

Type: CONSOLIDATED REAL PROPERTY
Recorded: 9/2/2015 12:13:27 PM
Fee Amt: \$174.00 Page 1 of 52
Nash County North Carolina
Anne J. Melvin Register of Deeds

BK 2791 PG 537 - 588

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STATE OF NORTH CAROLINA

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
BELMONT LAKE PRESERVE,
FORMERLY KNOWN AS FORD'S
COLONY AT ROCKY MOUNT

COUNTY OF NASH

**THIS DOCUMENT REGULATES OR PROHIBITS THE
DISPLAY OF POLITICAL SIGNS**

This DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BELMONT LAKE PRESERVE, FORMERLY KNOWN AS FORD'S COLONY AT ROCKY MOUNT is made this 2 day of September, 2015, by Rocky Mount WEH LP, a North Carolina limited partnership, as Declarant.

WITNESSETH:

WHEREAS Belmont Farms Partners, a North Carolina General Partnership, caused to be recorded that Declaration of Master Covenants, Conditions and Restriction for Belmont Farms, a Planned Community, in Book 1464, Page 848 of the Nash County Registry, which was thereafter amended and supplemented by Belmont Farms Partners, including in Book 1464, Page 873 and Book 1467, Page 665 and Book 1467, Page 671 of the Nash County Registry (as amended and supplemented, "Belmont Farms Declaration"); and

WHEREAS Patrick W. Lamm & Co., LLC and G. F. Rice Construction, Inc. caused to be recorded a Declaration of Covenants, Conditions and Restrictions of Water's Edge Subdivision in Book 1920, Page 580, which was thereafter amended including in Book 2025, Page 256 of the Nash County Registry and Book 2437, Page 758 of the Nash County Registry; and

WHEREAS Belmont Farms Partners, Belmont Farms Community Services, Inc. and Ford's Colony at Rocky Mount, LLC thereafter caused to be recorded an Amendment of

Declaration of Master Covenants, Conditions and Restrictions for Belmont Farms, A Planned Community and Declaration of Protective Covenants Ford's Colony at Rocky Mount in Book 2116, Page 167 of the Nash County Registry, which subjected all of the real property originally subject to the Belmont Farms Declaration to the new planned community known as Ford's Colony at Rocky Mount and which served to vacate and supersede all of the covenants and restrictions of the Belmont Farms Declaration ("Ford's Colony Declaration"); and

WHEREAS the Ford's Colony Declaration was supplemented and amended and restated via recordings in the Nash County Registry, including in Book 2116, Page 202; Book 2116, Page 208; Book 2132, Page 916; Book 2132, Page 976; Book 2136, Page 989; Book 2156, Page 419; Book 2178, Page 641; Book 2186, Page 228; Book 2188, Page 101; Book 2212, Page 346; Book 2353, Page 843; and Book 2402, Page 661; and

WHEREAS Ford's Colony at Rocky Mount, LLC defaulted in the payment of indebtedness secured by certain properties to be developed within the Ford's Colony at Rocky Mount planned community; and

WHEREAS Atlas NC I SPE, LLC, pursuant to a foreclosure proceeding, acquired certain property within the Ford's Colony at Rocky Mount planned community, which is more fully described in that Trustee's Deed recorded in Book 2468, Page 808 of the Nash County Registry, as well as Ford's Colony at Rocky Mount, LLC's rights and obligations as declarant; and

WHEREAS Atlas NC I SPE, LLC thereafter conveyed its ownership interest in Ford's Colony at Rocky Mount planned community and its declarant rights and obligations to Rocky Mount WEH, LP, a North Carolina limited liability partnership ("Declarant"); and

WHEREAS pursuant to Article XVI of the Ford's Colony Declaration, the Declarant has the unilateral authority to amend said Ford's Colony Declaration at this time; and

WHEREAS in its capacity as Declarant, Rocky Mount WEH, LP desires to rename the planned community formerly known as Ford's Colony at Rocky Mount which community shall hereafter be referred to as Belmont Lake Preserve; and

WHEREAS Declarant further wishes to amend the Ford's Colony Declaration and subject all of that property originally subjected to the Ford's Colony Declaration, including the Belmont Farms Declaration, to the Declaration of Covenants, Conditions and Restrictions for Belmont Lake Preserve, formerly known as Ford's Colony at Rocky Mount, which shall completely amend and supersede the terms of the Ford's Colony Declaration, including the Belmont Farms Declaration, and any supplements and amendments thereto;

NOW THEREFORE, the undersigned does hereby declare that the following Declaration of Covenants, Conditions and Restrictions for Belmont Lake Preserve, formerly known as Ford's Colony at Rocky Mount, shall completely amend and supersede the terms of the Ford's Colony Declaration, including the Belmont Farms Declaration, and any supplements and amendments

thereto; and further, the following Amended and Restated Declaration of Covenants, Conditions and Restrictions for Belmont Lake Preserve shall run with the land and shall be binding upon all lot owners previously subject to the covenants and obligations set forth in the Belmont Farms Declaration and Ford's Colony Declaration, including all supplements and amendments thereto of record.

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
BELMONT LAKE PRESERVE**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BELMONT LAKE PRESERVE ("Declaration") is made on the date hereinafter set forth by Rocky Mount WEH LP, a North Carolina limited partnership (hereinafter referred to as "Declarant").

BACKGROUND STATEMENT

Declarant desires to create a residential community that will include various types of residential housing and commercial facilities and to provide for the subjecting of other real property to the provisions of this Declaration. Declarant intends hereby to create a Planned Community as that term is defined in Chapter 47F of the North Carolina General Statutes and subject such community to the provisions of Chapter 47F.

Declarant hereby declares that the real property described in Article II, Section 1 of this Declaration and any additional property subjected to the Declaration as authorized herein, including the improvements constructed or to be constructed thereon, are hereby subjected to the provisions of this Declaration and shall be held, sold, transferred, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments, and liens, hereinafter set forth, which are for the purpose of protecting the value and desirability of, and which shall run with the title to, the real property hereby or hereafter made subject hereto, and shall be binding on all persons having any right, title, or interest in all or any portion of the real property now or hereafter made subject hereto, their respective heirs, legal representatives, successors, successors-in-title, and assigns and shall inure to the benefit of each and every owner of all or any portion thereof.

**ARTICLE I
DEFINITIONS**

The following words and terms, when used in this Declaration or in any amendment hereto or any Supplementary Declaration, unless amended or unless the context clearly indicates otherwise, are defined as follows. Words and terms used in this Declaration without definition shall have the meanings, if any, specified in the Planned Community Act, N.C. Gen. Stat. § 47F-1-103, or in the Non-Profit Corporation Act, N.C. Gen. Stat. § 55A-1-40 if not defined in the Planned Community Act.

(a) "Act" shall mean Chapter 47F of the North Carolina General Statutes, known as the North Carolina Planned Community Act, as from time to time may be amended.

(b) "Association" shall mean the Belmont Lake Preserve Owners Association, Inc., a nonprofit North Carolina corporation, its successors and assigns. Belmont Lake Preserve Owners Association, Inc. was originally known as Ford's Colony at Rocky Mount Homeowners' Association, Inc.

(c) "Board of Directors" or "Board" of the Association is defined as the Board of Directors of the Association and is the "Executive Board" as defined in the Act. The Board is responsible for the management and administration of the Association. Unless reserved by or for the Declarant in the Declaration, other Governing Documents or applicable law, all rights, powers, easements, functions, services, obligations and duties of the Association may be performed or directed by the Board on behalf of the Association.

(d) "Builder" is defined as a Person, other than Declarant, who regularly is in the business of constructing dwellings for resale to other Persons, and who purchases or becomes the Owner of one or more Lots within the Community for the purpose of constructing thereon one or more dwellings for resale to other Persons.

(e) "Bylaws" shall refer to the Bylaws of Belmont Lake Preserve Owners Association, Inc. as may be amended from time to time.

(f) "Common Expenses" shall mean: (i) expenses anticipated or actually incurred by the Association in maintaining, repairing, replacing, and operating the Common Property, including those streets, roads and alleys conveyed to the Association; (ii) ad valorem taxes and assessments levied against the Common Property or other assets of the Association; (iii) premiums for hazard, liability and other insurance insuring the Common Property or Association, its officers, directors and employees, if any; (iv) fees and expenses of attorneys, accountants, and other persons and entities employed or retained by the Association for Association business; (v) expenses declared to be or described as Common Expenses by the provisions of the Declaration; (vi) expenses determined by the Board of Directors of the Association or by the Members to be Common Expenses; (vii) expenses associated with the maintenance and repair of all Stormwater Control Measures, if any; and (viii) all other expenses incurred by the Association in performing its functions and providing services under the Governing Documents and applicable law, including operating, management and administrative expenses.

(g) "Common Property" shall mean any and all real and personal property and easements and other interests therein, together with the facilities and improvements located thereon, now or hereafter owned by the Association for the use and enjoyment of the Owners.

(h) "Community" shall mean and refer to that certain real property and interests therein described in Exhibit A, attached hereto, and (i) such additions thereto as may be made by Declarant by Supplementary Declaration of other real property; and (ii) such additions thereto as may be made by the Association by Supplementary Declaration of other real property.

(i) "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing in the Community. Such standard may be more specifically determined by the Board of Directors of the Association. Such determination, however, must be consistent with the Community-Wide Standard originally established by Declarant.

(j) "Declarant" shall mean and refer to by Rocky Mount WEH LP, and its successors-in-title and assigns, provided any such successor-in-title or assign shall acquire for the purpose of development or

sale all of the remaining undeveloped or unsold portions of the real property described in Exhibit A, attached hereto, or any properly annexed additions thereto, and provided further, in the instrument of conveyance to any such successor-in-title or assign, such successor-in-title or assign is designated as the "Declarant" hereunder by the grantor of such conveyance, which grantor shall be the Declarant hereunder at the time of such conveyance; provided, further, upon such designation of such successor Declarant, all rights of the former Declarant in and to such status as "Declarant" hereunder shall cease. The signature and consent of any Mortgagee to this Declaration does not create status as Declarant for such Mortgagee.

(k) "Golf Course" is defined as the golf course facilities, inclusive of all greens, fairways, driving ranges, practice facilities, buildings, parking lots, cart paths, maintenance facilities and other real property owned and operated as a golf course facility which is located adjacent to the Community and currently owned by Rocky Mount Golf Club WEH LP. "Golf Course" shall mean and refer to the real property which constitutes the Golf Course at any given time, and "Golf Course Owner" shall mean and refer to the owner of the Golf Course at any given time.

(l) "Governing Documents" is defined as the Declaration, the Articles of Incorporation, the Bylaws, and all applicable Supplemental Declarations.

(m) "Improvement" means any improvement of or on any portion of the Community, including dwellings and other structures, decks, patios, driveways, motor vehicle parking areas, storage areas, recreational areas, equipment and facilities located outside a dwelling, mailboxes, exterior antennae, dishes and other apparatus to receive or transmit telecommunications or other signals, fences, walls, landscaping, poles, flags and other outdoor decorative items, ponds, lakes, clearing, grading and all other exterior improvements. The term "Improvement" includes both initial Improvements and all subsequent alterations, changes and additions to same.

(n) "Legal Requirement" is defined as any duly adopted and applicable law, ordinance, regulation or requirement of the United States of America, the State of North Carolina, the City of Rocky Mount in North Carolina, the County of Nash in North Carolina, or any other governmental entity or quasi-governmental entity or agency having jurisdiction over the Community, including any branch, department or division of any of the foregoing governmental and quasi-governmental entities.

(o) "Lot" shall mean any plot of land within the Community, whether or not improvements are constructed thereon, which is intended for development, use and occupancy as an attached or detached residence for a single family or for any commercial purpose. The term shall refer to the land, if any, which is a part of the Lot as well as any Improvements thereon. In the case of a structure containing multiple residential dwellings or commercial units, each dwelling or commercial unit shall be deemed to be a separate Lot. In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Lots designated for residential use or commercial use on the Master Plan or Declarant's site plan, whichever is more recent, until such time as a subdivision plat is recording subdividing all or a portion of the parcel. Thereafter, the portion encompassed by such plat shall contain the number of Lots intended for residential development or commercial development as set forth above, and the number of Lots in any remaining portion shall continue to be calculated based on the number of Lots designated in the Master Plan or Declarant's site plan, whichever is more recent.

(p) "Mortgage" means any mortgage, deed to secure debt, deed of trust, and any and all other similar instruments used for the purpose of encumbering real property in the Community as security for the payment or satisfaction of an obligation.

- (q) "Mortgagee" shall mean the holder of a Mortgage.
- (r) "Non-Profit Corporation Act" shall mean Chapter 55A of the North Carolina General Statutes, known as the North Carolina Non-Profit Corporation Act, as from time to time may be amended.
- (s) "Occupant" shall mean any Person occupying all or any portion of a residence or other property located within the Community for any period of time, regardless of whether such Person is a tenant of the Owner of such property.
- (t) "Owner" shall mean and refer to the record owner, whether one or more Persons, of the fee simple title to any Lot located within the Community, excluding, however, any Person holding such interest merely as security for the performance or satisfaction of any obligation.
- (u) "Person" means any natural person, as well as a corporation, joint venture, partnership (general or limited), association, trust, limited liability company, or other legal entity.
- (v) "Planned Community Act" shall mean Chapter 47F of the North Carolina General Statutes, known as the North Carolina Planned Community Act, as from time to time may be amended.
- (w) "Stormwater Control Measures" shall mean and refer to any private storm drainage and access easement, private storm drainage easement, storm drainage and access easement, stormwater management area or stormwater management easement as shown on any on the recorded plats, together with other stormwater measures including ponds, dams, embankments, spillways, and storm drainage pipes which serve Community and are located outside the public street rights-of-way (excluding those pipes and stormwater measures serving a single Lot or located on Sub-Association Common Property).
- (x) "Sub-Association" is defined as an entity organized for the purpose of owning, managing and/or maintaining that Sub-Association's Common Property and including, without limitation, a property owners association in a townhome or condominium. Assessments imposed upon the Members for the Association by the documents establishing or governing a Sub-Association or subjecting an applicable portion of the Community thereto shall be in addition to, and not in lieu of, assessments imposed upon such Members by the Declaration.
- (y) "Sub-Association Common Property" means any portion of the Community owned or maintained by a Sub-Association for the use, enjoyment and/or benefits of its members. All private streets, alleys and open space owned by, or under the jurisdiction of, a Sub-Association are Sub-Association Common Property.
- (z) "Supplementary Declaration" means an amendment or supplement to this Declaration which subjects additional property to this Declaration or imposes, expressly or by reference, additional restrictions and obligations on the land described therein, or both.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Property Hereby Subjected To This Declaration. The real property described in Exhibit A, attached hereto and by reference made a part hereof, is, by the recording of this Declaration,

hereby subject to the covenants and restrictions hereafter set forth and shall be held, transferred, sold, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to this Declaration.

Section 2. Other Property. By the recording of one or more Supplementary Declarations, Declarant and the Association have the right, but not the obligation, to subject other real property to this Declaration, as hereinafter provided.

