Wake County,NC 340
Laura M Riddick, Register Of Deeds
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North Carolina

WAKE COUNTY

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF SOUTH CREEK SUBDIVISION HOMEOWNERS ASSOCIATION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is entered into this 21st day of January, 2002, between South Park Development Co., Inc., Ashley Turner Enterprises, Inc., and Ashley Turner Building Co., Inc. (hereinafter called "Declarant") and all parties hereafter acquiring any of the described property.

WITNESSETH:

WHEREAS, Declarant, is the owner of all lots withing a subdivision in the County of Wake, State of North Carolina, known as South Creek subdivision, and

WHEREAS, it is in the best interest of the Declarant and to the benefit, interest and advantage of every party hereafter acquiring any of the described property that certain covenants, conditions, easements, assessments, liens and restriction governing and regulation the use and occupancy of the property be established; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities and the desirability and attractiveness of the property in Wake County and for the continued maintenance and operation of such recreational and common areas.

NOW, THEREFORE, in consideration of the premises, the DECLARANT agrees with all parties hereafter acquiring any of the property hereinafter described, that it shall be and is hereby subject to the following restrictions, covenants, conditions, easements, assessments, and liens relating to the use and occupancy thereof, which shall be construed as covenants running with the land which shall be binding on all parties acquiring any right, title or interest in any of the properties and which shall inure to the benefit of each owner thereof.

ARTICLE I

PROPERTIES SUBJECT TO THIS DECLARATION

The property which shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in St. Mary's township, Wake County and is described as follows:

BEING all of South Creek Subdivision as same is depicted on plat entitled "Final Pat, South Creek, Phase II" and recorded at Plat Book 2002, Pages 131 of the Wake County Registry.

The Declarant hereby subjects the property, described above, to this Declaration and the jurisdiction of the Association and to these Declarations.

ARTICLE II

DEFINITIONS

SECTION 1. "Association" shall mean and refer to South Creek Homeowners Association, Inc., its successors and assigns.

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

SECTION 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the Jurisdiction of the Association.

SECTION 4. "Common Area" shall consist of two categories of property:

1. "Common area" shall mean all property owned by the Association, or such other property which the Association may hold subject to the provisions of the Declaration including medians in all public and private streets. Common areas shall be defined and bounded on the plat(s) as "Common Areas" or "Common Open Space". Common areas shall be conveyed to the Association free and clear of all encumbrances prior to deeding the first Unit. Common areas shall specifically include, but shall not be limited to, all water lines which serve the properties located outside of public rights-of-way, all sewer lines which serve the properties located outside of public rights and any utility easements (excluding those located in any Unit).
2. "Entrance Common Areas" shall mean and include those areas within the boundaries of Lot 1 adjoining NC Highway 50 which are dedicated for use as a 25-foot landscaping buffer, sight area for exit onto NC Highway 50, entrance island and subdivision signage.

SECTION 5. "Unit" shall mean and refer to any dwelling located on the Properties with the exception of the Common Area.

SECTION 6. "Declarant" shall mean and refer to South Park Development Co., Inc, its successors and assigns if such successors and assigns should acquire more than fifty

percent (50%) of the currently undeveloped Properties from the Declarant for the purpose of development.

SECTION 7. "Common Expense" shall mean and include:

(a) All sums lawfully assessed by the Association against its members;
(b) Administration, maintenance, repair or replacement of signage, plantings in the Entrance Common Area buffer other features of the Common Areas;
(c) Expenses declared to be common expenses by the provisions of this Declaration;
(d) Hazard, liability, or such other insurance premiums as the Declaration of the Bylaws may require the Association to purchase;
(e) Ad valorem taxes and public assessment charges lawfully levied against Common Areas.
(f) Expenses agreed by the members to be common expenses of the Association.

ARTCILE III

PROPERTY RIGHTS

SECTION 1. Owners Easements of Enjoyment. Every owner shall have a right and easements of enjoyment in and to the Common Area and over the common area for access, ingress, and egress, from and to public streets, walkways and parking areas and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which an assessment against his Unit remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purpose and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded.
(d) the right of the Association to limit the number of guests of Members;
(e) the right of the Association, in accordance with its Articles and By-laws, to borrow money for the purpose of improving the Common Area and facilities

and in aid thereof to mortgage said property, and the rights of such mortgage in said Properties shall be subordinate to the rights of the homeowners hereunder;

(f) the right of the Association to adopt, publish and enforce rules and regulations as provided in Article IX.

