its discretion, require the personal representative of the Owner to post such bonds or other assurances as Declarant may deem reasonable in order to protect Declarant from any loss which might be caused by the failure to pay any federal or state inheritance tax or the failure to pay the claims of any creditors who may have a lien on the Lot superior to Declarant's rights as a purchaser of said Lot.

Section 5. No Further Documentation Required. The right of first refusal reserved by Declarant in this Article shall run with the title to each Lot in the Project and be binding upon each purchaser of a Lot from Declarant and upon any subsequent Owner of a Lot, whether such Owner purchased such Lot from Declarant or from a third party. The provisions of this Article shall constitute record notice to all purchasers of Lots in the Project

of the right of first refusal herein reserved, and no additional language in any deed of conveyance of a Lot and no recording of any additional instrument shall be required to make all Owners of Lots in the Project subject to the provisions of this Article.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Duty of Maintenance. Except for those portions, if any, of a Lot which the Association may elect to maintain or repair hereunder, the Owner of any Lot shall have the duty and responsibility, at such Owner's sole cost and expense, to keep the Lot(s) owned by such Owner, including Improvements thereon and ground and drainage easements or other rights-of-way incident thereto, in compliance with the covenants, conditions, restrictions and development standards contained in this Declaration (to the extent applicable), and in any applicable Additional Declaration, in accordance with the provisions of the Guidelines, and in a well- maintained, safe, clean and attractive condition at all times. Such maintenance, as to unimproved and improved Lots, shall include, but shall not be limited to, the following:

(a) Prompt removal of all litter, trash, refuseand waste;

(b) Keeping land, including any lawns and shrub beds, well maintained and free of trash, uncut grass and weeds;

(c) Keeping all sediment resulting from land disturbance or construction confined to the respective Owner's property; and

(d) Complying with all governmental health and police requirements.

In addition, such maintenance, as to improve Lots, shall include, but shall not be limited to, the following:

(1) Lawn mowing on a regular basis;

(2) Tree and shrub pruning;

(3) Watering by means of a lawn sprinkler system and/or hand watering as needed;

(4) Keeping exterior lighting and mechanical facilities in working order;

(5) Keeping lawn and garden areas alive;

(6) Removing and replacing any dead plant material;

(7) Maintenance of natural areas and landscaping in accordance with the Guidelines;

(8) Keeping parking areas and driveways in good repair; Repainting of Improvements: and

(9) Repair of damage and deterioration to Improvements, it being understood and agreed that if any Improvements are damaged or destroyed by fire or other casualty, then within six (6) months following the date such damage or destruction occurs, the Owner of the Lot on which such Improvements are situated, must repair and restore such damaged Improvements (in accordance with plans and specifications approved by the Architectural Control Committee and otherwise in accordance with the terms and provisions of this Declaration and of each Additional Declaration applicable thereto) or remove such damaged Improvements and restore the Lot to its condition existing prior to the construction of such Improvements.

In addition to the foregoing, each Owner must maintain, in accordance with the terms hereof, any Common Area and/or Maintenance Area located within the boundaries of its Lot, to the extent such Common Area and/or Maintenance Area is not maintained by the Association as provided in this Declaration.

Notwithstanding anything contained herein to the contrary, the above-described maintenance responsibilities as to any Lot shall commence only upon a Plat showing such Lot being recorded in the Office of the Register of Deeds of Franklin County and upon the conveyance of such Lot by Declarant. If an Owner of any Lot has failed in any of the duties or responsibilities of such Owner as set forth herein, then the Board and Declarant, either jointly or severally, may give such Owner written notice of such failure and such Owner must within ten (10) days after receiving such notice (which notice shall be deemed to have been received upon deposit in an official depository of the United States mail, addressed to the party to whom it is intended to be delivered, and sent by certified mail, return receipt requested), perform the care and maintenance required or otherwise perform the duties and responsibilities of such Owner as described herein. Provided, however, this cure period shall be extended for a time not to exceed sixty (60) days so long as Owner shall have commenced to cure such nonconformity and shall diligently prosecute the same. Should any such Owner fail to fulfill this duty and responsibility within such period, then the Association, acting through its authorized agent or agents, or Declarant (so long as it owns any portion of the Property), acting through its authorized agent or agents, either jointly or severally, shall have the right and power to enter onto the premises of such Owner and perform such care and maintenance without any liability for damages for wrongful entry, trespass or otherwise to any Person. The Owner of the Lot on which such work is performed shall be liable for the cost of such work, together with interest on the amounts expended by the Association or Declarant in performing such work computed at the highest lawful rate as shall be permitted by law from the date(s) such amounts are expended until repayment to the Association or Declarant,

as the case may be, and for all costs and expenses incurred in seeking the compliance of such Owner with his duties and responsibilities hereunder, and such Owner shall reimburse the Association or Declarant, as the case may be, on demand for such costs and expenses (including interest as above provided). If such Owner shall fail to reimburse the Association or Declarant, as the case may be, within thirty (30) days after the mailing to such Owner of a statement for such costs and expenses, then, without limitation of any other rights of the Association or Declarant, the Association may impose a Special Individual Assessment against such Owner.