ARTICLE III THE ASSOCIATION

Section 1. Scheme and Purpose: Sub-Associations. Prior to the date this Declaration has been filed for record with the Register of Deeds for Nash County, North Carolina, the Association was formed, and the Association does now exist, under its Articles of Incorporation and Bylaws. The Association is a North Carolina non-profit corporation organized to further and promote the common interests of the Owners in the Community. The Association is and shall be responsible for the ownership, management and operation of the Common Property; the maintenance and repair of the Stormwater Control Measures, if any; the enforcement of the covenants and restrictions set forth in this Declaration; the collection of all assessments provided for in this Declaration; and the performance of such other duties and the provision of such services as the Board of Directors shall deem to be in the best interests of the Members. The Association shall have all the power and authority provided to the Association in this Declaration, the Articles of Incorporation, the Bylaws of the Association, the Planned Community Act and the Non-Profit Corporation Act.

The Declarant's plan for the development of the Community contemplates that the Lots located in different portions of the Community may be developed with separate and distinct types of residential structures, including detached single family homes, attached townhomes, condominiums, apartments, and other types of residential dwellings. In addition, Declarant reserves the right to develop portions of the Community for commercial purposes, including all uses allowed under applicable zoning ordinances. Because such phases, sections or subdivision may have varying lot sizes, types of dwellings, marketing considerations and other differences, it may be necessary or desirable to impose additional and different covenants and restrictions on such phases, sections or subdivision which are applicable solely to such phase, section or subdivision. Accordingly, the Declarant or other person or entity owning such phase, section or subdivision may subject the phase, section or subdivision to such Supplementary Declarations as the Declarant, or other owner or entity, with the Declarant's prior written consent and approval, in his, her or its sole discretion, may from time to time determine. Except for property developed for commercial purposes, any such Supplementary Declaration may specify such use restrictions and may contain such other terms, covenants, restrictions, easements, affirmative obligations, assessments, charges and liens, not inconsistent with this Declaration, as the person or entity subjecting such real property to the Supplementary Declaration may determine, which provisions may be more, but not less, restrictive than the provisions of the Declaration. Because use restrictions appropriate for residential versus commercial property may vary significantly, property developed for commercial purposes may be subject to Supplementary Declarations that contain use restrictions differing from those contained in this Declaration. No portion of the property or Lot developed for the purpose of residential dwelling, including, but not limited to, townhomes, condominiums or apartments, shall be deemed commercial development.

Except for such more restrictive provisions, the Declaration shall control over any provision of any Supplementary Declaration that conflicts or is inconsistent with the Declaration. The Declarant or other

person or entity owning such phase, section or subdivision may also establish separate Sub-Associations with separate Sub-Association Common Property.

Assessments imposed upon Members of the Association by the documents establishing or governing a Sub-Association or subjecting an applicable portion of the Community thereto shall be in addition to, and not in lieu of, assessments imposed upon such Members by this Declaration.

Section 2. Membership. Every Person who is the record owner of a fee or undivided fee interest in any Lot that is subject to this Declaration is a Member of the Association and subject to the terms of the Governing Documents. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. When more than one Person owns an interest in any Lot, all such Persons shall be Members and the voting rights appurtenant to their Lot shall be exercised as they, among themselves, determine, but no fractional voting shall be allowed. Except for Declarant owned Lots during the Declarant Control Period, there shall be only one vote per Lot, regardless of the number of Owners thereof. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 3. Classes of Membership; Voting Rights. The Association shall have two (2) classes of voting membership: Class A and Class B.

(a) **Class A.** Class A Members are the Owners of Lots, excluding Declarant owned Lots during the Declarant Control Period. Class A Members are entitled to cast one (1) vote for each Lot owned by such Class A Member. If only one of the multiple Owners of a lot is present at a meeting of the Association, the Owner who is present is entitled to cast the vote allocated to that Lot. If more than one of the multiple Owners are present, the vote allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. Majority agreement is conclusively presumed if any one of the multiple Owners casts the vote allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot.

(b) **Class B.** The Declarant shall be the sole Class B member. The Declaration shall be entitled to cast three (3) votes for each Lot owned by such Class B member. The Class B Membership shall terminate at the end of the Declarant Control Period. Upon such termination, the Declarant shall become a Class A Member and shall have Class A votes with respect to the portions of the Community owned by it.

Section 4. Declarant Control Period. The Declarant Control Period is the period of time between the date of recording of this Declaration and ending on the date on which the first of the following occurs:

- (a) December 31, 2035; or
- (b) the date on which the total number of votes entitled to be cast by the Class A Members other than Builders equals the total number of votes entitled to be cast by the Class B Member; provided, however, that the Class B membership shall be reinstated automatically from time to time as Declarant acquires sufficient additional votes through annexation of additional real property to the Declaration such that the total number of votes entitled to be cast by Declarant exceeds the total number of votes entitled to be cast by the Class A members other than Builders; or
- (c) voluntary termination of the Class B membership by a written instrument executed by Declarant and recorded in the Registry.

During the Declarant Control Period, the Declarant shall have the right to appoint all members of the Board of Directors.

ARTICLE IV
ASSESSMENTS

Section 1. Purpose of Assessment. The assessments provided for herein shall be used for the general purposes of promoting the recreation, health, common benefit, use and enjoyment of the Owners and Occupants of Lots. Without limiting the generality of the foregoing, assessments shall be used by the Association for any one or more of the following: (i) expenses anticipated or actually incurred by the Association in maintaining, repairing, replacing, and operating the Common Property; (ii) ad valorem taxes and assessments levied against the Common Property or other assets of the Association; (iii) premiums for hazard, liability and other insurance insuring the Common Property or Association, its officers, directors and employees, if any; (iv) fees and expenses of attorneys, accountants, and other persons and entities employed or retained by the Association for Association business; (v) expenses declared to be or described as Common Expenses by the provisions of the Declaration; (vi) expenses determined by the Board of Directors of the Association or by the Members to be Common Expenses; (vii) expenses associated with the maintenance and repair of all Stormwater Control Measures, if any; and (viii) all other expenses incurred by the Association in performing its functions and providing services under the Governing Documents and applicable law, including operating, management and administrative expenses.

Section 2. Creation of the Lien and Personal Obligation for Assessments. Each Owner of any Lot, by acceptance of a deed or other instrument conveying title to a Lot, whether or not it shall be so expressed therein, jointly and severally covenants and agrees to pay to the Association the following assessments and other charges as required by the Declaration: (a) annual assessments, (b) special assessments, and (c) specific assessments against any particular Lot which are established pursuant to the terms of this Declaration (including, but not limited to, reasonable fines as may be imposed in accordance with the terms of this Declaration; interest; architectural review fees; maintenance charges; other fees or charges imposed under authority contained in this Declaration).

All such assessments, together with late charges, interest at the rate of ten percent (10%) per annum on the principal amount due, and costs, including, without limitation, reasonable attorney's fees actually incurred, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made in favor of the Association and the Association shall be entitled to file a document evidencing such lien in the public registry of the county in which the Lot is located. Such lien shall be superior to all other liens and encumbrances on such Lot, except for (a) liens for ad valorem taxes; or (b) liens for all sums unpaid on a first Mortgage. Second mortgages from any source shall be subordinate to the lien for such assessments. All other Persons acquiring liens or encumbrances on any Lot after this Declaration shall have been recorded in such public registry shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

Each such assessment, together with late charges, interest, costs, including, without limitation, reasonable attorney's fees actually incurred, shall also be the personal obligation of the Person who was the Owner of such Lot at the time the assessment fell due. Each Owner shall be personally liable for the portion of each assessment coming due while the Owner of a Lot, and each grantee of an Owner shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance; provided,

however, the liability of a grantee for the unpaid assessments of its grantor shall not apply to any first Mortgagee taking title through foreclosure proceedings or deed in lieu of foreclosure.

The Association shall, within five (5) business days after receiving a written request therefor and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot shall be binding upon the Association as of the date of issuance.

Annual assessments shall be levied at a uniform rate per Lot, except as set forth in Article IV, Section 6, and shall be paid in such manner and on such dates as may be fixed by the Board of Directors, which may include, without limitation, acceleration, upon ten (10) days' written notice, of the annual assessment for delinquents. Unless otherwise provided by the Board, the assessment shall be paid in annual installments.

Section 3. Maximum and Annual Assessment. The maximum annual assessment for the 2013 calendar year shall not exceed Seven Hundred Seventy-Five Dollars (\$775.00) per Lot, except as set forth in Sections 12 and 13 below. From and after the 2013 calendar year, the Board of Directors, without membership approval, may increase the maximum annual assessment by ten percent (10%) of the maximum annual assessment for the immediately preceding calendar year. The Board of Directors, without a vote of the membership, may fix the annual assessment for any year at an amount not in excess of the applicable maximum annual assessment for that year. If the Board establishes the annual assessment at an amount less than the maximum annual assessment for any calendar year, and, thereafter, during such calendar year determines that such annual assessment is insufficient, the Board, by majority vote, may levy one or more supplemental annual assessments. Provided, however, the total of the annual assessment plus all supplemental assessments assessed in any calendar year shall not exceed that calendar year's maximum annual assessment.

The annual assessment may be increased by a percentage greater than permitted by this Section 3 by the affirmative vote of sixty-seven percent (67%) or more of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose.

The limitations herein set forth shall not apply to any increase in assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

Section 4. Operating Budget. It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association during the coming year, which may include a capital contribution or reserve in accordance with a capital budget separately prepared. The Board shall cause the budget and the assessments to be levied against each Lot for the following year to be delivered to each member at least thirty (30) days prior to the end of the current fiscal year (or, if the assessment has not been established at the time an Owner purchases such Owner's Lot, at least thirty (30) days prior to the due date of the first installment in the case of the initial budget). Notwithstanding the foregoing, however, in the event the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined, as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

Within 30 days after adoption of any proposed budget, the Board of Directors shall provide to all Owners a summary of the budget and a notice of the meeting to consider ratification of the budget,

including a statement that the budget may be ratified without a quorum. The Board of Directors shall set a date for a meeting of Owners to consider ratification of the budget, such meeting to be held not less than 10 nor more than 60 days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at that meeting a majority of all Owners in the association rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by Owners shall be continued until such time as Owners ratify a subsequent budget proposed by the Board of Directors.

Section 5. Special Assessments. In addition to the other assessments authorized herein, the Association may levy special assessments for the purpose of defraying, in whole or in part, the costs or expenses of any one or more of the following:

- (a) maintenance of a capital improvement in or on the Common Property, including fixtures and personal property related thereto;
- (b) additions to the Common Property, including Improvements and real property to be added thereto;
- (c) the necessary facilities and equipment to enable the Association to perform the functions and offer the services required or authorized herein;
- (d) the Common Expenses of the Association, to the extent that such Common Expenses are not covered by annual assessments and applicable reserve funds; and
- (e) repayment of any loan made to the Association to enable it to pay the Common Expenses or to perform other functions and provide other services required or authorized herein.

Any such special assessment shall first be approved by the affirmative vote of sixty-seven percent (67%) or more of the votes cast by the Members present in person or by proxy at a meeting duly called for such purpose. Special assessments shall be paid as established by the Board, which may allow such special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

Section 6. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessments or installments thereof which are not paid when due shall be delinquent. Any assessment or installment thereof delinquent for a period of more than ten days (10) shall incur a late charge in a reasonable amount as the Board may from time to time determine. The Association may cause a notice of delinquency to be given to any of its respective members who have not paid within ten (10) days following the due date. If the assessment is not paid within thirty (30) days, a lien, as herein provided, shall attach and, in addition, the lien shall include interest at the rate of ten percent (10%) per annum on the principal amount due from the date first due and payable, all late charges, all costs of collection, including, without limitation, reasonable attorney's fees actually incurred, and any other amounts provided or permitted by law.

In the event that the assessment remains unpaid after sixty (60) days, the Association may, as the Board shall determine, institute suit to collect such amounts and/or to foreclose its lien. Each Owner, by acceptance of a deed or as a party to any other type of a conveyance, vests in the Association or its agents, the right and power to bring all actions against such Owner personally, for the collection of such charges as a debt or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real

property. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the right, but not the obligation, to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage, or convey the same.

No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the Lot. No diminution or abatement of any assessment shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration or the Bylaws or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay assessments being a separate and independent covenant on the part of each Owner.

All payments shall be applied first to costs, then to late charges, then to interest and then to delinquent assessments.

Section 7. Date of Commencement of Assessments. The assessments provided for herein shall commence as to a Lot when such Lot is conveyed by Declarant to a Builder or other individual or entity. Assessments shall be due and payable in a manner and on a schedule as the Board may provide. Notwithstanding the above, any Lot which has been approved by Declarant for use as a model home for marketing and sales purposes shall not be subject to assessments under this Declaration whether owned by Declarant or any other Person, so long as such Lot is approved for use as a model home and is not occupied for residential purposes.

Section 8. Specific Assessments. The Board shall have the power to specifically assess pursuant to this Section as, in its discretion, it shall deem appropriate. Failure of the Board to exercise its authority under this Section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this Section. Fines levied pursuant to Article XIII, Section 1 of this Declaration and the costs of maintenance performed by the Association for which the Owner is responsible under Article V, Sections 1 and 2 of this Declaration shall be specific assessments. The Board may also specifically assess Owners for the following Association expenses, none of which shall require approval or any authorizing vote of the membership:

- (a) expenses of the Association to pay any monies owed by the Association for the maintenance and upkeep of the Stormwater Control Measures, if any, may be specifically assessed equally among all Lots in the subdivision;
- (b) expenses of the Association which benefit less than all of the Lots may be specifically assessed equitably among all of the Lots which are benefited according to the benefit received; and
- (c) expenses of the Association which benefit all Lots, but which do not provide an equal benefit to all Lots, may be assessed equitably among all Lots according to the benefit received.

Section 9. Notice and Quorum for Any Action Authorized Under Sections 3 and 5. Written notice of any meeting called for the purpose of taking any action required under Article IV, Sections 3 and 5 of this Declaration shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 10. Administrative Fee; Capital Contribution; Initiation Fee.

(a) Upon the closing of each sale of every Lot to an Owner who will individually or through tenants or assigns occupy a Lot (whether or not such Lot has been previously occupied as a residence), an administrative fee in the amount of Seventy-Five Dollars (\$75.00) shall be collected from the new Owner at the closing of such sale for the benefit of the Association.

(b) At the time of the first conveyance of any Lot other than to Declarant or a Builder, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in the amount of \$150.00.

(c) At the time of the first conveyance of any Lot following the date of recording of this Declaration, other than to Declarant or a Builder, the Initiation Fee described in Article V, Section 5 of this Declaration shall be paid to the Association by or on behalf of the Owner to whom the Lot is conveyed.

(d) The amounts set forth in subsection (b) and (c) above shall be in addition to, not in lieu of, the annual assessment and shall not be considered an advance payment of such assessment, but rather shall be considered a Specific Assessment secured by the Association's lien for assessments provided for herein. These amounts shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association. The Initiation Fee shall specifically be used for the purposes set forth in Article V, Section 5.

Section 11. Additional Assessments. Assessments imposed upon Members of the Association by the documents establishing or governing any Sub-Association that is or may subsequently be formed, or subjecting an applicable portion of the Community thereto, shall be in addition to, and not in lieu of, assessments imposed upon such Members by the Declaration.

