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RETURN TO: Newfield Development Company, L.L.C. BK 2774 PG 281

2610 Providence Road
Charlotte, NC 28211

NORTH CAROLINA

GASTON COUNTY

DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTSCROWDERS WOODS/CROWDERS VIEW

This Declaration of Covenants, Conditions, Restrictions and Easements ("Declaration") is made as of the 2nd day of April, 1998 by Newfield Development Company, L.L.C., a limited liability company established under the laws of the State of North Carolina ("Declarant").

Whereas, it is the intent of the Declarant to develop a single family residential subdivision in one or more phases, to be known as Crowders Woods, with a possible future phase to be known as Crowders View, upon certain lands located in Gaston County, North Carolina. Crowders Woods is described in Exhibit A, attached hereto, being the same land shown on a Boundary Survey, dated January 25, 1998 as prepared by GMS Surveying & Mapping, Inc. and attached hereto as Exhibit B; and

Whereas, Declarant has caused the Association (as hereafter defined) to be formed as a North Carolina Non Profit Corporation, to perform certain functions for the common good and welfare of the Owners (as hereinafter defined). Declarant intends by this Declaration to impose mutually beneficial restrictions under a general plan of improvement for the benefit of all Owners of Property within Crowders Woods/Crowders View, by the recording of this Declaration and amendments hereto. Declarant desires to establish certain standards designed to protect future property owners within the subdivision and to enhance the aesthetics and value of the property for themselves and future owners of the individual lots within the development, and to establish a means for the administration, maintenance, preservation, use and enjoyment of the Property that is now or hereafter becomes subject to this Declaration;

Now, therefore, Declarant, for the benefit of itself, its successors and assigns hereby declares and establishes this Declaration of Covenants, Conditions, Restrictions, and Easements ("Declaration"), which is for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property, and reserves unto itself the right to grant certain easements as set forth herein for the purposes of providing for ingress, egress, maintenance, landscape buffers and use of the Common Areas and the Lots (hereafter defined). The Covenants, Restrictions, Conditions and Easements set forth herein shall run with the land and shall be binding and enforceable upon each Lot within the subdivision now or hereafter owned by Declarant, or its successors and/or assigns, and which shall constitute an encumbrance upon the land, and shall, subject to the limitations

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herein provided, inure to the benefit of each Owner, his heirs, grantees, distributees, successors and assigns and to the benefit of the Association.

The following Covenants, Conditions, Restrictions and Easements are hereby imposed upon the land and inure to the benefit of the Owners of the Property, their heirs, successors and/or assigns.

DEFINITIONS

"*Additional Land*" means the real property described in Exhibit "B" attached to the Declaration or any other adjoining real property which Declarant, in its sole discretion, elects to annex to the Properties and this Declaration.

"*Architectural Control Committee/ACC*" shall mean and refer to that certain committee to be established in accordance with this Declaration and the Bylaws, which shall have the right of approval over all dwellings and structures required by this Declaration to be approved prior to construction or installation on the Lots.

"*Articles*" means the Articles of Incorporation of the Association, including any amendments thereto.

"*Association*" means and refers to Crowders Woods-Crowders View Homeowners Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

"*Board*" means and refers to the Board of Directors of the Association, as established in accordance with the Bylaws.

"*Bylaws*" shall mean and refer to the Bylaws of Crowders Woods-Crowders View Homeowners Association, as the same may be amended from time to time in accordance with the procedures set forth therein.

"*Common Area*" means all real property owned by or held in trust for the benefit of the Association for the common use and enjoyment of its members, including the Recreational Common Area if conveyed to the Association, but does not include any real property over which the Association has an easement only for access, drainage or utility purposes.

"*Declarant*" means Newfield Development Company, L.L.C., a North Carolina limited liability company and any successor or assign to whom Newfield Development Company, L.L.C. assigns its interest as Declarant under the Declaration, in whole or in part, by instrument(s) recorded in the official records of Gaston County, North Carolina.

"*Declaration*" means and refers to this Declaration of Covenants, Conditions and Restrictions for the Association, recorded April 2, 1998, in the Office of the Register of Deeds for Gaston County, North Carolina.

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"**Guidelines**" means and refers to the Guidelines for Crowders Woods/Crowders View Homeowners Association, as published and approved by the Architectural Control Committee of the Association from time to time in accordance with this Declaration and the procedures set forth in the Bylaws.

"**Lot**" means and refers to any platted lot or tract of land, together with any improvements thereon, as shown upon any recorded final subdivision map of the Property, or a part thereof, which is not a dedicated street or Common Area.

"**Member**" means and refers to a member of the Association.

"**Mortgage**" means any mortgage or deed of trust which constitutes a first lien upon a Lot given to a bank, savings and loan association or other institutional lender for the purpose of securing indebtedness incurred to purchase or improve a Lot.

