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STATE OF NORTH CAROLINA

COUNTY OF BRUNSWICK

PREPARED BY AND RETURN TO JAMES A. MACDONALD
1508 MILITARY CUTOFF RD, STE 102
WILMINGTON, NC 28403

**DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS
FOR OLDE GEORGETOWNE**

THIS DECLARATION, made the 18th day of JULY, 2007, by SOUTH BRUNSWICK PROPERTIES, LLC, a North Carolina limited liability company, hereinafter referred to as "Declarant" or "Developer" for the purposes hereinafter stated:

WITNESSETH

WHEREAS, Declarant is the owner of that certain real property in Brunswick County, North Carolina, known as OLDE GEORGETOWNE, which is shown on a plat recorded in the Office of the Register of Deeds of Brunswick County, North Carolina, in Map Cabinet 41 at Pages 59 through 63, to which reference is made for a more particular description (the "Property"); and

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the North Carolina Planned Community Act set forth in Chapter 47F of the North Carolina General Statutes (hereinafter the "Act") and the following easements, restrictions, etc., which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the above-described properties 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 any lands, in addition to the Property, annexed to and made a part of the Planned Community pursuant to the provisions of this Declaration, whether such lands are now owned or hereafter acquired by Declarant or others, and whether developed by Declarant or others.

SECTION 2. "Allocated Interests" means the undivided interest in the Common Elements and Common Expense liability and votes in the Association allocated to each Lot.

SECTION 3. "Association" shall mean and refer to OLDE GEORGETOWNE HOMEOWNERS' ASSOCIATION, its successors and assigns.

SECTION 4. "Board" or "Board of Directors" or "Executive Board" shall mean and refer to the body designated in this Declaration or otherwise to act on behalf of the Association.

SECTION 5. "Building" shall mean and include, but shall not be limited to, both the main portion of a structure built for permanent use and all projections or extensions thereof, including, but not limited to, garages, outside platforms and decks, canopies, porches and outbuildings.

SECTION 6. "Common Elements" shall mean all real and personal property, and interests therein, now or hereafter owned or leased by the Association for the common use and enjoyment of Owners as provided under this Declaration, and their Occupants, lessees and employees, including

and not limited to private streets and roads, fences, any directory signage, gravity sewer lines not maintained by a public agency, detention ponds as herein defined.

SECTION 7. "Common Expenses" means the expenses or financial liabilities for the operation of the Association. These include: (i) expenses of administration, maintenance, repair or replacement of the Common Elements; (ii) expenses declared to be Common Expenses whether annual or special by the Planned Community documents or by the Act; (iii) expenses agreed upon as Common Expenses whether annual or special by the Association; and (iv) such reasonable reserves as may be established by the Association, whether held in trust or by the Association, for repair, replacement or addition to the Common Elements or any other real or personal property acquired or held by the Association.

SECTION 8. "Common Expense Liability" means the liability for Common Expenses allocated to each Lot as permitted under the Act, this Declaration, or otherwise by law.

SECTION 9. "Declarant" or "Developer" shall mean and refer to SOUTH BRUNSWICK PROPERTIES, LLC and its successors and assigns as defined in Section 47F-1-103(9) of the Act.

SECTION 10. "Declaration" shall mean this instrument as it may be from time to time modified, amended, or revised.

SECTION 11. "Improvements" shall mean and include, but shall not be limited to, buildings, outbuildings, roads and driveways (other than those dedicated to public use), parking areas, fences, screened walls, retaining walls, loading areas, signs, utilities, lawns, landscaping, irrigation and walkways located on Lots, together with any construction work or treatment done or applied to a Lot in connection therewith and any storm water drainage lines or facilities and any piping related thereto.

SECTION 12. "Limited Common Elements" means the portion of the Common Elements allocated for the exclusive use of one or more but fewer than all of the Lots by the Declaration.

SECTION 13. "Lot" shall mean and refer to any numbered or lettered plot of land shown upon any recorded map of the Property designated for separate ownership by a Lot Owner.

SECTION 14. "Master Association" shall mean a master association as defined in the Act.

SECTION 15. "Members" shall mean and refer collectively to the Members of the Association.

