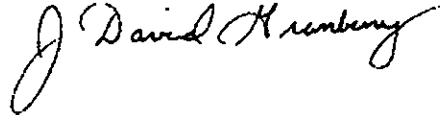


For Registration J. David Granberry  
Register of Deeds  
Mecklenburg County, NC  
Electronically Recorded  
2014 Aug 04 03:12 PM RE Excise Tax: \$ 0.00  
Book: 29359 Page: 306 Fee: \$ 118.00  
Instrument Number: 2014089528



**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
OAK BRIDGE AT WATERLEAF**

DRAWN BY AND MAIL AFTER RECORDING TO:

HINSON FAULK, P.A.  
309 Post Office Drive  
Indian Trail, NC 28079

2014073985

submitted electronically by "Hinson Faulk, P.A."  
in compliance with North Carolina statutes governing recordable documents  
and the terms of the submitter agreement with the Mecklenburg County Register of Deeds.

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**  
**FOR**  
**OAK BRIDGE AT WATERLEAF**

THIS DECLARATION, dated the 25 day of July, 2014 and is made by and between CAROLINA DEVELOPMENT SERVICES, LLC, a North Carolina limited liability company (hereinafter "Developer"); GREENE GROUP OF NORTH CAROLINA, LLC, a North Carolina limited liability company (hereinafter "Greene"); and TRUE HOMES, LLC, a Delaware limited liability company (hereinafter "True").

**Recitals:**

A. Greene is the owner of the property described on Exhibit "A", attached hereto and made a part hereof; and True is the owner of the property described on Exhibit "B", attached hereto and made a part hereof; and the property described on Exhibit A and Exhibit B are collectively referred to herein as the "Original Tract".

B. With the consent of and at the request of Greene and True, Developer has developed portions of the Original Tract into a residential subdivision and intends to similarly develop the remainder of the Original Tract. Developer, True and Greene desire to subject and impose upon all real estate within the platted areas of the Original Tract, mutual and beneficial restrictions, covenants, conditions and charges contained herein contained and as set forth in the Plats (such restrictions, covenants, conditions and charges herein referred to alternatively as the "Declaration" or "Restrictions") under a general plan or scheme of improvement for the benefit and complement of the lots and lands in the Original Tract and future owners thereof.

**Terms:**

NOW, THEREFORE, Developer, True and Greene hereby declare that all of the platted lots and other lands located within the Real Estate, as defined below, are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the Restrictions, all of which are declared and agreed to be in furtherance of a plan for the improvement and sale of said lots and lands within the Real Estate, and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Real Estate as a whole and of each of said lots situated therein. All of the Restrictions shall run with the land and shall be binding upon Developer, Greene and True and upon the parties having or acquiring any right, title or interest, legal or equitable, in and to the real property or any part or parts thereof subject to the Restrictions, and shall inure to the benefit of successors in title to any real estate in the Real Estate.

**ARTICLE I**  
**DEFINITIONS**

The following are the definitions of the terms used in this Declaration:

**Section 1.1 "Assessment"** shall mean the share of the Common Expenses imposed on each Lot or other special assessments, as determined and levied pursuant to the provisions of Article V hereof.

**Section 1.2 "Association"** shall mean Oak Bridge at Waterleaf Homeowners Association, Inc., its successors and assigns, which shall be created as a North Carolina nonprofit corporation.

**Section 1.3 "Board"** shall mean the Board of Directors of the Association.

**Section 1.4 "Builders"** shall mean any homebuilder, developer or other contractor in the business of purchasing Lots or land from Developer for the purpose of building thereon, and selling residential dwelling units to the public.

**Section 1.5 "Committee"** shall mean the Architectural Control Committee, which shall be appointed by the Board and have such duties as provided in Article VI, below.

**Section 1.6 "Common Area(s)"** shall mean those areas and all improvements located thereon which are identified as open space, if any, on the plats.

**Section 1.7 "Common Expenses"** shall mean the actual and estimated cost to the Association of the costs for maintenance, management, operation, repair, improvement and replacement of the Common Areas, and any other cost or expense incurred by the Association for the benefit of the Common Areas or for the benefit of the Association.

**Section 1.8 "Development Period"** shall mean the period of time during which Developer owns at least one (1) Lot.

**Section 1.9 "Dwelling Unit"** shall mean and refer to any structure (or portion thereof) designed or intended for use and occupancy as a residence by one (1) family on a Lot located within the Real Estate, irrespective of whether such dwelling is detached or attached to another Dwelling Unit.

**Section 1.10 "Easement Area"** shall mean any portion of the Real Estate, which is subject to an easement as more particularly described in Article III, below.

**Section 1.11 "Lake" or "Lakes"** shall mean and refer to the water detention pond(s) or lake(s), if any, whether or not such are also a Common Area, together with the shoreline area thereof, as shown on the Plats.

**Section 1.12 "Lot" or "Lots"** shall mean any parcel(s) of the Real Estate (excluding the Common Areas) which are designated and intended for use as a building site, or developed and improved for use as a single family residence identified by number on the Plats. No Lot shall be further subdivided for development purposes, except as may be reasonably necessary to adjust for minor side or rear yard encroachments or inconsistencies.

**Section 1.13 "Member"** shall mean any person or entity holding membership in the Association.

**Section 1.14 "Owner"** shall mean the record owner, whether by one or more persons, of the fee simple title to any Lot, but excluding those persons having such interest merely as security for the performance of an obligation.

**Section 1.15 "Plat or Plats"** shall mean any recorded plat(s) or map(s) executed by or consented to by Developer, Greene or True, creating a subdivision of a portion or portion(s) of the Original Tract into Lots, Common Areas, streets, and other features, including but not limited to that certain plat entitled "OAK

BRIDGE AT WATERLEAF, PHASE 1, MAP 1" recorded in Map Book 55, Page 647, Mecklenburg County Public Registry and that certain plat entitled "OAKBRIDGE AT WATERLEAF, FINAL PLAT, PHASE 1 MAP 2" recorded in Map Book 56, Pages 643, 644 and 645, Mecklenburg County Public Registry.

**Section 1.16 "Real Estate"** shall mean the Original Tract, and all or such portion of the Additional Tract, as hereinafter defined, as has, from time to time, been subjected to this Declaration.

**Section 1.17 "Septic Field Easement"** shall mean and refer to those certain tracts of land located within the Common Area and described on the recorded map(s) as "Septic Easement" or "Septic Area" or other similar designation.

**Section 1.18 "Septic Inspection Assessment"** shall mean the assessment established pursuant to Article V, Section 5.6B of the Declaration.

**Section 1.19 "Septic Supply Line Easement(s)"** shall mean and refer to an easement for the purpose of locating one or more individual septic lines to allow for a Lot Owner to transport his septic flow from his Lot to a Septic Field Easement. The Septic Supply Line Easement(s) include any "Septic Supply Easement" shown on the recorded map(s).

**Section 1.20 "Septic System"** shall mean and refer to all pipes, tanks, lines, supply pressure lines, including all drainage fields, Septic Supply Line Easements, and equipment and apparatus installed on the Lots or within the Septic Field Easements which is related to the transportation of sewage. The Septic System also includes any Septic Supply Line that runs from a Lot to an off-site Septic Field Easement through a Septic Supply Line Easement or roadway.

**Section 1.21 "Special Individual Assessments"** shall mean the assessments established pursuant to Article V, Section 5.6A of the Declaration.

**Section 1.22 "Supplemental Declaration"** shall mean an amendment or supplement to this Declaration or a Plat executed by or consented to by Developer, or by the Association pursuant to Article II, and recorded in the public records of the county in which the Declaration was originally recorded, which subjects all or any portion of the Additional Tract to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the Real Estate or the land described therein. A Supplemental Declaration may also remove any portion of the Real Estate then owned by Developer from the control and provisions of this Declaration.

## **ARTICLE II** **DEVELOPMENT OF THE REAL ESTATE**

**Section 2.1 Development of the Real Estate.** All Lots shall be and hereby are restricted exclusively to single-family residential use and shall be subject to the standards and restrictions set forth in this Declaration. Developer shall have the right, but not the obligation, during the Development Period, to submit additional real estate to or exclude any portion of the Real Estate from the provisions of this Declaration, and to make and maintain improvements, repairs and changes to any Common Area and all Lots owned by Developer, including without limitation: (a) installation and maintenance of improvements in and to the Common Areas; (b) changes in the location of the boundaries of any Lots owned by Developer or of the Common Areas; (c) installation and maintenance of any water, sewer, and other utility systems and facilities; (d) installation of security or refuse systems; and (e) additions or changes to the boundaries of any Common Areas or Easement Areas.

**Section 2.2 Public Streets.** The streets and public rights-of-way shown on the Plats are, upon recording of the Plats, dedicated to the public use, to be owned and maintained by the governmental body

having jurisdiction, subject to construction standards and acceptance by such governmental body. All Lots shall be accessed from the interior streets of the Development.

**Section 2.3 Development of Additional Property.** Developer hereby reserves the right and option, to be exercised in its sole discretion and without further approval by any party, to submit at any time and from time to time during the Development Period, additional real estate contiguous to the Original Tract, including that property described on "Exhibit C" attached hereto (the "Additional Tract") to the provisions of this Declaration. This option may be exercised by Developer in accordance with the following rights, conditions, and limitations:

(a) Additional real estate may be added to the Real Estate at different times, and there are no limitations fixing the boundaries of the portions or regulating the order, sequence, or location in which any of such portions may be added to the Real Estate. No single exercise of Developer's option to submit additional real estate to the Declaration shall preclude any further exercises of this option thereafter and from time to time as to other real estate.

(b) The option to add additional real estate may be exercised by Developer by the execution of a Supplemental Declaration or Plat describing such additional real estate, which shall be filed in the public records of the county in which the Declaration was originally recorded, together with a legal description of the additional real estate. The provisions of this Declaration shall then be construed as embracing the real property described in Exhibit "A" and Exhibit "B" and such additional real estate so submitted to the terms hereof, together with all improvements located thereon.

**Section 2.4 Annexation of Additional Real Estate by Members.** After the Development Period, the Association may annex additional real property to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of at least two-thirds (2/3) of the Members. Annexation by the Association shall be accomplished by the appropriate filing of record of a Supplemental Declaration describing the property being annexed. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed and any such annexation shall be effective upon filing unless otherwise provided therein. The relevant provision of the By-Laws dealing with regular or special meetings, as the case maybe, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 2.4 and to ascertain the presence of a quorum at such meeting.

**Section 2.5 Withdrawal of Property.** Developer hereby reserves the right and option during the Development Period, to be exercised in its sole discretion and without further approval by any party, to withdraw and remove any portion of the Real Estate then owned by Developer from the control and provisions of this Declaration. Such removal by Developer shall be carried out generally by the execution and filing of a Supplemental Declaration or other document which shall be filed in the public records of county in which the Declaration was originally recorded, together with a legal description of the Real Estate being withdrawn.

### **ARTICLE III** **PROPERTY RIGHTS AND EASEMENTS**

**Section 3.1 General.** Each Lot shall for all purposes constitute real property which shall be owned in fee simple and which, subject to the provisions of this Declaration, may be conveyed, transferred, and encumbered the same as any other real property. The Owners of any Lot subject to this Declaration, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Developer or a subsequent Owner of such Lot, shall accept such deed and execute such contract subject to each and every restriction and agreement herein contained. By acceptance of such deed or execution of

such contract, the new Owner acknowledges the rights and powers of Developer with respect to this Declaration and also for themselves, their heirs, personal representatives, successors and assigns. Each Owner shall be entitled to the exclusive ownership and possession of his Lot subject to the provisions of this Declaration, including without limitation, the provisions of this Article III. The ownership of each Lot shall include, and there shall pass with each Lot as an appurtenance thereto, whether or not separately described, a non-exclusive right and easement of enjoyment in and to the Common Areas as established hereunder and membership in the Association. Each Owner shall automatically become a member of the Association and shall remain a Member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically pass to his successor-in-title any certificates or other evidences of his membership in the Association. Lots shall not be subdivided by Owners and the boundaries between Lots and between the Real Estate and other neighborhoods shall not be relocated, unless the relocation thereof is made with the approval of the Board and, during the Development Period, of Developer.