"**Mortgagee**" means the holder of the beneficial interest in any mortgage.

"**Notice and Opportunity for Hearing**" means giving at least fifteen (15) days' prior notice of a proposed action and the reasons therefor, and an opportunity to be heard by the Board, orally or in writing, not less than five (5) days before the effective date of the proposed action.

"**Owner**" means and refers to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, and shall include Declarant as to any Lot owned by Declarant. "Owner" shall not include any person or entity who holds an interest in a Lot merely as security for the performance of an obligation, or as a tenant.

"**Person**" means an individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

"**Project**" means the planned development known as Crowders Woods and, if annexed in accordance herewith, the planned development known as Crowders View, which shall be developed and constructed on all or any part of the Property which is made subject to this Declaration.

"**Property**" shall mean and refer to that certain real property described in Exhibit A to this Declaration, and any amendments thereto, and such additions and annexations to the Property as may hereafter be brought within the jurisdiction of this Declaration and the Association.

"**Recreational Common Area/Facilities**" means that portion of the Project, if any, which Declarant, in its sole discretion and without any obligation to do so, conveys to the Association for the common use and enjoyment of its members as recreational land.

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together with any and all improvements constructed thereon, including but not limited to a swimming pool, accessory buildings and related parking.

"Rules and Regulations" means reasonable and nondiscriminatory rules and regulations as may be adopted from time to time by the Association, provided notice of such rules and regulations have been given to Owners in accordance with the requirements of the Bylaws.

SECTION 1 PROPERTY RIGHTS

1.1 Conveyance of Common Property

(a) The Declarant may from time to time convey to the Association or grant easements therein to the Association, at no expense to the Association and in accordance with this Section, real and personal property for the common use and enjoyment of all Members (such real and personal property is hereinafter collectively referred to as "Common Areas") and, to the extent set forth in this Declaration of Covenants, Conditions, Restrictions, and Easements, for the general public. Any conveyance of Common Areas which provide ingress or egress to one or more lot(s) shall be subject to an easement for ingress and egress in favor of the affected Lot Owner(s). The Association hereby covenants and agrees to accept from the Declarant all such conveyances of common property.

(b) It is contemplated by the Declarant that the Declarant may convey to the Association Common Areas and Recreational Facilities for landscaped buffers and for general recreational uses to include facilities for swimming and exercise. The Declarant may, at Declarant's sole discretion, modify, alter, increase, reduce and otherwise change the Common Areas and Recreational Facilities contemplated to be conveyed to the Association in accordance with this subsection (b) of this Section 2.1 at any time prior to conveyance of such Common Areas and Recreational Facilities to the Association.

(c) In addition to the Common Areas and Recreational Facilities described in subsection (a) of this Section 2.1, the Declarant may convey to the Association in accordance with this Section 2.1 such other real and personal property as the Declarant may determine to be necessary or proper for the completion of the Development.

(d) Notwithstanding any legal presumption to the contrary, the fee title to, and all right in, any portion of the Property owned by the Declarant and designated as Common Areas and/or Recreational Facilities or designated for public use shall be reserved to the Declarant until such time as the same shall be conveyed to the Association or to any municipality or other governmental body, agency or

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authority, or, if applicable, any provider of utilities to the Property or any portion thereof.

1.2 Owners' Easements of Easement. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) the right of the Association to charge reasonable admission and other fees for the use of any Recreational Facility situated upon the Common Area;
- (b) the right of the Association to suspend the voting rights and rights to use of the Recreational Common Areas/facilities of an Owner for any period during which any assessment against said Owner's Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;
- (c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless it is shown on the recorded plat of the subdivision or an instrument signed by two-thirds (2/3) of each class of Members agreeing to such dedication or transfer has been recorded;
- (d) the right of the Association, with the assent of two-thirds (2/3) of each class of Members, to mortgage, pledge, deed in trust or hypothecate any or all of the real or personal property as security for money borrowed or debts incurred;
- 1.3 Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Areas and Recreational Facilities to the members of his family or to his tenants who reside on the Property.

SECTION II ARCHITECTURAL CONTROL COMMITTEE

2.1 Purpose. An Architectural Control Committee shall be established, consisting of not less than one (1) nor more than five (5) individuals, provided, however, that the ACC shall always have an uneven number of members. The purpose of the Architectural Control Committee ("ACC") with respect to all housing shall be to ensure that such structures are architecturally compatible with all other homes in the subdivision.

2.2 Plan Approval Required. No building, fence, wall, or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition (including carports, garages, storage sheds or other structures) to or changes or alterations therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and

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approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by the Architectural Control Committee which shall initially be composed of 3 members of the Declarant, with future representatives to be appointed by the Board at such time as the Declarant shall relinquish control to the Homeowner's Association. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it in writing at the address provided in the Bylaws, approval will be deemed to have been given for the plans as submitted to the ACC, however, any changes to plans, whether approved or deemed approved, shall again comply with the above requirements for submission and approval.

