

FOR REGISTRATION REGISTER OF DEEDS
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Prepared by and after
recording return to:

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**DECLARATION OF COVENANTS,
EASEMENTS, AND RESTRICTIONS
FOR CHAMPIONS RIDGE**

THIS DECLARATION OF COVENANTS, EASEMENTS, AND RESTRICTIONS, made as of the 13th day of April, 2007, by **CHAMPIONS RIDGE, LLC**, a North Carolina limited liability company, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of that certain property located in Southern Pines, Moore County, North Carolina, containing approximately 13.48 acres more or less as described in that certain deed recorded in Book 2882, Page 135 of the Moore County Registry (the "Project");

WHEREAS, Declarant desires to develop the Project as a planned community;

THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF THE FLAG OF THE UNITED STATES OF AMERICA OR STATE OF NORTH CAROLINA.

THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS.

WHEREAS, Declarant desires to have the right to annex additional property from the Additional Property (as defined below) and add such property as additional phases of the planned community for the purpose of developing a planned community;

WHEREAS, the Project is presently subject to a Declaration of Restrictive Covenants and Conditions filed in Book 2135, Page 1 of the Moore County Registry, which was filed on December 11, 2002 (the "Mid South Declaration");

WHEREAS, Declarant desires to insure the attractiveness of the Project as a planned community and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of all properties within the development and to provide for the maintenance and upkeep of the Common Elements (as hereinafter defined) and the Limited Common Elements (as hereinafter defined); and, for the purpose of the foregoing, Declarant desires to subject the Property (as defined below) to the covenants, easements, and restrictions hereinafter set forth, each and all of which is and are for the benefit of the Property and each owner thereof; and

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

ARTICLE I
DEFINITIONS

Section 1. "Additional Property" shall mean and refer to the Project less and except the portion of the Property that is the subject of the Plat.

Section 2. "Association" shall mean and refer to Champions Ridge Owners' Association Inc., a North Carolina nonprofit corporation, its successors and assigns.

Section 3. "Bylaws" means and refers to the bylaws adopted by the Association as amended from time to time.

Section 4. "Common Elements" shall mean all real property (including the improvements thereto) identified on the Plat (as defined below) as Common Elements and all other real property (and improvements thereto) including, without limitation, the Neighborhood Walking Path (as defined below) and the Neighborhood Post Office (as defined below) owned by the Association and shall expressly exclude the Limited Common Elements.

Section 5. "Declarant" shall mean and refer to Champions Ridge, LLC, a North Carolina limited liability company, and any future owner of any portion of the Property or the

Additional Property, to whom the Declarant expressly assigns its rights as the Declarant under this Declaration.

Section 6. “Declarant Control Period” shall mean and refer to the period from the date of this Declaration to the date which is the earlier of (i) the date thirty (30) days after the date the Declarant sells from the Property, and the Additional Property, thirty-four (34) subdivided lots; (ii) the date on which the Declarant records a notice of termination of the Declarant Control Period, or (ii) ten (10) years.

Section 7. “Executive Board” shall mean and refer to the board of directors of the Association who shall have the authority by this designation to act on behalf of the Association in connection with all matters required by this Declaration to be acted upon by the Association.

Section 8. “Limited Common Elements” shall mean and refer to the following, with respect to the Property:

- (a) Each driveway area shown on the Plat and the improvements thereto (each a “Driveway”); and
- (b) The strip of land five (5) feet in width located on the exterior of, and immediately adjacent to, the perimeter of each Lot (each a “Curtilage”).

Section 9. “Lot” shall mean and refer to any parcel of land with the exception of the Common Elements and the Limited Common Elements designated as a buildable lot on the Plat on which a residence is or may be constructed.

Section 10. “Member” shall mean and refer to every person or entity who holds membership in the Association pursuant to Section V.1 of this Declaration.

Section 11. “Neighborhood Post Office” shall mean and refer to the community post office box building located on the Common Elements.

Section 12. “Neighborhood Road” shall mean and refer to any road identified as a private road within the platted area shown on the Plat and shall expressly exclude any Driveway.

Section 13. “Neighborhood Walking Path” shall mean and refer to any sidewalk, trails or foot paths located within the Common Elements, if any, and now or hereafter designated by the Association as an access route for use by the Owners of the Lots.

Section 14. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property reflected on the Plat including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 15. "Plat" shall mean and refer to that certain plat entitled "Phase 1A ^{MAP of UNITS 281 and 283, For Champions Ridge} filed in Plat Cabinet 13, Slide 743 of the Moore County Registry, as such plat may be amended, modified and supplemented in the future including, without limitation, plats hereafter recorded reflecting all future subdivisions or recombinations of the Project to the extent expressly annexed from time to time in compliance with the requirements of this Declaration.

Section 16. "Political Signs" shall mean and refer to a sign that attempts to influence the outcome of an election, including supporting or opposing an issue on the election ballot.

Section 17. "Property" shall mean and refer to the land shown within the platted area on the Plat.

Section 18. "Site Plan" shall mean and refer to that certain site plan certified by Fredrick M. Hobbs, Professional Engineer, on November 16, 2005, and approved by the Town of Southern Pines on November 17, 2005, authorizing the future development of the Project into thirty-four (34) residential lots, as hereafter amended and modified from time to time by Declarant.

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

The Property shall be held, transferred, sold, conveyed and occupied subject to this Declaration.

ARTICLE III
MUTUALITY OF BENEFIT AND OBLIGATION

All of said restrictions, conditions, easements, covenants, provisions, agreements, liens and charges set forth herein are made for the mutual and reciprocal benefit of each and every Lot of the Property and are intended to create mutual, equitable servitudes upon each of the Lots in favor of each and all other Lots of the Property; to create reciprocal rights between the respective Owners of all the Lots in the development; to create a privity of contract and estate between the grantees of said lots, and their heirs, successors and assigns; and as to the Owner of each Lot, such Owner's heirs, successors or assigns, shall operate as covenants running with the land for the benefit of each and all other Lots and their respective Owners, heirs, successors and assigns.

ARTICLE IV
PROPERTY RIGHTS

Section 1. **Common Elements**. Each Owner shall have the following rights with respect to the Common Elements:

1. Each Owner of a Lot is hereby granted a mutual, nonexclusive access easement for use of the Neighborhood Road for ingress, egress and regress from and to such Owner's Lot to any other Lot, any Neighborhood Walking Path, any adjoining public street or walkway and any portion of the Common Elements.
2. Each Owner of a Lot is hereby granted a mutual, nonexclusive access easement for use of any Neighborhood Walking Path for ingress, egress and regress from and to such Owner's Lot to any other Lot and any adjoining public street or walkway and otherwise for recreational use related to walking and running;
3. Each Owner of a Lot is hereby granted the right to connect any improvements on such Owner's Lot to any utility located within the Common Elements, subject to Article VIII, Maintenance, of this Declaration, and to use such utilities, subject to Article VII, Architectural Control, and Article VIII, Maintenance, of this Declaration.
4. Each Owner of a Lot is hereby granted a mutual, nonexclusive easement for the discharge of storm water onto the Common Elements.