SECTION 16. "Occupant" shall mean any person or entity who occupies, or who has the right to occupy, all or part of any Lot which is a part of the Properties, whether such occupancy or right of occupancy is based on ownership, lease, license or easement.

SECTION 17. "Owner" or "Lot Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot, or any portion thereof, which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 18. "Person" means an individual, corporation, business, trust, estate, trust, partnership, association, joint venture, government, government subdivision or agency, or other legal or commercial entity.

SECTION 19. "Planned Community" shall mean and refer to the Property plus any Additional Property made a part of it by the exercise of any Special Declarant Right.

SECTION 20. "Property" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be bought within the jurisdiction of the Association and this Declaration



SECTION 21. "Purchaser" means any person, other than a declarant or a person in the business of selling real estate for the purchaser's own account, who by means of a voluntary transfer acquires a legal or equitable interest in a Lot, other than (i) a leasehold interest (including renewal options) of less than 20 years, or (ii) as security for the performance of an obligation.

SECTION 22. "Special Declarant Rights" means the rights reserved for the benefit of a Declarant to: (i) complete Improvements indicated on the Plat filed with the Declaration; (ii) exercise any development right reserved to the Declarant by this Declaration or otherwise; (iii) to maintain sales offices, management offices, signs advertising the Planned Community, and models; (iv) use easements through the Common Elements for the purpose of making improvements within the Planned Community; (v) to make the Planned Community part of a larger planned community or group of planned communities; (vi) to make the Planned Community subject to a Master Association; (vii) to appoint or remove any officer or Executive Board Member of the Association or any Master Association during the Declarant Control Period; (viii) to permit other land to be annexed to and made a part of the Planned Community in accordance with the terms of this Declaration, including but not limited to permitting its associate company TRI-STOK PROPERTIES, LLC annex additional land as part of the Planned Community.

ARTICLE II

EASEMENTS

SECTION 1. Owners' Easement of Enjoyment. Every Owner shall have and is hereby granted a right and easement of enjoyment in and to the Common Elements, if any, which shall be appurtenant to and shall pass with the title to every Lot, subject to the provisions of Article III hereof.

SECTION 2. Easements in Favor of Declarant. The following easements are reserved to Declarant, Declarant's successors and assigns:

A. Easements as necessary in the lands constituting the Planned Community for the installation and maintenance of utilities and drainage facilities; including, specifically, the right to grant a 10 foot wide easement over and adjacent to the front property line of each and every Lot and including the right of Declarant to go upon the ground with men and equipment to erect, maintain, inspect, repair and use electric and telephone lines, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water or other public conveniences or utilities on, in or over each Lot and such other areas as are shown on the plat of the Property or any Additional Property recorded or to be recorded in the office of the Register of Deeds of Brunswick County; the right to cut drain ways for surface water whenever such action may appear to the Developer to be necessary in order to maintain reasonable standards of health, safety and appearance; the right to cut any trees, bushes or shrubbery; the right to make any grading of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance; the right to locate wells, pumping stations, and tanks within residential areas, or upon any Lot with the permission of the owner of such Lot; and the right to subject the Property and any Additional Property to a contract with Progress Energy of the Carolinas for the installation of street lighting, which contract requires a continuing monthly payment to Progress Energy of the Carolinas by each resident customer for street lighting service (such rights may be exercised by any licensee of the Declarant, but this reservation shall not be considered an obligation of the Declarant to provide or maintain any such utility or service).

B. Easements over all private streets, if any, access easements, and Common Elements within the Planned Community as necessary to provide access, ingress and egress, to any Additional Property.

C. An easement of unobstructed access over, on, upon, through and across each Lot and the Limited Common Elements located thereon, if any, at all reasonable times to perform any maintenance and repair to the Limited Common Elements required by this Declaration. This easement shall also run in favor of the Association and the Association's agents, employees, successors and assigns.

SECTION 3. Other Easements. The following easements are granted by Declarant to others:

A. An easement is hereby granted to all police, fire protection, ambulance and all similar persons, companies or agencies performing emergency services, to enter upon all Lots and Common Elements in the performance of their duties.

