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Drawn by and mail to:
Jan Fincher, D. Ballard Construction, Inc.
4806 Hwy 74 West
Monroe NC 28110

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR TWELVE OAKS SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
is made this 13th of August, 2007 by D. BALLARD CONSTRUCTION,
INCORPORATED, a North Carolina Corporation, hereinafter referred to as "Declarant."

WITNESSETH

WHEREAS, Declarant desires to insure the attractiveness of the subdivision and
to prevent any future impairment thereof, to prevent nuisances, to preserve, protect, and
enhance the values and amenities of all properties with in the subdivision and to provide
for the maintenance and upkeep of the Common Area, as hereinafter defined; and to this
end desires to subject the said real property to the covenants, conditions, restrictions,
easements, charges, and liens hereafter set forth, each and all of which is and are for the
benefit of said property and each owner thereof, and

WHEREAS, Declarant has incorporated or will incorporate under North Carolina
law the Twelve Oaks Homeowners Association, Inc. as a nonprofit corporation for the
purpose of exercising and performing the aforesaid functions.

NOW THEREFORE, Declarant, by this Declaration of Covenants, Conditions,
and Restrictions, does declare that all of the property described in Article II hereof is and
shall be held, transferred, sold, conveyed, and occupied subject to the covenants,
conditions, restrictions, easement, charges, and liens set forth in this Declaration which
shall run with the real property and be binding on all parties owning any right, title, or
interest in said real property or any part thereof, their heirs, successors and assigns, and
shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1. "Homeowners Association" shall mean and refer to TWELVE OAKS HOMEOWNERS ASSOCIATION, a North Carolina non-profit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer 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 Properties, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to the "Initial Property" described in Article II Section I, hereof, and any additions thereto as are or shall become subject to this Declaration and brought within the jurisdiction of the Homeowners Association under the provisions of Article II hereof.

Section 4. "Common Area" shall mean all real property and improvements thereon owned by the Homeowners Association for the common use and enjoyment of the owners. Common Areas, with respect to the property subject to this Declaration, shall be shown on the various plats of record or to be recorded in the Union County Public Registry and designation thereof as "Common Areas," but shall exclude all lots as hereinafter defined and all public streets shown thereon. "Common Area" shall include all private streets shown on such plat or plats hereinafter recorded in the Union County Public Registry. The Common Area shown on each map to be recorded shall be owned by the Association and will be decided to the Association.

Section 5. "Lot" shall mean and refer to any numbered plot of land, with delineated boundary lines, appearing on any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to D. Ballard Construction, Inc and shall also mean and refer to any successor in title to D. Ballard Construction, Inc.

Section 7. "Member" shall mean and refer to every person or entity that holds membership in the Homeowners Association.

Section 8. "Board of Directors" shall mean and refer to an initial board which shall be appointed by the Declarant and later elected by the Association, as further defined in the By Laws of the Homeowners Association which shall include a President, Vice President, Treasurer and Secretary. They will have the responsibility of managing and/or directing the management of the Association.

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

Section 1. The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration, and shall be within the jurisdiction of the Homeowners Association is located as described as follows" BEING all of that real property as shown on map recorded in Plat Cabinet J, File 863, in the Union County Public Registry.

Section 2. Additions to Existing Property. Additional land may be bought within the scheme of and made subject to this Declaration and the Homeowners Association by the Declarant.

**ARTICLE III
MEMBERSHIP AND VOTING RIGHTS**

Section 1. Every owner of a Lot which is subject to assessment shall be a member of the Homeowners Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. Every owner of a Lot shall notify the Homeowners Association of the owner's acquisition of title to a Lot within fifteen (15) days after title is acquired.

Section 2. The voting rights of the membership shall be appurtenant to the ownership of the Lots. There shall be two classes of Lots with respect to voting rights and assessments.