Section 12. Exemptions. The Rocky Mount WEH LP, and its successors and assigns, shall be exempt from all assessments levied against any Lot which it owns. All Common Property shall be exempt from all assessments. All property dedicated to and accepted by any governmental authority or public utility shall be exempt from all assessments contemplated herein. In addition, the Owner of any Lot which is undeveloped and is one of the one hundred and twelve (112) Lots located in the original Belmont Farms community, more particularly described as: The Village of Chimney Hill Way, Wood's Walkway, Lakepointe Trail, Water's Edge at Belmont Farm, all as originally subject to that Declaration of Master Covenants, Conditions and Restrictions for Belmont Farms, A Planned Community, as amended, and as recorded in the Nash County Register of Deeds in Deed Book 1464, Page 848, *et seq.*, shall not have any obligation to pay any assessments contemplated by this Article with respect to the Lot. For purposes of this

Section, "undeveloped" shall mean any Lot to which the infrastructure of water and sewer connections have not been completed and accepted by the City of Rocky Mount.

Section 13. Vacant Lots. Notwithstanding anything to the contrary set forth above, until a certificate of occupancy has been issued by the applicable governmental agency for a Lot, the rate of the annual assessment for that Lot shall be one half that of the regular annual assessment. The Lot shall become subject to the full amount of the regular annual assessment upon issuance of a certificate of occupancy.

ARTICLE V
MAINTENANCE; CONVEYANCE OF PROPERTY TO ASSOCIATION

Section 1. Association Maintenance. The Association shall maintain and keep in good repair the Common Property, except any portion of such property which is maintained on an ongoing basis by a local governmental entity. This maintenance shall include, without limitation, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and Improvements situated on the Common Property. The Association shall have no maintenance and repair responsibility related to any Lot or Sub-Association Common Property, including any Improvements thereon, unless such responsibility is specifically assumed by the Association.

The Association shall have the right, but not the obligation, to maintain other property not owned by the Association, whether within or without the Community, where the Board has determined that such maintenance would benefit all Owners.

In the event that the Association determines that the need for maintenance, repair, or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner, or the Owner's family, guests, lessees, invitees or contractors, and is not covered and paid for by insurance, in whole or in part, then the Association may perform such maintenance, repair or replacement at such Owner's sole cost and expense, and all costs thereof shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot of such Owner.

Section 2. Owner's Responsibility. Each Owner at such Owner's sole cost and expense, and each Sub-Association at such Sub-Association's sole cost and expenses, shall maintain such Owner's Lot or Sub-Association's Common Property, as the case may be, including all Improvements thereon, in a safe, clean and attractive condition and in a manner consistent with the Community-Wide Standard, including without limitation all of the following:

- (a) Prompt removal of all litter, trash, refuse and waste;
- (b) Seeding, fertilizing and watering of all lawns and mowing, edging, clipping, sweeping, pruning, raking and otherwise caring for all lawns on a regular basis, including, subject to any applicable Legal Requirements, any portions of a publicly dedicated street right of way or private street right of way adjacent to any boundary of such portion of the Lot or Sub-Association Common Property and not maintained by any governmental entity;
- (c) Pruning and trimming of all trees, hedges and shrubbery not maintained by the Association so that the same are not obstructive of a view by motorists or pedestrians of street traffic, do not cause unsightly or unkempt conditions and do not trespass onto the property of others;

- (d) Removal of dead or diseased trees, shrubs and other plant material;
- (e) Maintenance of flower and plant gardens;
- (f) Maintenance of exterior lighting and mechanical facilities;
- (g) Maintenance of parking areas and driveways;
- (h) Complying with all Legal Requirements;
- (i) Ensuring proper drainage of the Lot so as to prevent soil erosion;
- (j) Maintenance of Storm Water Measures and storm water drainage easements to the extent not maintained by the Association or a governmental entity;
- (j) Repairing and painting (or other appropriate external care) and otherwise caring for the dwelling and all other structures located on the Lot; and
- (k) Maintenance, repair and painting of all fences, retaining walls, and other Improvements on the Lot.

If the Board of Directors determines that any Owner has failed or refused to discharge properly any of Owner's obligations with regard to the maintenance, repair, or replacement of items for which such Owner is responsible hereunder, the Association shall, except in an emergency situation, give the Owner written notice of the Association's intent to provide such necessary maintenance, repair, or replacement at the Owner's sole cost and expense. The notice shall set forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. The Owner shall have ten (10) days after receipt of such notice within which to complete such maintenance, repair, or replacement, or, if such maintenance, repair, or replacement is not capable of completion within a ten (10) day period, to commence such work which shall be completed within a reasonable time. If any Owner does not comply with the provisions hereof, the Association may provide any such maintenance, repair, or replacement at such Owner's sole cost and expense, and all costs shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot. The remedies provided in this Section shall be in addition to, and not in lieu of, other remedies provided in this Declaration for a violation of the Declaration.

It shall be the responsibility of each Owner to prevent and correct unclean, unsightly or unkempt conditions of Lots and all Improvements thereon. All Lots shall be kept clean and free of garbage, junk, trash, debris, non-operable vehicles and apparatus, and any substance or conditions that might contribute to an unsightly condition, health hazard or the breeding and habitation of snakes, rats, insects or other wildlife or pests. "Lot" as used in this section also includes that portion of the Lot between the right of way and the pavement.

Section 3. Conveyance of Property by Declarant to Association. Declarant may transfer or convey to the Association any personal property and any improved or unimproved real property, leasehold, easement, or other property interest in the Community. Such conveyance shall be free and clear of all encumbrances except utility, drainage and greenway easements and accepted by the Association and the property shall thereafter be Common Property to be maintained by the Association, for the benefit of all or a part of its members. Declarant shall not be required to make any Improvements whatsoever to property to

be conveyed and accepted pursuant to this Section except for any Improvements required by governmental entities to be made by Declarant.

Section 4. Conveyance of Common Property. Declarant covenants, for itself, its successors and assigns, that it will convey title to the Common Property within each phase or section of the Community to the Association prior to the conveyance of the first Lot within such phase or section to an Owner other than a Builder. Declarant reserves an easement over and across the Common Property so long as it owns any Lot within the Community or retains the unilateral right to annex property to the Community, for the purpose of constructing any Improvements on the Common Property as it deems necessary or advisable, provided that any such Improvements must comply with Legal Requirements. Except as otherwise stated herein, all conveyances by Declarant to the Association may be by special warranty deed and shall be free and clear of all encumbrances and liens, except greenway, utility, and drainage easements of record or shown on the recorded plats of the Community, and the Declaration. Any Improvements placed on the Common Property by Declarant shall become the property of the Association upon completion of such Improvements, except as set forth in Section 5 below.

Section 5. Clubhouse, Amenities and Recreational Facilities; Initiation Fee. Declarant has constructed an Amenities Center which consists of a clubhouse, fitness center, meeting and recreation facilities and an indoor and outdoor swimming pool within the Property. The Amenities Center is located on Lot B as shown on a plat recorded in Map Book 39, Page 23 in the Nash County Registry. As of the date of recording of this Declaration, each existing Owner of a Lot shall have the right to utilize the Clubhouse Amenity upon payment of an Initiation Fee to the Association, and the Association's Board of Directors may offer a discount on said Initiation Fee to existing Owners. At the time of the first conveyance of any Lot following the date of recording of this Declaration, other than to Declarant or a Builder, the Initiation Fee shall be paid to the Association by or on behalf of the Owner to whom the Lot is conveyed. Once paid for any Lot, the Initiation Fee shall be considered paid on behalf of all future Owners for said Lot, such that only one Initiation Fee may ever be imposed on a single Lot. This amount shall be in addition to, not in lieu of, the annual assessment and any required administrative fee or working capital contribution. The Initiation Fee shall be deposited into the purchase and sales escrow and be disbursed therefrom to the Association.

The Association shall maintain a current list at all times of Lots for which an Initiation Fee has been paid. In order to defray costs of construction of the Clubhouse Amenity, all Initiation Fees collected by the Association shall be paid to Declarant on a quarterly basis. Only one (1) Initiation Fee may ever be imposed upon a single Lot. Following the payment of such Initiation Fee, the right of use of the Clubhouse Amenity shall forever benefit the Owner and the Owner's successors in title, heirs and assigns. The use of the Clubhouse Amenity shall be subject to all rules and regulations of the Association, the provisions of this Declaration, and the Bylaws of the Association. The maintenance, operation and repair of the Clubhouse Amenity shall be a Common Expense of the Association, and Owners may not avoid payment of Common Expenses associated with the maintenance, operation and repair of the Clubhouse Amenity on the basis that they have not paid the Initiation Fee and do not intend to utilize the Clubhouse Amenity. Operation expenses shall specifically include, but are not limited to, payment of wages and benefits to employees of the Association and/or payment of fees to third party contractors who are retained to maintain, repair or operate any portion of the Amenities Center.

Declarant may, but is not obligated to, construct other amenities or recreational facilities which may be separately owned and operated by Declarant or owned and operated by the Association or persons other than the Association, in the discretion of Declarant. Such facilities shall not be deemed to be part of the

Common Property by virtue of their location within the Community. Declarant specifically retains the right to reserve to itself or withdraw any portion of the property within the Community which is owned by Declarant for the purpose of constructing such facilities which may be privately owned by Declarant and for which Members must pay a fee to use. Declarant may, but is not obligated to, convey the facilities contemplated herein to the Association, with such conveyance to be free and clear of all encumbrances except utility, drainage and greenway easements, and such conveyance shall be accepted by the Association and the property shall thereafter be Common Property to be maintained by the Association, for the benefit of all or a part of its members. Declarant may also lease facilities to the Association, the cost of which shall be a Common Expense of the Association.

ARTICLE VI
USE RESTRICTIONS AND RULES

Section 1. Rules of the Association. The Board may, from time to time, without consent of the members, promulgate, modify, or delete rules and regulations applicable to the Community, including the Lots, Common Property and Sub-Association Common Property. Such rules and regulations shall be distributed to all Owners and Occupants prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupants until and unless modified or deleted by the Board.

Section 2. Residential Use. No portion of the Community, except commercial property as set forth below, shall be used for anything other than residential purposes. No business or business activity shall be carried on, in or upon any Lot at any time except with the written approval of the Board, which the Board may grant so long as such business, in the sole discretion of the Board, does not otherwise violate the provisions of the Declaration or Bylaws, does not create a disturbance, and does not unduly increase traffic flow or parking congestion. The Board may promulgate rules and regulations regarding permitted business activities. Leasing of a Lot shall not be considered a business or business activity.

Notwithstanding anything herein to the contrary, property that is designated as commercial property or developed for commercial use may be used for all purposes allowed under applicable zoning ordinances, subject to the provisions of any Supplementary Declaration that may be recorded in conjunction with such development and other Legal Requirements. Further, during the Declarant Control Period, Declarant and any Builder with Declarant's consent may (i) maintain sales offices and temporary construction trailers on any portion of the Community owned by such Person, for the purpose of conducting business related to the development, improvement or sale of such portion of the Community or the construction of Improvements thereon and (ii) conduct such business activities on any portion of the Community owned by such Person as may be necessary in connection with the development and/or sales or marketing of any part or all of the Community.

Section 3. Architectural and Landscaping Standards. No construction, addition, modification, alteration, grading or landscaping of any nature whatsoever shall be commenced or placed upon any part of a Lot, except such as is installed by Declarant, or as is approved in accordance with this Section, or as is otherwise expressly permitted herein. No construction, addition, modification, alteration, grading or landscaping of any nature shall be made unless and until plans and specifications showing at least the nature, kind, shape, height, materials, color, texture and location shall have been submitted in writing to and approved by an Environmental Control Committee ("ECC").

The ECC may be established such that it is divided into two (2) subcommittees, with one (1) subcommittee having jurisdiction over modifications and the other having jurisdiction over new construction. The Board may employ architects, engineers, or other Persons as it deems necessary to enable the ECC to perform its review. The ECC may, from time to time, delegate any of its rights or responsibilities hereunder to one or more duly licensed architects or other qualified Persons, which shall have full authority to act on behalf of the committee for all matters delegated. Written design guidelines and procedures may be promulgated for the exercise of this review, which guidelines may provide for an administrative fee to accompany the submission of plans and specifications, as well as a road maintenance fee to defray damage caused by construction vehicles. So long as Declarant owns any Lots or has the unilateral right to annex additional property pursuant to this Declaration, Declarant shall have the right to appoint all members of the ECC. Upon the expiration or earlier surrender in writing of such right, the Board shall appoint the members of the ECC.

If the ECC fails to approve or to disapprove submitted plans and specifications within sixty (60) days after the completed plans and specifications have been submitted to it, such plans and specifications will be deemed approved. However, all activities commenced pursuant to such plans which have been deemed approved shall be consistent with such plans. In addition, no approval, whether expressly granted or deemed granted as provided herein, shall be inconsistent with this Declaration or any design guidelines promulgated hereunder unless a variance has been granted in writing by the ECC.

As a condition of approval under this Section, each Owner, on behalf of such Owner and such Owner's successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement, and insurance to and on any change, modification, addition, or alteration. In the discretion of the ECC, an Owner may be made to verify such condition of approval by a recordable written instrument acknowledged by such Owner on behalf of such Owner and such Owner's successors-in-interest. The ECC shall be the sole arbiter of such plans and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction in violation of these restrictions. Any member of the Board or its representatives shall have the right, during reasonable hours and after reasonable notice, to enter upon any property to inspect for the purpose of ascertaining whether or not these restrictive covenants have been or are being complied with or the approved plans and specifications are being followed. Such Person or Persons shall not be deemed guilty of trespass by reason of such entry. In addition to any other remedies available to the Association, in the event of noncompliance with this Section, the Board may, as provided in Article XIII, Section 1 hereof, record in the appropriate public registry a notice of violation naming the violating Owner.

PLANS AND SPECIFICATIONS ARE NOT APPROVED FOR ENGINEERING OR STRUCTURAL DESIGN OR QUALITY OF MATERIALS, AND BY APPROVING SUCH PLANS AND SPECIFICATIONS NEITHER THE ECC, THE MEMBERS THEREOF, NOR THE ASSOCIATION ASSUMES LIABILITY OR RESPONSIBILITY THEREFOR, NOR FOR ANY DEFECT IN ANY STRUCTURE CONSTRUCTED FROM SUCH PLANS AND SPECIFICATIONS. NEITHER DECLARANT, THE ASSOCIATION, THE ECC, THE BOARD, NOR THE OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, AND AGENTS OF ANY OF THEM SHALL BE LIABLE IN DAMAGES TO ANYONE SUBMITTING PLANS AND SPECIFICATIONS TO ANY OF THEM FOR APPROVAL, OR TO ANY OWNER OF PROPERTY AFFECTED BY THESE RESTRICTIONS BY REASON OF MISTAKE IN JUDGMENT, NEGLIGENCE, OR NONFEASANCE ARISING OUT OF OR IN CONNECTION WITH THE APPROVAL OR DISAPPROVAL OR FAILURE TO APPROVE OR DISAPPROVE ANY SUCH PLANS OR SPECIFICATIONS. EVERY PERSON WHO SUBMITS PLANS OR SPECIFICATIONS AND EVERY OWNER AGREES THAT SUCH PERSON OR OWNER

WILL NOT BRING ANY ACTION OR SUIT AGAINST DECLARANT, THE ASSOCIATION, THE ECC, THE BOARD, OR THE OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, AND AGENTS OF ANY OF THEM TO RECOVER ANY DAMAGES AND HEREBY RELEASES, REMISES, QUIT CLAIMS, AND COVENANTS NOT TO SUE FOR ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION ARISING OUT OF OR IN CONNECTION WITH ANY JUDGMENT, NEGLIGENCE, OR NONFEASANCE AND HEREBY WAIVES THE PROVISIONS OF ANY LAW WHICH PROVIDES THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS, DEMANDS, AND CAUSES OF ACTION NOT KNOWN AT THE TIME THE RELEASE IS GIVEN.