B. In case of any emergency originating in or threatening any Lot or Common Elements, regardless of whether any Lot Owner is present at the time of such emergency, the Association, or any other person authorized by it, shall have the right to enter any Lot for the purpose of remedying or abating the causes of such emergency and making any other necessary repairs not performed by the Lot Owners, and such right of entry shall be immediate.

C. The Association is granted an easement over each Lot for the purposes of providing Lot maintenance when an Owner fails to provide maintenance and upkeep in accordance with this Declaration

D. The Association is granted an easement over each Lot for the purposes of exercising its rights under Article VI, Section 5, of this Declaration.

SECTION 4. Nature of Easements. All easements and rights described herein are perpetual easements appurtenant, running with the land, and shall inure to the benefit of and be binding on the undersigned, its successors and assigns, and any Owner, purchaser, mortgagee and other person having an interest in the Property or any Additional Property, or any part or portion thereof, regardless of whether or not reference is made in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Declaration.

**ARTICLE III
HOMEOWNERS' ASSOCIATION**

SECTION 1. Formation of Association. OLDE GEORGETOWNE HOMEOWNERS' ASSOCIATION is a nonprofit corporation organized pursuant to the Nonprofit Corporation Act of the State of North Carolina for the purpose of establishing an association for the Owners of Lots to operate and maintain the Common Elements and to provide any other services provided in this Declaration or agreed to by a majority of the Members.

SECTION 2. Membership. Every Lot Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from Lot ownership.

SECTION 3. Voting Rights. The Association shall have two classes of voting Membership, defined as follows:

A. *Class A.* Class A Members shall be all of the Owners, with the exception of the Declarant. Class A Members shall be entitled to one (1) vote per each Lot owned. When more than one Person holds an interest in any Lot, all such Persons shall be Members. The vote for such Lot shall be determined by the Members holding an interest in the Lot, but in no event shall more than one (1) vote be cast with respect to any Lot. Fractional voting with respect to any Lot is prohibited.

B. *Class B.* The Declarant shall be a Class B Member and shall be entitled to three (3) votes per each Lot owned. The Class B Membership shall cease and be converted to Class A Membership on the happening of the earliest of any of the following events:

(1) when ninety percent (90%) of the Lots within the Planned Community have been sold or conveyed by the Declarant to purchasers;

(2) December 31, 2017; or

(3) upon the voluntary surrender of all Class B Membership by the Declarant.

SECTION 4. Powers, Privileges, Rights and Obligations. In addition to the rights and powers granted to the Association in its charter and to the rights and powers with regard to assessments set forth in Article IV of this Declaration, the Association shall have and possess and shall perform and exercise the following powers, privileges, rights and duties, subject, however, to the rights of the Declarant contained in Article V hereof:

A. The Association, acting through the Board as described in the Bylaws, shall be entitled to make and amend reasonable rules and regulations governing use of the Common Elements and the conduct of the Owners.

B. The Association shall be responsible for the operation, upkeep, maintenance, protection, preservation, repairs, reconstruction and/or replacement of (i) the Common Elements and improvements and additions thereto, including, but not limited to, private streets and rights of way, and (ii) the Limited Common Elements, if any; (iii) any utility easements or drainage easements used for the benefit of more than one lot owner; provided, however, that in the event that any of the above activities are necessitated by the willful act or active or passive negligence of any Owner, his family, guests, invitees or tenants, or is caused by fire, wind, rain, blowing water, lightning, smoke or other hazard or casualty, and the cost of such maintenance, repair or other activity is not fully covered by insurance, then, at the sole discretion of the Board of Directors of the Association, the cost of the same shall be the personal obligation of the Owner and if not paid to the Association upon demand, may be added to the annual assessment levied against said Owner's Lot.

C. The Association may engage in such other activities as authorized by a majority of the Members.

D. The Association may suspend the voting rights and privileges of an Owner for any period during which any Assessments against the Owner's lot remain unpaid and for a period not to exceed sixty (60) days for an infraction of the published rules and regulations of the Association.

E. The Association may mortgage or convey the Common Elements, or dedicate or transfer all or part of the Common Elements, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by at least eighty percent (80%) of the votes in the Association.