(a) Class A Lots. Class A Lots shall be all Lots Except Class B Lots as the same are hereinafter defined. Each Class A Lot shall entitle the Owner(s) of said Lot to one vote. When more than one person owns an interest (other than a leasehold or security interest) in and Lot, all such persons shall be members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any one Class A Lot.

(b) Class B Lots. Class B Lots shall be all Lots owned by Declarant which have not been deeded out and therefore not converted to Class A lots. The Declarant shall be entitled to three votes for each Class B Lot owned by it.

Section 3. Notwithstanding the provisions of Section 1 and Section 2 above, the total votes cast by any nonresident Owners, other than the Declarant, shall not exceed forty-nine percent (49%) of all votes cast on any matter for action by the Owners or the Homeowners Association.

ARTICLE IV PROPERTY RIGHTS

Section 1. Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and pass with the title to every Lot, subject to the following provisions:

(a) The right of the Homeowners Association to charge reasonable admission and other fees for the use of any recreation facilities situated upon the Common Area and to limit the use of said facilities to owners using their lots as their principle residence in Union County, North Carolina, and to their families, tenants, contract purchasers, and guests, as provided in Section 2 of this Article IV.

(b) The right of the Homeowners Association to suspend the voting rights to the use of the recreational facilities of any Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

(c) The right of the Homeowners 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; provided, however, that such dedication or transfer shall comply with the conditions and requirements of any Special Use Permit. No such dedication or transfer shall be effective unless the members entitled to at least two-thirds (2/3) of the votes appurtenant to Class A Lots and at least two-thirds (2/3) of the votes appurtenant to Class B Lots consent to such dedication or transfer and signify their consent and agreement in a signed and recorded written instrument. This subsection shall not preclude the Board of Directors of the Homeowners Association from granting easements to public authorities or others for the installation and maintenance of sewerage, utilities, and drainage facilities upon, over, under, and across the Common Area without the assent of the membership when, in the sole opinion of such Board, such easements do not interfere with the use and enjoyment of the Properties or are necessary for the convenient use and enjoyment of the Properties, provided, however, that such easements shall comply with the conditions and requirements of any Special Use Permit.

(d) The right of the Homeowners Association, with the written consent of the Members entitled to at least two-thirds (2/3) of the votes appurtenant to Class A Lots and at least two-thirds (2/3) of the votes appurtenant to Class B Lots, and so long as any Class B Lots remain to mortgage, pledge, deed in trust, or hypothecate any or all its real or personal property as security for money borrowed or debts incurred.

Section 2. Delegation of Use

(a) Family. The right and easement of enjoyment granted to every Owner in Section 1 of this Article IV may be exercised by members of the Owners' family who

occupy the residence of the Owner within the Properties as their principle residence in Union County, North Carolina.

(b) Tenants or Contract Purchasers. The right and easement of enjoyment granted to every Owner in Section 1 of this Article may be delegated by the Owner to his tenants or contract purchasers who occupy a residence within the Properties, or a portion of said residence, as their principle residence in Union County, North Carolina; provided that no such delegation shall relieve the Owner of his responsibilities and obligations under this Declaration and the Owner shall remain fully responsible for the acts or omissions of any tenant or contract purchaser.

(c) Guests. Recreational facilities situated upon the Properties may be utilized by guests of Owners, tenants, or contract purchasers subject to the rules and regulations of the Homeowners Association, as may be established by its Board of Directors, governing said use. Owners, tenants and contract purchasers shall be responsible for the conduct, acts and omissions of their guests.

Section 3. Ownership of Common Areas. Declarant shall convey the Common Areas to the Association free and clear of all liens and encumbrances. Notwithstanding the recordation of any map or any other action by Declarant or the Association, all Common Areas, including cul-de-sacs and roads, if any, shall remain private property and shall not be considered as dedicated to the use and enjoyment of the public, provided, however, that the Declarant or the Association may offer such cul-de-sacs and roads for dedication to the appropriate governmental authorities. If accepted for dedication by such government authorities, then the cul-de-sacs or roads shall then be considered dedicated to the use and enjoyment of the public. Declarant shall maintain the common areas until such time as the common areas are turned over to the Association. Declarant shall convey the common areas to the Association upon the closing of 50% of the lots in each phase.