2.3 Criteria for Approval/Rejection of Site Plans. The ACC may refuse to approve any set of plans and specifications for any reason consistent with the purposes set forth hereinbelow, including:

- (a) a proposed design that is not architecturally compatible with existing structures in the subdivision;
- (b) the type of proposed construction or the building materials are not compatible with those typically found in existing structures in the neighborhood;
- (c) a proposed design which does not comply with this Declaration or the Guidelines of the Architectural Control Committee from time to time adopted by the ACC.

In furtherance of this purpose, the ACC may, in its sole and absolute discretion, accept and approve any set of plans and specifications. If the plans and specifications meet the above stated purposes of the ACC. The ACC or its agent shall have the right to inspect all construction and installations for compliance with the approved plans and the Guidelines.

2.4 Reservation of Declarant Rights. Notwithstanding anything to the contrary contained herein, Declarant shall have the right, but not the obligation, to appoint all members of the ACC until the plans for all the Lots in the development have been approved by the ACC. Thereafter, the Board shall appoint the members of the ACC. All costs of operating the ACC shall be borne by the Association.

2.5 Fees. The ACC may impose and collect a reasonable and appropriate fee to cover the cost of review of plans and of inspections performed pursuant to this Section and Section 111 hereof. The fee shall be established from time to time by the ACC and published in the Guidelines and shall thereafter be uniformly applied.

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SECTION III USE RESTRICTIONS

3.1 Duration. These covenants are to run with the land and shall be binding upon all parties and all persons claiming under them until March 31, 2018; after which time the covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by a two-thirds (2/3) majority of the then Owners of the Lots has been recorded, agreeing to change said covenants in whole or in part.

3.2 Violation. If the parties hereto, or any of them, or their heirs, assigns, or successors in title shall violate or attempt to violate any of the covenants herein, it shall be lawful for any Member to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant and either to prevent him or them from so doing or to recover damages or other dues for such violation, including attorney's fees.

3.3 Use Restrictions. All Lots shall be used only for single-family residences. No building or structure shall be erected, altered, placed, or permitted to remain on any Lot other than one detached, single-family dwelling, said dwelling not to exceed two and one-half stories in height, and a private garage for not more than three cars, and a storage building, built essentially of the same exterior finish as the primary dwelling, and used as an accessory building for the primary dwelling.

3.4 Accessory Buildings. Any garage or accessory structure permitted hereunder shall be so erected that its outward structure and appearance are in conformity with the general architecture of the main dwelling created on said Lot.

3.5 Minimum Dwelling Size. The heated ground-floor area of the main structure, exclusive of garages, porches and decks, shall not be less than 1,300 square feet for a one-story dwelling, nor less than 800 square feet in the case of a one and one-half story, two, or two and one-half story dwelling. No dwelling, exclusive of porches, carports, garages, decks, or other unheated areas, shall be less than 1,300 square feet. Dwellings fronting on Carson Road must contain a minimum of 1,400 square feet. An attached carport or garage for a minimum of one car and a maximum of three cars is required for all dwellings.

3.6 Site Layout. The layout of the Lots shall be as shown on the recorded subdivision plat(s). The facing of Lot(s) in any direction other than shown on the plat, and the further subdividing of any Lot is not permitted unless approved in writing by the ACC. No dwelling or other structure, except landscaping features approved by the ACC shall be located on any Lot nearer to the front lot line than the building setback line shown on said recorded plat; building setback lines are hereby established on all Lots as follows, unless otherwise shown on recorded plat: 40 feet from front lot line (65 feet from the edge of the right-of-way of Carson Road for Phase I lots fronting Carson Road), 12 feet from side lot lines and 20 feet from side street rights-of-way and thirty-five (35) feet to a rear lot line.

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for the purposes of this Declaration, eaves, steps, overhangs, decks and open or enclosed porches shall be considered as a part of the dwelling structure.

3.7 Prohibition on Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence, either temporary or permanent. However, the developer/builder may be allowed to have a temporary trailer for construction purposes only. The Declarant reserves the right to permit the installation and operation of sales offices and model residences and for related activities which the Declarant deems to be in the best interests of the development.

3.8 Animal Use Restrictions. No noxious or offensive activity shall be carried on upon any Lot, nor anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No business shall be conducted from any Lot with the exception of a home office permitted by applicable zoning regulations, for use solely by the occupant of the dwelling constructed on the Lot and without any employees. No livestock, including potbelly pigs, poultry, or any animals other than household pets will be kept. No pitbull dogs, dangerous or poisonous reptiles or other vicious or dangerous animals shall be kept. No animals, including those termed as household pets shall be bred for commercial purposes. No dog-house, dog run or other structures which are designed for or provide the care, housing or confinement of any animal, or other pet areas shall be constructed or installed on any Lot without the prior approval of the ACC. In no event shall the ACC approve of any such structures being located nearer than twelve (12) feet to any side lot line nor nearer than ten (10) feet to any rear lot line. Household pets shall be confined to the Owner's property and not allowed to stray from the Owner's property or become a nuisance or annoyance to the neighborhood.