F. The Board of Directors on behalf of the Association, as a Common Expense, may at all times keep the Common Elements and other property of the Association, if any, insured against loss or damage by fire or other hazards and other such risks, including, but not limited to directors' liability and public liability insurance, upon such terms and for such amounts as may be reasonably necessary from time to time to protect such property, which insurance shall be payable in case of loss to the Association for all Members. The Association shall have the sole authority to deal with the insurer in the settlement of claims. Such insurance shall be obtained without prejudice to the right of each Member to insure his personal property for his own benefit at his own expense. In no event shall the insurance coverage obtained by the Association be brought into contribution with insurance purchased by Members or their mortgagees.

SECTION 5. Government Permits. After completion of construction of any facilities required to be constructed by Declarant pursuant to permits, agreements and easements for the Planned Community, all duties, obligations, rights and privileges of the Declarant under any water, sewer, stormwater and utility agreements, easements and permits for the Planned Community with municipal or governmental agencies or public or private utility companies, shall be the duties, rights, obligations, privileges and the responsibility of the Association, notwithstanding that such agreements, easements or permits have not been assigned or the responsibilities thereunder specifically assumed by the Association. There are additional provisions made in this Declaration concerning stormwater facilities and the Stormwater Permit.

SECTION 6. Common Elements. The Association shall at its sole cost and expense be responsible for the operation and maintenance of each Common Element within the Planned Community from the date of completion of its construction or improvement by the Developer, whether or not (i) such Common Element has actually been deeded to the Association, or (ii) any

permit issued by a governmental agency to Declarant for the construction and operation of the Common Element has been transferred from the Declarant to the Association or assumed by the Association. If the Declarant is required by any government agency to provide any operation or maintenance activities to a Common Element for which the Association is liable to perform such operation and maintenance pursuant to this section, then the Association agrees to reimburse the Declarant the cost of such operation and maintenance within thirty (30) days after Declarant renders a bill to the Association therefor. The Association agrees to levy a special assessment within thirty (30) days of receipt of such bill to cover the amount thereof if it does not have other sufficient funds available. Declarant shall be entitled to specific performance to require the Association to levy and collect such special assessment.

ARTICLE IV **COVENANTS FOR ASSESSMENTS**

SECTION 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot, by acceptance of a deed for the Owner's Lot, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association the following assessments (collectively the "Assessments"):

- A. Annual Assessments;
- B. Special Assessments for Capital Improvements;
- C. Insurance Assessments;
- D. Ad Valorem Tax Assessments; and
- E. Working Capital Assessments.

The Assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the respective Lot against which the Assessments are made. Each such Assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

Provided, however, the Declarant shall not be required to pay any working capital or annual assessments on any Lot owned by it prior to its initial sale to another owner or December 31, 2010, whichever occurs first. Provided, further, any lots sold to a builder as a vacant lot will be exempt from annual assessments or working capital assessments for a period of one year or until sold to a third party whichever occurs first.

SECTION 2. Purpose of Annual Assessments. The Annual Assessments levied by the Association shall be used for any of the following purposes: to promote the recreation, health, safety and welfare of the Owners and residents of the Property and Additional Property; to improve and maintain the Common Elements and any Limited Common Elements, including payment of utilities, enforcing this Declaration, paying taxes, insurance premiums, legal and accounting fees and governmental charges, establishing working capital, and in addition, doing any other things necessary or desirable in the opinion of the Association to keep the Common Elements and Limited Common Elements in good operating order and repair; to install, operate, and maintain the central irrigation system; to ensure sufficient replacement reserves, if any are required.

SECTION 3. Annual Assessments. The Board of Directors shall adopt a proposed annual budget at least ninety (90) days before the beginning of each fiscal year. Within thirty (30) days after the adoption of the proposed budget for the Planned Community, the Board shall provide to all Lot Owners a summary of the budget and notice of a meeting to consider its ratification, including a statement that the budget may be ratified without a quorum. The budget is ratified unless at the meeting a majority of all of the Lot Owners in the Association rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Lot Owners shall be continued

until such time as the Lot Owners ratify a subsequent budget proposed by the Board. The Annual Assessment for each Lot shall be established based on the annual budget thus adopted; provided, however, that the first Annual Assessment shall be set by the Declarant prior to the conveyance of the first Lot to an Owner. The due date for payment shall be established by the Board. The Board shall have the authority to require that the Assessments be paid in periodic installments. The Association shall, upon demand, 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.