**Section 3.2 Owner's Easement of Enjoyment.** Every Owner, his family, tenants, and guests shall have a non-exclusive right and easement of use and enjoyment in and to the Common Areas, such easement to be appurtenant to and to pass with title to each Lot, subject to the provisions of this Declaration and the rules, regulations, fees, and charges from time to time established by the Board in accordance with the By-Laws and subject to the following provisions:

(a) The Right of the Association, upon the affirmative vote or written consent, or any combination thereof, of voting Members representing at least eighty percent (80%) of the Members entitled to vote thereon, to mortgage all or any portion of the Common Areas for the purpose of securing a loan of money to be used to manage, repair, maintain, improve, operate, or expand the Common Areas; provided, however that if ingress or egress to any residence constructed on a Lot is through such Common Area, then such encumbrance shall be subject to an easement in favor of such Lot for ingress and egress thereto.

(b) The easements reserved elsewhere in this Declaration or in any Plat of all or any part of the Real Estate, and the right of the Association to grant and accept easements as provided in this Article III. The location of any improvements, trees or landscaping within an easement area is done at the Owner's risk and is subject to possible removal by the Association or the grantee of such easement.

(c) The right of the Association to dedicate or transfer fee simple title to all or any portion of the Common Areas to any appropriate public agency or authority, public service district, public or private utility, or other person, provided that any such transfer of the fee simple title must be approved (i) during the Development Period, by the Developer; and (ii) after the Development Period, upon the affirmative vote or written consent, or any combination thereof, of voting Members representing at least eighty percent (80%) of the Members entitled to vote thereon; provided, however that if ingress or egress to any residence constructed on a Lot is through such Common Area, then such dedication or transfer shall be subject to an easement in favor of such Lot for ingress and egress thereto.

(d) The rights of the Association and Developer reserved elsewhere in this Declaration or as provided in any Plat of all or any part of the Real Estate.

(e) The rights of the holder of any mortgage which is prior in right or superior to the rights, interests, options, licenses, easements, and privileges herein reserved or established.

**Section 3.3 Easements for Developer.**

(a) During the Development Period, Developer shall have an easement for access to the Real Estate, including any Lot and all Common Areas, for the purpose of constructing structures and other

improvements in and to the Lots and Common Areas, and for installing, maintaining, repairing, and replacing such other improvements to the Real Estate (including any portions of the Common Areas) as are contemplated by this Declaration or as Developer desires, in its sole discretion, including, without limitation, any improvements or changes permitted and described by Article II hereof, and for the purpose of doing all things reasonably necessary and proper in connection therewith, provided in no event shall Developer have the obligation to do any of the foregoing. In addition to the other rights and easements set forth herein and regardless of whether Developer at that time retains ownership of a Lot, Developer shall have an alienable, transferable, and perpetual right and easement to have access, ingress and egress to the Common Areas and improvement thereon for such purposes as Developer deems appropriate, provided that Developer shall not exercise such right so as to unreasonably interfere with the rights of owners of the Real Estate.

(b) In addition to the easement set forth in Section 3.3 (a), Developer hereby retains, reserves and is granted an exclusive perpetual easement over, above, across, upon, along, in, through and under the Utility Easement Areas, as such is defined in Section 3.4, below (i) for the purpose of owning, installing, maintaining, repairing, replacing, relocating, improving, expanding and otherwise servicing any utility or service including, without limitation, electricity, gas, sewer, telephone, television, and computer link by line, wire, cable, main, duct, pipe conduit, pole, microwave, satellite or any other transfer or wireless technology, and any related equipment, facilities and installations of any type bringing such utilities or services to each Lot or Common Area; (ii) to provide access to an ingress and egress to and from the Real Estate for the purposes specified in subsection (i); and (iii) to make improvements to and within the Real Estate to provide for the rendering of public and quasi-public services to the Real Estate. The easements, rights and privileges reserved to Developer under this Section 3.3(b) shall be transferable by Developer to any person or entity solely at the option and benefit of the Developer, its successors and assigns, and without notice to or the consent of the Association, the Owners, or any other person or entity. Developer may at any time and from time to time grant similar or lesser easements, rights, or privileges to any person or entity. By way of example, but not by limitation, Developer and others to whom Developer may grant such similar or lesser easements, rights or privileges, may so use any portion of the Real Estate to supply exclusive telecommunications services to each Lot. The Easements, rights and privileges reserved under this Section shall be for the exclusive benefit of Developer, its successors and assigns and may not be impaired, limited or transferred, sold or granted to any person or entity by the Association or any of the Owners.

#### **Section 3.4 Drainage, Utility and Sewer Easements.**

(a) There is hereby reserved for the benefit of Developer, the Association, and their respective successors and assigns, the perpetual right and easement, as well as the power, to hereafter grant and accept nonexclusive easements to and from any of the following providers and their respective successors and assigns, upon, over, under, and across (i) all of the Common Areas; and (ii) those portions of all Lots designated on the Plat as easements for installing, replacing, repairing, and maintaining utility services, including but not limited to those described in Section 3.3.

The Developer, the Association, and their successors and assigns shall also have the perpetual right and easement, as well as the power, to hereafter grant and accept nonexclusive easements within the Utility Easement Areas to and from any public authority or agency, public service district, public or private utility or other person for the purpose of installing, replacing, repairing, maintaining, and using storm sewers, drainage systems, and retention ponds and facilities for the Real Estate or any portion thereof. Any other grant or acceptance of any easement other than those specified above for any other utility service, including but not limited to, master television antenna and/or cable systems, security and similar systems shall be made by Developer in accordance with the rights reserved to Developer under Section 3.3(b), above. To the extent possible, all utility lines and facilities serving

the Real Estate and located therein shall be located underground. By virtue of any such easements and facilities, it shall be expressly permissible for the providing utility company or other supplier or service provider, with respect to the portions of the Development so encumbered, (i) to erect and maintain pipes, lines, manholes, pumps, and other necessary equipment and facilities, (ii) to cut and remove any fences, trees, bushes, or shrubbery, (iii) to grade, excavate, or fill, or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement, and use of such utilities and systems.

(b) Developer hereby grants to such governmental authority or agency as shall from time to time have jurisdiction over the Real Estate with respect to law enforcement and fire protection, the perpetual, non-exclusive right and easement upon, over, and across all of the Common Areas for purposes of performing such duties and activities related to law enforcement and fire protection in and upon the Real Estate as shall be required or appropriate from time to time by such governmental authorities under applicable law.

(c) There shall be created sanitary sewer easements and other easements in those areas designated on the Plat, which easements shall run in favor of Developer and any governmental or private entity needing such access for the purpose of installation and maintenance of the pipes, lines, manholes, pumps and other equipment necessary for utility services

**Section 3.5 Drainage Easements.** There is hereby reserved an easement for the benefit of Developer, the Association, and their respective successors and assigns for access to and installation, repair, or removal of a drainage system, either by surface drainage or appropriate underground installations, for the Real Estate; provided, however, that the Owner of any Lot subject to a drainage easement shall be required to maintain the portion of said drainage easement on his Lot (as shown on any Plat) in the condition originally provided by Developer and free from obstructions so that the surface water drainage will be unimpeded. No changes shall be made to said area by the Owner without the written consent of the applicable governmental agency; provided, however, that Developer, in its sole discretion, may make any changes. No permanent structures shall be erected or maintained upon said drainage easements.

**Section 3.6 Landscape Easements.** Landscape Easements, as designated on a Plat of all or any part of the Real Estate and Landscape Easements reserved within the sight triangles shown on Lots 1 and 41 of the Real Estate, are hereby created and reserved for the use of Developer and the Association for access to and installation, maintenance, repair, and replacement of signs, walls, earth mounds, trees, foliage, landscaping, and other improvements. Except as installed by Developer or the Association, no improvements or permanent structures, including without limitation, fences, patios, decks, driveways, and walkways, shall be erected or maintained in or upon said Landscape Easements without the written consent of the Board and provided such are in accordance with all applicable zoning laws. Notwithstanding the reservation of this easement, the Owners of Lots subject to an LE which does not extend along adjoining streets or roads shall have the exclusive right to use such area, subject to any other easement affecting such Lot.

**Section 3.7 Maintenance Access Easement and Emergency Access Easement:** There may be strips of grounds as shown on the Plat marked Maintenance Access Easement (M.A.E.) and Emergency Access Easement (E.A.E.), which are created and reserved: (a) for the use of the Developer during the Development Period for access to the Common Area and (b) for the nonexclusive use of the Association or any applicable governmental authority for access to the Common Areas. The Owner of any Lot which is subject to an MAE or EAE shall be required to keep the portion of his Lot which is subject to such easement free from obstructions so that access will be unimpeded.

**Section 3.8 Medians and Entry Features.** There may be landscaped medians and/or islands located within the Real Estate and within the public right-of-way of the streets which are not otherwise labeled as Common Areas or as a LE. These areas are created and reserved for installation and maintenance of

landscaping and entry features such as but not limited to permanent walls, signs, fences and landscaping material. These landscaped areas and features shall be maintained by the Association as if such were a Common Area.

**Section 3.9 Sales and Construction Offices.** Notwithstanding any provisions or restrictions herein to the contrary, during the Development Period, and for a reasonable time thereafter, there is hereby reserved and created for the use of Developer, and its successors and assigns, and persons constructing improvements within the Real Estate, an easement for access to the Real Estate for the maintenance of signs, sales offices, construction offices, business offices, and model houses, together with such other facilities as in the sole opinion of Developer may be reasonably required, convenient, or incidental to the completion, improvement and/or sale of Lots and the Common Areas.

**Section 3.10 Maintenance Easement.** There is hereby reserved and created for the use of Developer, the Association and their respective agents, employees, successors and assigns, a maintenance easement to enter upon any Lot for the purpose of mowing, removing, clearing, cutting, or pruning underbrush, weeds, stumps, or other unsightly growth and removing trash, so as to maintain a community-wide standard of health, fire safety, and appearance for and within the Real Estate, provided that such easements shall not impose any duty or obligation upon Developer or the Association to perform any such actions.

#### **ARTICLE IV** **ORGANIZATION AND DUTIES OF ASSOCIATION**

**Section 4.1 Organization of Association.** The Association shall be organized as a nonprofit corporation under the laws of the State of North Carolina, to be operated in accordance with the Articles of Incorporation which have been filed or will be filed by Developer, and the By-Laws of the Association.

**Section 4.2 Voting Rights.** The membership of the Association shall consist of two (2) classes of membership with the following rights:

(a) **Class A Membership.** Class A Members shall be all Owners except Class B Members. Each Class A Member shall be entitled to one (1) vote for each Lot owned by such Member with respect to each matter submitted to a vote of Members upon which the Class A Members are entitled to vote. In the event that any Lot shall be owned by more than one person, partnership, trust, corporation, or other entity, each shall be a Member but they shall be treated collectively as one Member for voting purposes, so that as to any matter being considered by the Class A Members, only one (1) vote is cast for each Lot.

(b) **Class B Membership.** Class B Members shall be the Developer, True and Builders. Each Class B Member shall be entitled to three (3) votes for each Lot of which it is the Owner with respect to each matter submitted to a vote of the Association. The Class B Membership shall cease and terminate upon the first to occur of (i) the date upon which the written resignation of the Class B Members as such is delivered to the Association; or (ii) at such time as the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership.

Notwithstanding anything herein to the contrary, during the Development Period all actions of the Association shall require the prior written approval of the Developer.

**Section 4.3 General Duties of the Association.** The Association is hereby authorized to act and shall act on behalf of, and in the name, place, and stead of, the individual Owners in all matters pertaining to the maintenance, repair, and replacement, of the Common Areas, the determination of Common Expenses, and the collection of annual and special Assessments. The Association shall also have the right, but not the obligation to act on behalf of any Owner or Owners in seeking enforcement of the terms, covenants,

conditions and restrictions contained in the Plats. Neither the Association nor its officers or authorized agents shall have any liability whatsoever to any Owner for any action taken under color of authority of this Declaration, or for any failure to take any action called for by this Declaration, unless such act or failure to act is in the nature of a willful or reckless disregard of the rights of the Owners or in the nature of willful, intentional, fraudulent, or reckless misconduct.