3.9 Site Plan and Landscape Plan Approval. Prior to the construction of any dwelling or structure, the Owner shall submit to the ACC building plans (including complete elevations, site plan and landscape plans for approval). No construction or installation of any dwelling, structure or landscaping shall begin until said building plans have been approved in writing by the ACC. The main purpose of this approval covenant is to require compliance with the duties designated in this Declaration, to ensure quality of design and construction, and to accomplish a total community plan.

3.10 Setbacks. In addition to the fifty foot set aside as right-of-way for streets as shown on the plat, an additional ten feet along each side of each right-of-way is reserved for storm water drainage and utilities serving all or any portion of the Property. The Declarant also reserves, as a perpetual drainage and utility easement, a five-foot strip on each side of all interior side lot lines and ten-foot strip on the back lot lines and exterior side lot lines as noted on the recorded plat of the subdivision. The Declarant also reserves a perpetual easement along 20 feet each side of the center line of all creeks, branches, or streams shown on the recorded plat of the subdivision. These easements are for the purpose of placing, laying, constructing, maintaining, and operating utilities and drainage systems, except, that where a greater reservation is shown by the recorded plat, the

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greater reservation shall control as if specifically set forth in this instrument. One or more landscape easements may be placed on a lot or lots for the benefit and enjoyment of all Members, with such areas to be indicated on the recorded plat for affected Lots prior to date of first sale of such affected Lot(s) by Declarant.

3.11 Fencing. Fencing, if constructed, shall not exceed six (6) feet in height, shall be located completely within the property boundaries, and shall consist of materials specified as approved for fencing in the ACC Guidelines, or approved in writing in advance by the ACC. No fence shall be erected on any lot in the front yard or nearer the front street than a point which is five (5) feet back from the front facade of the dwelling erected on said lot. Wood stockade fencing is prohibited. Fences must be maintained in good condition, or may be removed by the Association at the Owner's expense.

3.12 Parking Restrictions. No truck or commercial vehicle larger than a three-quarter ton load capacity shall be parked or maintained on any Lot, driveway or roadway within the subdivision on a temporary or permanent basis, except when being used for moving residents in and out of making bonafide deliveries. All parking by residents, guests, or visitors of the subdivision shall be in parking accommodations located outside of the street right-of-way and off the streets of the subdivision. No wrecked or junk motor vehicle or vehicle without current license plates and registration shall be permitted on any Lot, driveway or roadway if such vehicle is visible from the street or any other Lot. Parking a tractor and/or tractor trailer at any time is strictly forbidden. No trailer, campor or similar recreational vehicle shall remain upon any Lot unless it is screened or located so as not to be visible from any street or road within the subdivision. No yard or non-paved area that is visible from the street shall be used for parking any motor vehicle on a regular basis.

3.13 Recreation Equipment. Recreation and playground equipment shall be placed or installed only upon the rear of a Lot as approved by the ACC. Basketball goals may be placed adjacent to the driveway, but shall be subject to the prior approval of location by the ACC. There will be no erection of basketball goals any nearer a street right-of-way than twenty (20) feet. No noxious or offensive activity shall be carried on in the street, or street right-of-way, including recreational activity, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

3.14 Landscape Approval. All Lots upon which structures are built must be landscaped in substantial accordance with the landscape plan for the Lot approved by the ACC. Weather permitting, landscaping shall be accomplished within 30 days of issuance of the certificate of occupancy.

3.15 Paving of Driveway and Sidewalks. All homes shall have a concrete driveway with a surface area large enough to accommodate a minimum of three cars, including an area where two cars may park side-by-side. All Owner's vehicles must be parked off of the streets and roadways of the subdivision and must have a current, valid

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registration, current license plate and valid certificate of insurance. Parking of any vehicle on the front lawn of any lot is strictly forbidden. Parking in the street, except for service deliveries and occasional visitors, is not permitted. All homes shall have a sidewalk leading from either the driveway and or parking structure to an entrance of the home, which shall be constructed of poured concrete, stone pavers, brick or such other permanent, non-permeable paving material as may be approved by the ACC. Use of asphalt for driveways and walks is prohibited.

3.16 Combining Lots. If any dwelling is placed on more than one Lot, then the combination of said Lots shall comply with local zoning regulations and shall thereafter be considered as one Lot for the purposes of this Declaration, except that the Owner shall continue to be responsible for assessments on two Lots and shall be entitled to two votes in all matters placed before the Membership. Also, the main building of any Lot shall not be erected or allowed to remain facing in any direction except toward a street, notwithstanding the combination of two or more Lots. No Lot may be subdivided and no portion of any platted Lot may be sold except in the event of a sale of the entire Lot to the same fee owner.