Section 4. Signs. No sign of any kind shall be erected by an Owner or Occupant within the Community without the prior written consent of the ECC except:

(a) One (1) professionally lettered "For Sale" or "For Rent" sign consistent with the Community-Wide Standard and having dimensions not to exceed 18 inches by 18 inches and a maximum height of two (2) feet above ground level may be posted in the front yard space of a Lot, or alternatively, in a window.

(b) Professional security signs consistent with the Community-Wide Standard may be posted on a Lot.

(c) Signs required by legal proceedings may be posted on a Lot.

(d) Temporary signs may be posted in the front yard space of a Lot, or alternatively, in a window, to announce special events such as yard sales, birthday parties and other social events, but such signs may be erected no more than 24 hours before the event takes place and must be removed immediately upon the conclusion of such event. The Board shall have the right to enact reasonable rules and regulations governing the number and size of signs, as well as defining those events for which temporary signs may be utilized.

(e) One (1) political sign with maximum dimensions of 24 inches by 24 inches may be posted in the front yard space of a Lot, or alternatively, in a window, but such sign may not be posted earlier than 45 days before the day of the election and must be removed within seven days after election day. For the purposes of this section, "political sign" means a sign that attempts to influence the outcome of an election, including supporting or opposing an issue on the election ballot.

The Board shall have the right to erect reasonable and appropriate signs on the Common Property. This section shall not apply to actions of the Declarant or to commercial Lots that may be developed on the properties.

Section 5. Vehicles and Parking. Each Owner shall provide for sufficient space for automobile parking for the Owner and Owner's guests in an enclosed garage or driveway on the Lot. Unless otherwise approved by the Board, there shall be no parking of automobiles on any portion of the Lot except in an enclosed garage or the driveway. There shall be no parking of automobiles on the Common Property or on the streets in or adjacent to the Community, except as approved by the Board.

Notwithstanding the above, no towed vehicle, tractor, construction equipment, trailer, boat, boat trailer, recreational vehicle, motor home, mobile home, bus, truck with camper top, trucks (except pick-up

trucks or sport utility vehicles), motorcycle, minibike, scooter, go-cart or similar recreational vehicles or equipment shall be permitted anywhere in the Community unless in an enclosed garage, except on a non-routine, temporary basis as approved by the Board. The Board shall have the authority to enact reasonable rules and regulations related to vehicles and parking, including rules and regulations defining acceptable non-routine, temporary parking, if any, on the streets and the Lots.

No vehicle may be left upon any portion of the Community, including the Lots except in a garage, if it is unlicensed or if it is in a condition such that it is incapable of being operated upon the public highways. Any such vehicle shall be considered a nuisance and may be removed from the Community.

Section 6. Leasing. Lots may be leased only for residential purposes. All leases must be in writing and shall have a minimum term of at least twelve (12) months. There shall be no subleasing. All leases shall require that the tenant acknowledge receipt of a copy of the Declaration, the Bylaws, and rules and regulations of the Association. The lease shall also obligate the tenant to comply with the foregoing, and the lease shall provide that the violation of any provision of this Declaration, the Bylaws, or rules and regulations of the Association shall be a breach of said lease, subjecting the tenant to termination of the lease and eviction. The Board may enact additional reasonable rules and regulations regarding the leasing of Lots, including, without limitation, a requirement that leases be registered with the Association and that tenant contact information and vehicle information be provided to the Board.

Section 7. Occupants Bound. All provisions of the Declaration, Bylaws, and rules and regulations which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Occupants even though Occupants are not specifically mentioned. Fines may be levied against Owners for any violations of the Declaration, Bylaws or rules and regulations committed by Occupants in the same manner as if the Owner had committed such violation.

Section 8. Animals and Pets. No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any Lot, except that dogs, cats, or other usual and common household pets in reasonable number, as determined by the Board, may be kept on a Lot; provided, however, those pets which, in the sole discretion of the Board, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of any Lot or the owner of any property located adjacent to the Community, may be removed by the Board at the Owner's cost. No pets shall be kept, bred or maintained for any commercial purpose. Without prejudice to the Board's right to remove any such household pets, no household pet that has caused damage or injury may be walked in the Community. No structure for the care, housing or confinement of any animal shall be constructed, placed or altered on any Lot unless plans and specifications for such structure have been approved by the ECC in accordance with this Declaration. All animals shall be confined on a leash held by a responsible Person when they are outside a Lot.

Section 9. Nuisance. It shall be the responsibility of each Owner and Occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on such Owner's Lot. No property within the Community shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the Community, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Community. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous,

unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community. 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 unless required by law.

Section 10. 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 in any part of the Community except in an enclosed garage.

Section 11. Antennas. The Board may issue rules and regulations regarding the erection of exterior antennas and satellite dishes on the Lots. Such rules and regulations may, to the extent allowed by and consistent with applicable federal and/or state regulations, among other things, regulate the size of allowed antennas and satellite dishes; require appropriate screening of antennas and satellite dishes; and designate preferred locations for placement of antennas and satellite dishes. In no event shall any satellite dish in excess of one (1) meter in size be permitted in the Community unless installed by the Declarant or the Board as provided in this Section. Declarant and the Board shall have the right (but shall not be obligated), to erect a master antenna, satellite dish or other similar master system for the benefit of the Community. No antennas or satellite dishes may be placed upon the Common Property without the consent of the Declarant.

Section 12. Tree Removal. No trees that are more 3 inches in diameter measured at a point 2 feet above the ground shall be removed without the prior written consent of the ECC except (a) dead or diseased trees; (b) trees that are located within 10 feet of a drainage area, a septic field, a sidewalk, a residence or a driveway; (c) trees removed by Declarant; or (d) trees removed during the construction of the original dwelling on a Lot. No trees shall be planted in the Community without the prior written consent of the ECC.

Section 13. Drainage. Catch basins and drainage areas, if any, are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner or Occupant may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Owner shall provide for the installation of such culverts upon his Lot as may be reasonably required for proper drainage. Declarant hereby reserves for the benefit of Declarant (for as long as the Declarant owns any Lot or retains the unilateral right to annex property) and the Association and their respective successors and assigns a perpetual easement across the Community for the purpose of altering drainage and water flow. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

Section 14. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

Section 15. Garbage Cans, Woodpiles, Etc. All garbage cans, woodpiles, fuel storage tanks, swimming pool pumps, filters and related equipment and other similar items shall be located or screened so as to be concealed from view of neighboring streets and property; provided, however, if rubbish, garbage or any other form of solid waste is to be disposed of by being collected on a regular and recurring basis, containers may be placed in the open on the evening before a pick-up is to be made as necessary to provide

access to Persons making such pick-up. All rubbish, trash, and garbage shall be regularly removed (no less frequently than weekly) and shall not be allowed to accumulate. Trash, garbage, debris, or other waste matter of any kind may not be burned within the Community except by Declarant or a builder during the original construction on a Lot.

Section 16. Subdivision of Lot. No Lot shall be subdivided or its boundary lines changed except with the prior written approval of the ECC. Declarant, however, hereby expressly reserves the right to replat any Lot or Lots owned by Declarant for as long as Declarant has the right unilaterally to annex additional property to the Community. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

Section 17. Hunting; Firearms and Weapons. The use of firearms in the Community is prohibited. The term "firearms" includes without limitation "B-B" guns, pellet guns, bows and arrows, sling shots, small firearms of all types, shotguns, rifles and all similar weapons. There shall be no hunting within the Community. Notwithstanding the foregoing, the Board shall have the authority, upon a determination by the Board that any wildlife species poses a threat to persons or property within the Community, to engage licensed professionals to cull such nuisance wildlife as may be deemed appropriate under the circumstances then existing.

Section 18. Fences. No fence or fencing type barrier of any kind shall be placed, erected, allowed, or maintained upon any portion of the Community, including any Lot, without the prior written consent of the ECC. The ECC may issue guidelines detailing acceptable fence styles or specifications but in no event may an uncoated chain link or barbed wire fence be approved. No fences shall be allowed in the front yard of any Lot, except as otherwise permitted in a Supplemental Declaration. Fences shall not be installed so as to adversely affect lot drainage. The ECC shall have the authority to grant variances of this provision as it may relate to a particular need.

Section 19. Utility Lines. Except as may be permitted by the ECC, no overhead utility lines, including lines for cable television, shall be permitted within the Community, except for temporary lines as required during construction and lines installed by or at the request of Declarant.

Section 20. Air-Conditioning Units. No window air conditioning units may be installed except as may be permitted by the ECC, but in no event shall a window air conditioning unit be installed in any dwelling so as to be visible from the front of any Lot or any adjoining street.

Section 21. Lighting. Except as may be permitted by the ECC, exterior lighting visible from the street shall not be permitted except for (a) approved lighting as originally installed on a Lot; (b) one decorative post light; (c) street lights in conformity with an established street lighting program for the Community; (d) seasonal decorative lights from Thanksgiving to the following New Year's Day; or (e) front house illumination of model homes.

Section 22. Artificial Vegetation, Exterior Sculpture, Exterior Statuary and Similar Items. No artificial vegetation or plastic animal decorations, such as pink flamingos, etc., shall be permitted on the exterior of any property. Exterior sculptures, fountains, flags, bird baths, bird houses, and similar items must be approved by the ECC, but in no event shall be located so as to be visible from the front of any Lot or any adjoining street.

The ECC may adopt reasonable rules and regulations with respect to limitations on placement, materials, number, size, language, type, and picture or visual purpose of flags, flagpoles, and the like, including the United States Flag and the North Carolina Flag. Unless otherwise limited, one flag of either the United States or North Carolina, at a size not greater than four feet by six feet, may be displayed on a Lot, in a manner consistent with the patriotic customs set forth in 4 U.S.C. 5-10, as amended, governing the use and display of the flag of the United States, on a flagpole not taller than 25 feet and not wider than four inches or on a flag stanchion attached to the house and not longer than six feet. The specific placement of a flag and support structure must be approved by the ECC prior to installation.

Section 23. Solar Collectors. Solar Collectors must be approved by the ECC, but in no event may solar collectors be placed on the following areas if the solar collector can be viewed by a person on the ground: (i) On the façade of a structure that faces areas open to common or public access (i.e., the streets or other Common Property); (ii) on a roof surface that slopes downward toward the same areas open to common or public access that the façade of the structure faces; and (iii) within the area set off by a line running across the façade of the structure extending to the property boundaries on either side of the façade, and those areas of common or public access faced by the structure. The Board or ECC may enact rules, regulations or guidelines providing for, among other things, the screening of solar collectors and the preferred placement of solar collectors.

Section 24. Swimming Pools. No swimming pool or outside jacuzzi or hot tub shall be constructed, erected or maintained upon any Lot without the prior written consent of the ECC, and in no event shall any above-ground swimming pool be permitted.

Section 25. Gardens and Play Equipment. No vegetable garden, hammock, statuary or play equipment (including, without limitation, swing sets, play structures, sand boxes, play houses, and basketball goals whether temporary or permanent in nature) be constructed, erected or maintained upon any Lot unless the type and location thereof has been previously approved by the ECC.

Section 26. Mailboxes. Only mail and newspaper receptacles or boxes approved by the ECC, and provided by the Association at a cost to the Owner in an amount to be determined by the Association, shall be erected on any Lot, it being the intent of this paragraph that all such receptacles or boxes shall be similar and consistent with the character of the Community.

Section 27. Exteriors. Any change to the exterior color, finish or texture of any improvement located on a Lot, including, without limitation, the dwelling, the roof on any dwelling or any fence, must be approved by the ECC.

Section 28. Clotheslines. No exterior clotheslines of any type shall be permitted upon any Lot.

Section 29. Entry Features. Owners shall not alter, remove or add improvements to any entry features constructed by Declarant on any Lot, or any part of any easement area associated therewith without the prior written consent of the ECC.

Section 30. Window Treatments. All windows of an occupied dwelling on a Lot which are visible from the streets or other Lots which have draperies, curtains, blinds or other permanent interior window treatments, and all portions thereof which are visible from outside the dwelling shall be white, off white or neutral in color, unless otherwise approved in writing by the ECC. No foil or other reflective material shall be used on any windows for sun screens, blinds, shades, or any other purpose.

Section 31. Fuel or Water Tanks. No fuel tanks or water tanks shall be stored or maintained upon any Lot, unless used by Declarant in the ordinary course of developing the Community.

Section 32. Temporary Structures; Accessory Buildings. No structure of a temporary character such as a trailer, camper, mobile home, shack, tent, garage, shed, barn or other similar structure may be used as a residence, either temporarily or permanently. At no time may a mobile home be placed on a Lot. This Section shall not be construed to prevent Declarant and those engaged in development, construction, marketing, property management or sales from using sheds, trailers or other temporary structures for any of the foregoing purposes. In addition, nothing in this Declaration shall be construed to prevent Declarant or any builder from developing, constructing, marketing, or maintaining model homes or speculative housing within the Community. No accessory buildings shall be erected on any Lot without approval of the ECC.

Section 33. Erosion Control. No activity which may create erosion or siltation problems shall be undertaken on any Lot without the prior written approval of the ECC of plans and specifications for the prevention and control of such erosion or siltation. The ECC may, as a condition of approval of such plans and specifications, require the use of certain means of preventing and controlling of such erosion or siltation.

Section 34. Setbacks. Unless otherwise required by any governmental entity, provided otherwise in any Supplemental Declaration or approved by Declarant, each residential dwelling on a Lot shall be at least:

- (a) Thirty (30) feet from the front Lot line;
- (b) Twenty-five (25) feet or twenty-five percent (25%) of the depth of the Lot, whichever is greater, from the rear Lot line; or
- (c) Ten (10) feet from the side Lot lines.

In the event the ECC determines that application of the aforesaid setbacks to a particular Lot would unreasonably limit the use thereof by the Owner and effectively deprive him of an appropriate construction site, the ECC may grant a written variance to the Owner from the provisions of these setback requirements or those designated in any Supplemental Declaration. The ECC also has the authority to determine setbacks, or grant variances to establish setbacks as necessary for any Lot that may be, in the discretion of the ECC, unusual in shape, or for any reason necessary for use of the Lot, considering size, shape, orientation or view.

Section 35. Drilling and Mining. No drilling, refining, quarrying or mining operations of any kind shall be permitted on any Lot. Private wells are not permitted on any Lot, nor are private septic systems.

Section 36. Laws and Ordinances. Every Owner and Occupant of a Lot shall comply with all applicable federal, state or local statutes, ordinances, rules and regulations, and the violation thereof may be considered a violation of this Declaration. Provided, however, the Board shall have no obligation to take action to enforce such statutes, ordinances, rules or regulations.