Section 4. Owners' Easement for Ingress and Egress. To the extent that cul-de-sacs and roads have not been dedicated to the use and enjoyment of the public sufficient to provide access to a Lot, every Lot shall be conveyed with and each Owner is hereby granted a perpetual, nonexclusive easement over any cul-de-sac or roadway which may be constructed by the Declarant and conveyed to the Association as part of the Common Area for the purpose of providing access to and from each Lot. Upon dedication and acceptance of such cul-de-sacs and roadways, these easement rights shall terminate with respect thereto.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section 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 therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Homeowners Association: (1) annual assessments and (2) special assessments, such assessments to be established and

collected as hereinafter provided. Any such assessment, 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 each such assessment is made. Each such assessment, together with interest costs, and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purposes of Assessment. The assessments levied by the Homeowners Association shall be used to promote the recreation, health, safety, and welfare of the residents of the Properties in connection with the use and enjoyment of the Common Area, including, but not limited to, the cost of maintenance, repair, replacement, or additions thereto, 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 of the Homeowners Association, the employment of attorneys to represent the Homeowners Association, when necessary, and such other needs as may arise.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Four Hundred Dollars (\$400.00) per Class A Lot.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Homeowners Association may levy, in any assessment year, a special assignment applicable to that year only for the purpose of defraying, in whole or part, any operating cost deficit or other expense for which annual assessments receipts are insufficient or the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto.

Section 5. Assessment Rate. Both annual and special assessments must be fixed at a uniform rate for all Class A Lots and shall be collected on a monthly basis. Class B Lots shall not be obligated or required to pay any annual assessments. Class B Lots shall pay equally with Class A Lots, and Special Assessments.

Section 6. Notice and Quorum for Any Action Authorized Under Section 3 and 4. Written notice of any meeting of the Homeowners Association called for the purpose of taking any action authorized under Section 3 and 4 above shall be sent to all Members not less than thirty (30) days or more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) if the votes appurtenant to each Class of Lots (Class A and Class B) shall constitute a quorum. If the required quorum is not present, another meeting may be called for the same purpose and subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting date.

Section 7. Date of Commencement of Annual Assessments: Due Dates: Certificate of Payment. The annual assessments provided for herein shall commence at the time of the sale of the first lot from the Declarant. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year.

At least thirty (30) days before January 1 of each year, the Board of Directors of the Homeowners Association shall fix the amount of the monthly assessments against each Lot for the next year and in the event the Board elects not to fix such assessment rate as herein provided the amount of the prior year's Annual Assessment shall be the fixed amount. Written notice of any change in assessment rate shall be sent to every owner. The annual assessments shall be due and payable in advance on January 1 of each year after the first Annual Assessment unless the Board of Directors votes to collect such assessments on a monthly basis. The due dates from the special assessments shall be set by the Board of the Directors. Failure of the Board of Directors or the Homeowners Association to fix the amount of annual assessment or to notify any Owners shall not relieve any Owner of the obligation to pay assessment when due. The Homeowners Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Homeowners Association setting forth whether the assessments on a specified Lot have been paid.

Any special assessment made before, but falling due after, the date of closing of the sales of a Lot by Declarant shall be paid in full to the Association by the purchaser at the closing of the sale.

Section 8. Effect of Nonpayment of Assessment: Remedies of the Homeowners Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the annual rate of eight percent (8%) or the maximum interest rate permitted to be legally charged under the laws of the State of North Carolina at the time of such delinquency, whichever is the lesser. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the Board of Directors of the Homeowners Association to defray the costs of late payment. The Homeowners Association may bring an action of law against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot by action or by power of sale to the extent permitted under North Carolina Law, and interest, late payment fees, 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 of abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage, or first deed of trust on a Lot. Sale or transfer of any Lot shall affect any assessment lien. However, the sale or transfer to any Lot which is subject to any first mortgage or first deed of trust, pursuant to a foreclosure thereof, shall extinguish the lien of such assessments to the extent the assessments became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or first deed of trust.