These rights are subject to the following provisions:

- (a) the right of the Association to suspend, in compliance with Section 8 of Article VI of this Declaration, the voting rights and right to use of the Common Elements (other than the Owner's right of access to the Owner's Lot) by an Owner for any period during which any assessment against such Owner's Lot remains unpaid;
- (b) the right of the Association as fee owner of the Common Elements including, without limitation, the rights of the Association to (i) grant utility, drainage and other easements across the Common Elements, (ii) clean, maintain, repair and replace the Common Elements and (iii) make rules and enforce rules regarding the use of the Common Elements.
- (c) no Owner shall have a right to use the Common Elements except as, and to the extent, expressly provided in this Declaration.

Section 2. Limited Common Elements. Each Owner of a Lot shall have the following rights with respect to the Limited Common Elements:

1. Each Owner is hereby granted a nonexclusive, easement in and to the Driveway, that connects such Owner's Lot to the Neighborhood Road, for access and parking.

2. Each Owner is hereby granted a nonexclusive access easement in and to the Curtilage for the purpose of maintaining and repairing the improvements located on such Owner's Lot.

These rights are subject to the rights of the Association as fee owner of the Limited Common Elements including, without limitation, the rights of the Association to (i) grant utility, drainage and other easements across the Limited Common Elements, (ii) clean, maintain, repair and replace the Limited Common Elements and (iii) make rules and enforce rules regarding the use of the Limited Common Elements; provided, however, that the Association cannot grant an easement in any Limited Common Element to more than one Lot.

Section 3. Delegation of Use. Any Owner may delegate, his right of enjoyment to the Common Elements and such Owner's Limited Common Elements to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 4. Rules and Regulations. The Executive Board may from time to time adopt reasonable rules and regulations for the use of Common Elements and Limited Common Elements.

ARTICLE V
MEMBERSHIP AND VOTING RIGHTS

Section 1. Association Membership. The Declarant and every Owner of a Lot, which is subject to an assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from the ownership of any Lot, which is subject to assessment.

Section 2. Voting. The Association shall have two classes of votes as follows:

- (a) Each Lot shall have one vote regardless of the number of Owners of that Lot; and
- (b) During the Declarant Control Period, if the Declarant owns one or more Lots or any portion of the Additional Property, then the Declarant shall have thirty-four (34) votes.

Section 3. Majority Vote. Except as otherwise expressly set forth in this Declaration, all matters on which the Members are entitled to vote shall be by majority vote. All provisions of this Declaration that require a majority of the Members or a majority of the Owners or some other percentage of either the Members or the Owners shall mean and refer to a majority, or such other percentage as the case may be, of the vote of the Members or Owners, as applicable.

Section 4. Quorum.

- (a) Except as otherwise expressly set forth in this Declaration, a quorum is present throughout a meeting of the Association if persons entitled to cast ten percent (10%) of the votes, which may be cast on the issues on the meeting agenda, are present at the beginning of the meeting.
- (b) In the event business cannot be conducted at any meeting of the Association, or any of the committees of the Association, because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those Lot Owners who are present in person or by proxy. The quorum requirement at the next meeting shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.

Section 5. Voting Rights of Multiple Owners of a Single Lot. In the event that there are multiple owners of a Lot, then the following shall apply:

- (a) 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 all the votes allocated to that Lot.
- (b) If more than one of the multiple Owners are present, the votes 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 of the multiple Owners cast the votes 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.

Section 6. Proxies. Votes allocated to a Lot may be cast pursuant to a proxy duly executed by an Owner. If a Lot is owned by more than one person, each Owner of the Lot may vote or register protest to the casting of votes by the other Owners of the Lot through duly executed proxy. An Owner of a Lot may not revoke a proxy given pursuant to this section except by actual notice or revocation to the person presiding over a meeting the Association. A proxy is void if it is not dated. A proxy terminates eleven (11) months after its date, unless it specifies a shorter term.

Section 7. Restrictions on Voting by Association. No votes allocated to a Lot owned by the Association may be cast.

Section 8. Executive Board. The Association shall have an Executive Board who shall have the right to exercise all powers of the Association to fulfill the purpose of the Association. The Executive Board shall have the right to elect officers through whom to act and may delegate any or all of its power to such officers except for the power to elect officers and to the obligation to hold hearings under Article VI. The Executive Board may appoint an

adjudicatory panel for the purposes of Article VI. The Executive Board shall be elected pursuant to the procedures set forth in the Bylaws.

Section 9. Officers. The Executive Board may elect the officers. The officers shall have the powers ascribed to officers in this Declaration, the Articles, Bylaws, and applicable State law and such additional powers as delegated by the Executive Board from time to time. The officers of the Association shall be elected pursuant to the procedures set forth in the Bylaws.

Section 10. Declarant Control Period. During the Declarant Control Period, the Declarant, in the Declarant's sole discretion, shall have the exclusive right to appoint, remove and replace members of the Executive Board. During the Declarant Control Period, the members of the Executive Board do not have to be Lot Owners.

Section 11. Mandatory Election. No later than the termination of the Declarant Control Period, the following shall occur: (a) the Owners shall elect an Executive Board of at least three (3) members, at least a majority of whom shall be Owners, and (b) the Executive Board Members shall elect the officers of the Association. The Executive Board and the officers elected pursuant to this Section shall take office upon election.

ARTICLE VI
ASSESSMENTS AND REMEDIES FOR NONCOMPLIANCE

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, as the owner of the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided, and (3) all fees, charges, late charges, fines, interest and other charges (including, without limitation, reasonable attorneys fees) imposed on a Lot under this Declaration. All of the foregoing shall be a charge on the land and shall be a continuing lien as set forth below upon the Lot against which each such assessment is made. All of the foregoing shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to successors in title unless expressly assumed by them.

Section 2. Purpose of Assessment. The assessments or charges levied by the Association shall be used exclusively to promote the maintenance, repair, preservation, safety, and aesthetic appearance of the Common Elements and the Limited Common Elements and recreation, health, safety and welfare of the residents in the Property and including, but not limited to, the maintenance of the Common Elements and the Limited Common Elements as set forth in Sections 2(b) and 2(c) of Article VIII, Maintenance, and for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Elements and the Limited Common Elements, including, but not limited to, the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management and supervision thereof, the payment of taxes

assessed against the Common Elements and the Limited Common Elements, the procurement and maintenance of insurance, the employment of attorneys to represent the Association when necessary, the cost of audits and reviews, the general administration of the Association and such other needs as may arise.