(a) *Maintenance by Association.* The Association shall maintain and keep in good repair the Common Areas. The maintenance shall include, but need not be limited to, maintenance, repair and replacement of all landscaping and other flora, structures, play equipment, and improvements, including all private streets situated upon the Common Areas, landscaping easements along the primary roads through the Real Estate, medians and rights of ways of public streets within the Real Estate, entry features for the Real Estate, and such portions of any other real property included within the Common Areas as may be provided in this Declaration, or by a contract or agreement for maintenance with any other person or entity, by the Association. The Association shall also perform inspection of septic systems as required by Section 7.19 or elsewhere in this Declaration.

(b) *Maintenance by Owners.* Unless specifically identified herein, each Owner shall maintain and repair the interior and exterior of his or her Lot and Dwelling Unit, and all structures, parking areas, lawns, landscaping, grounds and other improvements comprising the Lot and Dwelling Unit in a manner consistent with all applicable covenants. Notwithstanding the foregoing, the Developer shall maintain all portions of the Real Estate owned by Greene during the Development Period.

(c) *Association's Remedies if Owner Fails to Maintain Lot.* In the event that Developer or the Association determines that: (i) any Owner has failed or refused to discharge properly his obligations with regard to the maintenance, cleaning, repair, or replacement of items for which is his responsibility hereunder, or (ii) that the need for maintenance, cleaning, repair, or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner, his family, tenants, guests, or invitees, and is not covered or paid for by insurance in whole or in part, then in either event, Developer or the Association, except in the event of an emergency situation, may give such Owner written notice of Developer's or the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement, at the sole cost and expense of such Owner as the case may be, shall have ten (10) days within which to complete such maintenance, cleaning, repair or replacement in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair or replacement is not capable of completion within said ten (10) day period, to commence said maintenance, cleaning, repair or replacement and diligently proceed to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner to comply with the provision hereof after such notice, Developer or the Association may provide (but shall not have the obligation to so provide) any such maintenance, cleaning, repair or replacement at the sole cost and expense of such Owner and said cost (together with the cost of attorneys fees, if any, in the enforcement of the Owner's obligations and collection of the charge to the Owner) shall become a lien against the individual Owner's Lot (with respect to any matter relating to an individual Owner's responsibility) and such cost shall become a part of the costs of the Association (until such time as reimbursement is received from the individual Lot Owner). In the event that the Developer undertakes such maintenance, cleaning, repair or replacement, the Association shall promptly reimburse the Developer for the Developer's costs and expenses, including reasonable attorneys' fees and filing fees.

**Section 4.4 Insurance.** The Association shall maintain in force adequate public liability insurance protecting the Association against liability for property damage and personal injury. The Association may, but need not, maintain in force adequate officers and directors insurance covering the officers and directors of the Association. If appropriate, the Association shall also maintain in force adequate fire and extended coverage insurance, insuring all Common Areas against fire, windstorm, vandalism, and such other hazards

as may be insurable under standard "extended coverage" provisions, in an amount equal to the full insurable value of such improvements and property. The Association shall notify all mortgagees which have requested notice of any lapse, cancellation, or material modification of any insurance policy. All policies of insurance shall contain an endorsement or clause whereby the insurer waives any right to be subrogated to any claim against the Association, its officers, Board members, the Developer, any property manager, their respective employees and agents, the Owners and occupants, and also waives any defenses based on co-insurance or on invalidity arising from acts of the insured, and shall cover claims of one or more parties against other insured parties.

The Association may maintain a fidelity bond indemnifying the Association, the Board and the Owners for loss of funds resulting from fraudulent or dishonest acts of any director, officer, employee or anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The fidelity bond should cover the maximum amount of funds which will be in the custody of the Association or its management agent at any time, but in no event shall such fidelity bond coverage be less than the sum of one (1) years' assessment on all Lots in the Real Estate, plus the Association's reserve funds.

The Association shall cause all insurance policies and fidelity bonds to provide at least ten (10) days written notice to the Association, and all mortgagees who have requested such notice, before the insurance policies or fidelity bonds can be canceled or substantially modified for any reason.

**Section 4.5 Owners' Insurance Requirements.** By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on the Lot(s) and structures constructed thereon. The Board may require all Owners to furnish copies or certificates thereof to the Association. Each Owner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of structures comprising his Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article IX of this Declaration and all applicable zoning, building and other governmental regulations. The Owner shall pay any costs of repair or reconstruction, which are not covered by insurance proceeds. In the event that the structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Lot in a neat, safe, and attractive condition.

**Section 4.6 Condemnation or Destruction.** In the event that any of the Common Areas shall be condemned or taken by any competent public authority, or in the event the same shall be damaged or destroyed by any cause whatsoever, the Association shall represent the interests of the Owners in any proceedings, negotiations, insurance adjustments, settlements, or agreements in connection with such condemnation, damage, or destruction. Any sums recovered by the Association shall be applied, first, to the restoration and repair of any Common Areas condemned, damaged, or destroyed, to the extent such restoration or repair is practicable, and the balance of such sums shall either be held as a reserve for future maintenance of the Common Areas or turned over to the Owners in proportion to their Pro-rata Shares (as hereinafter defined), whichever may be determined by a majority vote of the members of the Association. Each Owner shall be responsible for pursuing his own action for damages to his Lot, either by reason of direct damage thereto or by reason of an impairment of value due to damage to the Common Areas. The Association shall notify all Mortgagees of which it has notice of any condemnation, damage, or destruction of any Common Areas.

**Section 4.7 Transfer of Control of Association.** Developer shall transfer control of the Association to the Members as soon as is practical upon the termination of the Class B Membership, as described in Section 4.2 above.

**Section 4.8 Interim Advisory Committee.** Developer may, in its sole discretion, establish and maintain until such time as Developer shall transfer control of the Association pursuant to Section 4.7 hereof, an Interim Advisory Committee (the "Advisory Committee"). If established: (a) The Advisory Committee shall serve as a liaison between the Owners (other than the Developer) and the Association, and advise the Association from time to time during such period; (b) The Advisory Committee shall consist of three (3) members, each of whom must be an Owner (other than Developer, or an officer, director or employee of Developer); (c) The members of the Advisory Committee shall serve without compensation. The Advisory Committee shall be elected for a term of one (1) year by the Owners (other than Developer) at a meeting thereof called for such purpose; and (d) The Owners (other than Developer) may remove any member of the Advisory Committee with or without cause, and elect a successor at a meeting thereof called for such purpose.

**Section 4.9 Mortgagees' Rights.** Any mortgagees of any Owners shall have the right, at their option, jointly or severally, to pay taxes or other charges which are in default or which may or have become a charge against the Common Areas and to pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for the Common Areas, and mortgagees making such payment shall be owed immediate reimbursement therefor from the Association. In addition, neither the Owners nor the Association shall materially impair the right of any mortgagee holding, insuring, or guaranteeing any mortgage on all or any portion of the Real Estate.

## ARTICLE V ASSESSMENTS

**Section 5.1 Purpose of Assessments.** The Assessments levied by the Association shall be used exclusively for the purpose of preserving the values of the Lots within the Real Estate and promoting the health, safety, and welfare of the Owners, users, and occupants of the Real Estate and, in particular, for the Association's obligations relating to the improvement, repairing, operating, and maintenance of the Common Areas, including, but not limited to, the payment of taxes and insurance thereon, enforcement of the Restrictions, and for the cost of labor, equipment, material, and management furnished with respect to the Common Areas; provided that the Association shall not be responsible for the replacement, repair or maintenance of any Common Areas which are or hereafter may be dedicated to the public. Each Owner (except the Developer and Builders) hereby covenants and agrees to pay to the Association:

- (a) A Pro-rata Share (as hereinafter defined) of the annual Assessment fixed, established, and determined from time to time, as hereinafter provided.
- (b) A Pro-rata Share (as hereinafter defined) of any special Assessments fixed, established, and determined from time to time, as hereinafter provided.

Lots owned by Builders shall be assessed in an amount equal to one fourth (1/4) of the regular annual Assessment during the Development Period. This is reasonable and equitable under the circumstances, as Lot(s) owned by Builders are likely to be vacant, and as such would not generate the same maintenance burden as occupied Lots. No Owner other than Builders shall be entitled to a reduced rate of dues, regardless of whether the Lot owned by that Owner is vacant or not.

Lots owned by the Developer or its assigns and Lots owned by Greene shall not be assessed; however, Developer or its assigns shall be responsible for any shortfall in HOA revenues.

**Section 5.2 Liability for Assessment.** Each Assessment, together with any interest thereon and any costs of collection thereof, including attorneys' fees, shall be a charge on each Lot other than Lots owned by the Developer and shall constitute a lien from and after the due date thereof in favor of the Association upon each such Lot. The lien for Assessments shall be subordinate to the lien of any first mortgage on a Lot. An

Owner's failure to pay any Assessment shall not, by the terms of this Declaration, constitute a default under a federally insured mortgage on such Lot. Mortgagees shall not be required to collect any Assessment. Each such Assessment, together with any interest thereon and any costs of collection thereof, including attorneys' fees, shall also be the personal obligation of the Owner of each such Lot at the time when the Assessment is due. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such Assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof, nor shall any sale or transfer relieve any Owner of the personal liability hereby imposed. The personal obligation for delinquent Assessments shall not pass to any successor in title unless such obligation is expressly assumed by such successor.

**Section 5.3 Pro-rata Share.** The Pro-rata Share of each Owner for purposes of this Article V shall be the percentage obtained by dividing one by the total number of Lots shown on the Plats of the Real Estate ("Pro-rata Share").

**Section 5.4 Basis of Annual Assessments.** The Board shall establish an annual budget prior to the beginning of each fiscal year, setting forth estimates of all Common Expenses for the coming fiscal year, together with a reasonable allowance for contingencies and reserves of the Association. A copy of this budget shall be mailed or delivered to each Owner prior to the beginning of each fiscal year of the Association. Such budget shall serve as the basis for establishing the annual assessments.

**Section 5.5 Capital Contributions.** Every Owner other than Developer, True, Builders and Greene shall be responsible for an initial capital contribution in the amount of Two Hundred Fifty Dollars (\$250.00). Such capital contribution shall be due upon transfer of the title to any portion of the Property to a new owner.

**Section 5.6 Basis of Special Assessments.** Should the Board at any time during the fiscal year determine that the Assessments levied with respect to such year are insufficient to pay the Common Expenses for such year, the Board may, at any time, and from time to time levy such special Assessments as it may deem necessary for meeting the Common Expenses. In addition, the Board shall have the right to levy at any time, and from time to time, one or more special Assessments for the purpose of defraying, in whole, or in part, any unanticipated Common Expense not provided for by the annual Assessments.

**Section 5.6A 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 Area (including, without limitation the Septic Field Easements and/or Septic Supply Line Easements as shown and reserved on the recorded maps), whether 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 the purpose of maintaining, repairing or replacing the Septic Systems located on each Lot ("Special Individual Septic System Assessments") as set forth in Article VII, Sections 7.18 and 7.19, or (iii) 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 Developer pursuant to this Declaration or the Bylaws. Provided, however, Developer (or any Affiliated Entity of Developer) and Greene shall not be obligated to pay any Special Individual Assessments except with Developer's or Greene's prior written approval. The due date of any Special Individual Assessment levied pursuant to this Section 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 the 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 5.6B Septic Inspection Assessments.** The Owner for each Lot for which a septic system has been installed shall pay an annual fee to the Association for the costs of Septic Inspections required under Article VII, Section 7.19, which fee is currently estimated to be in the amount of \$100.00 per year (the "Septic Inspection Assessment"). However, the collection of the Septic Inspection Assessment shall not commence with respect to a Lot until the date a certificate of occupancy is issued for a single family residence located on such Lot. Provided, however, Developer (or any Affiliated Entity of Developer), Greene and Builders shall not be obligated to pay any Septic Inspection Assessment except with Developer's, Greene's or Builders' prior written approval. All Septic Inspection Assessments shall be used for expenses associated with such inspections, and none of the Annual Assessments shall be used for the costs of such inspections. The Septic Inspection Assessment shall be collectible from every Owner utilizing such a septic system in the same manner as the Annual Assessments, and non-payment thereof shall be enforceable in the same manner as the Annual Assessments. The due date of the Septic Inspection Assessments shall be established by the Board of Directors.