Section 10. Exempt Property. All property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land improvements devoted to dwelling use shall be exempt from said assessments.

Section 11. Capital Contribution. Upon the sale of a Lot by Declarant, the purchaser shall pay to the Association at the closing of the sale that amount of money that is equal to that portion of the Annual Assessment attributable to the balance of the period in which the closing takes place. Any Special Assessment made before, but falling due after, the date of closing of the sale of a Lot by Declarant shall be paid in full to the Association by the purchaser at the closing of the sale. In addition, each original purchaser shall pay at closing an amount equal to the Annual Assessments as a contribution to the Working Capital Fund of the Association.

ARTICLE VI ARCHITECTURAL CONTROL

Section 1. Plan of Design Approval. No improvements shall be undertaken upon any Lot, except by the Declarant, unless the plans and specifications and location of the proposed improvements shall have been submitted to the Architectural Control Committee established in section 2 and expressly approved by same in writing. The terms of this Article VI shall not apply to the initial construction of improvements of a Lot by Declarant. The plans should also indicate the location of all existing trees on the Lot in excess of 12 inches in diameter, such measurement to be taken four and one-half feet above grade. No subsequent alteration or modification of any existing improvements or construction, erection or installation of additional improvements may be undertaken or allowed to remain on any Lots without the review and express written approval of the Architectural control Committee.

Section 2. Architectural Control Committee. Declarant will have control over the architectural Control Committee until which time Declarant owns no more lots and the completion of all dwellings in the subdivision. At that time, or earlier if Declarant Allows, the Homeowners Association shall designate the number of and appoint the members of the Architectural Control Committee on an annual basis. In the event of the death or resignation of any member of the Architectural Control Committee, the remaining members of the Architectural Control Committee, shall have full authority to designate and appoint a successor. Members of the Architectural Committee may be removed and replaced at any time with or without cause, and without prior notice, by the Board.

Section 3. Procedures. No improvement shall be erected, remodeled or placed on any Lot, except by Declarant, until all plans and specifications therefore and a site plan therefore have been submitted to and approved in writing by the Architectural Control Committee, as to:

- (a) quality of workmanship and materials, adequacy of site dimensions, adequacy of structural design, and facing of main elevation with respect to nearby streets;
- (b) conformity and harmony of the external design, color, type and appearance of exterior surfaces;
- (c) location with respect to topography and finished grade elevation and effect of location and use on neighboring Lots and any improvements situated thereon and drainage arrangement; and
- (d) the other standards set forth within this Declaration (and any amendments hereto) or as may be set forth within bulletins promulgated by the Architectural Control Committee, or matters in which the Architectural Control Committee has been vested with the authority to render a final interpretation and decision.

Final plans and specifications (including a site plan showing the location of the contemplated improvements on the lot) for all improvements proposed to be constructed on a Lot shall be submitted to the Architectural Control Committee for approval or disapproval. The Architectural Control Committee is authorized to request the submission of samples of proposed construction materials. Any modification or change to the Architectural Control Committee - approved set of plans and specifications (specifically including, but without limitation, the above-described site plan) must again be submitted to the Architectural Control Committee for its inspection and approval. The writing. Once the Architectural Control Committee has approved the plans and specifications for the proposed improvements, the construction of such improvements must be promptly commenced and diligently pursued to completion and if such construction is not commenced and diligently pursued to completion and if such Committee in the written approval (but in no event later than two (2) years after such approval), such approval shall be deemed rescinded and before construction of improvements can thereafter be commenced on the lot in question, the plans and specifications therefore must again be approved by the Architectural Control Committee pursuant to this Article.