Section 3. Annual Assessment. The Executive Board of the Association shall prepare and adopt a budget each year for operation of the Association considering, among other things, current maintenance costs and future needs of the Association. The assessments may include any common expenses from the date of this Declaration regardless of the date of the first assessment.

The Association shall, upon demand, furnish a certificate signed by an officer of the Association setting forth whether the assessments on the requester's Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year as part of the annual budget, or in a supplement thereto from time to time, and subject to the same approval process, one or more special assessments applicable to that year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements, or the Limited Common Elements, including fixtures and personal property related thereto, or for any emergency or unforeseen expenses including, without limitation, uninsured losses or legal fees to pursue the enforcement of the Declaration.

Section 5. Assessment Rate.

- (a) Subject to Section 5(b) of this Article, both annual and special assessments shall be fixed as follows:
 - (i) Annual assessments and special assessments for all Lots owned by the Declarant shall be fixed at an amount determined by multiplying \$100 by the difference between thirty four (34) and the number of Lots owned by anyone other than the Declarant (the "Declarant's Share"); and
 - (ii) Annual assessments and special assessments for all Lots owned by the Owners, other than the Declarant, shall be fixed at an amount determined by subtracting the Declarant's Share of the annual assessments and the special assessments from the total annual assessments and the total special assessments, respectively, and dividing the balance of each by the total number of Lots.
- (b) Subject to the requirements of Section VIII.2(c):

- (i) The cost of repairing and replacing (but not maintaining) the Driveway for each Lot shall be assessed to each Lot based on actual costs incurred by the Association for such repairs and replacement (but not maintaining).
- (ii) The cost to maintain (excluding repair and replacement) the Driveway for each Lot shall be treated as a common expense.
- (iii) The cost to maintain, repair and replace any portion of any utility line or facility that serves only one Lot shall be assessed to such Lot based on the actual costs incurred by the Association for such maintenance, repair or replacement.
- (iv) The cost to maintain, repair and replace the landscaping and irrigation systems located within the Curtilage shall be treated as a common expense.
- (v) All other costs incurred by the Association to fulfill its maintenance obligations under Article VIII and all other costs of the Association to fulfill its other obligations under this Declaration shall be treated as common expenses.

Section 6. Notice and Quorum for Any Action Authorized Under Section 3 and 4.

- (a) Within thirty (30) days after adoption of any proposed budget for the Association, the Executive Board shall provide to all the Lot Owners a summary of the budget in a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The Executive Board shall set a date for a meeting of the Lot Owners to consider ratification of the budget, such meeting to be held not less than ten (10) days nor more than sixty (60) days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting.
- (b) In the event that the budget reflects an increase of more than ten percent (10%), then the budget is ratified unless at that meeting a majority of all the Lot Owners in the Association rejects the budget.
- (c) In the event that the budget reflects an increase of ten percent (10%) or less, then the budget is ratified unless at that meeting all the Lot Owners in the Association rejects the budget.
- (d) In the event the proposed budget is rejected, the periodic budget last ratified by the Lot Owners shall be continued until such time that the Lot Owners ratify subsequent budget proposed by the Executive Board. There shall be no requirement that a quorum be present at the meeting.

Section 7. Date of Commencement of Annual Assessments and Due Date for Special Assessments: Due Dates. All annual assessments shall be prorated on a monthly basis and due and payable on the first day of the month following the effective date of the assessment. A special assessment would be paid as determined by the membership at such time as the special assessment is approved.

Section 8. Effect of Nonpayment of Assessments or Noncompliance with Declaration: Remedies of the Association.

(a) Any assessment not paid within thirty (30) days after the due date shall constitute a lien on that Lot when a claim of lien is filed of record in the Office of the Clerk of Superior Court of Moore County and shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the Executive Board of the Association to defray the costs of late payment as provided pursuant to Section 8(b) of this Article VI. The Association may file a lien on any Lot if the Owner of such Lot fails timely to pay any assessment or other amounts owing to the Association. Subject to satisfying the requirements of Section 8(a) of this Declaration, the Association may suspend the privileges or services of any Lot (except for rights of access to an Owner's Lot) if any Owner of a Lot fails to comply with the requirements of this Declaration, Bylaws or the Rules and Regulations.

(b) The imposition of fines or suspension of privileges or services shall follow the following procedure: (i) a hearing shall be held before an adjudicatory panel appointed by the Executive Board to determine if any Owner should be fined or if Association privileges or services should be suspended pursuant to the powers of the Association to (A) impose reasonable charges for late payment of assessments and, after notice and an opportunity to be heard, suspend privileges for services provided by the Association (except rights of access to Lots) during any period (following 5 days after the decision that the violation occurred) that assessment or other amounts due and owing to the Association remain unpaid for a period of thirty (30) days or longer; or (B) after notice and an opportunity to be heard, impose reasonable fines or suspend privileges or services provided by the Association (except rights of access to Lots) for reasonable periods (following 5 days after the decision that the violation occurred not to exceed the date of cure of the violation) for violations of this Declaration, the by-laws and the rules and regulations of the Association; (ii) if the Executive Board fails to appoint an adjudicatory panel to hear such matters, hearings under this section shall be held before the Executive Board, (iii) the Owner charged shall be given notice of the charge, opportunity to be heard and to present evidence, and notice of the decision, (iv) if it is decided that a fine should be imposed, a fine not to exceed one hundred dollars (\$100), or such greater amount as may be allowed from time to time hereafter by statute, may be imposed for the violation and without further hearing, for each day after the decision that the violation occurs. Such fines shall be assessments secured by liens created under Article VII, Section 1 of this Declaration. If it is decided that a suspension of privileges or services of the Association should be imposed, the suspension may be continued without further hearing until the violation

or delinquency is cured. Any adjudicatory panel appointed by the Executive Board shall consist of members of the Association who are neither members of the Executive Board nor officers of the Association. An Owner may appeal the decision of an adjudicatory panel to the full Executive Board by delivering written notice of appeal to the Executive Board within fifteen (15) days after the date of the decision. The Executive Board may affirm, vacate, or modify the prior decision of the adjudicatory panel.

(c) The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, and interest, late payment fees, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment.