**Section 5.7 Fiscal Year; Date of Commencement of Assessments; Due Dates.** The fiscal year of the Association shall be established by the Association and may be changed from time to time by action of the Association. The liability of an Owner, other than Developer, for Assessments under this Article V shall commence as of the date such Owner acquires his interest in a Lot. The first annual Assessment shall be made for the balance of the Association's fiscal year in which such Assessment is made and shall become due and payable commencing on any date fixed by the Association. The annual Assessment for each year after the first assessment year shall be due and payable on the first day of each fiscal year of the Association. Annual Assessments shall be due and payable in full as of the above date, except that the Association may from time to time by resolution authorize the payment of such Assessments in installments.

**Section 5.8 Duties of the Association Regarding Assessments.**

(a) The Board shall keep proper books and records of the levy and collection of each annual and special Assessment, including a roster setting forth the identification of each and every Lot and each Assessment applicable thereto, which books and records shall be kept by the Association and shall be available for the inspection and copying by each Owner (or duly authorized representative of any Owner) at all reasonable times during regular business hours of the Association. The Board shall cause written notice of all Assessments levied by the Association upon the Lots and upon the Owners to be mailed or delivered to the Owners or their designated representatives as promptly as practicable and in any event not less than thirty (30) days prior to the due date of such Assessment or any installment thereof. In the event such notice is mailed or delivered less than thirty (30) days prior to the due date of the Assessment to which such notice pertains, payment of such Assessment shall not be deemed past due for any purpose if paid by the Owner within thirty (30) days after the date of actual mailing or delivery of such notice.

(b) The Association shall promptly furnish to any Owner or any mortgagee of any Owner upon request a certificate in writing signed by an officer of the Association, setting forth the extent to which Assessments have been levied and paid with respect to such requesting Owner's or mortgagee's Lot. As to any person relying thereon, such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid. The Association may assess an administrative fee for such certificate, not to exceed the sum of \$25.00 or the maximum amount permitted by North Carolina law.

(c) The Association shall notify any mortgagee from which it has received a request for notice of any default in the performance by any owner of any obligation under the By-laws or this Declaration which is not cured within sixty (60) days.

**Section 5.9 Non-payment of Assessments; Remedies of Association.**

(a) If any Assessment is not paid on the date when due, then such Assessment shall be deemed delinquent and shall, together with any interest thereon and any cost of collection thereof, including attorneys' fees, become a continuing lien on the Lot against which such Assessment was made, and such lien shall be binding upon and enforceable as a personal liability of the Owner of such Lot as of the date of levy of such Assessment, and shall be enforceable against the interest of such Owner and all future successors and assignees of such Owner in such Lot, and shall be collected in the same manner as the Assessments described in subparagraph (b) hereof; provided, however, that such lien shall be subordinate to any mortgage on such Lot recorded prior to the date on which such Assessment becomes due.

(b) If any Assessment upon any Lot is not paid within thirty (30) days after the due date, such Assessment and all costs of collection thereof, including attorneys' fees, shall bear interest at the rate of eighteen percent (18%) per annum or the maximum amount permitted by North Carolina law until paid in full. In addition to such interest, the Association shall assess a late fee, as from time to time determined by the Board of Directors of the Association. The Association may bring an action in any court having jurisdiction against the delinquent Owner to enforce payment of the same and/or to foreclose the lien against said Owner's Lot, and there shall be added to the amount of such Assessment all costs of such action, including the Association's attorneys fees, and in the event a judgment is obtained, such judgment shall include such interest, late fees, costs, and attorneys' fees.

**Section 5.10 Adjustments.** In the event that the amounts actually expended by the Association for Common Expenses in any fiscal year exceed the amounts budgeted and assessed for Common Expenses for that fiscal year, the amount of such deficit shall be carried over and become an additional basis for Assessments for the following fiscal year. Such deficit may be recouped either by inclusion in the budget for annual Assessments or by the making of one or more special Assessments for such purpose, at the option of the Association.

**Section 5.11 Budget Deficits during Development Period.** During the Development Period, the Developer shall advance funds to the Association sufficient to satisfy the deficit, if any, in any fiscal year between the actual operating expenses of the Association (exclusive of any allocation for capital and other reserves) and the annual and special and specific assessments for such fiscal year.

**Section 5.12 Failure to Assess.** The failure of the Board to fix the assessment amounts or to deliver to each Owner the assessment notice shall not be deemed a waiver, modification or release of any Owner of the obligation to pay assessments. In such event, each Owner shall continue to pay assessments on the same basis as for the last year for which an assessment was made until a new assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.

**ARTICLE VI**  
**ARCHITECTURAL STANDARDS AND REQUIREMENTS**

**Section 6.1 Purpose.** In order to preserve the natural setting and beauty of the Real Estate, to establish and preserve a harmonious and aesthetically pleasing design for the Real Estate, and to protect and promote the value of the Real Estate, the Lots and all improvements located therein or thereon shall be subject to the restrictions set forth in this Article VI and in Article VII. Notwithstanding the foregoing, neither this Article nor Article VII shall apply to the activities of the Developer or Builder during the Development Period, nor to construction or improvements or modifications to the Common Areas by or on behalf of the

Association. The Board shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the Committee.

**Section 6.2 Architectural Control Committee.** The Board shall establish an Architectural Control Committee to consist of three (3) persons, all of whom shall be appointed by and shall serve at the discretion of the Board. Members of the Committee may include persons who are not Members of the Association. Members of the Committee may or may not be members of the Board. During the Development Period, the Developer shall have all of the powers and authority of the Committee.

The regular term of office for each member of the Committee shall be one year, coinciding with the fiscal year of the Association. Any member appointed by the Board may be removed with or without cause by the Board at any time by written notice to such appointee, and a successor or successors appointed to fill such vacancy shall serve the remainder of the term of the former member. The Committee shall elect a Chairman and Vice Chairman and he, or in his absence, the Vice-Chairman, shall be presiding officer at its meetings. The Committee shall meet at least once in each calendar month, as well as upon call of the Chairman, and all meetings shall be held at such places as may be designated by the Chairman. A majority of the members shall constitute a quorum for the transaction of business, and the affirmative vote of a majority of those present in person or by proxy at a meeting of the Committee shall constitute the action of the Committee on any matter before it. The Committee is authorized to retain the services of consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise and assist the Committee in performing its functions set forth herein. Such costs associated with the use of consultants shall be considered a Common Expense, unless the Committee determines that such costs are the responsibility of the applying Owner.

The Committee shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Lots or structures containing Lots and the open space, if any, appurtenant thereto. The Committee may promulgate a Common Interest and Community Information Disclosure Document (the "CICID"), which may contain additional architectural standards and guidelines for the Real Estate. In addition to such standards, the following shall apply: plans and specifications showing the nature, kind, shape, color, sizes, materials, and location of such modifications, additions, or alterations shall be submitted to the Committee for approval as to quality of workmanship and design and as to harmony of external design with existing structures and location in relation to surroundings, topography, and finished grade elevation. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his Dwelling Unit, or to paint the interior of his Dwelling Unit any color desired. The Committee shall endeavor to approve or to disapprove such plans or to request additional information within thirty (30) days after submission of completed plans, proposals, specifications or drawings.

**Section 6.3 No Waiver of Future Approvals.** The approval by the Committee of any proposals or plans and specification or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters whatever subsequently or additionally submitted for approval or consent.

**Section 6.4 Architectural Approval.** To preserve the architectural and aesthetic appearance of the Real Estate, no construction of improvements of any nature whatsoever with the exception of vegetative landscaping shall be commenced or maintained by an Owner, other than the Developer, with respect to the construction or affecting the exterior appearance of any Dwelling Unit or with respect to any other portion of the Real Estate, including, without limitation, the construction or installation of sidewalks, driveways, parking lots, mail boxes, decks, patios, courtyards, swimming pools, tennis courts, greenhouses, playhouses, tree houses, playground equipment, or similar structures, awnings, walls, fences, exterior lights, garages, or outbuildings, nor shall any exterior addition to or change or alteration therein be made (excluding repainting in the original color but otherwise including, without limitation, painting or staining of any exterior surface),

unless and until two (2) copies of the plans and specifications and related data (including, if required by the Committee, a survey showing the location of trees of six (6) inches in diameter at a height of four (4) feet and other significant vegetation on such Lot) showing the nature, color, type, shape, height, materials, and location of the same shall have been submitted to and approved in writing by the Committee, as to the compliance of such plans and specifications with such standards as may be published by the Committee from time to time including the harmony of external design, location, and appearance in relation to surrounding structures and topography. One copy of such plans, specifications, and related data so submitted shall be retained in the records of the Committee, and the other copy shall be returned to the Owner marked "approved", "approved as noted", or "disapproved".

(a) *Power of Disapproval.* The Committee may refuse to grant permission to construct, place or make the requested improvement, when: (i) The plans, specifications, drawings or other material submitted are themselves inadequate or incomplete, or show the proposed improvements to be in violation of the restrictions contained in this Declaration; (ii) The design, proposed material or color scheme of a proposed improvement is not in harmony with the general surroundings of the Lot or with adjacent buildings or structures, including trim, siding, roof and brick colors, or with the Real Estate in general; (iii) The proposed improvement or any part thereof would architecturally, in the reasonable judgment of the Committee, be contrary to the interests, welfare or rights of all or any other Owners; and/or (iv) The Committee is otherwise authorized to disapprove the requested improvement in this Declaration or in the CICID.

(b) *Powers Following Approval.* Following approval of any plans and specifications by the Committee, representatives of the Committee shall have the right during reasonable hours to enter upon and inspect any Lot, or other improvements with respect to which construction is underway to determine whether or not the plans and specifications therefor have been approved and are being complied with. In the event the Committee shall determine that such plans and specification have not been approved or are not being complied with, the Committee shall be entitled to enjoin further construction and to require the removal or correction of any work in place which does not comply with approved plans and specifications.

**Section 6.5 Non-Vegetative Landscaping Approval.** To preserve the aesthetic appearance of the Real Estate, no material modification to the grading, excavation, or filling of any Lot shall be implemented by an Owner, unless and until the plans therefore have been submitted to and approved in writing by the Committee. The provisions hereof regarding time for approval of plans, right to inspect, right to enjoin and /or require removal, etc. shall also be applicable to approvals required under this Section.

**Section 6.6 Approval Not a Guarantee.** No approval of plans and specifications and no publication of standards shall be construed as representing or implying that such plans, specifications, or standards will, if followed, result in properly designed improvements. Such approvals and standards shall in no event be construed as representing or guaranteeing that any improvement built in accordance therewith will be built in a good and workmanlike manner. Neither the Developer, the Association, nor the Committee shall be responsible or liable for: (a) any defects in any plans or specifications submitted, revised, or approved pursuant to the terms of this Article VI; (b) loss or damages to any person arising out of the approval or disapproval of any plans or specifications; (c) any loss or damage arising from the noncompliance of such plans and specifications with any governmental ordinances and regulations; nor (d) any defects in construction undertaken pursuant to such plans and specifications.

**Section 6.7 Building Restrictions.** All improvements shall be constructed in compliance with any and all applicable state, county and municipal zoning and building restrictions. Prior to any such grading, clearing, construction of impervious surface, building, or other construction activity, the Owner of any Lot which is subject to such rules, regulations, guidelines or restriction shall make such filings, and obtain such

authorizations and permits as are required thereunder, and further, shall receive the prior written approval of the Committee.