SECTION 2. Delegation of Use. Any owner may delegate, his right of enjoyment to the Common Areas and facilities to property to members of his family, his tenants, or contract purchasers who reside on the property.

SECTION 3. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area to the Association, free and clear of all encumbrances and liens prior to the conveyance of the first Unit, except for possible utility or storm drainage easements.

SECTION 4. Parking. The Association may regulate the parking of boats, trailers and other such items on the Common Areas.

SECTION 5. TV Antennas and Cablevision. The Association may prohibit the erection of satellite dishes having a diameter in excess of 24 inches on individual Units.

SECTION 6. Entrance Common Areas. The Association may regulate, subject to the regulations of the Town of Garner, the landscaping, maintenance and use of the Entrance Common areas. The owner(s) of Lot 1 adjoining NC Highway 50 shall not disturb, alter or remove the signage and plantings in such areas without the consent of the Association and the Town of Garner. No fencing shall be allowed on the eastern, southern, or northern sides of these lots without the consent of the Association and the Town of Garner. Nothing herein shall prevent the owners of these lots from cutting the grass within such areas, and they shall be required to cut the grass so as to prevent it from obscuring the sight required for safe vehicular entrance onto NC Highway 50.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Every owner of a Unit which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separate from ownership of any Unit which is subject to assessment.

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

CLASS A. Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Unit owned. When more than one (1) person holds an interest in any Unit, all such persons shall be members. The vote for such unit shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Unit.

CLASS B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(A) When the total votes outstanding in the Class A membership equal the total votes outstanding in Class B membership, but provided that the Class B membership shall be reinstated if thereafter and before the time stated in subparagraph (B) below, additional lands are annexed to the Properties without the assent of the Class A members on account of development of such additional lands by the Declarant, as provided for in Article VII, Section Two, below, or;

(B) January 1, 2007

SECTION 3. At no time or under any circumstances shall fractional voting be permitted or allowed.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each unit owned within the Properties, hereby covenants, and each owner of any Unit by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (1) annual assessments or charges; and (2) special assessments for capital improvement, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be charged on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. All assessments relating to common areas and maintenance of the exterior shall be shared equally by the owners of each Lot.

SECTION 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and in particular for the acquisition, improvements, maintenance of the Common Areas, including the maintenance, repair, and reconstruction of private streets, driveways, walks, and parking areas situated on the Common Area, such maintenance to include the cutting and removal of weeds and grass and the removal of trash and rubbish or any other maintenance or for the use and enjoyment of the Common Area, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, fees for management and supervision,

the payment of taxes and public assessments assessed against the Common Area, the procurement and maintenance of insurance in accordance with this Declaration, the employment of attorneys to represent the Association when necessary, the provision of adequate reserves for the replacement of capital improvements, and any other major expense for which the Association is responsible, and such other needs as may arise.

SECTION 3. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Area and use other portions of the Properties which the Association may be obligated to maintain. Such reserve funds to establish out of regular assessments or common expense.

SECTION 4. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment shall be sixty dollars ($60.00).

(a) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of membership by up to five per cent (5%) of the previous year's assessment.

(b) From and after January 1 of the year immediately following the conveyance of the first Unit to an owner, the maximum annual assessment may be increased above the increase permitted in Section 4 above by a vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

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

SECTION 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized below, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, and in connection with exterior maintenance, including fixture and personal property related thereto provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose. Written notice of which shall be sent to all members not less than thirty (30) days more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

SECTION 6. Notice And Quorum for any Action Authorized Under Sections 4 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty per cent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 7. Uniform Rate of Assessments. Both annual and special assessments shall, except as herein otherwise specifically provided, be fixed at a uniform rate for all Units and may be collected on a monthly, quarterly or yearly basis. Provided, however, that the assessment for Units owned by Declarant, shall be a lesser amount as fixed by the Board of Directors of the Association, but shall not be less than twenty-five per cent (25%) of the regular assessment for other Units.

SECTION 8. Date of Commencement of Annual Assessments Due Dates. The annual assessments provided for herein shall commence as to all Units on the first day of the month following the conveyance of the Common Area. Such annual assessments shall be paid ratably on a monthly basis. The Board of Directors shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment on a specified Unit has been paid. Any certificate so given shall be conclusive evidence of payment of the assessment stated herein.