(d) In the event that it is claimed that an Owner is legally responsible for damage inflicted on any common element or in the event that it is claimed that an agent of the Association is legally responsible for any damage inflicted upon any Lot, then (i) in either such event, if the claim is less than or equal to the jurisdictional amount established for small claims by N.C.G.S. Section 7A-210 as amended from time to time, any aggrieved party may request that a hearing be held before an adjudicatory panel appointed by the Executive Board to determine if an Owner is responsible for damages to any Common Element or the Association is responsible for damages to any Lot. If the Executive Board fails to appoint an adjudicatory panel to hear such matters, hearings under this section shall be held before the Executive Board. Such adjudicatory panel shall accord to the party charged with causing damages notice of the charge, opportunity to be heard and to present evidence, and notice of the decision. The adjudicatory panel may assess liability for each damage incident against each Owner charged or against the Association not in excess of the jurisdictional amount established for small claims by N.C.G.S. 7A-210 as amended from time to time, (ii) in either such event, if the claim is more than the jurisdictional amount established for small claims by N.C.G.S. Section 71-210 as amended from time to time, liability of any Owner charged or the Association shall be determined as otherwise provided by law. Liabilities of Owners determined by hearing of the adjudicatory panel or as otherwise provided by law shall be assessments secured by lien in the same manner as assessments under Section VI.8(a) above. Liabilities of the Association determined by hearing of the adjudicatory panel or as otherwise provided by law may be offset by the Owner against sums owing to the Association and if so offset, shall reduce the amount of any lien of the Association against the Lot at issue.

(e) No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Elements or Limited Common Elements or abandonment of the Owner's Lot.

Section 9. Foreclosure. The Association's lien may be foreclosed in the same manner as deeds of trust on real estate under power of sale under Article 2A of Chapter 45 of the General Statutes of North Carolina, as the same may be in effect at the time the foreclosure is commenced and each Owner hereby grants to the Association a power of sale under such statutes. Each Owner of a Lot agrees that the Association may appoint a trustee for such purpose, and upon request by the Association, it shall be lawful and the duty of the trustee so

appointed to sell the tract subject to the lien at public auction for cash, after having first given such notice of hearing as to commencement of foreclosure proceedings and obtaining such findings or leave of court as may then be required by law and by giving such notice and advertising the time and place of such sale in the manner as then provided by law. Any sale or resale shall be according to the law for foreclosure proceedings under power of sale to convey title to the purchaser in as full and ample manner as the trustee is hereby empowered. The trustee shall be authorized to retain an attorney to represent the trustee in such proceedings and the cost of any such attorney shall be an expense of the trustee which shall be chargeable against the proceeds for the sale or resale of the Lot. A proceeding to enforce the lien for unpaid assessments or charges or repair or maintenance costs must be commenced within three (3) years after the docketing of the claim of lien in the Office of the Clerk of Superior Court. Each assessment or charge together with the interest, costs, and reasonable attorneys fees incurred or expended by the Association in collection thereof, shall also be the personal obligation of the Owner of the Lot. The personal obligation for any delinquent assessment or charge, together with interest costs and reasonable attorneys fees, however, shall not pass to the Owner's successors in title unless expressly assumed by them.

The proceeds of the sale after the trustee retains a commission, together with any reasonable attorney's fees incurred by the trustee in such proceeding, shall be applied to the costs of sale, including, but not limited to, cost of collection, taxes, assessments, cost of recording, service fees and incidental expenditures, the amount due on the assessment and any accrued interest thereon and all fees charges, late charges, fines, interest and other charges imposed on such Lot under this Declaration which the lien secures and any advancements and other sums expended by the Association according to the provisions hereof and otherwise as required by the then existing law relating to foreclosures under power of sale. The trustee's commission shall be five percent (5%) of the gross proceeds of sale or the minimum of One Thousand Dollars (\$1,000), whichever is greater, for completed foreclosure. In the event foreclose of the lien is commenced but not completed, the Lot Owner shall pay all expenses incurred by the trustee, including reasonable attorney's fees and a partial commission computed on five percent (5%) of the outstanding indebtedness or the above stated minimum sum, whichever is greater, in accordance with the following schedule: one fourth (1/4) thereof before the trustee issues a Notice of Hearing on the Right to Foreclosure; one half (1/2) thereof after issuance of said Notice; three quarters (3/4) thereof after such hearing; and the greater of the full commission or minimum commission after the initial sale.

Each Owner of a Lot and any trustee appointed hereunder, covenant and agree that in case the appointed trustee or any successor trustee shall die, become incapable of acting, renounce his trust, or for any reason the Association desires to replace such trustee, then the Association may appoint, in writing, a trustee to take the place of the Trustee; and upon the probate and registration of any initial or subsequent appointment of trustee, the trustee thus appointed shall be vested with or succeed to all rights, powers, and duties of the trustee herein described.

In the event the trustee is named as a party to any civil action as trustee in foreclosing the Association's lien rights, the trustee shall be entitled to employ an attorney at law, including the trustee if a licensed attorney, to represent the trustee in such action and the

reasonable attorney's fee of the trustee in such action shall be paid by the Association and added to the outstanding indebtedness which the Association's lien secures and bear interest at the rate provided by the Declaration for unpaid assessments.

Each Owner of any Lot by acceptance of a deed therefor or by incorporation of Property under this Declaration, whether or not it shall be so expressed in such deed or by request to join the Association, is deemed to bargain, sell, grant, give and convey to any such appointed trustee for the benefit of the Association a real property interest in said Lot to secure the Association's lien TO HAVE AND TO HOLD said interest with all privileges and appurtenances thereto belonging to said trustee, his heirs, successors and assigns forever, upon the trust, terms and conditions and for the use as herein set forth.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage granted to a bank, trust company, insurance company or other recognized lending institution. Sale or transfer of any Lot shall not affect the assessment lien. Where the holder of a first mortgage or first deed of trust of record, or other purchaser of a Lot obtains title to the Lot as a result of foreclosure of the first mortgage or first deed of trust, such purchaser and its heirs, successors, and assigns shall not be liable for the assessment against such Lot which became due prior to the acquisition of title to such Lot by such purchaser. Such unpaid assessment shall be deemed to be common expenses collectable from all the Lot Owners including such purchaser, its heirs, successors, and assigns. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage or deed of trust as above provided.

Section 11. Surplus Funds. Any surplus funds of the Association remaining after payment of or provision for common expenses, the funding of any reasonable operating expense surplus and any prepayment of reserves shall be credited to the Owners of the Lots to reduce their future common expense assessments. Any surplus funds of the Association related to funds collected from any Owner of a Lot with respect to assessments related to a Limited Common Element with respect to such Lot shall be credited to the Owner of that Lot.

Section 12. Financial Records.

(a) The Association shall keep financial records sufficiently detailed to enable the Association to comply with the requirements of this Declaration. All financial and other records shall be reasonably made available for examination by any Owner of a Lot and the authorized agents of any Owner of a Lot.

(b) The Association upon written request, shall furnish to an Owner of a Lot or the authorized agents of Owner of Lot a statement setting forth the amount of unpaid assessments and other charges against a Lot. These statements shall be furnished within ten (10) business days after receipt of the request and shall be binding on the Association, the Executive Board and every Owner of a Lot.