**ARTICLE VII**  
**USE RESTRICTIONS**

The Association, acting through its Board, shall have the authority to make and to enforce standards and restrictions governing the use of the Real Estate, in addition to those contained herein, and to impose reasonable user fees for use of Common Areas. Such regulations and use restrictions shall be binding upon all Owners and occupants until and unless overruled, canceled or modified in a regular or special meeting of the Association by a majority of Members entitled to vote thereon subject to the prior written consent of the Developer during the Development Period.

**Section 7.1 Use of Lots.** Except as permitted by Sections 7.24 and 7.31 hereof, each Lot shall be used for residential purposes only, and no trade or business of any kind may be carried therein. The use of a portion of a Dwelling Unit as an office by an Owner, or his tenant shall not be considered to be a violation of this covenant if Owner is in compliance with Section 7.24 below. No building or structure shall be located on any Lot outside of the setback lines designated on the Plats. No dwelling unit more than two and one half (2 ½) stories in height may be constructed upon any lot, and any Dwelling Unit must have no less than one thousand four hundred (1,400) square feet of heated living area.

**Section 7.2 Awnings and Window Screens.** No foil or other reflective material shall be used on any windows for sunscreens, blinds, shades, or other purposes nor shall any window-mounted heating or air conditioning units be permitted. No metal, fiberglass or similar type awnings or patio covers shall be permitted. Permanent clotheslines will not be approved. Clothing, rugs, or other items which are visible to others in the Real Estate shall not be hung on any railing, fence, hedge, or wall.

**Section 7.3 Signs.** No signs of any kind shall be erected within the Real Estate, or permitted within any windows, without the written consent of the Board, except for such signs as may be required by legal proceedings and except for a single standard real estate "for sale" or "for rent" sign may exist on a Lot if such does not exceed six (6) square feet in area. Developer or Builder may use such signs as it deems necessary or appropriate during the Development Period. No business signs, flags(except as allowed under Section 7.20), banners or similar items except those placed and used by Developer advertising or providing directional information shall be erected by any Owner. If permission is granted to any Person to erect a sign, including name and address signs within the Real Estate, the Board reserves the right to determine the size and composition of such sign as it, in its sole discretion, deems appropriate. However, nothing in this Declaration shall regulate or prohibit an Owner from displaying on the Owner's Lot the flag of the United States or North Carolina, so long as the said flag is no greater than four feet by six feet and is displayed in accordance with or in a manner consistent with the patriotic customs set forth in 4 U.S.C. 5-10, as amended, governing the display and use of the flag of the United States. Further, nothing in this Declaration shall regulate or prohibit an owner from displaying on the Owner's Lot a political sign (as defined in N.C.G.S. 47F-121), provided said sign is displayed not more than 45 days before the day of the election or more than seven days after the day of the election.

**Section 7.4 Parking and Prohibited Vehicles.**

(a) *Parking.* Vehicles shall be parked in the garages or on the driveways serving the Lots. No motor vehicle, whether or not utilized by an Owner, shall be parked on any street or public right-of-way, except on a temporary and non-recurring basis. Garages shall be used for parking of vehicles and no other use or modification thereof shall be permitted which would reduce the number of vehicles which may be parked therein below the number for which the garage was originally designed.

No Owners or other occupants of any portion of the Real Estate shall repair or restore any vehicles of any kind upon or within any Lot or within any portion of the Common Areas, except (i) within enclosed garages or workshops, or (ii) for emergency repairs, and then only to the extent necessary to enable the movement thereof to a proper repair facility.

(b) *Prohibited Vehicles.* Commercial vehicles primarily used or designed for commercial purposes, tractors, busses, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall be parked only in enclosed garages or areas, if any, designated by the Board. Stored vehicles and vehicles which are either obviously inoperable or do not have current operating licenses shall not be permitted on the Real Estate except within enclosed garages. Notwithstanding the foregoing, service and delivery vehicles may be parked in the Real Estate during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Lot or the Common Areas. Any vehicles parked in violation of this Section or parking rules promulgated by the Board may be towed at the expense of the Owner. Further, "commercial vehicles" shall be defined herein as vehicles weighing more than one (1) ton and having more than two (2) axles.

**Section 7.5 Animals and Pets.** No farm animals, fowls or domestic animals for commercial purposes shall be kept or permitted on any lot or lots in the Real Estate. All pets shall remain under the control and supervision of an adult Owner, and shall not be permitted off of such Owner's respective Lot unless on a leash or other restraint. The owner of any pet shall be responsible to clean up or repair any waste or damage caused by such pet, and assure that such pet does not create any unreasonable disturbance.

**Section 7.6 Quiet Enjoyment.** No portion of the Real Estate shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition. No noxious or illegal activity shall be carried on upon any portion of the Real Estate. No hunting of any nature shall be permitted within the Real Estate. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted within the Real Estate. The Developer or the Association may order the relocation of any wood piles which are unsightly. No horns, whistles, bells or other sound devices, except security and fire alarm devices used exclusively for such purposes, shall be located, used, or placed within the Real Estate.

**Section 7.7 Unsightly or Unkempt Conditions; Lawn Care; Dumping.** It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly or unkempt condition on his or her Lot. All lawns and other landscaping materials shall be maintained on a regular basis. In no event shall the grass on any Lot exceed the length of six inches (6"). Trees which are dead and present a danger of falling onto adjacent property, common areas, sidewalks or the streets shall be removed. The pursuit of hobbies or other activities, 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 part of the Real Estate. Nothing which would result in a cancellation of any insurance for any portion of the Real Estate, or which would be in violation of any law or governmental code or regulation shall be permitted in the Real Estate. Any Owner, or his family, tenants, guests, invitees, servants, or agents, who dumps or places any trash or debris upon any portion of the Real Estate shall be liable to the Association for the actual costs of removal thereof or the sum of \$150.00, whichever is greater, and such sum shall be added to and become a part of that portion of any assessment next becoming due to which such Owner and his Lot are subject.

Notwithstanding the foregoing, vacant Lots and all Lots owned by Builders shall be mowed across their full width and depth at least one time per year, and lot owners in violation shall be subject to fines and all other enforcement provisions herein. Additionally, vacant Lots and all Lots owned by Builders that share a common boundary line with any improved Lot shall keep the grass mowed at least twenty (20) feet from all curbs and twenty (20) feet from any common boundary line with an improved Lot, and lot owners in violation shall be subject to fines and all other enforcement provisions herein.

### **Section 7.8 Antennas, Aerials and Satellite Dishes.**

(a) *Intent.* It is the intent and desire of Developer that the Real Estate be developed in an aesthetically pleasant manner, and that the residences constructed on the Lots retain a harmonious and consistent appearance. To this end, it is the goal of the provisions of this Section 7.8 to limit the installation of any satellite dishes, antennas and aerials on the Lots so that such are not visible from the street in front of such Lot.

(b) *Permitted Installation and Standards.* A "Satellite Dish" or "Antenna," as such terms are defined below, shall be permitted to be installed by an Owner without the approval of the Developer or the Association *provided* the location of the Satellite Dish or Antenna, and all related cables and wiring, are installed at the least visible location on such Owner's Lot, as viewed from the street directly in front of such Lot, which will not result in a substantial degradation of reception. Within twenty (20) days from the installation of a Satellite Dish or Antenna, an Owner shall notify the Association of such installation. Such notice shall indicate the item installed, the approximate location on such Lot, and that such installation meets the standards contained in this subsection (b).

(c) *Rights of Association and Developer.* The Association and Developer shall have the right to enter upon a Lot on which a Satellite Dish or Antenna is installed in order to (i) confirm that the Satellite Dish or Antenna, as the case may be, was installed in accordance with the standard specified in Section 7.8(b), above; or (ii) install, at the expense of the Association or the Developer, as the case may be, landscaping, fencing, or a combination thereof, so as to shield or otherwise block the view of such Satellite Dish or Antenna from the street in front of such Lot. In the event the installation does not meet the standard specified in Section 7.8(b), above, the Association may require the relocation of the Satellite Dish or Antenna by the Owner, at the Owner's expense, to another location which meets such standard. In addition, the Association shall have the right to require the Owner, at the Owner's expense, to paint the Satellite Dish or Antenna (provided that such painting does not impair the reception thereof) to match the background of the installation area.

(d) *Definitions of Satellite Dish and Antenna.* For purposes of this Section 7.8, the terms "Satellite Dish" and "Antenna" shall mean any satellite dish or antenna that is subject to the Telecommunications Act of 1996, as amended, and any applicable regulations issued thereunder (collectively, the "Telecom Act").

(e) *Reception Devices not Governed by the Telecom Act.* Any antennas, aerials, satellite dishes, or other apparatus not subject to the Telecom Act shall be permitted on a Lot only if: (i) concealed by landscaping, fencing, or a combination thereof; (ii) installed so as not to be visible from the street in front of such Lot, front elevation street view; and (iii) not constitute a nuisance to any other Owner. All installations under this subsection (e) shall be first approved by the Association.

(f) *Miscellaneous.* No radio or television signals, nor electromagnetic radiation, shall be permitted to originate from any Lot which may unreasonably interfere with the reception of television or radio signals within the Real Estate, provided however that the Developer and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus or master antenna or cable system for the benefit of all or a portion of the Real Estate, should any such master system or systems be utilized by the Association and require any such exterior apparatus.

**Section 7.9 Garbage Cans, Tanks, Etc.** No storage tanks of any kind shall be allowed upon a Lot. No rubbish, trash or garbage containers shall be stored or maintained outdoors except those distributed by the entity that collects trash for the Real Estate and such containers must be removed from the curb within 24 hours of the trash pick up day and stored behind the Dwelling Unit.

**Section 7.10 Pools.** No above ground swimming pools, spas or hot tubs shall be erected, constructed or installed on any Lot. In ground swimming pools shall be permitted, but only upon approval of the Architectural Control Committee.

**Section 7.11 Storage Sheds and Temporary Structures.** Except as may be utilized by Developer or Builders during the Development Period, no tent, shack, trailer, storage shed, mini-barn or other similar detached structure shall be placed upon a Lot or the Common Areas. Notwithstanding the above, party tents or similar temporary structures may be erected for special events with prior written approval of the Committee or the Developer and children's overnight camping tents will be allowed as long as they are not up longer than forty-eight (48) hours.

**Section 7.12 Drainage, Water Wells and Septic Systems.**

(a) Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than the Developer may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains.

(b) No private water wells may be drilled or maintained and no septic tanks or similar sewerage facilities may be installed or maintained on any Lot.

**Section 7.13 Traffic Regulation and Sight Distance at Intersections.** All Lots located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain wherein it would create a traffic or sight problem. All vehicular traffic on the private streets and roads in the Real Estate shall be subject to the provisions of the laws of the State of North Carolina, and any other applicable governmental agency, concerning operation of motor vehicles on public streets. The Association is hereby authorized to promulgate, administer, and enforce reasonable rules and regulations governing vehicular and pedestrian traffic, including modifications of those in force on public streets, within the Real Estate. The Association shall be entitled to enforce same by establishing such enforcement procedures as it deems necessary, including levying fines for the violation thereof. Only drivers licensed to operate motor vehicles by the State of North Carolina or by any other state in the United States may operate any type of motor vehicle within the Real Estate. All vehicles of any kind and nature which are operated on the streets in the Real Estate shall be operated in a careful, prudent, safe and quiet manner and with due consideration for the rights of all residents of the Real Estate.

**Section 7.14 Utility Lines.** No overhead utility lines, including lines for cable television, shall be permitted within the Real Estate, except for temporary lines as required during construction and high voltage lines if required by law for safety purposes.

**Section 7.15 Air Conditioning Units.** Except as may be permitted by the Board, no window air conditioning units may be installed in any Lot.

**Section 7.16** Each Owner of a Lot shall maintain the mailbox and structure which was originally installed by a builder, and shall replace same as necessary with a mailbox and structure which is substantially the same in appearance as that which was originally provided to the Dwelling Unit. Nothing may be attached to the mailbox structure which will affect the uniformity thereof with other such structures in the Real Estate. The Committee shall have the discretion to require the replacement of any mailbox within the Real Estate at the expense of the Owner of the Lot served thereby. Mailboxes constructed of brick, stone or other similar masonry shall not be allowed.