Section 2. Duration. This Declaration and the controls, covenants, restrictions and standards set forth herein, as the same may be amended in accordance with Article XII, Section 3, below, shall run with and bind the Property and any Owner, and shall inure to the benefit of every Owner of a Lot in the Property and every Owner of any other portion of the Property, including Declarant, and their respective heirs, successors, and assigns, for a term of thirty (30) years beginning on the date this Declaration is recorded in the Office of the Register of Deeds of Franklin County, North Carolina. At the end of such thirty (30) year period, the easements, covenants, conditions and restrictions set forth herein shall automatically be extended for successive period(s) of ten (10) additional years, unless prior to the expiration of a respective period, by two-thirds (2/3) vote of the Association Members, there shall be adopted a resolution to terminate these covenants and restrictions. Owners may vote in person or by proxy at a meeting duly called for such purpose at which a quorum is present, written notice of which shall have been given to all Owners at least thirty (30) days in advance of the date of such meeting, which notice shall set forth the purpose of such meeting. The foregoing shall not limit the right of Declarant or the Association to amend and/or supersede, in whole or in part, the terms and provisions hereof at any time, as such right in favor of Declarant and the Association are described in Section 3 below.

Section 3. Amendment. Except as otherwise expressly provided herein and subject to the limitations hereinafter contained, this Declaration may be amended or modified at any time by a vote of no less than sixty-seven percent (67%) of all votes entitled to be cast by the Association Members, which vote is taken at a duly held meeting of the Association Members at which a quorum is present, all in accordance with the Bylaws. Provided, however, if sixty-seven percent (67%) of all votes entitled to be cast by the Association Members cannot be obtained at such a meeting, then this Declaration may be amended by obtaining the vote of sixty-seven percent (67%) of all votes present at a duly held meeting of the Association Members at which a quorum is present and by, within ninety (90) days of such vote, obtaining written consent to such amendment by Association Members holding a sufficient number of votes to comprise, along with such voting Association Members, a total of sixty-seven percent (67%) of all votes entitled to be cast by Association Members. Further provided, that any amendment or modification to this Declaration must be consented to by Declarant so long as Declarant is the Owner of any Lot or other portion of the Property, which consent Declarant may grant or withhold in its sole discretion. Any amendment or modification upon which the vote of Association Members is required pursuant to this Section 3 shall become effective when an instrument executed by the Association Members voting for such amendment or modification is filed of record in the Office of the Register of Deeds of Franklin County, North Carolina; provided, however, such an

amendment or modification, in lieu of being executed by the Association Members voting for such amendment or modification, may contain a certification of the Secretary of the Association stating that the amendment or modification has been voted on and approved by the requisite number of votes of the Association Members, as provided in this Section 3.

Notwithstanding the terms of the immediately preceding paragraph of this Article XII, Section 3, for so long as Declarant owns any portion of the Property, Declarant, without obtaining the approval of any Association Member or any Owner or Owners other than Declarant, shall have the unilateral right, in its sole and absolute discretion, to make any amendments or modifications hereto which Declarant deems necessary or desirable, including, without limitation, amendments or modifications to any procedural, administrative or substantive provision of this Declaration, consistent with the uniform scheme of development established by this Declaration. Furthermore, at any time during the term of this Declaration, Declarant, without obtaining the approval of any Association Member or any Owner or Owners other than Declarant, shall have the unilateral right, in its sole and absolute discretion, to make any amendments or modifications hereto (i) which are correctional in nature and do not involve a change which materially adversely affects the rights, duties or obligations specified herein, (ii) which are necessary to cause this Declaration or any Additional Declaration to comply with the requirements of FHA, VA, the Federal National Mortgage Association or other governmental agency, and (iii) to change the designation of any Lot then owned by Declarant. Any amendment to this Declaration by Declarant need only be executed by Declarant, and shall be effective when so executed and recorded in the Office of the Register of Deeds of Franklin County, North Carolina.

Section 4. Release of Property. For a period of ten (10) years after the recordation of this Declaration, Declarant shall have the right, in its sole and absolute discretion, without the consent of the Association, any Association Member or any other Owner, to release any portion of the Property then owned by Declarant from the terms of this Declaration by recording a release in the Office of the Register of Deeds of Franklin County, North Carolina. After the recordation of such release, the portion of the Property described therein shall not be subject to the terms of this Declaration.