ARTICLE VII
ARCHITECTURAL CONTROL

Section 1. Committee. The Association shall maintain an Architectural and Landscape Committee.

Section 2. Approval Required. No addition, painting, alteration, repair, or construction shall be made to the exterior of any improvements on any Lot, Common Elements or Limited Common Elements within the development, without the approval of the Architectural and Landscape Committee. Color combinations for the exterior painting of houses shall be determined by the Architectural and Landscape Committee and any request for change may be denied or approved in the sole discretion of the Architectural and Landscape Committee subject to the following limitations:

- (a) Subject to the allocation of maintenance responsibility set forth in Article VIII, Members shall maintain their premises in good order;
- (b) Members shall maintain the improvements on each Lot in conformance with the original architectural design of the houses; and
- (c) Only colors approved by the architectural review committee will be used on the exterior.

Section 3. Appointment. The Architectural and Landscape Committee shall be appointed by the Executive Board except that during the Declarant Control Period, the members of the Architectural and Landscape Committee shall be appointed by the Declarant, in the Declarant's sole discretion.

Section 4. Size of Committee. The Architectural and Landscape Committee shall have at least three (3) members and as many as ten (10), in the discretion of the Executive Board except that during the Declarant Control Period, the Architectural and Landscape Committee may have as few as one (1) member which may be Declarant.

Section 5. Vacancy. In the event of a vacancy resulting from the death, resignation or removal of a member of the Architectural and Landscape Committee, the Executive Board shall have the right, in its discretion, to appoint one or more new members to fill any vacancy on the Architectural and Landscape Committee except that during the Declarant Control Period, only the Declarant can make appointments to fill any vacancy.

Section 6. Removal. The Executive Board may remove any member of the Architectural and Landscape Committee at anytime with or without cause except that during the Declarant Control Period only the Declarant may remove a member of the Architectural and Landscape Committee.

Section 7. Conflicts. No member of the Architectural and Landscape Committee shall vote on any item before the Architectural and Landscape Committee which relates solely to the use or appearance of a Lot owned by such member except in the case of the Declarant during the Declarant Control Period.

Section 8. Make-up of Committee. At least 2/3 of the members of the Architectural and Landscape Committee must be members of the Association, except that during the Declarant Control Period, the members of the Architectural and Landscape Committee are not required to be members of the Association. The Architectural Review Committee shall meet at such times as designated by the Executive Board, and in any event, at least once each calendar year. A quorum shall be present throughout any meeting of the Architectural and Landscape Committee if at least 50% of the members of the Architectural and Landscape Committee entitled to cast votes are present in person at the beginning of the meeting. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy.

Section 9. Affirmative Majority. An issue to be voted on by the Architectural and Landscape Committee shall be approved if a majority of the members of the Architectural and Landscape Committee entitled to vote thereon votes affirmatively for the approval of such issue.

ARTICLE VIII
MAINTENANCE

Section 1. Internal Maintenance. Each Owner shall be solely responsible, at such Owner's sole cost and expense, for the maintenance of the interior of all improvements located on such Owner's Lot.

Section 2. External Maintenance.

- (a) Each Owner of a Lot shall be solely responsible, at such Owner's sole cost and expense, for the maintenance, repair and replacement of the exterior of the improvements located on such Owner's Lot including, without limitation, all structural supports of the roof and walls, the roof, the walls, the doors, the windows, the shingling of the roof, and all light fixtures attached to, or controlled from within, the improvements located on the Lot; but expressly excluding painting the external walls, soffits and trim of the improvements on each Lot, pressure washing of external walls, soffits and trim of the improvements on each Lot, painting washing all fences which are part of the approved Site Plan, pressure washing all fences which are part of the approved Site Plan and external termite treatments for the improvements on each Lot.
- (b) Except as set forth in Section 2(a) of this Article, the Association shall:

- (i) maintain, repair and replace the Common Elements and the Limited Common Elements including, without limitation, all improvements to the Driveway for each Lot, all landscaping within the Common Elements (including, without limitation, the irrigation of all such landscaping) and all utility lines and facilities within the Common Elements and the Limited Common Elements (including, without limitation, the irrigation of all such landscaping within the Curtilage), and the Neighborhood Walking Path and all costs therefore shall be a part of the assessments to be allocated among the Lots; provided, however, all costs related to the repair and replacement of a Driveway shall be allocated solely to the Lot served by such Driveway; and
 - (ii) be responsible for painting all external walls, soffits and trim of the improvements on each Lot, pressure washing of external walls, soffits and trim of the improvements on each Lot and external termite treatments for the improvements on each Lot.
- (c) Subject to the requirements of Section VI.8(d), in the event that the need for maintenance, repair, or replacement of any aspect of the Common Elements or Limited Common Elements is caused through the willful or negligent act of the Owner, his family, guests, or invitees, the cost of such maintenance, replacement, or repairs incurred by the Association, shall be added to and become a part of the assessment to which such Lot is subject.

Section 3. Self Help. In the event that the Owner of a Lot fails to fulfill its maintenance obligations under this Article, then the Association shall have the right, after giving fifteen (15) days written notice of the failure of such Owner of the specific items of maintenance which needs to be repaired, to perform such item of maintenance itself with all cost incurred by the Association being assessments to be charged to the individual Owner of the Lot.

ARTICLE IX
INSURANCE

Section 1. The Association shall maintain, to the extent reasonably available:

- (a) Property insurance on the Common Elements insuring against all risk of physical loss commonly insured against including fire and extended coverage perils. The total amount of insurance after application of any deductibles shall be not less than 80% of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies; and
- (b) Liability insurance in reasonable amounts, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements.

Section 2. If the insurance that is described in Section 1 of this Article IX is not reasonably available, the Association shall promptly cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners.

Section 3. Insurance policies carried pursuant to this Article shall provide that:

- (a) Each Owner is an insured person under the policy to the extent of the Owner's insurable interest;
- (b) The insurer waives its right to subrogation under the policy against any Owner or member of the Owner's household;
- (c) No act or omission by any Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will preclude recovery under the policy;
- (d) If, at the time of a loss under the policy, there is other insurance in the name of Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

Section 4. Any loss covered by the property insurance policy under Section 1(a) of this Article shall be adjusted with the Association, but the insurance proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any mortgagee or beneficiary under a Deed of Trust. The insurance trustee or the Association shall hold any insurance proceeds in trust for Lot Owners and lien holders as their interests may appear. Subject to the provisions of Section 5 of this Article, the proceeds shall be disbursed first for the repair or restoration of the damaged property, and Owners and Lien Holders are entitled to receive payment of any portion of the proceeds unless there is a surplus of the proceeds after the property has been completely repaired or restored, or the planned community is terminated.