**Section 7.17 Solar Panels.** No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Lot without prior written approval of the Committee. Solar panels visible by a person on the ground shall not be permitted:

- (a) On the façade of a structure that faces areas open to common or public access;
- (b) On a roof surface that slopes downward toward the same areas open to common or public access that the façade of the structure faces; or
- (c) Within the area set off by a line running across the façade of the structure extending to the property boundaries on either side of the façade, and those areas of common or public access faced by the structure.

**Section 7.18 Sewage Disposal.** Every dwelling unit erected on any Lot shall either be served by a septic system approved by Developer for the disposal of sewage, or connected to a private or public sewage disposal system, at the option of and as required by Developer. Developer makes no representations regarding the future availability of municipal sewer service. All well water and septic systems or other private sewage disposal systems shall be approved by, and constructed and maintained in accordance with all the regulations and requirements of, the Architectural Review Committee (including all requirements set forth in the Guidelines) and all governmental authorities and regulatory agencies having jurisdiction. Owners shall construct a well only at a site approved in writing by the Developer, or by the Association when Developer no longer owns a Lot within the Real Estate. Deviations on the permitted locations of well sites may only be made with the written consent of Developer or the Association (as the case may be) because the location of a well on one Lot affects the permissible location of septic fields on that Lot and on other Lots. All Owners, by purchasing property subject to this Declaration, acknowledge that any governmental permit or approval allowing for the construction and operation of a septic system or other private sewage disposal system may be limited in duration in accordance with the terms thereof, and neither Developer, nor the Association, nor the Architectural Review Committee, nor the officers, directors, members, employees, agents or affiliates of any of them, shall have any liability arising directly or indirectly out of the inability of an Owner to obtain any such permit or approval (including an extension or continuation) following the initial expiration thereof.

Non-exclusive Septic Field Easements are hereby established, declared and reserved by Developer, its successor and assigns, over those portions of the Common Areas or Lots labeled "Septic Area" or "Septic Easement" (the "Septic Field Easements") on maps of the Real Estate recorded, or to be recorded in the Mecklenburg County Registry. The Septic Field Easements are for the purpose of providing septic service, for the installation and maintenance of septic systems and for use as drainage fields over, across and under those portions of the Common Areas or Lots so labeled to and for the benefit of the Owners and the Association as more particularly described herein. Each of the Septic Field Easements shall be an appurtenance to and run with the title of the Lot it services and for which it is reserved.

Any deed, deed of trust, mortgage transfer or other conveyance of any Lot shall also transfer or convey the Septic Field Easement appurtenant to said Lot, even if not expressly included therein. The Owner of the Lot to which a Septic Field Easement is appurtenant may use such Easement to construct, install, excavate, dig, build, maintain, operate and remove and reinstall a septic system and related lines, equipment, and apparatus in and upon the area over which the Septic Field Easement is reserved, and to clear (and continue to clear as necessary) all trees, brush and other plants and to remove all rocks if necessary for the proper construction, installation and maintenance of said septic system and related lines, equipment and apparatus.

Developer hereby reserves unto itself and Owners an easement over those areas designated as "Septic Supply Easement" or "Private Sewer Easement" ("Supply Line Easements") shown on the maps for the purpose of locating, installing, repairing and maintaining sewer lines to carry sewage to the Septic Field Easement areas from the individual Lots and for the purposes set forth herein. The sewage lines within the Supply Line Easements shall be installed and maintained as provided in this Declaration. The Supply Line Easements shall be appurtenant to the Lots.

Each Lot Owner shall maintain, in accordance with all rules and regulations and requirements of the Architectural Review Committee (including, without limitation, all requirements set forth in the Guidelines) all portions of any septic system or other sewage disposal system located on such Lot, Septic Field Easement, Supply Line Easement and Roadway (if applicable) (i) in an orderly condition, clean and free from debris, together with the landscaping thereon (if any), in accordance with the highest standards for residential developments, including any upkeep, repair, removal and replacement of any landscaping, utilities or improvements located thereon, and (ii) in a good operating condition in compliance with any requirements imposed by the Developer, the Association, or any governmental authority.

If any septic system or other sewage disposal system located on a Lot or a Septic Field Easement or a Supply Line Easement is not maintained by the applicable Lot Owner as set forth herein, the Developer or the Association, in its sole discretion, may enter such Lot to perform such maintenance and may levy a Special Individual Assessment (as provided in Article V, Section 5.6A) ("Special Individual Septic System Assessment") upon the Lot Owner for the purpose of maintaining, repairing or replacing the septic system or other sewage disposal system serving such Lot. In addition to the foregoing, the Association (or its designee) shall have the right to enter any Lot, Septic Field Easement, or Supply Line Easement from time to time for purposes of inspecting and/or maintaining any septic system or other sewage disposal system and may levy a Special Individual Septic System Assessment to pay for any costs incurred in connection with such inspection and/or maintenance, as more particularly described in Article V, Section 5.6A. In this regard, each Owner of a Lot (other than Developer) 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 (in addition to other assessments provided for herein) Special Individual Assessments, including Special Individual Septic System Assessments as levied in the discretion of the Association. Any such assessment or charge, together with interests, costs and reasonable attorneys' fees, shall be a charge and continuing lien upon the Lot against which such assessment or charge is made. Each such assessment or charge, together with interests, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot effective at the time when the assessment fell due.

The Association shall hold fee simple title to those portions of the Common Area which are designated on the maps as "Septic Area" or "Septic Easement" (the "Septic Field Easements"). Provided, however, for so long as the development is not serviced by a public or private sewer system, the Association shall not transfer, mortgage, pledge, encumber or otherwise convey the Septic Field Easements or any portion thereof to any other party.

The Septic Field Easements and Supply Line Easements hereby granted and reserved shall run with the title to the Lots to which they are appurtenant and shall be in full force and effect until such time as the development is serviced by a public or private sewer system servicing said Lots such that there is no need for a septic system servicing said Lots. At such time as said Lots are connected to a public or private sewer system and are serviced thereby, then the Septic Field Easements and Supply Line Easements reserved and granted hereby shall terminate and shall thereafter be null and void and of no further force and effect.

Developer hereby reserves until itself, its successors and assigns, and grants to the Association, a non-exclusive easement burdening each Lot to which a Septic Field Easement is appurtenant for the purpose of connecting any residence(s) upon such Lot(s) to any public or private sewer line providing service accessible to such Lot, including access across such Lot and the right to install any pipes and apparatus as may be necessary to connect such residence(s) to such sewer line (the "Sewer Connection Easement"). By reserving the Sewer Connection Easement, Developer has not obligated itself, its successor or assigns, or the Association, to connect any public or private sewer line to any of the Lots and the exercise of such rights under the Sewer Connection Easement shall be at the sole discretion of Developer, its successor or assigns, or the Association, as the case may be.

**Section 7.19 Septic System Inspection.** The Association shall cause all private septic systems located within the development to be inspected by a licensed inspector at least once every (12) months. Such inspections shall be conducted in order to confirm that each such system is properly functioning and is generally in compliance with any applicable laws, ordinances or governmental regulations. The Association is hereby granted the authority to contract for such inspections on behalf of all of the Owners of Lots that have septic systems on them. If an inspection reveals that a septic system is not functioning properly, or is otherwise not in compliance with any applicable law, ordinance or regulations, the inspector shall notify the Association and any other part or agency as required by law. The Owner shall be responsible for immediately repairing the septic system at such Owner's sole cost and expense and providing the Association, within thirty (30) days, with proof of such repair. The Association shall be authorized to notify any applicable governmental authority or regulatory agencies or officials of the malfunctioning or noncompliance of any septic system located within the Real Estate.

The foregoing notwithstanding, neither Developer, the Association, nor its directors, officers, agents or employees shall be responsible for damage or otherwise to anyone by reason of mistake of judgment, omission, negligence or nonfeasance arising out of the inspection services performed pursuant to this Declaration including, without limitation, any damages to any Lot or property by reason of the failure to inspect or the failure of such inspections to detect any malfunction, damage or noncompliance with law.

Declarant hereby reserves a non-exclusive perpetual easement over all property within the development, including Lots, benefiting Declarant and the Association for the purposes of conducting the septic system inspections and repairing and/or replacing the septic system if an Owner fails to repair or replace the Septic System within thirty (30) days of notification by the Association. The Board of Directors shall have the right to levy a Special Individual Septic System Assessment against such Lot Owner pursuant to Article V, Section 5.6A hereof to recover the costs and expenses incurred by the Association in maintaining, repairing or replacing the Lot Owner's septic system.

**Section 7.20 Exterior Flags and Sculpture.** Exterior sculptures, fountains, flags, and similar items must be approved by the Committee.

**Section 7.21 Driveways and Sidewalks.** All driveways will be constructed of concrete by a builder of the Dwelling Unit which it serves. Owners shall maintain and replace the driveway of their Lot thereafter so as to maintain the same appearance as provided at the time of original construction, ordinary wear and tear accepted. Each Dwelling Unit shall have a continuous side walk from the driveway to the front porch or entry.

**Section 7.22 Wetlands, Lakes and Water Bodies.** All wetlands, Lakes, ponds, and streams within the Real Estate, if any, shall be aesthetic amenities only, and no other use thereof, including without limitation, fishing, swimming, boating, playing or use of personal flotation devices, shall be permitted except as provided in Section 7.30. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of Lakes, ponds or streams within the Real Estate.

**Section 7.23 Fences.** No fencing shall be installed on any Lot without the prior review and approval of the Committee. The Committee shall have approval on all aspects of any proposed fencing, including but not limited to size, location, height and composition. Fencing guidelines are as follows:

(a) General Guidelines: The following guidelines are applicable to all Lots within the Development:

(i) **Approvals.** Any fencing shall be subject to the prior approval of the Committee.

(ii) **Fencing Types and Materials.** All fencing shall be constructed of white vinyl, white picket style, black wrought iron style materials, or wood fencing. For purposes of the Declaration, the terms "picket style" shall mean a 3' to 6' in height vinyl or painted wood fence where there exists between 2" and 3" of space between the vertical slats of such fence. Wood fencing is permitted in most locations; however, the ACC Committee reserves the right to approve certain fence types on perimeter and highly visible lots within the community (See section (d) (ii) below). A brochure showing an example of fencing to be installed must be included with the application to the Committee. Chain link and barbed wire fencing is prohibited.

(iii) **Fencing Colors.** Fencing shall be white, off-white, neutral, or earth toned colors. All wooden fencing must be waterproof, stained and/or painted. Wrought iron must be black. Such stain or paint must be uniform for an entire fence and maintained in good condition.

(iv) **Fencing Height.** Fencing shall not exceed six (6) feet in height; provided that a decorative cap or top (lattice work or other approved decorative detail) may be installed thereon so long as the aggregate height of the entire structure shall not exceed seven (7) feet.

(v) **Use of Professional Installer.** A professional fencing contractor must be hired by the Owner, at such Owner's cost, to install approved fencing for such Owner.

(vi) **Developer Installed Fencing.** No fencing shall connect to or otherwise interfere with any fencing originally installed by the Developer. Any fencing installed by Developer shall not be subject to these standards.

(vii) **Landscape Easements.** Except as installed by Developer or the Association, no improvements or permanent structures, including without limitation, fences, shall be erected or maintained in or upon Landscape Easements.

(viii) **Fencing within Easements:** Fencing which is installed within any easement affecting a Lot shall be subject to the risk of removal without notice by the Association or any other entity or entities which have access rights, if any work or repairs are to be done within the easement area(s). The Owner of such Lot shall be responsible for any and all costs relating to the removal of such fencing and for the subsequent replacement of any approved replacement fencing.

In addition, fencing must not impede surface drainage and must be installed to be a minimum of three (3) inches off the ground (fence posts must not obstruct any drainage, i.e. rear swale)

(b) Location of Fencing on Conventional Lots: In addition to the guidelines under other subsections herein, the following guidelines are applicable to all Lots within the Development:

(i) Fencing shall not extend forward beyond a point, which is ten (10) feet behind the front corner of the residence; and

(ii) Fencing on any corner Lot shall be at least five (5) feet from the sidewalk.