3.17 Reservation of Utility Rights. The "Declarant" reserves the right to subject the real property in this Subdivision to a contract with a legitimate power company, the City of Gastonia, or other utility provider for the installation of street lighting which may require an initial payment and/or continuing monthly payments by each Lot owner.

3.18 Signs. No billboards, signs, or advertisements, temporary or otherwise, are permitted on any Lot at any time except for signs advertising the offering of a Lot and dwelling as "For Sale" or "For Rent", or signs used by the "Declarant" or its agent to advertise the Lot during the construction and sales period. A small sign identifying the name of the resident and/or the street address of the dwelling is permissible.

3.19 Antennas. No exterior television antennas or amateur radio transmitters or antennas shall be permitted at any time. Satellite dishes, not to exceed twenty-four (24) inches in diameter, shall be permitted in the rear yard only, provided they are located so as not to be visible from streets abutting the front of any Lot, corner Lots excepted.

3.20 Garbage and Refuse. No person shall dump rubbish, garbage or any other form of solid waste on any Lot or on Common Areas. Except during approved construction and as approved by the appropriate governmental authority, no person shall burn rubbish, garbage or any other form of solid waste on any Lot or Common Areas. Except for building materials employed during the course of construction of any structure approved by the ACC, no lumber, metals, bulk materials or solid waste of any kind shall be kept, stored or allowed to accumulate on any Lot unless screened or otherwise approved by the ACC.

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3.21 Invalidation of Covenants. Invalidation of any one or more provisions of these covenants, conditions, restrictions, and easements in part or whole, whether by judgment, court order, or otherwise, shall in no way affect any of the other provisions, which shall remain in full force and effect.

3.22 Reservation of Rights. Declarant reserves the right at any time that Declarant is the owner of at least seventy-five percent (75%) of the Lots subject to this Declaration from time to time, to amend these restrictions so as to make them inapplicable to unintentional violations of a minor nature. In addition, Declarant shall have the power to and may allow reasonable variances and adjustments in the conditions and restrictions in order to overcome practical difficulties.

SECTION IV ENFORCEABILITY

4.1 Duration. This Declaration shall run with the land and shall be binding on all parties and all persons claiming under them until March 31, 2018, after which time the Declaration shall be extended automatically for successive periods of ten (10) years unless and until an instrument is signed by a two-thirds (2/3) majority of the Owners of all Lots then subject to this Declaration, and has been recorded agreeing to change these Covenants in whole or in part in the manner provided in Section 9.3 hereof. The Association, or any Owner(s) shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, and easements now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so hereafter.

4.2 Remedies for Violation. In the event that a violation of any of the covenants, conditions, or restrictions herein established occurs or is attempted by any Owner or tenant, their successor and/or assigns, it shall be lawful for other Owner(s) to seek whatever remedies are available, in law or in equity, to correct such violation and to recover any damages, monetary or punitive, and all costs, including court costs and reasonable attorneys' fees incurred in connection with any proceedings required to cure the violation. If violations occur, the Association, its agents or assigns shall have the right and option to give the Owner thirty (30) days notice to correct the violation(s). Notice shall be by certified mail, return receipt requested, to the mailing address of the property and copied to the violating Owner's address of record. If different than the property address, failure of the violating Owner to correct said violations within thirty (30) days will authorize the Association, its agents and employees to enter upon the Lot(s) with no further notice and eliminate the violations of these Restrictive Covenants. The cost of eliminating the violations shall be charged to the Owner so violating. If the Owner fails to make payment to the Association for the cost of correcting the violations within thirty (30) days of receiving a statement describing the actions taken and costs, the unpaid amount

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shall become a lien upon the property in favor of the Association and shall accrue interest at the rate of nine percent (9%) interest per year until paid.

4.3 No Obligations. Nothing contained in this Declaration shall impose any conditions upon any property now or hereafter owned by Declarant other than the Property identified and described in Exhibit A attached hereto or such additional lands which Declarant may elect, in its sole discretion, to annex hereto after the date hereof by instrument properly executed and recorded in the County records.

4.4 Right of Abatement.

(a) Except where different notice provisions are provided herein, in the event of a violation or breach of any provision of this Declaration, the Association shall give written notice by certified mail, return receipt requested, to the Owner setting forth in reasonable detail the nature of such violation or breach and the specific action or actions needed to be taken to remedy such violation or breach. If the Owner shall fail to take reasonable steps to remedy such violation or breach within thirty (30) days after the mailing of said written notice, then the Association shall have the Right of Abatement, but only after providing Notice and opportunity for Hearing.