Section 5. Any portion of this planned community for which insurance is required under Section 1(a) of this Article IX which is damaged or destroyed shall be repaired or replaced promptly by the Association unless (i) the planned community is terminated, (ii) repair or replacement would be illegal under any State or local health or safety statute or ordinance, or (iii) the Owners decide not to rebuild by an 80% vote, including 100% approval of Owners assigned to the Limited Common Elements not to be rebuilt. The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense. If any portion of this planned community is not repaired or replaced, (i) the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the planned community, (ii) the insurance proceeds attributable to Limited Common Elements which are not rebuilt shall be disbursed to the Owners of the Lots to which those Limited Common Elements were allocated, or the lien holders, as their interest may appear, and (iii) the remainder of the proceeds shall be

distributed to all the Owners or lien holders as their interest may appear, in proportion to the common expense liabilities of all the Lots.

Section 6. In the event of the termination of the planned community, the insurance proceeds are to held by the Association as trustee for the Owners and the holders of liens on the Lots as their interests may appear and shall be paid or distributed as provided in Article XIV of this Declaration.

ARTICLE X USE RESTRICTIONS

Section 1. Land Use.

(a) All Lots shall be used for residential purposes only and common recreational purposes ancillary thereto and for no other purpose.

(b) Subject to the rights of the Declarant under Article XV, only one family may occupy a Lot as a residence at any one time.

Section 2. Nuisance. No noxious or offensive activity shall be conducted upon any Lot or in any dwelling nor shall anything be done thereon or therein which is or may become an annoyance or nuisance to the neighborhood.

Section 3. Animals. No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other commonly accepted household pets may be kept or maintained provided they are not kept or maintained for commercial purposes. All pets must be kept on a leash when outside and each Lot owner shall be responsible for cleaning up after such owner's pets.

Section 4. Temporary Structures. No structure of a temporary nature shall be erected or allowed to remain on any Lot unless and until permission for the same has been granted by the Association.

Section 5. Use of Common Elements. The Common Elements shall not be used in any manner except as is approved or specifically permitted by the Association.

Section 6. Clothes Drying. No drying or airing of any clothing or bedding shall be permitted outdoors on any Lot or in any other unenclosed area within the Properties.

Section 7. Signs.

(a) **Signs in General.** No signs or other advertising devices shall be displayed upon (i) any Lot which are visible from the exterior of the dwelling thereon, (ii) the Limited Common Elements or (iii) the Common Elements, or in the facilities thereon, without prior written permission of the Association; provided, however, this provision shall not be construed

to limit the use of the use of house numbers subject to compliance with the rules and regulations of the Association and street signs to regulate traffic. Except as otherwise provided in this Section 7 or except as otherwise approved by the Association, no flags shall be displayed upon (i) any Lot which are visible from the exterior of the dwelling thereon, (ii) the Limited Common Elements or (iii) the Common Elements

(b) **United States and North Carolina Flags.** Except as otherwise approved by the Association, no flag of the United States or North Carolina, of a size greater than four feet by six feet and no flag which is displayed in violation of or in a manner inconsistent with the patriotic customs set forth in 4 U.S.C. Section 5-10, as amended, governing the display and use of the flag of the United States.

(c) **Political Signs.** No Political Signs or other political advertising devices shall be displayed upon (i) any Lot which is visible from the exterior of the dwelling thereon, (ii) the Limited Common Elements or (iii) the Common Elements, or in the facilities thereon, without prior written permission of the Association, unless such Political Signs or other political advertising device is displayed (A) no earlier than forty-five (45) days before the day of the election and no later than seven (7) days after the election day to which the Political Sign or political advertising device is related, and (ii) which is of a size the maximum dimensions of which are no more than the greater of (i) 24 inches by 24 inches or (ii) the minimum size allowed by the applicable local government.

Section 8. Recreational Vehicles. No trailers, campers, vans, motorcycles, trucks, boats, recreational vehicles, or vehicles (other than an automobile) may be parked or kept within the confines of the Common Elements or the Limited Common Elements for more than a 48 hour period; provided, however, a golf cart may be parked in any Driveway or immediately adjacent to any Lot provided that (i) such golf cart is in working condition with inflated tires, (ii) the appearance of the golf cart is maintained in a manner consistent with that of golf carts used by the Mid South golf club, (iii) there is no more than one golf cart allowed to be so parked at any Lot, and (iv) complies with any other rules and regulations adopted by the Association from time to time.

Section 9. Automobiles. No automobile may be parked or kept on any Common Elements or Limited Common Elements for a period of more than forty-eight (48) hours unless that automobile has a current license tag and a current inspection and is otherwise in condition to be lawfully used on the public highways of this State.

Section 10. Storage. Except for golf carts as contemplated by Section X.8. above, no items of any nature may be stored on the exterior of any improvement on any Lot except for deck furniture and grills (of a quality at least equal to the architectural standards of the Association) on any porch or patio on the Lot.

Section 11. Satellite Antennae. No antenna of any description including, without limitation, satellite dish antennae may be installed on the exterior of any improvement, on any Limited Common Element or any Common Element.

ARTICLE XI
LEASING

Section 1. Leases. Subject to the rights of the Declarant under Article XV, Owners may not lease any residence on any Lot more than once in any six (6) month period.

Section 2. Subleases and Assignments. Leases on Lots shall not contain a clause allowing subleasing or assignments and no subleases or assignments will be permitted. Rooms may not be rented, separate from the residence on the Lot as a whole, on a permanent or transitory basis.

ARCILE XII
CASUALTY

In the event of a casualty to all or any portion of the improvements located on a Lot, the Owner of the Lot shall have the following obligations:

- (a) In the event that the Improvements located on the Lot have been damaged to such an extent that the damaged improvements must be razed prior to the construction of any additional improvements on the Lot, then such improvements shall be razed within sixty (60) days of the date of the casualty and construction of additional improvements on the Lot shall begin within thirty (30) days after the damaged property has been razed and fully constructed within six (6) months thereafter. In the event that such improvements are not immediately constructed, then the Owner of the Lot shall grade, seed and mulch the razed Lot.
- (b) In the event that the improvements have been damaged by casualty in circumstances other than those set forth in Section 1(a) of this Article, then the Owner shall have a period of sixty (60) days to repair the exterior of the improvements on the Lot consistent with the previously existing improvements.
- (c) All repairs made after a casualty shall be subject to prior approval of the Architectural and Landscaping Committee unless such repair is made in strict conformity with the improvements as such improvements existed immediately before the casualty.

ARTICLE XIII
TERMINATION OF PLANNED COMMUNITY

Section 1. Vote to Terminate. Except in the case of a taking of all the Lots by eminent domain, the planned community may be terminated only by a vote of 80% of the votes entitled to be cast by Owners of the Lots.