Section 37. Alleys. Owners shall have the obligation to keep all alleys free and clear of obstructions and all objects, including trash receptacles, storage, bicycles, toys and refuse. Parking is not

permitted in an alley except for temporary delivery purposes such as mail, UPS, meter reading by commercial or government vehicles. Alleys that are part of the Common Property shall be maintained by the Association, and alleys that are a part of any Sub-Association Common Property shall be maintained by the Sub-Association owning such property.

Section 38. Insurance. Each Owner shall obtain and maintain at all times (in builder's risk form when appropriate) insurance against fire and such other hazards as are includable within so-called "all-risk" or "extended coverage" casualty insurance in an amount not less than 100% of the replacement cost of all Improvements on the Lot (exclusive of foundations and excavations). In the event of casualty to the Improvements, the Owner shall either (i) promptly repair or replace the Improvements so as to conform to an ECC approved Improvement plan or (ii) raze all Improvements, remove all debris from the Lot, fill in foundations and grade and seed the Lot. Upon request by Declarant or the Committee, each Owner shall provide a copy of his insurance policy (or a certificate thereof) showing all required insurance to be in effect. This insurance provision may be varied by any Supplementary Declaration applicable to townhomes, condominiums, multi-family dwellings or commercial Lots.

Section 39. Declarant Activities. Notwithstanding any other provision of the Declaration or any other Governing Documents, during the Declarant Control Period neither the restrictions contained in this Article nor any rules or regulations of the Association with respect to matters addressed in this Article shall apply to any otherwise lawful acts or omissions of Declarant or of a Builder in constructing Improvements in accordance with approvals, variances or waiver given by Declarant.

Section 40. Exemption for Commercial Property. A Supplemental Declaration recorded in conjunction with the development of any property intended for commercial purposes may vary the use restrictions set forth herein.

ARTICLE VII CERTAIN DEVELOPMENT FEATURES

Section 1. Lakes and Lakefront Lots

(a) **Limitations of Water Rights.** No Owner of a Lot contiguous to a lake or stream shall have any rights with respect to such lake or stream, the land thereunder, the water therein, or its or their elevation, use or conditions, nor shall such Owner have any riparian rights incident or appurtenant thereto. No person shall acquire title to any land in the Community by accretion, reliction, submergence or changing water levels.

(b) **Right to Remove Accretions.** Declarant or the Association shall have the right at any time to dredge or otherwise remove any accretion or deposit from any lakefront Lot in order that the shoreline of the lake to which the Lot is contiguous may be moved inland toward or to the boundary of said Lot.

(c) **Responsibility for Damages.** Neither the Declarant nor the Association shall be liable for damages caused by erosion, flooding, washing or other action of the water of any lake or stream.

(d) **Right to Change Lake Levels.** The Declarant, or the Association after Declarant no longer owns any Lots in the Community and loses the unilateral right to annex property, shall have the

right to raise and lower the water level of any lake in the Community to a level equal to the elevation of the top of the dam, whether or not the water level rises above the boundary of a lakefront Lot. Neither the Declarant, its assigns nor the Association and its assigns shall have any liability or responsibility to the Owner of such Lot in such instance.

(e) Dam Maintenance, Pump(s) and Right to Build Higher Dam. The Association, irrespective of ownership, shall have the maintenance, repair and replacement obligations for the dam and any costs for maintenance, repair, operation and replacement of any pump(s) existing or constructed by Declarant to remove water from the lake for irrigation of the Common Area. Declarant shall have the right to build a new higher dam, or increase the height of the existing dam.

Section 2. General Lake Issues. Belmont Lake ("Lake," formerly known as Belmont Farms Lake and/or Ford's Colony at Rocky Mount Lake) is owned by the Declarant, and may be conveyed to the Association as Common Property. If the Lake is conveyed to the Association, the Association shall be obligated to accept the Lake as Common Property. Irrespective of ownership, the Association shall assume the maintenance and liability insurance obligations of the Lake consistent with its obligations for maintenance and insurance of the Common Property as set forth in this Declaration. With respect to the Lake, the Declarant shall have the exclusive right, irrespective of whether the Lake is conveyed to the Association and in a manner not inconsistent with this Declaration, to control the following:

- (a) Access to the Lake from the Community.
- (b) Rules and Regulations affecting the use of the Lake.
- (c) Use of the Lake's water for irrigation or other uses.
- (d) Use of the Lake for sales and marketing and other development purposes.

The Declarant may, at its discretion, irrespective of whether the Lake is conveyed to the Association, assign, partially or wholly, its rights concerning the Lake as set forth in this Section. None of the Lake restrictions stated in paragraph 7 below, or added from time to time, shall apply to the Declarant.

Section 3. Lake Restrictions. With the exception of the Declarant or the Association, the following covenants, restrictions and conditions shall be applicable to the Lake:

(a) The Lake is expressly for the purpose of boating, sailing, kayaking, canoeing, fishing, or similar recreational uses, all as from time to time may be proscribed and limited by the Association or the Declarant.

(b) At least one access point shall be provided and maintained by the Association. The "access point" shall mean an area established by the Association for the launching of boats and such other activities as may be proscribed by the Association.

(c) Access to and use of the Lake shall be limited to the Declarant, Members of the Association and their immediate family and guests, provided, however, nothing herein shall be construed as granting an easement of access to the Lake over any Lot abutting thereon. Only boats owned by the Declarant, Association, or Lot Owners are allowed on the Lake, unless approval is granted by the Declarant or Association.

(d) Guests shall be permitted use of the Lake, both from the shore and in a boat, only when personally accompanied, at all times, by persons who have a right to access and use the Lake as described above.

(e) The Lake shall be used only for the purposes of kayaking, boating, sailing, canoeing, fishing or similar recreational uses in the permitted area, as determined by the Declarant. The "permitted area" of use of the Lake is solely determined by the Declarant, at its discretion, and will be identified by either signs, or markers on the water.

(f) All North Carolina game and fishing laws shall apply to the use of the Lake. Any fish or other wildlife caught must be returned to its environment as soon as practicable. Fishing is restricted to catch and release.

(g) Sizes of water craft, (except canoes, which may not exceed 18 feet), shall be limited to no longer than a 15-foot classification until and unless actual use of the Lake shall require that a smaller size be permitted at the discretion of the Declarant. Such boats or water craft must be stored in compliance with this Declaration or by written approval from the Association. No boat, water craft or floatation device, except those owned by the Declarant, Association, shall be anchored or stored on the Lake or shoreline without the approval of the ECC. Any approved mooring platform shall be limited to one per Owner per Lot, shall not exceed a length of ten feet and width of five feet, shall be completely inland of the shoreline, shall not rise in height more than one foot above the natural grade of the shoreline, and shall be constructed of natural wood materials and remain a natural wood color.

(h) No water craft or boat with a gasoline-powered or other internal combustion engine either inboard or outboard, shall be permitted on the Lake. Water craft or boats with one electric motor shall be permitted on the Lake, provided that the maximum voltage of such motor does not exceed 12volts.

(i) No dock, pier, raft, platform, net, stake, line or other structure shall be constructed, placed or in any way maintained within the Lake. No Owner of a Lot which abuts the Lake shall have any rights, riparian or otherwise, with respect to boating, sailing, canoeing, kayaking or fishing, except as provided in the Declaration and as otherwise permitted by the Association.

(j) No commercial use shall be made nor shall anything be done on or about the Lake that may be or may become an annoyance or nuisance, in the sole discretion of the Declarant or the Association, to the owners of property adjacent to the Lake.

(k) No alcoholic beverages shall be consumed on the Lake.

(l) No domesticated waterfowl or livestock shall have access to, be set upon or maintained on the Lake.

(m) No water shall be pumped or otherwise taken from the Lake by any Owner. The Association, Declarant shall have the right of pumping or withdrawing water from the Lake, at any time.

(n) No bottles, trash, cans, garbage or refuse of any kind or description shall be put or placed on or into the Lake.

(o) Owners of Lots abutting the Lake shall, at all times, keep their property which is visible from the Lake, in a neat manner and free and clear of trash, debris and any unsightly items.

(p) Use of the Lake shall be restricted to daylight hours, generally from sunrise to sunset.

(q) Notwithstanding any other provision of these restrictions that may be to the contrary, the Declarant or the Association, in its discretion, may require the Owner of a Lot which abuts the Lake to install a bulkhead, at the Owner's expense, to mitigate erosion. The Owner must obtain approval from the ECC of any plans and specifications for the required bulkhead prior to the initiation of construction of the bulkhead. The actual metes and bounds of the shoreline may not be altered as a result of the installation of the bulkhead. The bulkhead may not be installed in such a manner so as to increase the size of the Lot.

(r) Swimming, skating and wading shall be prohibited, and all persons shall be prohibited from being within fifteen feet (15') of the dam, pipe, intake or outflow structure at all times, unless authorized by the Declarant.

Section 4. Restrictions for ponds, creeks, streams or any other lake or pond to be built upon the Properties. With the exception of the Declarant or Association, the covenants, restrictions and conditions in the immediately preceding Section 3, which are applicable to the Lake, shall be applicable to all ponds, creeks, streams or any other lake or pond to be built within the Community, except that any and all access and boating use shall be subject to reasonable rules and regulations adopted by the Association's Board of Directors.

Section 5. Golf Course and/or Recreational Amenities/Clubhouse Facilities. The Declarant (or a related entity) currently owns a Golf Course and related facilities which are adjacent to the Community. The Declarant intends to construct Clubhouse and/or related recreational amenity facilities within or adjacent to the Community. The Golf Course, Clubhouse(es) and/or any swimming pools, tennis courts, sports clubs or other recreational amenities may or may not be conveyed to the Association, leased to the Association, or continue to be owned, maintained and operated by Declarant or a third-party provider. Should Declarant (or a related entity) elect to convey any of the aforesaid recreational amenities to the Association to be operated as common area, Declarant reserves the right to do so in conjunction with the recordation of a Supplemental Declaration which shall set forth the terms of use and operation of such recreational amenities at such time as any future facilities are completed.

(a) **Proximity to Golf Course.** By acceptance of a deed to any Lot, each Owner acknowledges and agrees that owning property adjacent to the Golf Course has benefits as well as detriments, and detriments include: (i) the risk of damage to property or injury to persons or animals from errant golf balls which are hit onto the Owner's Lot or other portions of the Community arising from the design, construction, operation, maintenance, and/or use of the Golf Course; (ii) overspray in connection with the watering of the roughs, fairways and greens on the Golf Course; (iii) noise from any Golf Course maintenance and operation of equipment (including without limitation compressors, fans blowers, mulchers, tractors, utility vehicles and pumps, all of which may be operated at any time of day or night and/or continuously); (iv) odors arising from irrigation and fertilization of the turf situated on the Golf Course property; (v) disturbance and loss of privacy resulting from motorized golf cart traffic and golfers and Golf Course maintenance personnel; (vi) the existence of water hazards, ponds and/or lakes on the

Golf Course; and (vii) view restrictions caused by maturation of trees and shrubbery, or improvements constructed on the Golf Course property. Additionally, each Owner acknowledges that pesticides, herbicides, fertilizers, and chemicals may be applied to the Golf Course throughout the year and that reclaimed water treated waste water or other sources of non-potable water may be used for irrigation of the Golf Course.

Each Owner hereby assumes such risks of owning property adjacent to the Golf Course and forever waives and relinquishes, and agrees not to institute any action or suit at law or in equity nor to institute or prosecute any claim, demand or compensation against the Declarant or any successor Declarant; the Association or its Members (in their capacity as such); the Golf Course Owner or successors, successors in title, or assigns; any Builder or contractor (in their capacities as such); the Golf Course designer or builder; any officer, director, member, manager, or partner of any of the foregoing; or any officer, director, member or manager of any partner of the foregoing, for the design, construction, operation, maintenance and for use of the Golf Course.

Pedestrians and vehicles of all types, including bicycles, skateboards and sleds are not permitted on the Golf Course property, except as otherwise authorized by the Golf Course for golf activities, security and maintenance. However, access and parking for vehicles, including bicycles, may be permitted in certain designated areas, as determined by the Golf Course Owner.

(b) **Open Space Disclosure.** Notwithstanding the fact the Golf Course may constitute open or recreation area for purposes of applicable zoning ordinances and regulations, each Owner by acquisition of title to a Lot releases and discharges forever, the Declarant, or any successor to Declarant; the Association or its members (in their capacity of such), the Golf Course Owner or its successors, successors in title or assigns; any Builders or contractors (in their capacity as such); the Golf Course designer or builder; and any officer, director, manager or partner of any of the foregoing, from any claim that such Golf Course is, or must be, owned and/or operated by the Association.

(c) **Use Restrictions.** Upon request of the Golf Course, pursuant to the Golf Course's reasonable belief that a violation of this Declaration has occurred which is detrimental to its interests, the Association shall enforce its use restrictions and rules against any Owner or occupant of the Community violating such regulations, including but not limited to the exercise of the Association's self-help rights for violations of the Association's rules, regulations, Declaration, Bylaws, rules, regulations and guidelines.

(d) **Limitations On Amendments.** In recognition of the fact that the provisions of this Article are for the benefit of the Golf Course, no amendment to this Article and no amendment in derogation of any other provisions of this Declaration benefitting the Golf Course, as determined solely by the Golf Course, may be made without the written approval of the Golf Course Owner.

(e) **Jurisdiction and Cooperation.** It is Declarant's intention that the Association and the Golf Course shall cooperate to the maximum extent possible in the operation of the Community and the Golf Course's facilities. Each shall reasonably assist the other in upholding the Community-Wide Standard as it pertains to maintenance and any rules, regulations and guidelines promulgated by the Board or ECC. The Association shall have no power to promulgate rules or regulations affecting activities on or use of the golf facilities without the prior written consent of the Golf Course.

(f) **Over-spray Easement.** Any portion of the Community immediately adjacent to the Golf Course is hereby burdened with a non-exclusive easement in favor of the adjacent Golf Course property for over-spray water from the irrigation system serving the Sports Club. Under no circumstances shall the Association or the Golf Course be held liable for any damage or injury resulting from such over-spray or the existence of this easement.

(g) **Access Easement.** There is hereby established for the benefit of the Golf Course and its members (regardless of whether such members are Owners hereunder), guests, invitees, employees, agents, contractors and designees, a right and nonexclusive easement of access and use over all roadways located within the Community, to the State routes and streets reasonably necessary to travel between the entrance of the Community and the Golf Course, and over those portions of the Community (whether Common Property or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Golf Course. Without limiting the generality of the foregoing members of the Golf Course and guest and invitees of the Golf Course shall have the right to park their vehicles on the roadways located within the Community at reasonable times before, during and after special events, tournaments and other similar functions held by or at the Golf Course.

(h) **Easement For Special Events.** Declarant reserves, creates, establishes, promulgates and declares for itself, the Sports Club, the successors, assigns and designees of Declarant and Golf Course, a perpetual, non-exclusive, appurtenant easement over the Common Property for the purpose of conducting educational, cultural entertainment or sporting events, and other activities of general community interests at such locations and such time as the Declarant and/or the Golf Course in its sole discretion, deems appropriate. Each Owner, by accepting a deed or other instrument conveying any interest in a Lot, acknowledges and agrees that the exercise of this easement may result in a temporary increase of traffic, noise, gathering of crowds and related inconvenience. Such Owner agrees on behalf of itself and the occupants of its Lot to take no action, legal or otherwise, which will interfere with the exercise of such easement or to recover damages for or as a result of any such activities.