The Architectural Control Committee may from time to time publish and promulgate architectural standards bulletins which shall be fair, reasonable and uniformly applied in regard to the Lots and shall carry forward the spirit and intention of these covenants, conditions and restrictions. Such bulletins shall supplement this Declaration and are incorporated herein by reference. Current copies of the architectural standards bulletins shall be available to interested persons at the principal office of the Association for a reasonable cost.

Section 4. Enforcement. The Architectural Control Committee shall have the specific, nonexclusive right (but no obligation) to enforce the provisions contained in this Article and to prevent any violation of the provisions contained in this Article by proceeding at law or in equity against the person or persons violating or attempting to violate any such provisions contained herein.

Section 5. Effect of Failure to Approve or Disapprove. If the Architectural Control Committee fails to approve or disapprove the design of any proposed improvements within thirty (30) days after plans and specifications have been submitted and received, approval will not be required, and the requirements of this Article shall be deemed to have been fully satisfied; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Architectural Control Committee if they contain erroneous data or present inadequate information upon which the Architectural Control Committee can arrive at a decision. Notwithstanding the foregoing, the Architectural Control Committee shall have no right or power, either by action or failure to act, to waive or grant any variance relating to any mandatory requirements specified in the Declaration.

Section 6. Right of Inspection. The Architectural Control Committee shall have the right, at its election, to enter upon any of the Lots during preparation, construction, erection, or installation of any improvements thereon to determine that such work is being performed in conformity with the approved plans and specifications.

Section 7. Limitation of Liability. Neither the Architectural Control Committee, the member thereof, nor Declarant shall be liable for damages or otherwise to anyone submitting plans and specifications and other submittals for approval or to any Owner by reason of mistake of judgment, negligence or nonfeasance arising out of services performed pursuant to this Declaration.

Section 8. Compensation. No member of the Architectural Control Committee shall be entitled to compensation arising out of services performed pursuant to this Article. The Association shall reimburse members of the Architectural Control Committee for reasonable out-of-pocket expenses incurred by such members in the performance of their duties as members of the Architectural Control Committee.

ARTICLE VII USE RESTRICTIONS

Section 1. Land Use. All lots in the tract shall be known and described as residential Lots. No structure shall be erected, altered, placed or permitted to remain on any residential building plot other than a single-family dwelling not to exceed two and one-half stories in height excluding basements and a private garage for each unit for not less than three cars and other accessory structures customarily incidental to the use of the Lot. All garages will be accessed by a concrete drive to a contiguous street.

Section 2. Building Lines. No building shall be located nearer to the front or sides lines than the building setbacks lines shown on the recorded plat, if such lines are shown. In any event, no building shall be placed nearer to any front, side or rear setback line as required by Union County Zoning Ordinances or any other applicable zoning ordinance.

Section 3. Subdivision of Lots. No person or entity may subdivide or re-subdivide any lot or lots without the prior written consent of the Declarant and must be in compliance with city Subdivision Regulations.

Section 4. Size of Structure. No residential structure shall be erected or placed having a total finished heated areas of less than 2500 square feet for a Ranch, 3000 square feet for a one and one half story and 3,200 square feet for a two story. No dwelling shall be greater than 2-1/2 stories in height.

Section 5. Construction Materials and Completion Dates. All structures constructed or placed on any Lot shall be built of substantially new materials and no used structure shall be relocated or placed on any such Lot. All of the structure's exterior walls (excluding trim) are too constructed of stone, masonry, stucco or similar quality materials. All structures constructed on any Lot shall be completed within twelve (12) months from the commencement of such construction (construction being defined as the date a building permit for such construction is issued).

Section 6. Roof. The majority of all roof areas on any house shall have a minimum 7/12 roof pitch.

Section 7. Driveways. All driveways will be concrete.

Section 8. Garages. All dwellings shall have an attached side-loaded or detached garage which shall at a minimum be a three (3) car garage and at a maximum four (4) car garage. If detached, the exterior construction materials for such garage must match those of the dwelling on the applicable lot. A home with a two car side-load garage with a front entry attached one car garage will be permitted if Declarant chooses to allow.