Section 2. Agreement to Terminate. An agreement to terminate shall be evidenced by the execution of a termination agreement or ratifications thereof, in the same manner as a deed, by the requisite number of Owners. The termination agreement shall specify a date after which the Agreement will be void unless it is recorded before that date. The termination agreement and all ratifications thereof shall be recorded in every county in which the planned community is situated and shall be effective upon recordation.

Section 3. Sale of Common Elements. The termination agreement may provide for the sale of the Common Elements and shall set forth the minimum terms of the sale.

Section 4. Vesting of Ownership. If the Association elects not to sale the real estate constituting the planned community, the title to Common Elements shall vest in the Owners upon termination as tenant-in-common in proportion to their respective interests as provided in the termination agreement.

Section 5. Association as Trustee. Following the termination of the planned community, the proceeds of any sale of real estate, together with the assets of the Association, are to be held by the Association as trustee for the Owners and the holders of liens on the Lots as their interest may appear.

Section 6. Distribution of Proceeds. If the termination agreement does not provide for the distribution of sale proceeds or for the vesting of title as contemplated by Sections 5 or 6 of this Article, then the sales proceeds shall be distributed and title shall vest in accordance with each Owner's allocated share of common expense liability.

ARTICLE XIV
CONVEYANCE OR ENCUMBRANCE OF COMMON ELEMENTS

Section 1. Conveyance or Encumbrance of Common Elements. The Association may convey or subject to a security interest any portion of the Common Elements if Owners entitled to cast at least 80% of the votes in the Association agree in writing to that action; provided that all the Owners of the Lots to which any Limited Common Element is allocated shall agree in order to convey that Limited Common Element or subject it to a security interest. Distribution proceeds of the sale of a Limited Common Element shall be as provided by agreement between Owners of the Lots to which such Limited Common Element is allocated and the Association.

Proceeds of the sale or financing of a Common Element (other than a Limited Common Element) shall be an asset of the Association.

Section 2. Contract to Convey or Encumber. The Association on behalf of the Owners of the Lots may contract to convey Common Elements or subject them to a security interest, but the contract to so convey or encumber is not enforceable against the Association until approved pursuant to Section 1 of this Article. Thereafter, the Association shall have all powers necessary and appropriate to affect the conveyance or incumbency, free and clear of any interest of any Owner of any Lot or the Association in or to the Common Element conveyed or encumbered, including the power to execute deeds or other instruments.

Section 3. Void Conveyances and Encumbrances. Any reported conveyance, encumbrance or other voluntary transfer of Common Elements, unless made pursuant to this Article, shall be void.

Section 4. Right of Access. No conveyance or encumbrance of Common Elements pursuant to this Article may deprive any Lot of its rights of access and support.

ARTICLE XV
ANNEXATION OF FUTURE PHASES

Section 1. Right to Annex Additional Property. The Declarant shall have the right, from time to time, to annex additional property from the Additional Property for the purpose of adding additional Lots, Common Elements and Limited Common Elements, or any of the foregoing, to the planned community formed by the Property. The Declarant contemplates annexing portions of the Additional Property from time to time in compliance with the Site Plan; however, the Declarant reserves the right to amend the Site Plan from time to time including, without limitation, amendments that would reconfigure proposed lots to among other things eliminate lots, combine lots or create new lots. The Declarant reserves the right to annex portions of the Additional Property without imposing the restriction set forth in Section X.1(b) of this Declaration. The Declarant reserves the right to impose restrictions on portions of the Additional Property that would allow uses other than as single family detached dwellings including, without limitation, multifamily uses that are not owner occupied. The Declarant also reserves the right to improve the Additional Property with improvements other than single family houses. The reservation of this right to annex the Additional Property does not obligate the Declarant to, in fact, annex any of the Additional Property or to construct any improvements thereon, nor shall the Declarant be liable to anyone for the failure to do so.

Section 2. Evidence of Annexation. The annexation of the Additional Property, or any part thereof, by Declarant pursuant to this Article XV shall be evidenced by the filing of a declaration of annexation in which the Declarant expresses Declarant's intention to annex a portion of the Additional Property, describes the portion of the Additional Property to be annexed, describes the character of the annexed property as a Lot, Limited Common Elements or Common Elements, or any combination of the foregoing, and cross references the

declaration of annexation to this Declaration. In such declaration of annexation, the Declarant shall exercise the Declarant's rights reserved to the Declarant under Section XIV.1 to elect out of any provisions of this Declaration that are not intended by the Declarant to be applicable to the portion of the Additional Property being annexed. Such declaration of annexation shall be recorded in the Office of the Register of Deeds in the county in which the Property and the annexed property is located. Upon the annexation of any of the Additional Property, such annexed property shall become a part of the Property, as such term is used in this Declaration, for all intents and purposes of this Declaration.

Section 3. Conveyance to Association. The Declarant shall convey by deed to the Association all right title interest of Declarant in and to the Common Elements and the Limited Common Elements.

**ARTICLE XVI
GENERAL PROVISIONS**

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

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with the land and bind the property for a term of twenty (20) years from the date hereof, after which time they shall be automatically extended for successive periods of ten (10) years unless, prior to the expiration of the then current term, a written instrument shall be executed by the then Owners of eighty percent (80%) of the Lots stating that this Declaration shall expire at the end of the then current term. During the Declarant Control Period, this Declaration may be amended (i) solely by the Declarant, in Declarant's sole discretion, or (ii) by the Owners of eighty percent (80%) or more of the Lots with the consent of the Declarant after the determination by the Declarant, in the Declarant's sole discretion, that such amendment does not affect the present or future development rights of the Declarant. After the Declarant Control Period, this Declaration may be amended by an instrument signed by the Owners of eighty percent (80%) or more of the Lots. Any amendment must be recorded in the Moore County, Registry.

Section 4. Eminent Domain. In the event that any governmental unit or private agency with the right to exercise eminent domain, the rights and obligations of the Owners shall be governed by N.C.G.S. 47F-1-107, as amended, modified or restated from time to time.

Section 4. Conflict. In the event of a conflict between this Declaration, the Articles, Bylaws or any Rules or Regulations adopted by the Executive Board, this Declaration shall control. In the event of a conflict between the Articles, Bylaws or any Rules and Regulations, the Articles shall control. In the event of a conflict between the Bylaws and the Rules and Regulations the Bylaws shall control.

IN WITNESS WHEREOF, a duly authorized representative of the Declarant has executed this Declaration for the purpose of subjecting the Property to this Declaration as of the day and year first set forth above.