(b) The Right of Abatement, as used in this Section, means the right of the Association, through its agents and employees, to enter at all reasonable times upon any Lot or Structure, as to which a violation, breach or other condition to be remedied exists, but, only after Notice and opportunity for Hearing, and to take the actions specified in the notice to the Owner to abate, extinguish, remove, or repair such violation, breach or other condition which may exist thereon contrary to the provisions hereof, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and actions, provided such entry and such actions are carried out in accordance with the provisions of this Section, and with the cost thereof including the costs of collection and reasonable attorney's fees, together with interest thereon at the rate of nine percent (9%) per annum, to be a binding personal obligation of such Owner enforceable in law, as well as a lien on such Owner's Lot enforceable pursuant to the provisions of Section 7 hereof. Such lien shall be superior to any and all charges, liens or encumbrances which may in any manner arise or be imposed upon the Lot after such entry whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage, deed to secure debt, or other instrument, excepting only (i) such liens for taxes or other public charges as are by applicable law made superior; (ii) the liens created by Section 7 hereof; and (iii) all deeds to secure debt given to secure a loan, the proceeds of which are used (1) to purchase a lot or lots (together with any and all improvements which may from time to time be placed or located thereon) and (2) to finance the construction, repair or alteration of improvements to a Lot.

4.5 Injunctive Relief. Nothing contained in this Declaration shall be deemed to affect or limit the rights of the Declarant, the Association or any Owner to enforce the Restrictions by appropriate judicial proceedings or to recover damages. However, it is

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hereby declared that it may be impossible to measure accurately in money the damages which will accrue to a beneficiary hereof, its transferees, successors or assigns, by reason of a violation of, or failure to perform any of the obligations provided in this Declaration; and therefore, any beneficiary hereof shall be entitled to relief by way of injunction or specific performance, as well as any other relief available at law or in equity, to enforce the provisions hereof, and to collect from the violating party, the costs of courts and reasonable attorney's fees.

SECTION V PROPERTY RIGHTS

5.1 Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any Recreational Facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and rights to use of the Recreational Facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the Members, agreeing to such dedication or transfer, has been recorded. Provided, however, that during the time that a Class D Membership exists, Declarant shall not require the approval of the Association or the Members to impose easements or conditions upon or to dedicate or transfer to the Association or any public agency, authority or utility, any rights in and to any Common Area which is indicated on the approved and recorded subdivision plat as reserved for such purposes.

(d) the right of the Association, with the assent of two thirds (2/3) of Members, to mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

5.2 Delegation of Vote. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Areas and Recreation Facilities to the members of his family, his tenants, or contract purchasers who reside on the Property. However, no Owner may delegate his vote except by written proxy in the manner prescribed in the Bylaws.

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SECTION VI
MEMBERSHIP AND VOTING RIGHTS

6.1 Purpose, Powers and Duties of the Association. The Association shall be formed as a Non Profit Corporation pursuant to North Carolina law for the sole purpose of performing certain functions for the common good and general welfare of the Owners of the Property or any portion of the Property. The Association shall have no power or duty to do or perform any act or thing other than those acts and things which will promote in some way the common good and general welfare of the Owners of the Lots and the Property.

6.2 Membership. Every Owner of a Lot is subject to an assessment and shall be a Member of the Association. Membership shall be apportionment to and may not be separated from ownership of any Lot which is subject to assessment.

6.3 Classes of Membership. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

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

- (1) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership including total outstanding votes for the Crowders View lots when annexed; or
- (2) on December 31, 2008.

6.4 Board of Directors. The affairs of the Association shall be managed by a Board of Directors. The number of Directors and the method of election of Directors shall be as set forth in the Bylaws of the Association.

6.5 Completion of Development. The development will be composed of Lots, to be developed in phases which may contain unequal numbers of Lots. Each such phase will be platfled of record in the office of the Clerk of the Superior Court of Gaston County

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in accordance with this Declaration. The Declarant shall notify the Association in writing when the final phase of the development has been so plated of record. By acceptance of deed conveying a Lot, each Owner acknowledges that, upon the filing by Declarant of the subdivision plats covering such phases, the total votes outstanding in the Association will automatically increase based upon the number of Lots in the phases added and in accordance with the formula set forth in paragraph 6.2 above, and in no event shall Class B Membership cease and be converted to Class A Membership until the Association has received the written notice of the Declarant that the final phase of the development has been plated of record; provided, however, nothing contained herein shall obligate the Declarant to develop any proposed phase of the Development unless such phase is subjected to this Declaration.