Section 5. Enforcement; Litigation. The Association, Declarant or any Owner shall have the right, but not the obligation, on its own behalf or on behalf of others, to enforce the provisions of this Declaration or any Additional Declaration. Enforcement of the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens for which provision is made in this Declaration shall be by a proceeding at law or in equity (or otherwise, as provided in this Declaration) against any person or persons violating or attempting to violate any such control, covenant, condition, restriction, easement, development guideline, charge or lien, either to restrain such violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Association, Declarant or any Owner to enforce any such control, covenant, condition, restriction, easement, development guideline, charge or lien shall in no event be deemed a waiver of the right to do so thereafter or of any other or future violation of any thereof. Except as otherwise expressly provided in this Declaration, no judicial or administrative proceeding shall be commenced or prosecuted by the

Association unless approved by a vote of no less than sixty-seven percent (67.0%) of all votes entitled to be cast by the Class I Association Members, which vote is taken at a duly held meeting of the Association Members at which a quorum is present, all in accordance with the Bylaws. The immediately preceding sentence shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration, (b) the imposition and collection of assessments, charges or other fees hereunder, (c) proceedings involving challenges to ad valorem taxation, (d) counter-claims brought by the Association in proceedings instituted against it or (e) actions brought by the Association against any contractor, vendor, or supplier of goods or services to the Project. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 6. Severability of Provisions. If any paragraph, section, sentence, clause or phrase of this Declaration shall be or become illegal, null or void for any reason or shall be held by any court of competent jurisdiction to be illegal, null or void, the remaining paragraphs, sections, sentences, clauses or phrases of this Declaration shall continue in full force and effect and shall not be affected thereby. It is hereby declared that the remaining paragraphs, sections, sentences, clauses and phrases would have been and are imposed irrespective of the fact that any one or more other paragraphs, sections, sentences, clauses or phrases shall become or be illegal, null or void.

Section 7. Notice. Except as otherwise set forth herein expressly, whenever written notice to an Owner or Association Member (including Declarant) is required hereunder, such notice shall be given by the mailing of same, postage prepaid, to the address of such Owner or Association Member appearing on the records of Declarant or the Association. If notice is given in such manner, such notice shall be conclusively deemed to have been given by placing same in the United States mail properly addressed, with postage prepaid, whether received by the addressee or not. Declarant's address as of the date of recording of this Declaration is 1011 West Gannon Ave., Zebulon, North Carolina 27597

Section 8. Titles. The titles, headings and captions which have been used throughout this Declaration are for convenience only and are not to be used in construing this Declaration or any part thereof.

Section 9. No Exemption. No Owner or other party may exempt himself from the coverage hereof or obligations imposed hereby by non-use of such Owner's Lot(s) or other property located within the Project or the Common Area.

Section 10. Changes to Plans for the Project. Nothing contained herein shall be deemed to incorporate, by reference or otherwise, any plans or proposals promulgated by Declarant with respect to the development of the Project, and Declarant, subject to the covenants, conditions and restrictions contained in this Declaration and any Additional Declaration, reserves the right to change any plans for the Project at any time and from time to time as Declarant may determine to be necessary based upon Declarant's continuing research and design program

and/or market conditions, and any plans for the Project shall not bind Declarant or its successors and assigns to adhere to such plans in the development of the Property or any part thereof. In addition, Declarant reserves the right to change, from time to time, the uses and densities that exist on any portion(s) of the Property owned by Declarant, subject to the covenants, conditions and restrictions contained in this Declaration and any Additional Declaration.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the day and year first above written.

BABSON DEVELOPMENT CO, LLC

By: _____ GM
Name: Robert B. Lafater
Title: General Manager

NORTH CAROLINA
Nash COUNTY

I certify that Robert B. Lafater personally appeared before me this day and acknowledged to me that he executed the foregoing document in his official capacity as General Manager of Babson Development Company, LLC.

This 1st day of March, 2019.

Joyce Duke
Notary Public
JOYCE DUKE
Printed name of Notary Public
My Commission expires: 6-8-2019

(NOTARY SEAL)

JOYCE DUKE
NOTARY PUBLIC
NASH COUNTY, NC
My Commission Expires 6-8-2019

EXHIBIT A

All that certain lot or parcel of land situated in Franklin County, North Carolina, and more particularly described as follows (the "Property"):

BEING located in Franklin County, North Carolina, and being all of that property shown on Pages 1 through 6 of that map entitled "Final Subdivision plat THE ENCLAVE AT HIDDEN LAKE SUBDIVISION" (the "Plat") surveyed by ESP Associates, Inc. and recorded in Map Book 2019, Pages 64, Franklin County Registry.

The Property does not include those areas designated on the Plat as "Hidden Lake", "Ange Executive Estates, LLC", "Future Development" and "Hidden Lake Community Association".