Section 9. Metal Garages, Carports, Buildings, and Accessory Structures. No metal carport, garage, greenhouse, building or accessory structure shall be erected on any Lot or attached to any residence located on the Lot. No building or accessory structure of any kind shall be placed on any Lot, except a detached garage as permitted in Section 9.

Section 10. Outbuildings and Similar Structures. No trailer, camper of other structure of a temporary nature shall be erected or allowed to remain upon any Lot and no trailer, camper, shack, tent, garage, barn or other structure of a similar nature shall be used as a residence either temporarily or permanently upon any Lot. This section shall not be applicable to temporary construction trailers, sales offices, and material storage facilities that Declarant may use during construction.

Section 11. Fences. No fence or wall shall be erected on any Lot closer to the street than the side street setback or the back of the building facade except for temporary decorative fencing installed by the builder on a model home. Perimeter fencing and privacy fencing around patios, decks or pools may not exceed six (6) feet in height. Perimeter fencing, unless constructed of brick or stone masonry, shall not have more than seventy percent (70%) of its surface closed as viewed from a point on a line of sight

perpendicular to the line formed by the line of the fence, except that this provision shall not be applicable to perimeter fencing, if any, located on the outer boundaries of the development. Chain link or other metal fencing is expressly prohibited, except that 2" x 4" mesh may be used with split rail fencing to contain animals within a Lot.

Section 12. Use of Common Area. The Common Area shall not be used in any manner except as shall be approved or specifically permitted by the Homeowners Association.

Section 13. Clothes Drying. No drying or airing of any clothing or bedding shall be permitted outdoors on any Lot or in any other unenclosed area (including patios) within the Properties.

Section 14. Regulations. Reasonable regulations governing the use of the Common Area may be made and amended from time to time by the Board of Directors of the Homeowners Association, provided, however, that all such regulations and amendments thereto shall be approved by a majority vote of the Owners before the same shall become effective. Copies of such regulations and amendments thereto shall be furnished to each Member by the Homeowners Association upon request.

Section 15. Nuisances. It shall be the responsibility of each Owner and Occupant of a Lot or Tract to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her property. No Lot or Tract within the Project shall be used, in whole or in part, for the deposit, storage or burial of any property or thing that will cause such property to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any Lot or Tract, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property with the Project. There shall not be maintained on any Lot or Tract any plants or animals or device or thing of any sort whose activity or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Project. Without limiting the generality of the foregoing, no speaker, horn whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Lot or Tract unless required by law.

Section 16. Satellite Dish Antennas. No satellite dish antenna shall be erected, installed, or in any way placed on any Lot in excess of 21" in diameter. Any such antenna shall only be maintained so as not to be visible from the front street.

Section 17. Harmony of Structures. No structure shall be constructed or moved onto any Lot unless it shall conform to and be in harmony with existing structures in the tract, and approved as provided hereinbefore Article VII.

Section 18. Easements. A perpetual easement is reserved over the rear ten (10) feet of each Lot for utility installment and maintenance and/or as shown on recorded map. A perpetual easement is reserved over the side five (5) feet and rear ten (10) feet of each Lot for public storm drain and/or as shown on record map.

Section 19. Signs. No sign of any kind shall be displayed to the public view on any Lot except (1) professional sign of not more than one (1) square foot; one sign of not more than five (5) square feet, advertising the property for sale or rent; or one (1) sign not more than four (4) feet by eight (8) feet used by a builder to advertise the property during the construction and initial sales period.

Section 20. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot., except that dogs, cats, or other customary household pets may be kept, provided that they are not kept, bred, or maintained for any commercial use, do not exceed three (3) in number, and are confined to the property or kept on a leash.

Section 21. Trash Disposal. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or waste and same shall no be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 22. Sight Line Limitations. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight-line limitations shall apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight line.