SECTION VII COVENANT FOR MAINTENANCE ASSESSMENTS

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

7.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area and of the Lots situated upon the Properties, including but not limited to, the cost of repair, replacement and additions thereof, the cost of labor, equipment, materials, management and supervision thereof, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the Bylaws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

7.3 Maximum Annual Assessment

(a) Beginning on the Commencement Date and continuing thereafter until January 1 of the year immediately following the Commencement Date, each Lot shall be subject to a maximum annual assessment of three hundred dollars (\$300.00) per Lot. In the event that the Commencement Date falls on a day other than January 1, the annual assessment for such year shall be prorated so that each Owner pays an annual assessment

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proportional to the number of days remaining in the calendar year. The term "Assessment Year" as used herein shall mean the calendar year with the first Assessment Year commencing on January 1 of the year immediately following the Commencement Date. For so long as Declarant has the right to appoint and remove Directors and Officers of the Association, the annual assessment shall not be reduced below \$300.00 without the express written consent of Declarant.

(b) Commencing with the first Assessment Year and continuing thereafter, the annual assessment may be increased at any time and from time to time during each Assessment Year by not more than ten percent (10%) above the maximum annual assessment for the previous Assessment Year without a vote of the Membership.

(c) Commencing with the first Assessment Year and continuing thereafter, the annual assessment for each Assessment Year may at any time and from time to time be increased more than ten percent (10%) above the maximum annual assessment for the previous Assessment Year only with the approval of two thirds (2/3) of the Members of the Association who are eligible to vote and present in person or by proxy and voting at a meeting of the Members duly held in accordance with the provisions of the Bylaws and this Declaration.

7.4 Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related therein, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

7.5 Notice and Quorum for An Action Authorized Under Sections 7.2 and 7.4. Written notice of any meeting called for the purpose of taking any action authorized under Section 7.2 or 7.4 shall be sent to all Members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of Membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting called for the same purposes as the first meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

7.6 Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots. The said assessments may be collected in equal installments on a monthly basis.

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7.7 Date of Commencement of Annual Assessment; Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the earlier to occur of (i) issuance of the certificate of occupancy; or (ii) eighteen (18) months following the initial Closing on the Lot. From Declaration, While a Class B membership exists, Declarant shall have the right, in its sole discretion, to extend the commencement date of annual assessments for lots owned by home builders and held for construction and resale. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors.

7.8 Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eight percent (8%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, file a notice of lien against the Lot(s), or foreclose the lien against the Lot(s) by selling the said Lot(s) subject to the lien at foreclosure sale conducted for such purpose in accordance with the provisions of North Carolina law. Interest, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

7.9 WAIVER. EACH OWNER, BY ACCEPTANCE OF A DEED CONVEYING A LOT SUBJECT TO THIS DECLARATION, WAIVES ANY RIGHT WHICH OWNER MAY HAVE UNDER THE CONSTITUTION OR THE LAWS OF THE STATE OF NORTH CAROLINA OR THE CONSTITUTION OR THE LAWS OF THE UNITED STATES OF AMERICA TO NOTICE OR TO A JUDICIAL HEARING PRIOR TO THE EXERCISE OF ANY RIGHT OR REMEDY PROVIDED BY THIS DECLARATION AND OWNER WAIVES OWNER'S RIGHTS, IF ANY, TO SET ASIDE OR INVALIDATE ANY SALE DULY CONSUMMATED WITHOUT A PRIOR JUDICIAL HEARING ALL WAIVERS BY OWNER IN THIS PARAGRAPH HAVE BEEN MADE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY, AFTER OWNER HAS FIRST BEEN ALLOWED THE OPPORTUNITY TO CONSULT LEGAL COUNSEL WITH RESPECT TO OWNER'S POSSIBLE RIGHTS.

7.10 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien or the personal liability of the Owner for non-payment of the assessment, however, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lien thereof, shall extinguish the lien of such assessments as to payments which became 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.

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7.11 Exempt Property. All property dedicated to, and accepted by, applicable public authorities or public utility providers for the purpose of providing access or services to the subdivision and exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no Lot except for the Common Areas shall be exempted from assessments.

7.12 Certificates of Payment. Upon written demand by an Owner, the Association shall, within a reasonable period of time, issue and furnish to such Owner a written certificate stating that all assessments (including penalties, interest and costs, if any) have been paid with respect to any Lot owned by said Owner as of the date of such certificate, or that all assessments, interest and costs have not been paid, setting forth the amount then due and payable. The Association may make a reasonable charge for the issuance of such certificate. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and any bona fide purchaser of, or lender on, the Lot in question.

SECTION VIII EASEMENTS AND UTILITIES

8.1 Utility Easement. A ten (10) foot easement is hereby reserved parallel to all front and rear lot lines, as shown on recorded maps or plats, for the installation and maintenance of utilities.

8.2 Drainage Easement. A five (5) foot easement, as shown on recorded maps or plats, is hereby reserved parallel to the side lot lines of all Lots.