(i) **Liability For Use Of Easements.** No Owner shall have a claim or cause of action against Declarant or the Golf Course Owner, their successors or assigns, arising out of the exercise or non-exercise of any easement reserved hereunder or shown on any sub-division plat for the Community, except in cases of willful or wanton misconduct.

(j) **Restrictions on Golf Course Lots.** "Golf Course Lots" shall be defined as those Lots that are contiguous to the Golf Course. Owners of Golf Course Lots shall not trespass onto the Golf Course for any purpose, including retrieving golf balls. No fence or other improvement or planting shall be placed within five (5) feet of any property line adjoining the Golf Course. The Declarant or ECC, in their sole discretion, shall have the authority to impose additional setback and screening requirements when considering requests for the construction or installation of any fence or other improvement or planting on a Golf Course Lot.

(k) **Easement and Access to Golf Course Lots.** Owners of Golf Course lots which are adjacent to Golf Course fairways or greens shall permit entrance upon their Lots for retrieval of golf balls, and an easement is hereby created and reserved for that purpose and for the purpose of golf balls traveling onto said Golf Course Lots.

(l) **Surface Water Drainage Easement.** The Declarant and the Golf Course shall not be responsible for any surface water drainage issues in the Community related to the construction, maintenance or existence of the Golf Course or other facilities and parcels owned by the Declarant. Lot Owners shall construct any necessary improvements to Lot grading or drainage structures to adequately control surface water around their improvements to the Community, and an easement for runoff and surface water drainage from the Golf Course is hereby reserved and created for every Lot in the Community.

Section 6. Maintenance Facility. If the Declarant constructs any maintenance facilities in the Community, they will be at the expense of the Declarant and shall be owned by the Declarant. At the discretion of the owner of such facility, any such maintenance facility may be sold for fair market value to the Association, and the Association shall have the authority to purchase or lease same. Only the Declarant may own or maintain a maintenance facility or structure within the development, unless such a facility or structure is sold to the Association as described herein. Lot Owners may not own or maintain a maintenance facility on their Lot, except for routine household and vehicle maintenance within the house or garage for the applicable Lot Owner's household improvements and vehicles. Vehicles and equipment (other than equipment connected to the house for heating and air conditioning and similar uses) may not be maintained or repaired exterior to the garage.

Section 7. Stormwater Control Measures (storm water retention or storage ponds or facilities).

(a) **Maintenance.** Absent an agreement to the contrary with the City of Rocky Mount, the Association shall be responsible for reasonable maintenance of any Stormwater Control Measures that are constructed in the Community by the Declarant or the Association. Reasonable maintenance shall include, but not be limited to, reasonable cutting of grass and other vegetation, water quality treatments, maintenance of pipes and structures, and dredging. The funding of any maintenance in this regard shall be a Common Expense for the Association. The Association's maintenance obligations for the Storm Water Measures shall be independent of its ownership of the Storm Water Measures.

(b) **Conveyance.** The Declarant shall have the unilateral right to convey to the Association and the Association shall have the obligation to accept conveyance of the Stormwater Control Measures from the Declarant free and clear of all encumbrances except maintenance obligations and any easements related to the development of the Community.

(c) **Fencing.** Absent a requirement by the City of Rocky Mount, the Declarant and the Association shall have no obligation to install fencing around any of the Stormwater Control Measures constructed or existing in the Community. The Association shall have the discretion to construct fencing around any of the Stormwater Control Measures constructed or existing in the Community.

Section 8. Buffer Areas and Right of Ways. Except as approved by the ECC, no buildings or accessory buildings shall be permitted in any buffer areas or right of ways. Lot Owners shall have the obligation to cut the grass and perform reasonable landscaping maintenance on any buffer areas or right of ways that are located between their Lot and the road.

Section 9. Streets. With the exception of a limited number of cul de sacs, as more fully set forth in the Plats, the streets, roads and alleys set forth in the Community shall be private. The Declarant shall have the right to convey, at a time of its discretion, the private streets, roads and alleys to the Association as Common Property, or to a Sub-Association as Sub-Association Common Property, and the Association or Sub-Association shall have the obligation to accept such conveyance. After their initial construction, the maintenance, repair and replacement of all private streets, roads and alleys in the Community shall be a Common Expense of the Association or Sub-Association in the discretion of the Declarant, irrespective of ownership. The Declarant, its successors or assigns, shall have permanent easement rights over, upon and through the private streets, roads and alleys in the Community and the right to construct or maintain landscaping, signage, fencing or other improvements.

ARTICLE VIII
INSURANCE AND CASUALTY LOSSES

Section 1. General Provisions.

(a) The Board shall have the power on behalf of the Association to: (i) purchase insurance policies relating to the Common Property and the activities of the Association; (ii) adjust all claims arising under such policies; and (iii) sign and deliver releases upon payment of claims. The cost of all insurance policies purchased by the Board shall be a Common Expense. Neither the Board, nor a property manager, nor Declarant, shall be liable for failure to obtain any insurance required by this Article, or for any loss or damage that could have been paid by such insurance, if such insurance is not reasonably available. With respect to insurance required by applicable Legal Requirements, the Association either by hand delivery or United State mail, postage prepaid, promptly shall notify Owners if such insurance is not reasonably available, or if there is any material adverse modification, lapse, or cancellation of such insurance that is not being replaced by other insurance.

(b) To the extent such policy provision is reasonably available, no policy obtained by the Association shall be cancelled, subject to non-renewal, invalidated, or suspended due to the conduct of any Owner or Owner's lessee(s), household members, guests, employees or agents, or any director, officer or employee of the Board, or the property manager, without a prior demand in writing that the Association or the property manager cure the defect and such defect is not cured within thirty (30) days after such demand.

(c) The insurer issuing the policy may not cancel or refuse to renew such policy without at least thirty (30) days' prior written notice to the Association.

(d) All policies of insurance shall be written by reputable companies licensed or qualified to do business in North Carolina.

(e) The deductible on any insurance policy obtained by the Association shall be a Common Expense, except that where any damage is caused by the willful or negligent conduct of an Owner or the Owner's family, tenants, guests or invitees, such deductible shall be the responsibility of the Owner and shall become an assessment against the Lot subject to foreclosure pursuant to Article IV of this Declaration.

Section 2. Property Insurance.

(a) The Association shall obtain and maintain in effect at all times that property insurance covering the Common Property as required by Section 47F-3-113 of the Planned Community Act, in such amounts and under such terms as set out therein. The Board or the duly authorized agent of the Association shall have the authority to and shall obtain or cause to be obtained insurance for all insurable improvements, whether or not located on the Common Property, which the Association is obligated to maintain. The Board shall also obtain and maintain appropriate coverage on person property owned by the Association.

(b) Certificates of property insurance on the Common Property, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder, together with proof of payment of premiums, shall be delivered by the insurer to any Mortgagee requesting the same.

Section 3. Liability Insurance. The Association shall obtain and maintain in effect at all times liability insurance covering the Common Property as required by Section 47F-3-113 of the Planned Community Act, in such amounts and under such terms as set out therein.

Section 4. Other Insurance. The Association may obtain and maintain other insurance as follows:

(a) Adequate fidelity coverage to protect against dishonest acts on the part of directors, officers, trustees, employees and other persons handling or responsible for the Association's funds (which shall be at least equal to three (3) months' assessments plus reserves on hand). Such coverage shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be cancelled, subjected to non-renewal or substantially modified without at least thirty (30) days' prior written notice to the Association.

(b) Construction code endorsements, steam boiler coverage, and flood insurance, if and to the extent necessary to satisfy the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the U.S. Department of Veterans Affairs ("VA"), the U.S. Department of Housing and Urban Development ("HUD"), or other Mortgagees.

(c) Workers' compensation insurance if and to the extent necessary under applicable Legal Requirements.

(d) Directors and officers liability insurance.

(e) Such other insurance as the Board may determine from time to time in the exercise of its reasonable discretion.

Section 5. Repair and Restoration – By Association.

(a) In General. Immediately after damage or destruction by fire or other casualty to any portion of the Common Property covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or

restoring the property to substantially the same condition and location that existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Repair and Reconstruction. Any damage or destruction to property covered by insurance written in the name of the Association shall be repaired or reconstructed unless, within sixty (60) days after the casualty, Members decide not to repair or reconstruct by a vote of at least seventy-five percent (75%) or more of the votes cast by the Members present at a duly called meeting of the Association. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether damage or destruction shall be repaired or reconstructed.

If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of its members, levy a special assessment against all Owners subject to its jurisdiction in proportion to the number of Lots owned by such Owners. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess shall be deposited to the benefit of the Association.

In the event that it should be determined in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the property shall be restored to its natural state and maintained as an undeveloped portion of the Community in a neat and attractive condition. In the event that it shall be so decided not to repair or reconstruct any such damage or destruction, the proceeds of any insurance as may become payable to the Association as a result of such damage or destruction shall be applied to such purposes as may be determined by the Board of Directors for the Association.

Section 6. Repair and Restoration – By Owners. The damage or destruction by fire or other casualty to all or any portion of any improvement on a Lot shall be repaired by the Owner thereof within seventy-five (75) days after such damage or destruction or, where repairs cannot be completed within seventy-five (75) days, they shall be commenced within such period and shall be completed within a reasonable time thereafter. Alternatively, the Owner may elect to demolish all improvements on the Lot and remove all debris therefrom within seventy-five (75) days after such damage or destruction. In the event of noncompliance with this provision, the Board of Directors shall have all enforcement powers specified in Article XII, Sections 1 and 2 of this Declaration.

ARTICLE IX **CONDEMNATION**

In the event of a taking by eminent domain of any portion of the Common Property on which improvements have been constructed, then, unless within sixty (60) days after such taking, Owners holding at least seventy-five percent (75%) of the total votes in the Association agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Property to the extent lands are available therefor. The provisions of Article VIII, above, applicable to Common Property improvements damage, shall govern replacement or restoration and the actions to be taken in the event that the improvements are not restored or replaced.

ARTICLE X
ANNEXATION AND WITHDRAWAL OF PROPERTY

Section 1. Unilateral Annexation by Declarant. Declarant shall have the unilateral right, privilege, and option to, at any time until twenty (20) years after the recording of this Declaration, annex and subject any part or all of the real property described in Exhibit B to the Declaration and any amendments or supplements thereto, by recording in the public registry of the county in which the property to be annexed is located a Supplementary Declaration annexing the property and extending the operation and effect of the Declaration thereto. Such annexation shall not require the approval of the Members. The real property described in Exhibit B may be annexed and subjected to the Declaration as one parcel or as several parcels at different times. Nothing herein shall be deemed to require the Declarant to annex any part or all of the real property described in Exhibit B.

The annexation of the property described in Exhibit B shall result in the addition of Class B member votes. The Class B member shall have three (3) votes for each Lot. In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Lots designated for residential use on the Master Plan or Declarant's site plan, whichever is more recent, until such time as a subdivision plat is recording subdividing all or a portion of the parcel. Thereafter, the portion encompassed by such plat shall contain the number of Lots intended for residential development as set forth above, and the number of Lots in any remaining portion shall continue to be calculated based on the number of Lots designated in the Master Plan or Declarant's site plan, whichever is more recent.

Prior to the conveyance of the first Lot within any newly annexed property to any Person other than a Builder, the owner of the annexed property shall convey to the Association all Common Property, if any, located within the newly annexed property. Title to such Common Property shall be conveyed in the same manner as set forth in Article V of the Declaration.

Section 2. Other Annexation. Real property that is not described in Exhibit B may be annexed and made subject to this Declaration upon the affirmative vote of at least sixty-seven percent (67%) or more of the votes cast by Members present at a duly called meeting of the Association. As long as Declarant retains the right to annex the property described in Exhibit B, Declarant's consent to such annexation is also required. The annexation shall be accomplished by the recording of a Supplementary Declaration in the public registry of the county in which the property to be annexed is located. Any such Supplementary Declaration shall be signed by the President of the Association, whose signature shall be attested by the Secretary of the Association, the owner of the property to be annexed, and the Declarant if such consent is required pursuant to this Article.

Section 3. Conditions of Annexation. Any real property to be annexed to the Declaration must be contiguous (which term includes on the opposite side of a street right of way) to some portion of the Properties already subject to the Declaration.

Section 4. Supplemental Declarations. Each Supplemental Declaration shall be effective to annex real property to the Declaration only upon its recording in the appropriate Registry, and the effective date of such annexation shall be the date specified therein, if any, or the date of recording. Each Supplemental Declaration shall describe the real property annexed and shall reference the Declaration. A Supplemental Declaration need not be in any specific form and need not be titled "Supplemental Declaration", but it shall

clearly indicate the intention to subject the real property to the Declaration. Any Supplemental Declaration may specify such use restrictions and may contain such other terms, covenants, restrictions, easements, affirmative obligations, assessments, charges and liens, not inconsistent with the Declaration, as the Person annexing such real property to the Declaration may determine, which provisions may be more, but not less, restrictive than the provisions of the Declaration. Except for such more restrictive provisions, the Declaration shall control over any provision of any Supplemental Declaration that conflicts or is inconsistent with the Declaration.

Section 5. Withdrawal of Property. The Declarant reserves the right in its sole discretion and without approval of the Association to amend this Declaration at any time until ten (10) years after the recording of this Declaration for the purpose of removing any portion of the real property then owned by the Declarant or the Association from the coverage of this Declaration, to the extent originally included in error or as a result of any changes whatsoever in the plans for the Community. Further, any portion of the real property described in Exhibit B that is not annexed to the Community may be developed in any manner allowed under applicable Legal Requirements, without regard to the provisions of the Declaration. Any property withdrawn from the Declaration may also be developed in any manner allowed under applicable Legal Requirements, and shall be released from the terms and provisions of the Declaration, except that all easements specifically affecting such withdrawn property, as shown on plats recorded in the Registry or as described in documents recorded in the Registry, shall remain in force and effect.

ARTICLE XI MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders of first Mortgages on Lots in the Community. The provisions of this Article apply to this Declaration and the Bylaws notwithstanding any other provisions contained therein.

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage, who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Lot number, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Community or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such eligible holder;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by the Owner of the encumbered Lot of any obligation under the Declaration or the Bylaws which is not cured within sixty (60) days;

(c) any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) any proposed action which would require the consent of a specified percentage of Mortgage holders.

Section 2. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Property.

Section 3. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

Section 4. VA/HUD Approval. As long as Declarant has the right to appoint and remove the directors of the Association, the following actions shall require the prior approval of the VA, so long as the VA is guaranteeing any Mortgage in the Community, and HUD, so long as HUD is insuring any Mortgage in the Community: annexation of additional property to the Community, except for annexation by Declarant in accordance with Article X, Section 1 hereof pursuant to a plan of annexation previously approved by the VA and/or HUD, as applicable; dedication of Common Property to any public entity; mortgaging of Common Property; mergers and consolidations; dissolution of the Association; and material amendment of the Declaration, the Bylaws, the Articles of Incorporation of the Association.

Section 5. Applicability. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws, or North Carolina law for any of the acts set out in this Article.

Section 6. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request.