(c) Additional Fencing Guidelines. Fencing for Lots in highly visible locations (such locations to be determined by the Committee in its sole discretion) shall be subject to the following additional restrictions:

(i) **Perimeter Lots and Highly Visible Lots:** With respect to a Lot where either (A) the rear yards are highly visible from public streets (within the neighborhood or surrounding the neighborhood), or (B) the Lot abuts a Common Area, the Committee may require fencing for such Lot to be consistent in

material, height, and style to that of previously approved fencing for any other Lot which is on and along such street or Common Area.

(ii) ***Dog Runs and Similar Enclosures.*** No enclosures, structures or "runs" which are designed primarily for the outside keeping of pets or other animals and which are made in whole or part from chain link fencing material, including but not limited to dog runs, kennels, or other similar enclosures, shall be permitted; provided, however, the Committee shall have the discretion to approve such an enclosure or structure if such is surrounded by a fence which is consistent with the foregoing restrictions and minimizes the visibility of such structure by adjoining property owners.

***NOTE: In addition to the above restrictions and standards, the applicable municipality may have restrictions and ordinances that may affect, limit or otherwise restrict or prohibit an improvement to a Lot, including fencing. Approval of any improvement by the Committee does not guarantee that such improvement is not subject to any other governmental approval. There may be instances where a change is approved through the Committee but may not be allowed through the municipality (or vice versa). An Owner must check with the municipality and obtain any permits or approvals that may be required.***

**Section 7.24 Business Uses.** No trade or business may be conducted in or from any Lot, except that an Owner or occupant residing in a Dwelling Unit may conduct business activities within the Dwelling Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Dwelling Unit; (b) the business activity conforms to all zoning requirements for the Real Estate; (c) the business activity does not involve persons coming onto the Real Estate who do not reside in the Real Estate or door-to-door solicitation of residents of the Real Estate; and (d) the business activity is consistent with the residential character of the Real Estate and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Real Estate, as may be determined in the sole discretion of the Board.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involve the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefore. Notwithstanding the above, the leasing of a Lot or Dwelling Unit shall not be considered a trade or business within the meaning of this section. This section shall not apply to any commercial property within the Real Estate nor shall it apply to any activity conducted by the Developer or a builder approved by the Developer with respect to its development and sale of the Real Estate or its use of any Lots or Dwelling Units which it owns within the Real Estate.

**Section 7.25 Basketball Goals.** No basketball goals shall be permitted on any lot without the prior review and approval of the Architectural Control Committee of the Homeowners Association. No basketball goals shall be permitted to be used in the front yard, along any curb or in any street of the Community.

**Section 7.26 Playground Equipment.** No playground equipment shall be installed on any lot without the prior review and approval of the Architectural Control Committee of the Homeowners Association. All such equipment shall be located at least ten (10) feet from any adjacent property lines and in the rear yard of a lot (being the portion of such lot behind the rear corners of the residence on such lot). Notwithstanding the foregoing, in the event such lot is located on a corner in the Community, the Architectural Control Committee may, in its discretion, approve a location for such equipment other than a rear yard provided such is not closer than ten (10) feet from any public sidewalk.

**Section 7.27 On-Site Fuel Storage.** No on-site storage of gasoline, heating or other fuels shall be permitted on any part of the Real Estate except that up to five (5) gallons of fuel may be stored on each Lot

for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

**Section 7.28 Contiguous Lots.** Whenever two or more contiguous Lots shall be owned by the same Owner, such Owner shall not be permitted to use two or more of said Lots as a site for a single dwelling. Each Lot shall be, and shall remain, improved with a single Dwelling Unit, and each Lot shall be subject to the Assessments.

**Section 7.29 Control and Common Areas.**

(a) *Control by the Association.* As part of its general duties, the Association shall regulate the Common Areas and shall provide for the maintenance thereof in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among structures in the vicinity thereof and the natural or other vegetation and topography of the Common Areas. No improvements, excavation, changes in grade or other work shall be done upon the Common Areas by any Owner, nor shall the lakes or streams, if any, or Common Areas be changed by any Owner from its natural or improved existing state, without the prior written approval of the Committee.

(b) *Restrictions of Use of Common Areas.* The following covenants and restrictions on the use and enjoyment of the Lots and the Common Areas shall be in addition to any other covenants or restrictions contained herein or in the Plats and all such covenants and restrictions are for the mutual benefit and protection of the present and future Owners and shall run with the land and inure to the benefit of and be enforceable by any Owner, or by the Association. Present or future Owners or the Association shall be entitled to injunctive relief against any violation or attempted violation of any of such covenants and restrictions, and shall, in addition, be entitled to damages for any injuries or losses resulting from any violations thereof, but there shall be no right of reversion or forfeiture resulting from such violation. These covenants and restrictions are as follows:

- (i) No one other than Owners who are Members in good standing with the Association, or such an Owner's occupant, tenants, guests or invitees, may use the Common Areas.
- (ii) No nuisance shall be permitted to exist on any Lot and no waste shall be committed on any Lot which shall or might damage or cause injury to the Common Areas.
- (iii) All Owners and members of their families, their guests, or invitees, and all occupants of any Lot or the Properties or other persons entitled to use the same and to use and enjoy the Common Areas, shall observe and be governed by such rules and regulations as may from time to time be promulgated and issued by the Board governing the operation, use and enjoyment of the Common Areas.
- (iv) No Owner shall be allowed to plant trees, landscape or do any gardening in any part of the Common Areas, except with express permission from the Committee.
- (v) The Common Areas shall be used and enjoyed only for the purposes for which they are designed and intended, and shall be used subject to the rules and regulations from time to time adopted by the Board.

**Section 7.30 Laws and Ordinances.** Every Owner and occupant of any Lot or Dwelling Unit, their guests and invitees, shall comply with all laws, statutes, ordinances and rules of federal, state and municipal governments applicable to the Real Estate and any violation thereof may be considered a violation of this

Declaration; provided, however, the Board shall have no obligation to take action enforce such laws, statutes, ordinances and rules.

**Section 7.31 Sales and Construction.** Notwithstanding any provisions or restrictions contained in this Declaration to the contrary, it shall be expressly permissible for Builders and the Developer and its agents, employees, successors, and assigns to maintain and carry on such facilities and activities as may be reasonably required, convenient, or incidental to the completion, improvement, and sale of Lots and Dwelling Units or the developing of Lots, Dwelling Units and Common Areas, including, without limitation, the installation and operation of sales and construction trailers and offices, signs and model houses, all as may be approved by the Developer from time to time, provided that the location of any construction trailer of any assignees of the Developer's rights under this Section 7.31 shall be subject to the Developer's approval. The right to maintain and carry on such facilities and activities shall include specifically the right to use Dwelling Units as model residences, and to use any Dwelling Unit as an office for the sale of Lots and Dwelling Units and for related activities.

**Section 7.32 Occupants Bound.** All provisions of the Declaration, By-Laws and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, guests and invitees of any Lot. Every Owner shall cause all occupants of his or her Lot to comply with the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Lot are fully liable and may be sanctioned for any violation of the Declaration, By-Laws and rules and regulations adopted pursuant thereto.

**Section 7.33 Roof Pitch.** The roof pitch on the main Dwelling Unit shall be a minimum of 5/12 or greater.

**Section 7.34 Storage of Building Materials.** Building materials and supplies shall not be stored or erected on any Lot which has not received architectural approval for construction of a Dwelling Unit pursuant to the provisions of Article VI hereof and for which construction has commenced.

**Section 7.35 Garages.** Dwelling Units which have garages shall have doors and when not in use, garage doors are to be left in the closed position.

**Section 7.36 Doors.** All storm doors and screen doors of a Dwelling Unit are subject to architectural review by the Committee. Six panel and all view white aluminum storm doors are permitted at the front door of a Dwelling Unit.

**Section 7.37 Buffer Yard.** Any portion of a buffer area that is located within the boundaries of a Lot shall be maintained by the Owner.

**Section 7.38 Public/Private Storm Drainage Easements.** Each owner of a Lot shall maintain any and all pipe systems and open channels within the public storm drainage easements or private drainage easements located upon such Owner's Lot.

**Section 7.39 Impermeable Surface.** Prior to beginning any land disturbing activity or erecting any structure upon a Lot, an Owner, must contact the County Zoning Department to ensure that such activity will comply with the ordinance which governs impermeable surfaces.

**ARTICLE VIII**  
**RULEMAKING AND REMEDIES FOR ENFORCEMENT**

**Section 8.1 Rules and Regulations.** Subject to the provisions hereof, and subject to Greene's consent so long as Greene owns any portion of the Real Estate, the Board may establish reasonable rules and regulations concerning the use of Lots and Dwelling Units, and the amendments thereto shall be furnished by the Association to all Members prior to the effective date upon the Owners, their families, tenants guests, invitees, servants and agents, until and unless any such rule or regulations be specifically overruled, cancelled, or modified by the Board or in a regular or special meeting of the Association by a majority of the Members as set forth in the By-Laws, subject to Developer's consent during the Development Period and Greene's consent so long as Greene owns any portion of the Real Estate.

**Section 8.2 Authority and Enforcement.**

(a) Upon the violation of this Declaration, the By-Laws, or any rules and regulations duly adopted hereunder, including, without limitation, the failure to timely pay any assessments, the Association shall have the power, after fifteen (15) days written notice to the Owner or the occupant of said violation, and failure by said Owner or occupant to cure the violation: (i) to cause the Association to correct the violation at its own cost and expense, which said cost and expense shall constitute a continuing lien upon the Lot of the Owner or the occupant who is guilty of such violation; (ii) to suspend an Owner's right to vote in the Association; and (iii) to suspend an Owner or occupant's right (and the right of his or her family, guests, and tenants) to use any of the Common Areas.

The Board shall have the power to impose all or any combination of these sanctions. Such sanctions are in addition to the Association's remedies under Section 4.3, above, relating to maintenance. An Owner or occupant shall be subject to the foregoing sanctions in the event of such a violation by him or her, his or her family, guests, or tenants. Any such suspension of rights may be for the duration of the infraction and or any additional period thereafter, such additional period not to exceed thirty (30) days per violation.

(b) Notwithstanding subsection (a) above, a violation or threatened violation of any of the covenants and restrictions contained in this Declaration and the provisions contained in the Articles of Incorporation and By-Laws of the Association, or any rules and regulations adopted hereunder, shall be grounds for an action at law or equity instituted by the Developer, the Association, or any Owner against any person violating or threatening to violate any such covenant, restriction, rule, or regulation. Available relief in any such action shall include the recovery of damages; injunctive relief, either to restrain the violation or threatened violation or to compel compliance with the covenants, restrictions, rules or regulations; declaratory relief; the enforcement of any lien created by these covenants, restrictions, rules, or regulations; and the recovery of costs and attorneys' fees incurred by any party successfully enforcing such covenants, restrictions, rules, or regulations. Failure by the Developer, the Association, or any Owner to enforce any covenant, restriction, rule, or regulation shall in no event be deemed a waiver of the right to do so thereafter; provided, however, that no action shall be brought against either the Developer or the Association for failing to enforce or carry out any such covenants, restrictions, rules, or regulations.

**ARTICLE IX**  
**GENERAL PROVISIONS**

**Section 9.1 Term.** The covenants and restrictions of this Declaration shall run with and bind the Real Estate, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of sixty (60) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by

more than seventy-five percent (75%) of the then Owners has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein. The number of ten (10) year renewal periods shall be unlimited.