SECTION 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve per cent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property and in either event interest, costs, and reasonable attorney's fees of any such action shall be added to the assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Unit. Should any deficiency remain after the foreclosure, the Association may also bring an action against the Owner for said deficiency.

SECTION 10. Working Capital Fund. At the time of closing of the sale after construction of each unit, a sum equal to at least two (2) months assessment for each Unit shall be collected and transferred to the Association to be held as a working capital fund. The purpose of said fund is to insure that the Association Board will have adequate cash available to meet unforeseen expenses and to acquire additional equipment or services

deemed necessary or desirable. Amounts paid into the fund shall not be considered advance payment of regular assessments.

ARTICLE VI

ARCHITECTURAL CONTROL

No Building, fence, wall or other structure shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an Architectural Committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VII

ANNEXATION OF ADDITIONAL PROPERTIES

SECTION 1. Annexation of additional property, except as provided herein in Section 2 of this Article VII, shall require the assent of two-thirds (2/3) of the Class A and Class B membership, at a meeting duly called for this purpose, written notice of which be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The presence of Members or of proxies entitled to cast sixty per cent (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirement set forth above and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the prior meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

SECTION 2. Annexation of additional properties shall be accomplished by recording in the County Registry a Declaration of Annexation duly executed by the Association pursuant to Section I above, describing the lands annexed and incorporating the provisions of this Declaration. The additional lands shall be deemed annexed to the Properties on the date of recordation of the Declaration of Annexation, and in the case of an annexation by the Declarant, no action or consent on the part of the Association or any

other person or entity shall be necessary to accomplish the annexation except the Town of Garner if required by its ordinances.

SECTION 3. Prior to the conveyance of the first Unit in any newly annexed area, the Declarant shall deliver to the Association one or more deeds conveying fee simple title to any Common Area within the lands annexed free and clear of all encumbrances and liens except utility, storm drainage, and greenway easements.

ARTICLE VIII

INSURANCE

SECTION 1. The following provisions shall govern insurance coverage on the Property:

(a) Ownership of Policies. The Association for the benefit of the Association and the owners shall purchase all insurance policies upon the Common Areas.

(b) Coverage. All buildings and improvements and all personal property included in the Common Areas and facilities shall be insured in an amount equal to one hundred per cent (100%) insurable replacement value as determined annually by the Association with the assistance of the insurance company providing coverage. Such coverage shall provide protection against:

(i) Loss or damage by fire and other hazards covered by the standard extended coverage endorsement; and

(ii) Such other risks as from time to time shall be customarily covered with respect to buildings on the land;

(iii) Such policies shall contain clauses providing for waiver of subrogation.

(c) Liability. Public liability insurance shall be secured by the Association with limits of liability no less than One Million Dollars ($1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be desirable and necessary.

(d) Premiums. Premiums for insurance policies purchased by the Association shall be paid by Association and charged to the Owners as an assessment according to the provisions of Article V above.

(e) Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustees under this Declaration. The sole duty of the Association as insurance trustees shall be to receive such proceeds as are paid and to hold same in trust for the purposes stated herein or stated in the Bylaws and for the benefit of the owners and their mortgagees in the following shares:

(i) Proceeds on account of damage to Common Areas and facilities held for the Association.

(ii) In the event a mortgagee endorsement has been issued for any Lot, the share of the Owner shall be held in trust for the mortgagee and Owner as their interests may appear.

SECTION 2. Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Association as insurance trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

(a) Expense of the Trust. All expenses of the insurance trustees shall be first paid or provisions made therefor.

(b) Reconstruction or Repair. The remaining proceeds shall be paid to defray the cost of repairs. Any proceeds remaining after defraying such cost shall be distributed to the beneficial Owners as above provided.

SECTION 3. Fidelity Insurance or Bond. All persons responsible for or authorized to expend funds or otherwise deal in the assets of the Association or those held in trust, shall first be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their, the Owner as their interest may appear, duties in an amount equal to six (6) months, assessments plus reserves accumulated.

ARTICLE IX

USE RESTRICTIONS

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

SECTION 2. Use of Properties. No portion of the Properties (except for temporary office of the Declarant and/or model used by Declarant) shall be used except for residential purposes and for purposes incidental or accessory thereto. Nothing contained in this Article or elsewhere in this Declaration shall be construed to prohibit Declarant from the use of any lot, dwelling, or improvement, or the recreational center, for promotional or display purposes or as a "model home", a sales center, or the like.

SECTION 3. Quiet Enjoyment. Neither activities that are obnoxious nor activities which are offensive shall be carried on upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood.