Section 23. Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any Lot or Tract other than in enclosed garages.

Section 24. Parking of Vehicles. No truck over one ton, school bus, camper, trailer, boat or boat trailer, recreation vehicles, craft or watercraft shall be parked in the street, in a driveway, in the front yard, in a side yard, or in the back yard of any Lot or anywhere else outside of garage, except as expressly permitted by the Developer. No vehicles of any type which are abandoned, inoperative or dismantled shall be allowed on property. There will be no dirt bikes, mopeds, 4-wheelers, or go-carts allowed on streets and vacant lots. The preceding restriction shall not affect parking of passenger cars,

S.U.V.'s, or light trucks, except there shall be no parking on streets with the exception of overnight guests.

Section 25. Above Ground Pools. No above ground pools shall be erected on a Lot.

Section 26. Basketball Goal Supports. No basketball goal supports shall be erected or placed within any street right of way in the Development.

Section 27. Governmental Requirements. Nothing contained herein shall be deemed to constitute a waiver of any governmental requirements applicable to any Lot, Tract or other part of the property and all applicable governmental requirements or restrictions relative to the construction of improvements on and/or use and utilization of any Lot, Tract or portion of the Property shall continue to be applicable and shall be complied with in regard to each Lot, Tract or portion of the Property.

Section 28. Unrestricted Property. It is distinctly understood and agreed that nothing contained in this Article shall be taken and construed as imposing conditions or restrictions upon any of the remaining land of the Declarant not initially covered by these Declarations or specifically covered by any Supplemental Declarations filed with the respective offices of the Register of Deeds of Union County.

ARTICLE VIII EASEMENTS

Section 1. Easements for the installation and maintenance of driveway, walkway, parking area, water line, gas line, telephone, electric power lines, sanitary sewer and storm drainage facilities and for other utility installations are reserved as shown on the recorded plat. The Homeowners Association may reserve and grant easements for the installation and maintenance of sewerage, utility, and drainage facilities over the Properties as provided in Article IV, Section 1 (c) of this instrument. Within any such easements above provided for, not structure, planting, or other material shall be placed or permitted to remain which may interfere with the installation of sewerage disposal facilities and utilities, or which may change the direction of flow or drainage channels in the easements.

Section 2. Street Access. Vehicular access to the subdivision streets shall be restricted to the frontage of each lot. No easement shall be granted allowing vehicular access to subdivision streets from outside the boundaries of the Property except with the approval of the Declarant.

ARTICLE IX MAINTENANCE BY OWNERS

Section 1. Duty of Maintenance. Except for those portions, if any, of a Lot or Tract which the Association or an Association may elect to maintain or repair hereunder

or under any applicable Additional Declaration, the Owner of any Lot or Tract shall have the duty and responsibility, at such Owner's sole cost and expense to keep the Lot(s) or Tract(s) owned by such Owner, including Improvements thereon and ground and drainage easements or others rights-of-way incident thereto, in compliance with the covenants, conditions, restrictions and development standards contained in this Declaration (to the extent applicable), and in any applicable Additional Declaration, in accordance with the provisions of the Architectural Guidelines, and in a well-maintained, safe, clean and attractive condition at all times. Such maintenance, as to improved Lots, shall include, but shall not be limited to, the following:

- (1) Prompt removal of all litter, trash, refuse and waste;
- (2) Keeping land, including any lawns and shrub beds, well maintained and free of trash, uncut grass and weeds;
- (3) Keeping all sediment resulting from land disturbance or construction confined to the respective owner's property; and
- (4) Complying with all governmental health and police requirements.