**Section 9.2 Amendment.** Prior to the conveyance of the first Lot to an Owner, the Developer may unilaterally amend this Declaration. After such conveyance, the Developer may unilaterally amend this Declaration at any time and from time to time if such amendment is (a) necessary to bring any provision hereof into compliance with any applicable governmental statutes, rules or regulations, or judicial determination, or to otherwise comply with any other governmental order or request; (b) necessary to enable any reputable title insurance company to issue title insurance coverage on the Lots and the Dwellings; (c) required by an institutional or governmental agency or lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or the Department of Housing and Urban Development, to enable such lender or purchaser to acquire or purchase mortgage loans on the Lots and the Dwelling Units; (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots; (e) to annex additional real estate to the Real Estate as provided herein; (f) to correct clerical or typographical errors in this Declaration or any exhibit hereto, or any supplement or amendment thereto; provided, however, any amendment permitted under subsections (a) through (f) of this Section 9.2 shall not adversely affect the title to any Lot unless the Owner shall consent thereto in writing. Additionally, during the Development Period, the Developer may unilaterally amend this Declaration for any purpose, provided the amendment has no material adverse effect upon any right of the Owner.

Thereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of voting Members representing at least sixty-seven percent (67%) of the Members entitled to vote thereon. Any amendment to be effective must be recorded in the public records of the County in which this Declaration was recorded.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Developer without the written consent of the Developer or the assignee of such right or privilege.

**Section 9.3 Indemnification.** The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director, or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director or committee member. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers, directors and committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each such officer, director and committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

**Section 9.4 Interpretation.** In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the opinion of the Developer or the Board will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes, which are less restrictive. The effective date of this Declaration shall be the date of its filing in the public records. The captions of each Article and Section hereof as to the contents of each Article and Sections are inserted only for limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. This Declaration shall be construed under and in accordance with the laws of the State of North Carolina.

**Section 9.5 Right of Entry.** The Association, and during the Development Period the Developer, shall have the right, but not the obligation, to enter onto any Lot for emergency, security, and safety reasons, and to inspect for the purpose of ensuring compliance with this Declaration, the By-Laws, and the Association rules, which right may be exercised by the Association's Board, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner or occupant directly affected thereby. This right of entry shall include the right of the Association to enter a Lot and Dwelling Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after request by the Board.

**Section 9.6 Perpetuities.** If any of the covenants, conditions, restrictions, or other provisions of this Declaration would be unlawful, void, or voidable for violation of the common law rule against perpetuities, then such provisions shall continue on for the maximum amount of time as allowed by North Carolina law.

**Section 9.7 Litigation.** No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote representing at least two-thirds (2/3) of the Members entitled to vote thereon. However, this Section shall not apply to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) actions brought for collection of assessments, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. .

**Section 9.8 Intentionally omitted.**

**Section 9.9 Gender and Grammar.** The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provision hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

**Section 9.10 Severability.** Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of the Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

**Section 9.11 Rights of Third Parties.** This Declaration shall be recorded for the benefit of the Developer, the Owners and their Mortgagees as herein provided, and by such recording, no adjoining property owner or third party shall have any right, title or interest whatsoever in the Community, except as provided for herein, or in the operation or continuation thereof or in the enforcement of any of the provisions hereof, and subject to the rights of the Developer and the Mortgagees as herein provided, the Owners shall

have the right to extend, modify, amend, or otherwise change the provisions of this Declaration without the consent, permission, or approval of any adjoining owner or third party.

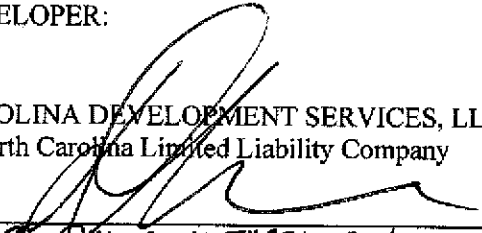
**Section 9.12 Assignment.** Developer shall have the right to assign its rights and obligations under this Declaration to any third party.

[Signatures Appear on a Subsequent Page]

IN WITNESS WHEREOF, the Developer, Greene and True have caused this Declaration of Covenants, Conditions and Restrictions for OAK BRIDGE AT WATERLEAF to be executed as of the date written above.

DEVELOPER:

CAROLINA DEVELOPMENT SERVICES, LLC  
A North Carolina Limited Liability Company

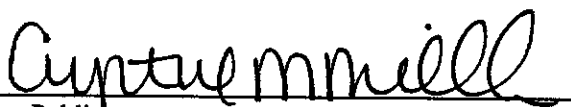
By:   
Name: G. DAVID CUTBERTSON  
Its: MANAGER

STATE OF NORTH CAROLINA

COUNTY OF UNION

I certify that the following person(s), personally known to me, personally appeared before me this day and acknowledged to me that they voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: G. David Cutbertson, manager of Carolina Development Services, LLC

Date: 6/6/2017

  
Notary Public: \_\_\_\_\_

(Official Seal)

My commission expires: 6/6/2017



IN WITNESS WHEREOF, the Developer, Greene and True have caused this Declaration of Covenants, Conditions and Restrictions for OAK BRIDGE AT WATERLEAF to be executed as of the date written above.

GREENE:

GREENE GROUP OF NORTH CAROLINA, LLC  
A North Carolina Limited Liability Company

By: [Signature]  
Name: Daniel C. Greene  
Its: Manager

STATE OF NORTH CAROLINA  
COUNTY OF Randolph

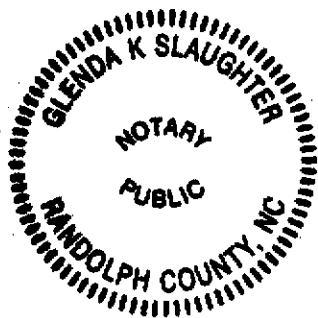
I certify that the following person(s), personally known to me, personally appeared before me this day and acknowledged to me that they voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Daniel C. Greene of Greene Group of North Carolina, LLC

Date: 7/30/14

[Signature]  
Notary Public: \_\_\_\_\_

(Official Seal)

My commission expires: 1/27/18



IN WITNESS WHEREOF, the Developer, Greene and True have caused this Declaration of Covenants, Conditions and Restrictions for OAK BRIDGE AT WATERLEAF to be executed as of the date written above.

TRUE:

TRUE HOMES, LLC  
A Delaware Limited Liability Company

By: [Signature]  
Name: G. David Cuthbertson  
Its: Manager

STATE OF NORTH CAROLINA

COUNTY OF UNION

I certify that the following person(s), personally known to me, personally appeared before me this day and acknowledged to me that they voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: G. David Cuthbertson, its Manager  
of True Homes, LLC.

Date: 7/25/2014

[Signature]  
Notary Public: Crystal M. Miller

My commission expires: 6/4/2017

(Official Seal)

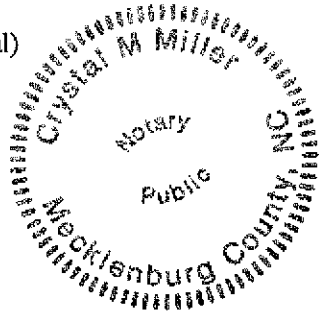


Exhibit "A"

Legal Description – Property of Greene Group of North Carolina, LLC

BEING all of the real property described on plats of Oak Bridge at Waterleaf, Phase 1, Map 1 and Oak Bridge at Waterleaf, Phase 1, Map 2, as recorded in Map Book 55 at Pages 647 and Map Book 56 at Pages 643, 644 and 645, Mecklenburg County Registry.

LESS AND EXCEPT the following lots previously conveyed and now owned by True Homes, LLC:

BEING all of Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 52 and 53 of Oak Bridge at Waterleaf, Phase 1, Map 1, as shown on a map thereof recorded in Map Book 55 at Pages 647, Mecklenburg County Registry.

BEING all of Lots 38, 39, 40, 41, 42, 48 and 49 of Oak Bridge at Waterleaf, Phase 1, Map 1, as shown on a map thereof recorded in Map Book 55 at Pages 647, Mecklenburg County Registry.

Exhibit "B"  
Legal Description – Property of True Homes, LLC

BEING all of Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 52 and 53 of Oak Bridge at Waterleaf, Phase 1, Map 1, as shown on a map thereof recorded in Map Book 55 at Pages 647, Mecklenburg County Registry.

BEING all of Lots 38, 39, 40, 41, 42, 48 and 49 of Oak Bridge at Waterleaf, Phase 1, Map 1, as shown on a map thereof recorded in Map Book 55 at Pages 647, Mecklenburg County Registry.

Exhibit "C"  
Legal Description – The "Additional Tract"

BEGINNING at a concrete monument marking the southwestern corner of Lot #11 of COUNTRY HILLS SUBDIVISION, Section 2A, as shown in Map Book 18, Page 288, in the Mecklenburg County Registry and runs thence with a line of Lot #11 North 81-42-53 East 243.06 feet to a pin in the northwestern right of way line of Meadow Hollow Drive; thence with the right of way line of said Drive South 08-27-13 East 69.05 feet; thence with the arc of a circle having a radius of 169.05 feet to the northwest, an arc distance of 139.04 feet (having a chord of South 15-21-27 West 135.15 feet); thence South 51-00-22 East 59.71 feet; thence with the arc of a circle having a radius of 228.36 feet to the northwest an arc distance of 68.53 feet (having a chord of South 47-35-25 West 68.27 feet); thence South 56-14-47 West 41.42 feet; thence South 20-54-15 East 260.39 feet to an iron; thence South 62-21-05 West 10.03 feet; thence South 10-22-46 East 46.29 feet, South 29-33-05 East 56.82 feet, South 7-22-54 East 51.30 feet, South 28-54-48 East 37.29 feet, South 02-09-54 West 37.17 feet, South 13-36-02 East 52.60 feet, South 10-57-10 East 50.46 feet, South 12-58-11 East 142.77 feet, South 17-06-44 East 53.33 feet, South 06-01-45 East 96.70 feet, South 11-47-21 East 65.92 feet, South 02-39-10 West 25.03 feet, South 11-48-38 East 101.78 feet, South 14-31-50 East 238.64 feet, South 18-13-39 West 25.18 feet, South 04-26-28 East 192.22 feet, South 15-32-30 West 36.74 feet, South 17-21-15 East 55.49 feet, South 12-22-58 West 32.38 feet, South 02-43-13 East 143.40 feet, South 11-39-14 West 52.92 feet, North 89-38-58 East 53.07 feet, South 54-32-17 East 55.53 feet, South 87-26-48 East 35.73 feet, South 68-06-26 East 55.72 feet, South 62-31-12 East 72.37 feet, South 78-30-18 East 129.02 feet, South 15-51-30 West 2.84 feet, South 44-08-30 East 60.00 feet, South 45-51-30 West 131.00 feet, South 21-51-30 West 50.00 feet, South 07-08-30 East 145.00 feet, South 57-51-30 West 193.00 feet, South 23-51-30 West 99.00 feet, South 20-50-50 West 87.00 feet, South 10-09-10 East 61.00 feet, South 14-51-30 West 33.00 feet, South 50-50-50 West 40.00 feet, South 68-52-43 West 59.03 feet, South 22-51-30 West 43.00 feet, South 03-08-30 East 182.00 feet, South 14-51-30 West 21.07 feet, North 77-35-38 West 22.78 feet, South 43-10-22 West 60.00 feet, South 63-10-22 West 101.54 feet; thence with a line of Novella W. Huff Estate Property North 22-41-50 West 965.69 feet, North 31-00-21 West 1679.87 feet to a corner of Carolina Water Service, Inc. Property; thence with lines of said property North 56-13-12 East 245.00 feet to an iron, North 33-46-48 West 230.00 feet to an iron; thence North 56-13-12 East 625.62 feet to an iron; thence North 04-31-23 West 680.55 feet to an iron; thence South 40-58-10 East 433.77 feet to an iron; thence South 36-13-55 East 130.60 feet to the point of BEGINNING, and containing 61.845 acres as surveyed by Ben M. Flowe and Son, NCRLS. August 22, 1998. For further reference, see Deed recorded in Deed Book 3070, Page 495 in the Mecklenburg County Registry.

LESS AND EXCEPT:

BEING all of the real property described on plats of Oak Bridge at Waterleaf, Phase 1, Map 1 and Oak Bridge at Waterleaf, Phase 1, Map 2, as recorded in Map Book 55 at Pages 647 and Map Book 56 at Pages 643, 644 and 645, Mecklenburg County Registry.