Section 7. Amendments by Board. Should the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, HUD or VA subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

ARTICLE XII **EASEMENTS**

Section 1. Easements for Encroachment and Overhang. There shall be reciprocal appurtenant easements for encroachment and overhang as between each Lot and such portion or portions of the Common Property adjacent thereto or as between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of this Declaration) to a distance of not more than five (5) feet, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Property or as between adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, tenant or the Association.

Section 2. Easements for Use and Enjoyment.

(a) Every Owner of a Lot shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Property, which shall be appurtenant to and shall pass with the title to such Lot, subject to the following provisions:

(i) the right of the Association to suspend the right of an Owner to use and enjoy the Common Property for any period during which any assessment against such Owner's Lot which is hereby provided for remains unpaid, provided such suspension does not inhibit access to such Owner's Lot; and, for a reasonable period of time for an infraction of the Declaration, Bylaws, or rules and regulations;

(ii) the right of the Association to borrow money for the purpose of improving the Common Property or any portion thereof, or for construction, repairing or improving any facilities located or to be located thereon, and to give as security for the payment of any such loan a Mortgage conveying all or any portion of the Common Property, if approved by Members in accordance with provisions of the Planned Community Act; provided, however, the lien and encumbrance of any such Mortgage shall be subject and subordinate to any rights, interests, options, easements and privileges herein reserved or established for the benefit of Declarant, or any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, given by Declarant or any Lot Owner encumbering any Lot or other property located within the Community (Any provision in this Declaration or in any such Mortgage to the contrary notwithstanding, the exercise of any rights therein by the holder thereof in the event of a default thereunder shall not cancel or terminate any rights, easements or privileges herein reserved or established for the benefit of Declarant, or any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, given by Declarant or any Lot Owner encumbering any Lot or other property located within the Community.);

(iii) the right of the Association to dedicate or grant licenses, permits or easements over, under and through the Common Property to governmental entities for public purposes;

(iv) the right of the Association to dedicate or transfer all or any portion of the Common Property in accordance with the provisions of the Planned Community Act. No such dedication or transfer shall be effective without the consent of Declarant so long as Declarant has the right unilaterally to annex additional property to the Community. Provided further that no Common Property and, in particular, none of the property comprising the Stormwater Control Measures shall be conveyed so long as mandated by the applicable Legal Requirements;

(v) the Declarant and Association do hereby grant an easement in favor of the applicable party across, in, under, over and through the Common Property for the purposes of the construction, installation, repair, maintenance and use of all utility and drainage facilities as exist on the date of this Declaration and as may exist from time to time; and

(vi) the Declaration and Association do hereby grant an easement across, in, under, over and through the Common Property for the purposes of access and maintenance of the Stormwater Control Measures.

(b) Any Lot Owner may extend such Owner's right of use and enjoyment granted hereunder to the members of such Owner's family and to such Owner's tenants and social invitees, as applicable, subject to

reasonable regulation by the Board. An Owner who leases such Owner's Lot shall be deemed to have delegated all such rights to the lessee of such Lot.

Section 3. Easements for Utilities. There is hereby reserved to Declarant and the Association blanket easements upon, across, above and under all property within the Community for access, ingress, egress, installation, repairing, replacing, and maintaining all utilities serving the Community or any portion thereof, including, but not limited to, gas, water, sanitary sewer, telephone and electricity, as well as storm drainage and any other service such as, but not limited to, a master television antenna system, cable television system, or security system which Declarant or the Association might decide to have installed to serve the Community. It shall be expressly permissible for Declarant, the Association, or the designee of either, as the case may be, to install, repair, replace, and maintain or to authorize the installation, repairing, replacing, and maintaining of such wires, conduits, cables and other equipment related to the providing of any such utility or service. Should any party furnishing any such utility or service request a specific license or easement by separate recordable document, the Board shall have the right to grant such easement. Within any easements for the installation and maintenance of utilities and drainage facilities shown on a recorded plat of any portion of the Community, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage channels in the easements, or which may obstruct or retard the flow of waters through drainage channels in the easements.

Section 4. Easement for Entry. In addition to the right of the Board to exercise self-help as provided in this Declaration, the Board shall have the right, but shall not be obligated, to enter upon any property within the Community for emergency, security, and safety reasons, which right may be exercised by the manager, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner, and the entering party shall be responsible for any damage caused. This right of entry shall include the right of the Board to enter to cure any condition which may increase the possibility of a fire, slope erosion, or other hazard in the event an Owner or Occupant fails or refuses to cure the condition upon request by the Board.

Section 5. Easement for Maintenance. Declarant hereby expressly reserves a perpetual easement for the benefit of the Association across such portions of the Community, determined in the sole discretion of the Association as are necessary to allow for the maintenance required under this Declaration. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment to Lots, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

Section 6. Easement for Entry Features. There is hereby reserved to Declarant and the Association an easement for ingress, egress, installation, construction, landscaping and maintenance of entry features and similar streetscapes for the Community, over and upon each Lot in the Community on which entry features and similar streetscapes have been installed by Declarant. The easement and right herein reserved shall include the right to cut, remove and plant trees, shrubbery, flowers and other vegetation around such entry features and the right to grade the land under and around such entry features.

Section 7. Construction and Sale Period Easement. Notwithstanding any provisions contained in this Declaration, the Bylaws, the Articles of Incorporation of the Association, or rules and regulations, and any amendments thereto, for as long as Declarant owns any Lot or has the unilateral right to subject additional property to the Declaration, Declarant reserves an easement across all property described on

Exhibit A, and any other real property later annexed to this Declaration, for Declarant and any Builder or developer approved by Declarant to maintain and carry on, upon such portion of the Community as Declarant may reasonably deem necessary, such facilities and activities as in the sole opinion of Declarant may be required, convenient, or incidental to Declarant's and such Builder's or developer's development, construction, and sales activities related to property described on Exhibit B and any other real property later annexed to this Declaration, including, but without limitation: the right of access, ingress and egress for vehicular and pedestrian traffic and construction activities over, under, on or in the Community, including, without limitation, any Lot; the right to tie into any portion of the Community with driveways, parking areas and walkways; the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain and repair any device which provides utility or similar services including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Community; the right to grant easements over, under, in or on the Community, including, without limitation, the Lots, for the benefit of neighboring properties for the purpose of tying into and/or otherwise connecting and using sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Community; the right to carry on sales and promotional activities in the Community; and the right to construct and operate business offices, signs, construction trailers, model residences, and sales offices. Declarant and any such Builder or developer may use residences, offices, or other buildings owned or leased by Declarant or such Builder or developer as model residences and sales offices and may also use recreational facilities, if any, within the Community as a sales office without charge. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense. This Section shall not be amended without Declarant's express written consent until Declarant's rights hereunder have terminated as hereinabove provided.

Section 8. Easements Over the Lots. The Lots shall be subjected to, and the Declarant does hereby grant to the appropriate grantees thereof, the following easements:

- (a) Each Lot shall be subject to all easements which are shown and depicted on any recorded plat as affecting and burdening such Lot;
- (b) Each Lot shall be subject to an easement for slope control purposes, including the right to grade and plat slopes and prevent the doing of any activity that might interfere with slopes or which might create erosion or sliding problems or which might change, obstruct or retard drainage flow;
- (c) Each Lot shall be subject to the all stormwater control and drainage easements as may be identified on any recorded plat or other recorded document;
- (d) Those Lots shown on any recorded plats as having a "sign easement" shall be subject to an easement for the installation, maintenance and repair by the Association of an entrance monument or sign with associated lighting, irrigation and landscaping, and the Owner or Occupant shall not remove or cause to be removed any signage, lighting, irrigation or landscaping situated within the sign easement;
- (e) Those Lots shown on any recorded plats as having a "landscape easement" shall be subject to an easement for the installation and maintenance of the landscaping, walls and fences

located on the area designated, and the Owner or Occupant shall not remove or cause to be removed any landscaping situated within the landscape easement;

- (f) Those Lots shown on any recorded plats as having a "pedestrian access easement" shall be subject to an easement for access across, over and through the area designated on the plat;
- (g) Each Lot shall be subject to a non-exclusive perpetual access easement for the repair, maintenance or reconstruction of any dwelling located on an adjoining Lot where the dwelling is located closer than five (5) feet from the lot line common to such adjoining lots. The repair, maintenance or reconstruction shall be done expeditiously and, upon completion of the work, the owner of the benefited Lot shall restore the adjoining burdened Lot to as near the same condition as that which prevailed prior to the commencement of such repair work as is reasonably practicable.
- (h) In addition to any other easements described herein, each Lot shall be subject to a five (5) foot easement for drainage and utilities, including, but not limited to, gas, electrical, communication, water and sewer service, along the entire perimeter of each lot adjacent to the lot property line, except zero (0) lot lines, if any.

Section 9. Suddenlink Easement. Notice is hereby given that Cebridge Acquisition, L.P., a Delaware limited partnership, d/b/a Suddenlink Communications ("Suddenlink"), and its successors and assigns, have been granted a perpetual, non-exclusive easement across the Community for use in delivery of communications services, including cable television, high speed Internet, and telephony services. The easement shall extend throughout the Community, including conduit, equipment rooms, equipment buildings, utility areas and other spaces on, in and over the Community, as are reasonably necessary or useful for the location, relocation, installation, maintenance, repair, upgrading, monitoring, operation and removal of the services provided by Suddenlink. Suddenlink shall have the right of access, ingress and egress to and from the Community for the purposes of providing its services.

ARTICLE XIII **GENERAL PROVISIONS**

Section 1. Enforcement. Each Owner and Occupant shall comply strictly with the Bylaws and rules and regulations of the Association, as they may be lawfully amended or modified from time to time, and with the covenants, conditions, and restrictions set forth in this Declaration and in the deed to such Owner's Lot, if any. The Board of Directors may impose fines or other sanctions, which shall be collected as provided herein for the collection of assessments. Failure to comply with this Declaration, the Bylaws, or any applicable rules and regulations shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Board of Directors, on behalf of the Association, or, in a proper case, by an aggrieved Owner. In any such action for damages or injunctive relief brought by the Association, the Association shall be entitled to recover reasonable attorney's fees actually incurred and court costs incurred by the Association in bringing such action. Failure by the Association or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter. The Board shall have the right to record in the appropriate land records a notice of violation of the Declaration, Bylaws, and rules and regulations and to assess the cost of recording and removing such notice against the Owner who is responsible (or whose Occupants are responsible) for violating the foregoing. The Association shall also have the right to suspend the voting rights of a Lot Owner (1) for any period during

which any assessment against such Owner's Lot remains unpaid and (2) during any period, for an infraction of the Declaration, the Bylaws or any rules and regulations by the Owner or Occupant of the Lot, for a period no longer than sixty (60) days after the infraction has been corrected.

Section 2. Self-Help. In addition to any other remedies provided for herein, the Association or its duly authorized agent shall have the power to enter upon any Lot or any other portion of the Community to abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates this Declaration, the Bylaws, and the rules and regulations of the Association. Unless an emergency situation exists, the Board shall give the violating Lot Owner ten (10) days' written notice of its intent to exercise self-help. Notwithstanding the foregoing, vehicles parked in violation of the Declaration of any rules and regulations of the Board may be towed after reasonable notice. All costs of self-help, including, without limitation, reasonable attorney's fees actually incurred, shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of assessments.

Section 3. Duration. The covenants and restrictions set forth herein shall run with the land and shall be binding for a period of thirty (30) years from the date of recording of this Declaration, after which time they shall be automatically extended for successive periods of twenty (20) years. Every purchaser or grantee of any interest (including, without limitation, a security interest) in any real property subject to this Declaration, by acceptance of a deed or other conveyance therefor, thereby agrees that such provisions of this Declaration may be extended and renewed as provided in this Section.

Section 4. Amendment. This Declaration may be amended unilaterally at any time and from time to time by Declarant (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser 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 the Lots subject to this Declaration; or (d) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure or guarantee Mortgage loans on the Lots subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Owner's Lot unless any such Lot Owner shall consent thereto in writing. Further, so long as Declarant has the right unilaterally to annex additional property to this Declaration as provided in Article X hereof, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Owners hereunder, nor shall it adversely affect title to any Lot without the consent of the affected Owner.

In addition to the above, this Declaration may be amended by the affirmative vote or written agreement signed by Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the consent of Declarant (so long as Declarant owns any Lot or has the unilateral right to annex additional property to the Community). Amendments to this Declaration shall become effective upon recordation, unless a later effective date is specified therein. No provision of this Declaration which reserves or grants special rights to Declarant shall be amended without Declarant's prior written approval so long as Declarant owns any Lot or has the unilateral right to annex additional property to the Community.

Any lawsuit challenging any aspect of an amendment to this Declaration must be filed in the appropriate court in the county in which the Community is located within one (1) year of the recordation of such amendment in the public registry of the county in which the Community is located.

Section 5. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

Section 6. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.

Section 7. Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

Section 8. Indemnification. To the fullest extent allowed by applicable North Carolina law, the Association shall indemnify every officer and director against any and all expenses, including, without limitation, attorney's fees, imposed upon or reasonably incurred by any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which such officer or director may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association), and the Association shall indemnify and forever hold such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The right to indemnification of officers and directors provided herein shall not apply to any liability of such officers or directors by reason of being or having been a member in the Association. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.

Section 9. Books and Records.

(a) **Inspection by Members and Mortgagees.** This Declaration, the Bylaws, copies of rules and use restrictions, membership register, books of account, and minutes of meetings of the members of the Board and of committees shall be made available for inspection and copying by any member of the Association or by the duly appointed representative of any member and by holders, insurers, or guarantors of any first Mortgage at any reasonable time and for a purpose reasonably related to such Person's interest as a member or holder, insurer, or guarantor of a first Mortgage at the office of the Association or at such other reasonable place as the Board shall prescribe.

(b) **Rules for Inspection.** The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extra copies of documents at the reasonable expense of the Association.

Section 10. Financial Review. A review of the books and records of the Association shall be made annually in the manner as the Board of Directors may decide; provided, however, after having received the financial statements at the annual meeting, by a majority of the total votes in the Association, the Owners may require that the accounts of the Association be audited as a Common Expense by an independent certified public accountant. Upon written request of any institutional holder of a first Mortgage and upon payment of all necessary costs, such holder shall be entitled to receive a copy of audited financial statements within ninety (90) days of the date of the request.

Section 11. Notice of Sale or Lease. In the event an Owner sells or leases such Owner's Lot, the Owner shall give to the Association, in writing, prior to the effective date of such sale or lease, the name of the purchaser or lessee of the Lot and such other information as the Board may reasonably require. Upon acquisition of a Lot, each new Owner shall give the Association, in writing, the name and mailing address of the Owner and such other information as the Board may reasonably request.

Section 12. Agreements. Subject to the prior approval of Declarant (so long as Declarant has the unilateral right to annex additional property to the Community), all agreements and determinations, including settlement agreements regarding litigation involving the Association, lawfully authorized by the Board of Directors shall be binding upon all Owners, their heirs, legal representatives, successors, assigns, and others having an interest in the Community or the privilege of possession and enjoyment of any part of the Community. Notwithstanding anything to the contrary herein, and pursuant to Section 47F-3-105 of the North Carolina Planned Community Act, the Association shall have the unqualified right to terminate any contracts and/or leases entered into by the Declarant, or by its appointed Board of Directors during the period of Declarant control, without penalty, provided a minimum of ninety (90) days notice is given.