SECTION 4. Animals. No animals, livestock, or poultry of any kind shall be kept or maintained in any Unit except that dogs, cats, or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes.

ARTICLE X

EASEMENTS

SECTION 1. All of the Properties, including Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric powerlines and other public utilities as shall be established by the Declarant or by his predecessor in title, prior to the subjection of the Properties to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under, and across the common areas conveyed to it, such further easements as are requisite for the convenience, use, and enjoyment of the Properties. In addition, there is hereby reserved in the Declarant and its agents and employees an easement and right of ingress, egress, and regress across all Common Areas, now or hereafter owned by the Association, for the purposes of construction of improvements within the Properties.

SECTION 2. An easement is hereby established over the Common Areas and facilities for the benefit of applicable governmental agencies, public utility companies and public service agencies as necessary for setting, removing, and reading of meters, replacing and maintaining water, sewage and drainage facilities, electrical, telephone, gas and cable antenna lines, fire fighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities.

SECTION 3. There is hereby created a blanket easement upon, across, over and under all of the properties for ingress, egress, installation, replacement, repair and maintenance of all utilities, including but not limited to CATV, water, sewer, drainage, gas, cable television, telephones, and electricity and a master television antenna system. By virtue of this easement, it will be expressly permissible to erect and maintain the necessary poles and other equipment on the properties and to affix and maintain electrical and television wires and conduits, sewer and water lines on, above or below any residence or lot owned by any owner.

SECTION 4. An easement is hereby reserved to Declarant to enter the Common Area during the period of construction and sale on the Properties and to maintain such facilities and perform such operations as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the construction and sale or rental of residences,

including, without limitation, a business office, sales office, rental office, management office, storage area, construction yards, signs, displays, and model units.

SECTION 5. Declarant also reserves the right to enter into the Common Area for the purpose of carrying out any obligation it may have, or assume, with respect to the curing of any defects in workmanship of materials in the Properties or the improvements thereon.

SECTION 6. For a period of ten (10) years from the date of conveyance of the first Unit, the Declarant reserves a blanket easement and right on, over, and under the Properties to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety, and appearance. Such right expressly includes the right to cut any trees, bushes, or shrubbery, make any gradings of the soil or to take any other similar action reasonably necessary following which the Declarant shall restore the affected property to its original condition as near as practicable. The Declarant shall give reasonable notice of intent to take such action to the Association and all affected owners, unless in the opinion of the Declarant an emergency exists which precludes such notice.

ARTICLE XI

GENERAL PROVISIONS

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

SECTION 2. Membership in the Association as defined hereinabove shall be mandatory for each original purchaser and each successive purchaser of a dwelling unit or lot.

SECTION 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

SECTION 4. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety per cent (90%) of the Unit Owners, and thereafter by an instrument signed by not less than seventy-five per cent (75%) of the Unit Owners.

SECTION 5. If any amendment to these covenants, conditions, and restrictions is executed, each such amendment shall be delivered to the Board of Directors of this

Association. Thereupon, the Board of Directors shall, within thirty (30) days do the following:

(a) Reasonably assure itself that the amendment has been executed by the Owners of the required number of Units. (For this purpose, the Board may rely on its roster of members and shall not be required to cause any title to any Units to be examined).

(b) Attach to the amendment a certification as to its validity, which certification shall be executed by the Association in the same manner that deeds are executed. The following form of certification is suggested:

CERTIFICATION OF VALIDITY OF AMENDMENT TO COVENANTS, CONDITIONS AND RESTRICTIONS OF SOUTH PARK DEVELOPMENT CO., INC.

South Park Development Co., Inc.

BY: _____ President

ATTEST:

_____
Secretary

SECTION 6. Management and Contract Rights of Association. Declarant may enter into a contract with a Management company manager for the purpose of providing all elements of the operation, care, supervision, maintenance, and management of the property. However no such contract shall be binding upon the Association except through express adoption or ratification of the terms and conditions of such contract. Any contract or lease entered into by Declarant or by the Association while Declarant is in control thereof shall contain a provision allowing the Association to terminate such contract without justification or penalty after transfer of management by Declarant to the Association.

SECTION 7. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Areas, and amendment of this Declaration or Covenants, Conditions, and Restrictions.