CHAMPIONS RIDGE, LLC, a North Carolina limited liability company

By: David G. Ainslie
Name: DAVID G. AINSLIE
Title: Manager

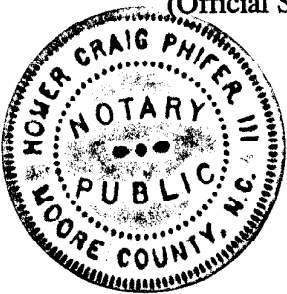
Moore County, State of North Carolina

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: DAVID G. Ainslie (insert name, not title) Manager of Champions Ridge, LLC

Date: 13th of April
2007

Homer Craig Phifer III
Print Name: Homer CRAIG Phifer III
Notary Public
My Commission expires: 27 Sept 2010

(Official Seal)



CONSENT AND APPROVAL OF FOUNDER

The foregoing Declaration has been reviewed and approved by the Founder (as such term is defined in the Mid South Declaration) who is the person required to approve additional covenants and restrictions under Section 20.5 of the Mid South Declaration. If the undersigned is a person or entity other than Plantation Investors, LLC d/b/a Mid South Partners, then the undersigned hereby represents and warrants that the undersigned is the successor and assignee of Plantation Investors, LLC d/b/a Mid South Partners.

The Founder does further hereby acknowledge and agree that the ten foot (10') utility easement along the perimeter of each lot contemplated by Section 13.3 of the Mid South Declaration is an easement along the boundary of the property as shown in the initial plat of the property filed in ~~Plat Cabinet~~ ~~Slide~~ of the Moore County Registry, and is not an easement along the perimeter of each Lot (as defined in this Declaration) or phase of the Property.

Executed as of the 13 day of April, 2007.

FOUNDER:

William Perry
William Perry

Palm Beach County, State of ~~North Carolina~~ Florida WRS

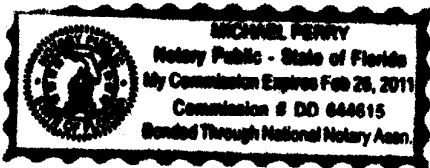
I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: ~~Florida~~ ^{PA} Pennsylvania (insert name, not title): William Perry Driver's License

Date: 4-13-2007

Michael Perry
Print Name: Michael Perry
Notary Public

My Commission expires: 2-26-2011

(Official Seal)



CONSENT AND RELEASE

The undersigned is the holder of the indebtedness secured by that certain North Carolina Future Advance Deed of Trust dated September 2, 2005, and recorded in Book 2882, Page 152, of the Moore County Registry. The undersigned hereby consents to the Declarant entering into the Declaration and the recording of the Declaration in the Moore County Registry. The undersigned hereby consents to the conveyance of title by the Declarant to the Association of the Common Elements and the Limited Common Elements. The undersigned hereby consents to the conveyance of title to the Neighborhood Road to the Mid South Club Property Owners Association. The undersigned hereby releases the lien evidenced by the Deed of Trust on the Common Elements and the Limited Common Elements that form a part of the Property and the Neighborhood Road.

Executed as of the 13TH day of APRIL, 2007.

Michael L. Ainslie

Michael L. Ainslie

The undersigned is the trustee under the above referenced deed of trust and is joining in this Consent and Release at the request of the holder of the indebtedness for the purpose of accomplishing the release contemplated hereby.

John M. May

John M. May

Palm Beach County, State of ~~North Carolina~~ *Florida*

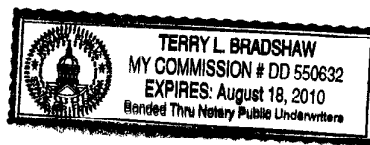
I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: Michael L. Ainslie. (insert name, not title)

Date: 4-13-2007

(Official Seal)

Terry L. Bradshaw

Print Name: Terry L. Bradshaw
Notary Public
My Commission expires: 8-18-2010

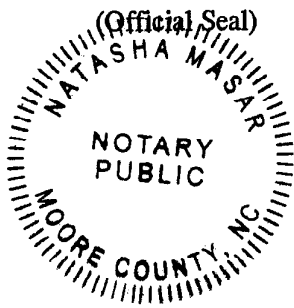


Moore County, State of North Carolina

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: John M. May. (insert name, not title)

Date: 4/18/07

Natasha Masar
Print Name: Natasha Masar
Notary Public
My Commission expires: 8/28/2010



CONSENT AND RELEASE

The undersigned is the holder of the indebtedness secured by that certain (i) Deed of Trust and Security Agreement dated December 15, 2006, and recorded in Book 3148, Page 484; (ii) Assignment of Leases and Rents dated December 15, 2006, recorded in Book 3148, Page 493; (iii) Deed of Trust, Assignment of Rents and Leases and Security Agreement dated September 2, 2005, and recorded in Book 2882, Page 139; and (iv) Deed of Trust and Security Agreement dated December 29, 2006, recorded in Book 3157, Page 342; all of the Moore County Registry. The undersigned hereby consents to the Declarant entering into the Declaration and the recording of the Declaration in the Moore County Registry. The undersigned hereby consents to the conveyance of title by the Declarant to the Association of the Common Elements and the Limited Common Elements. The undersigned hereby consents to the conveyance of title to the Neighborhood Road to the Mid South Club Property Owners Association. The undersigned hereby releases the lien evidenced by the Deed of Trust on the Common Elements and the Limited Common Elements that form a part of the Property and the Neighborhood Road.

Executed as of the 17th day of April, 2007.

FIRST BANK

By: [Signature]
Name: Roger S. Gentry, Jr.
Title: Sr. Vice President

The undersigned is the trustee under the above referenced deeds of trust and is joining in this Consent and Release at the request of the holder of the indebtedness for the purpose of accomplishing the release contemplated hereby.

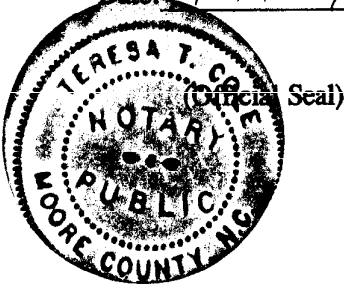
[Signature]
John M. May

Moore County, State of North Carolina

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: Roger S. Gentry, Jr. (insert name, not title) Senior Vice President of First Bank

Date: 4-17-07

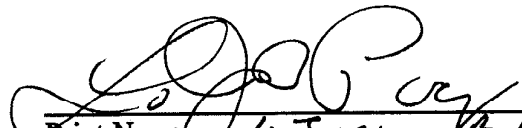
[Signature]
Print Name: TERESA T. Cole
Notary Public
My Commission expires: 4-10-10



Moore County, State of North Carolina

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: John M. May. (insert name, not title)

Date: 4/24/07


Print Name: Lo Juanna B. Pages
Notary Public

My Commission expires: 3/13/2010