Section 13. Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration, the Bylaws, the Articles of Incorporation or rules and regulations of the Association, and any other right or privilege reasonably implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

Section 14. Variances. Notwithstanding anything to the contrary contained herein, the Board of Directors or its designee shall be authorized to grant individual variances from the provisions of Article VI of this Declaration, and any rule, regulation or use restriction promulgated pursuant thereto if it determines that waiver of application or enforcement of the provision in a particular case would not be inconsistent with the overall scheme of development for the Community.

Section 15. Security. The Declarant or the Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve safety in the Community, including but not limited to, the installation of gated entries or hiring of security personnel. Notwithstanding the providing of any such measures or taking of any such action by Declarant or the Association, each Owner, for himself or herself and his or her tenants, guests, licensees and invitees, acknowledges and agrees that neither the Declarant nor the Association is a provider of security and shall have no duty to provide security in the Community. It shall be the responsibility of each Owner to protect his or her person and property and all responsibility to provide security shall lie solely with each Lot Owner. Neither the Declarant nor the Association shall be held liable for any loss or damage by reason of the failure to provide adequate security or ineffectiveness of security measures undertaken or provided.

Section 16. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of the Bylaws or Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall be deemed reformed to continue in effect for the maximum period of time that such provision could exist without violating such applicable rule against perpetuities.

IN WITNESS WHEREOF, the undersigned, Declarant herein, hereby executes this instrument by and through its duly authorized representatives and under seal this ___ day of September, 2014.

Declarant: Rocky Mount WEH LP

By: WEH Associates, Inc., its General Partner

By: *Eric Ian Craig Rifkin*
Eric Ian Craig Rifkin, Asst. Vice
President

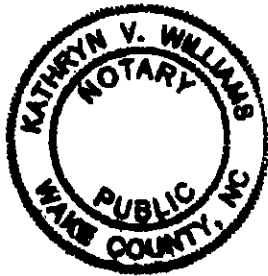
STATE OF NORTH CAROLINA

ACKNOWLEDGEMENT

COUNTY OF WAKE

I, Kathryn v. Williams, a Notary Public of the County and State aforesaid, certify that Eric Ian Craig Rifkin of whose identity I have personal knowledge, personally appeared before me and acknowledged that the signature on the record presented is his signature and that he voluntarily executed the foregoing instrument for the purpose stated therein and in the capacity indicated and with full authority to do so.

Witness my hand and official stamp or seal, this 2 day of September, 2015.



Kathryn v. Williams
Notary Public

Kathryn v. Williams
Printed Name

My Commission Expires: 8-15-2017

EXHIBIT A

PROPERTY SUBJECT TO DECLARATION

The property subject to the Declaration shall be all that property previously subjected the Belmont Farms Declaration and Ford's Colony Declaration as previously described herein, including all amendments and supplements of record. Such property includes, but is not limited to:

1. **Property described in that Declaration of Master Covenants, Conditions and Restrictions for Belmont Farms recorded in Book 1464, Page 848 of the Nash County Registry:**

Being known as a portion of the Belmont Farms Property located in South Whitakers Township, Nash County, North Carolina, and being bordered as follows: on the south by Bishop Road (S.R. 1545), on the southwest by Belmont Farms Partners, J. B. Cummings, and Burrell Alford, on the west by Belmont Farms Partners, on the north by Belmont Lake, and on the east by Belmont Farms Partners and being more particularly described as follows:

POINT OF BEGINNING established as follows: Beginning at N.C.G.S. monument "BATTLE" having coordinates N = 836,045.444 ft and E = 2,365,704.219 ft based on North American Datum 1983 running thence to a P K Nail set in the centerline of the southbound lane of Wesleyan Boulevard (U. S. Highway 301) where said highway centerline intersects the centerline of Bishop Road (S.R. 1545) if extended, said bearing and distance between "BATTLE" and the P K Nail set being S 14° 91' 27" W 7009.16 feet (horizontal ground distance); thence continuing along the centerline of Bishop Road N 77° 23' 14" W 629.55 feet to a P K Nail set; thence N 77° 16' 52" W 399.69 feet to a P K Nail set; thence along a curve being concave to the left having a radius of 1,800 feet and a chord bearing and distance of N 79° 11' 13" W 200.13 feet to a P K Nail set; thence along a curve being concave to the left having a radius of 945 feet and a chord bearing and distance of S 89° 31' 48" W 266.19 feet to a P K Nail set in the centerline of Bishop Road, THE POINT OF BEGINNING;

Thence from the POINT OF BEGINNING thus established continuing along the centerline of Bishop Road a curve being concave to the left having a radius of 945 feet and a chord bearing and distance of S 73° 22' 21" W 265.03 feet to a P K Nail set; thence along a curve being concave to the left having a radius of 500 feet and a chord bearing and distance of S 57° 48' 50" W 130.48 feet to a P K Nail set; thence along a curve being concave to the left having a radius of 1135 feet and a chord bearing and distance of S 43° 47' 20" W 258.06 feet to a P K Nail set; thence S 37° 15' 41" W 577.32 feet to a P K Nail set; thence S 36° 11' 46" W 130.86 feet to a P K Nail set; thence along a curve being concave to the left having a radius of 910 feet and a chord bearing and distance of S 24° 41' 55" W 362.77 feet to a P K Nail set in the centerline of Bishop Road; thence leaving Bishop Road a new line N 81° 50' 06" W 729.50 feet to an iron pipe set in the centerline of a Carolina Power & Light Company 50 foot easement as described in Deed Book 316, Page 327; thence along the centerline of said easement

S 23° 30' 10" W 883.42 feet, to an iron pipe set in the northern line of property now or formerly owned by J. B. Cummings; thence along the northern line of Cummings and property now or formerly owned by Burrell Alford N 82° 47' 03" W 1019.09 feet to an iron pipe set in the northern line of Alford; thence a new line across the property of Belmont Farms Partners N 12° 33' 27" E 534.98 feet to an iron pipe set; thence N 64° 33' 58" E 231.20 feet to an iron pipe set; thence N 02° 46' 41" E 216.44 feet to an iron pipe set in the southern line of the Belmont Farms Racquet & Swim Club, Inc. Lease Parcel (described in Deed Book 1030, Page 694); thence along the southern and eastern boundary of the "Racquet & Swim Club N 68° 10' 14" E 159.63 feet to an existing concrete monument (ECM hereinafter); thence N 17° 55' 14" E 65.00 feet to an ECM; thence N 34° 07' 14" E 100.00 feet to an ECM; thence N 76° 29' 46" W 125.00 feet to an existing iron pipe; thence N 03° 12' 14" E 203.00 feet to an ECM; thence N 17° 32' 46" W 179.80 feet to an iron pipe set; thence N 76° 01' 46" W 142.66 feet to an iron pipe set on the northeast line of the Racquet & Swim Club; thence a new line across Belmont Farm N 25° 32' 31" W 142.69 feet to an iron pipe set; thence N 66° 13' 46" E 87.03 feet to an iron pipe set; thence along a curve being concave to the right having a radius of 760 feet and a chord bearing and distance of N 84° 47' 21" E 483.81 feet to an iron pipe set; thence S 76° 39' 04" E 200.94 feet to an iron pipe set; thence along a curve being concave to the left having a radius of 800 feet and a chord bearing and distance of N 78° 04' 19" E 683.19 feet to an iron pipe set; thence N 52° 47' 41" E 229.61 feet to an iron pipe set; thence along a curve being concave to the right having a radius of 500 feet and a chord bearing and distance of N 61° 15' 09" E 147.08 feet to an iron pipe set in the centerline of the C.P.&L. 50 foot easement mentioned above; thence continuing along the centerline of the C.P.&L. easement N 23° 30' 10" E 756.13 feet to a point in the approximate center of Belmont Lake; thence along a computed line in the approximate center of Belmont Lake the following four courses and distances: N 82° 54' 31" E 415.59 feet to a point, N 62° 46' 22" E 527.99 feet to a point, N 28° 05' 52" E 1149.50 feet to a point, and N 45° 28' 28" E 578.11 feet to a point; thence continuing along a computed line in the Lake but no longer in the center around the northeast corner of the property described herein the following three courses and distances: S 48° 42' 26" E 404.99 feet to a point, S 12° 28' 51" E 212.57 feet to a point, S 26° 00' 10" E 221.49 feet to an iron pipe set on the south bank of Belmont Lake; thence a new line crossing the property of Belmont Farms Partners the following five courses and distances: S 02° 11' 37" W 239.50 feet to an iron pipe set, S 12° 49' 51" W 136.48 feet to an iron pipe set, S 32° 33' 53" W 980.43 feet to an iron pipe set, S 49° 49' 51" W 641.21 feet to an iron pipe set, and S 39° 34' 22" W 397.32 feet to a PK Nail set in the centerline of Bishop Road, the point of beginning and containing approximately 141.98 acres total (includes 1.22 acres in the right-of-way area of Bishop Road, and 16.52 acres in the lake area) all as shown on map entitled "Map of Property of BELMONT FARMS PARTNERS, A N.C. General Partnership" by Joyner, Keeny & Associates, dated Oct. 22, 1993.

The property herein described above is subject to the following easements:

1. An existing 50 foot utility easement (20' on north side of sewer centerline, 30' on south side) crossing the northern portion of the herein described property.
2. An existing 50 foot easement for Carolina Power & Light Company (25' on each side of easement centerline) crossing the western portion of the herein described property.
3. The Right-of-way of Bishop Road (30' on each side of road centerline) bordering the southern portion of the property herein described above.

2. Property described in that Supplementary Declarations of Restrictive Covenants, Conditions and Restrictions for Wood's Walk recorded in Book 1464, Page 873 of the Nash County Registry:

ALL THAT certain property identified on that Plat recorded at Map Book 22, Page 296, Nash County Registry.

3. Property described in that Supplementary Declarations of Restrictive Covenants, Conditions and Restrictions for Lakepointe recorded in Book 1467, Page 665 of the Nash County Registry:

ALL THAT certain property identified on that Plat recorded at Map Book 22, Page 339, Nash County Registry.

4. Property described in that Supplementary Declarations of Restrictive Covenants, Conditions and Restrictions for Chimney Hill recorded in Book 1467, Page 671 of the Nash County Registry:

ALL THAT certain property identified on that Plat recorded at Map Book 22, Page 340, Nash County Registry.

5. Property described in that Amendment of Declaration of Master Covenants, Conditions and Restrictions for Belmont Farms, A Planned Community and Declaration of Protective Covenants Ford's Colony At Rocky Mount recorded in Book 2116, Page 165 of the Nash County Registry:

Section 1, Ford's Colony At Rocky Mount

ALL THAT certain parcel of land containing approximately 23.126 acres of land, described as Ford's Colony At Rocky Mount, Section 1, including Lots 18 through 37, Block A, Lots 7 through 13, Block B, Lots 1 through 10, Block C, on that certain Plat titled "Section 1, Ford's Colony At Rocky Mount" dated January 12, 2005, prepared by Joyner Keeny & Associates Planning and Surveying, as recorded in the Register of Deeds for Nash County, North Carolina in

Map Book 32, Pages 267-269, on February 3, 2005, and revised and amended by that certain Plat titled: "Revised Plat, Section 1, Ford's Colony At Rocky Mount, Lot 19, Block A dated April 5, 2005 and recorded on April 6, 2005 in the Register of Deeds for Nash County, North Carolina in Map Book 32, Pages 320-321.

Section 2, Ford's Colony At Rocky Mount

ALL THAT certain parcel of land containing approximately 51.814 acres of land, described as Ford's Colony At Rocky Mount, Section 2, including Lots 1 through 102, on that certain Plat titled "Section 2, Ford's Colony At Rocky Mount" dated January 12, 2005, prepared by Joyner Keeny & Associates Planning and Surveying, as recorded in the Register of Deeds for Nash County, North Carolina in Map Book 32, Pages 270-274, on February 3, 2005, as revised and amended in that certain Plat titled: "Revised Final Plat, Section II, Ford's Colony At Rocky Mount, Lots 1-102" dated April 5, 2005 and recorded on April 6, 2005 in the Register of Deeds for Nash County, North Carolina in Map Book 32, Pages 322-326, and as further revised in Map Book 32, Pages 382-386 and Map Book 33 Pages 204-205.

6. Property described in that Supplemental Declaration of Protective Covenants recorded in Book 2136, Page 989 of the Nash County Registry:

ALL THAT certain property identified in the Plat of Ford's Colony at Rocky Mount, Section III, Lots 1-94, of the Ford's Colony at Rocky Mount subdivision, made by Joyner-Keeny and Associates and recorded in the Register of Deeds for Nash County, North Carolina in Map Book 32, Pages 351-355.

7. Property described in that Supplemental Declaration of Protective Covenants recorded in Book 2156, Page 419 of the Nash County Registry:

ALL THAT certain property identified in the Plat of Ford's Colony at Rocky Mount, Section III, Lots 1-96, of the Ford's Colony at Rocky Mount subdivision, made by Joyner-Keeny and Associates and recorded in the Register of Deeds for Nash County, North Carolina in Map Book 33, Pages 44-48 and further revised August 9, 2005 and recorded in Map Book 33, Pages 177-182.

8. Property described in that Supplemental Declaration of Protective Covenants recorded in Book 2186, Page 228 of the Nash County Registry:

ALL THAT certain property identified in the Plat of Ford's Colony at Rocky Mount, Section IV, Lots 1-76 and 96-136 of the Ford's Colony at Rocky Mount subdivision, made by Joyner-Keeny and Associates and recorded in the Register of Deeds for Nash County, North Carolina in Map Book 33, Pages 183-189.

9. That property consisting of approximately 4.910 acres identified as Lot B in the Plat entitled "Recombination of Lots at Belmont Lake Preserve and Dedication of Easements" made by Joyner Keeny, PLLC and recorded in the Register of Deeds for Nash County, North Carolina in Map Book 39, Pages 18-23.

10. That property consisting of approximately 0.866 acres identified as Private Sign & Landscape Easement in the Plat entitled "Recombination of Lots at Belmont Lake Preserve and Dedication of Easements" made by Joyner Keeny, PLLC and recorded in the Register of Deeds for Nash County, North Carolina in Map Book 39, Pages 18-23.

11. That property consisting of approximately 1.644 acres identified as Private Sign, Landscape & BMP Easement in the Plat entitled "Recombination of Lots at Belmont Lake Preserve and Dedication of Easements" made by Joyner Keeny, PLLC and recorded in the Register of Deeds for Nash County, North Carolina in Map Book 39, Pages 18-23.

EXHIBIT B

PROPERTY SUBJECT TO ANNEXATION

ALL THAT certain property which is (a) subject to the Master Plan of Ford's Colony At Rocky Mount dated August 9, 2004; as amended, approved by the City of Rocky Mount, North Carolina, less and except any real property described therein which has previously been made subject to the Declaration by the recordation of the Declaration or a Supplemental Declaration or Amendment; or (b) located within two (2) linear miles of any boundary of the property described in any Plat for Ford's Colony at Rocky Mount or Belmont Lake Preserve that is or may hereafter be recorded by Declarant or its predecessors, successors or assigns.