SECTION 8. Rights of Noteholders. Any institutional holder of a first mortgage on a Unit will, upon request, be entitled to:

(a) Inspect the books and records of the Association during normal business hours;

(b) Receive an annual audited financial statement of the Association within ninety (90) days following the end of its fiscal year;
(c) Receive written notice of all meetings of the Association and have the right to designate a representative to attend all such meetings;
(d) Receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the Unit securing its mortgage;
(e) Receive written notice of any sixty-day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it hold the mortgage;
(f) Receive written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Owners, Association;
(g) Receive written notice of any proposed action that requires the consent of a specified percentage of mortgage holders; and
(h) Be furnished with a copy of the master insurance policy.

ARTICLE XII

ELECTRICAL AND GAS SERVICE

Declarant reserves the right to subject the above-described property to a contract with Carolina Power and Light Company for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or continuing monthly payment to Carolina Power and Light Company by the Owner of each lot within said Property. Declarant further reserves the right to subject the above-described property to a contract with the Public Service Company or other provider of natural gas service for the installment of underground gas lines which may require an initial payment or continuing monthly payment to said gas service by the Owner of each Unit within said Property.

IN WITNESS WHEREOF, the Grantor has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

SOUTH PARK DEVELOPMENT CO., INC.

BY: _____
President

ATTEST:

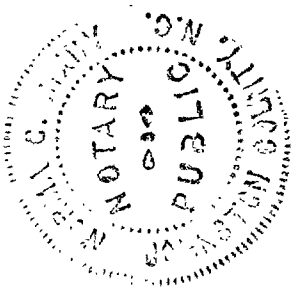
_____
Secretary

STATE OF NORTH CAROLINA
COUNTY OF WAKE

This is to certify that on the 21st day of January, 2002, before me personally appeared Lanny K. Clifton with whom I am personally acquainted, who, being by me duly sworn, says that he is the President and that Ron R. Lee is the Secretary of South Park Development Co., Inc., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is the common seal, and the name of the corporation was subscribed thereto by the President, and that said President and said Secretary subscribed their names thereto and the common seal was affixed, all by order of the Board of Directors of said Corporation, and that said instrument is the act and deed of the corporation. Witness my hand and official seal this the 21st day of January, 2002.

Norma C Bobby
Notary Public

My Commission Expires: Jan 22 2003



IN WITNESS WHEREOF, the Grantor has caused this instrument to be signed in its corporate name by its duly authorized officer by authority of its Board of Directors, the day and year first above written.

Ashley Turner Enterprises, Inc.

By: _____
President

ASHLEY TURNER ENTERPRISES INC. CORPORATE SEAL 1997 N.C.

State of ~~North~~ Carolina County of ~~Wake~~ Johnston

JACKIE G. GROSS NOTARY *** PUBLIC JOHNSTON COUNTY, N.C.

I, a Notary Public of the County and State aforesaid, certify that William Ashley Turner personally came before me this day and acknowledged that he is the President of Ashley Turner Enterprises, Inc., a North Carolina corporation,and that by authority duly given and as the act of the corporation, he or she signed the foregoing instrument on behalf of the corporation in such capacity. Witness my hand and official stamp or seal on this day, July 18, 2002.

Jackie G. Gross
Notary Public

My Commission Expires: 11-11-06

IN WITNESS WHEREOF, the Grantor has caused this instrument to be signed in its corporate name by its duly authorized officer by authority of its Board of Directors, the day and year first above written.

Ashley Turner Building Co., Inc.

By: _____
President

State of North Carolina County of Wake

JOSEPH A. CALDER NOTARY *** PUBLIC WAKE COUNTY, N.C.

I, a Notary Public of the County and State aforesaid, certify that William Ashley Turner personally came before me this day and acknowledged that he is the President of Ashley Turner Building Co., Inc., a North Carolina corporation,and that by authority duly given and as the act of the corporation, he or she signed the foregoing instrument on behalf of the corporation in such capacity. Witness my hand and official stamp or seal on this day, July 18, 2002.

Notary Public

My Commission Expires: 7-28-02

Laura M Riddick
Register of Deeds
Wake County, NC

Book : 009510 Page : 00075 - 00091

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Please retain with original document and submit for rerecording.

WAKE COUNTY
NORTH CAROLINA

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

North Carolina - Wake County

The foregoing certificate 5 of Norma C. Bixby
Jackie C. Gross
Joseph A. Calder
_____ Notary(ies) Public is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the first page hereof.

Laura M. Riddick, Register of Deeds

By: Veronica S Glover DEPUTY
~~Assistant~~/Deputy Register of Deeds

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