8.3 Services. All lots within the subdivision shall be supplied with access to public water and sanitary sewer, electricity, telephone, and a cable television system. It shall be the responsibility of each purchaser of a lot to extend these utilities to the dwelling underground. The acquisition of any permits required to extend any utility line from its access point at each Lot and any approvals required, once the work has been completed, shall be the responsibility of the Owner of the Lot at the time the work is done.

SECTION IX GENERAL PROVISIONS

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

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9.2 Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

9.3 Period of Duration; Amendment. The covenants and restrictions of this Declaration shall run with and bind the land until March 31, 2018, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended in the following manner:

(a) During any period in which Declarant retains the right to appoint and remove any directors and officers of the Association, Declarant may amend this Declaration by an instrument in writing filed and recorded in the Gaston County Register of Deeds, North Carolina, without the approval of any Member or Mortgagee; provided, however, that (i) in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of such Owner's Lot or of the Common Areas as set forth in this Declaration or if such Amendment adversely affects the title to any such Owner's Lot, such Amendment shall be valid only upon the written consent thereto by a majority in number of the then existing Members so affected thereby; or (ii) in the event that such amendment would materially and adversely affect the security, title and interest of any Mortgagees, such amendment shall be valid only upon the written consent thereto of all such Mortgagees so affected. Any amendment made pursuant to this Paragraph 9.3(a) shall be certified by Declarant as having been duly approved by Declarant, and such Members and Mortgagees, if required, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each Owner by acceptance of a deed or other conveyance to a Lot, agrees to be bound by such amendments as are permitted by this Paragraph 9.3(a) and further agrees that, if requested to do so by Declarant, such Owner will consent to the amendment of this Declaration or any other instruments relating to the development if (i) such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with the provisions of any applicable governmental statute, rule or regulation or any judicial determination which shall be in conflict therewith; (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Lots subject to this Declaration; (iii) if such amendment is required by an institutional or governmental lender or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on any Lot subject to this Declaration; (iv) if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots subject to this Declaration; or (v) if such amendment is necessary to correct a scrivener's error in drafting this Declaration.

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(b) Amendments to this Declaration, other than those authorized by subparagraph 9.3 (a) hereof, shall be proposed and adopted in the following manner.

(i) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be delivered to each Member of the Association.

(ii) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board or by a Member of the Association. Such amendment must be approved by Members holding at least two-thirds of the total votes in the Association; provided, however, that any amendment which materially and adversely affects the security, title and interest of any Mortgagee must be approved by such Mortgagee and during any period in which Declarant has the right to appoint and remove officers and directors of the Association, such amendment must be approved by Declarant; and

(iii) The agreement of the required percentage of the Owners and, where required, the Declarant and any Mortgagee, to any amendment of this Declaration, shall be evidenced by their execution of such amendment or in the alternative, and provided that Declarant does not then have the right to approve such amendment, the sworn statement of the President and any Vice President or the Secretary of the Association attached to or incorporated in the amendment executed by the Association, which sworn statement shall state unequivocally that the Agreement of the required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded or at such later date as may be specified in the Amendment itself.

9.4 **Annexation.** Additional real property may be annexed to the Property by the Declarant, for as long as Declarant has authority to appoint and remove Directors and Officers of the Association, without the consent of the Members at any time for a period of ten (10) years following the date from which this Declaration is filed in the Office of the Clerk of the Superior Court of Gascon County. Such annexation shall be accomplished by filing in the Office of the Clerk of the Superior Court of Gascon County either of the following: (a) an approved subdivision plat describing the real property to be annexed to the Property and by including on such subdivision plat a statement that expressly sets forth the Declarant's intention to make such annexed real property subject to the provisions of this Declaration or (b) an amendment to the Declaration which has been consented to by the owners of the real property to be annexed if such real property is owned by someone other than Declarant. At the expiration of ten (10) years following the date of filing of this Declaration, no real property may be annexed to the Property unless such annexation is approved by a two-thirds (2/3) vote of the Members of the Association who are present

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in person or by proxy and voting at a meeting of Members duly held in accordance with the provisions of the Bylaws of the Association.


9.5 HUD / VA Requirements. As long as there is a Class B Membership, annexation of additional properties, dedication of Common Area, and amendment of the Declaration of Covenants, Conditions and Restrictions requires the prior approval of the U.S. Department of Housing and Urban Development, and the U.S. Veterans Administration.

In TESTIMONY WHEREOF, Newfield Development Company, L.L.C. has caused the execution of this Declaration by its duly authorized representative, on this the second day of April, 1998.

Newfield Development Company, L.L.C.

By:


Vernon E. Baumgard
Managing Member
Newfield Development Company, L.L.C.


Russell L. Wingel
Managing Member
Newfield Development Company, L.L.C.

NORTH CAROLINA,
GASTON COUNTY

I, a Notary Public of the County and State aforesaid, certify that Vernon E. Baumgard and Russell L. Wingel, personally appeared before me this second day of April, 1998, and acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal, this