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

- (1) Lawn mowing on a regular basis
- (2) Tree and shrub pruning;
- (3) Watering by means of a lawn sprinkler system and/or hand watering as needed;
- (4) Keeping exterior lighting and mechanical facilities in working order;
- (5) Keeping lawn and garden areas alive and removing and replacing any dead plant material;
- (6) Maintenance of natural areas and landscaping in accordance with the Architectural Guidelines;
- (7) Keeping parking areas and driveways in good repair;
- (8) Repainting of Improvements; and
- (9) Repair of damage and deterioration to Improvements, it being understood and agreed that if any Improvements are damaged or destroyed by fire or other casualty, then within six (6) months following the date such damage or destruction occurs, the Owner of the Lot or Tract on which such Improvements are situated, must repair and restore such damaged Improvements (in accordance with plans and specifications approved by the Architectural Control Committee and otherwise in accordance with the terms and provisions of this Declaration and of each Additional Declaration applicable thereto) or remove such damaged Improvements and restore the Lot or Tract to its condition existing prior to the construction of such Improvements.

Notwithstanding anything contained herein to the contrary, the above-described maintenance responsibilities as to any Lot or Tract shall commence only upon a Plat

showing such Lot or Tract being recorded in the Office of the Register of Deeds of Union County and upon the conveyance of such lot by Declarant.

Section 2. Enforcement. If an Owner of any Lot or Tract has failed in any of the duties or responsibilities of such Owner as set forth in the Article IX, then the Board, and Declarant, jointly and severally, may give such Owner written notice of such failure and such Owner must within ten (10) days after receiving such notice (which notice shall be deemed to have been received upon deposit in an official depository of the United States mail, addressed to the part to whom it is intended to be delivered, and sent by certified mail, return receipt requested), perform the care and maintenance required or otherwise perform the duties and responsibilities of such Owner as described in this Article IX. Provided, however, that this cure period shall be extended for a time not to exceed sixty (60) days so long as Owner shall have commenced to cure and such nonconformity and shall diligently prosecute the same. Should any such Owner fail to fulfill this duty and responsibility within such period, then the Association, acting through its authorized agent or agents, or Declarant (so long as it owns any portion of the Property), acting through its authorized agent or agents, jointly or severally, shall have the right and power to enter onto the premises of such Owner and perform such care and maintenance without any liability for damages for wrongful entry, trespass or otherwise to any Person. The Owner of the Lot or Tract on which such work is performed shall be liable for the cost of such work, together with interest on the amounts expended by the Association or Declarant in performing such work computed at the highest lawful rate as shall be permitted by law from the date(s) such amounts are expended until repayment to the Association or Declarant, as the case may be, and for all costs and expenses incurred in seeking the compliances of such Owner with his duties and responsibilities hereunder, and such Owner shall reimburse the Association or Declarant, as the case may be, on demand for such costs and expenses (including interest as above provided). If such Owner shall fail to reimburse the Association or Declarant, as the case may be, within thirty (30) days after the mailing to such Owner of a statement for such costs and expenses, then, without limitation of any other rights of the Association or Declarant, the Association may impose a Special Assessment against such Owner.

ARTICLE X GENERAL PROVISIONS

Section 1. Enforcement. The Homeowners 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 Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of Twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by the Owners of not less than ninety percent (90%) of the Lots and by the Declarant, so long as the Declarant still owns any Lots, and thereafter by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots. Any amendment must be properly recorded. For the purpose of this section, additions to existing property, as provided for in Article II, Section 2, hereof, shall not be deemed and "Amendment".

IN WITNESS THEREOF, the parties hereto have executed this Declaration under seal as of the 13th day of August, 2007.

D. Ballard Construction, Inc.

BY: Janet L. Fincher
Janet L. Fincher, Vice President

NORTH CAROLINA, Mecklenburg County.

I, a Notary Public of Union County, North Carolina, hereby certify that Janet L. Fincher, personally came before me this day and acknowledged that she is Vice-President of **D. BALLARD CONSTRUCTION, Inc.**, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by her as its Vice-President.

Witness my hand and official stamp or seal, this 13th day of August, 2007.

My commission expires: 03/08/2009

Elizabeth D. Mills
Notary Public