SECTION 4. Special Assessments. In addition to the Annual Assessments authorized above, the Association may levy, in any assessment year, a Special Assessment applicable to the year only for the purpose of defraying, in whole or in part, the cost of any storm debris clean-up or removal, or any construction, reconstruction, repair, replacement of a capital improvement upon the Common Elements and any Limited Common Elements, including but not limited to all utility rights of way, drainage easements or any other easements for the benefit of the lot owners or the association and fixtures and personal property related thereto, provided that any such assessment shall have the assent of a majority of the Members who are voting in person or by proxy at a meeting duly called for this purpose.

SECTION 5. Insurance Assessment. All premiums on insurance policies purchased by the Board of Directors or its designee pursuant to Article III and any deductibles payable by the Association upon loss shall be a Common Expense, and the Association may in any assessment year levy against the Owners equally an "Insurance Assessment", in addition to the Annual Assessments provided for under Section 3 above, which shall be in an amount sufficient to pay the annual cost of all such deductibles and insurance premiums not included as a component of the Annual Assessment.

SECTION 6. Ad Valorem Tax Assessments. All ad valorem taxes levied against the Common Elements, if any, shall be a common expense, and the Association may in any assessment year levy against the Owners equally an "Ad Valorem Tax Assessment", in addition to the Annual Assessments provided for under Section 3 above, which shall be in an amount sufficient to pay such ad valorem taxes in such year not included as a component of the Annual Assessment.

SECTION 7. Working Capital Assessments. At the time title to a Lot is conveyed to an Owner by Declarant, the Owner shall pay to the Association as working capital an amount equal to two months' assessments. Provided, however, that builders shall not be required to pay any working capital until the Lot is sold to a third party or the property is occupied as a residence, whichever occurs first. Such funds may be used for initial operating and capital expenses of the Association such as prepaid insurance, supplies, and furnishings, fixtures and equipment for the Common Elements, etc. Amounts paid into the working capital fund are not to be considered as advance payment of the Annual or any other assessments. Any working capital funds remaining after the last Lot has been sold by Declarant shall be transferred to and become part of the general funds of the Association, in the discretion of the Board of Directors.

SECTION 8. Rate of Assessment. The Assessments must be fixed at a uniform rate for all Lots similarly situated and may be collected on a monthly basis. The Association may differentiate in the amount of Assessments charged when a reasonable basis for distinction exists, such as between vacant Lots and Lots with completed dwellings for which certificates of occupancy have been issued by the appropriate governmental authority, or when any other substantial difference as a ground of distinction exists between Lots.

SECTION 9. Commencement of Assessments. Assessments for each Lot shall commence upon the date of acceptance by an Owner of a deed from Declarant.

SECTION 10. Effect of Nonpayment of Assessments and Remedies of the Association. Any Assessment or installment thereof not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate allowable by law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Owner's Lot in the same manner as a deed of trust under power of sale as allowed under North Carolina Law. No Owner may waive or otherwise escape liability for the Assessments provided for

herein by non-use of the Common Element or abandonment of his Lot. All unpaid installment payments of Assessments shall become immediately due and payable if an Owner fails to pay any installment within the time permitted.

SECTION 11. Lien for Assessments. The Association may file a lien against a Lot when any Assessment levied against said Lot remains unpaid for a period of thirty (30) days or longer.

A. The lien shall constitute a lien against the Lot when and after the claim of lien is filed of record in the Office of the Clerk of Superior Court of the county in which the Lot is located. The Association may foreclose the claim of lien in like manner as a mortgage on real estate under power of sale under Article 2A of Chapter 45 of the General Statutes. Fees, charges, late charges, fines, interest, and other charges imposed pursuant to Sections 47F-3-102, 47F-3-107, 47F-3-107A and 47F-3-115 of the Act are enforceable as Assessments.

B. The lien under this section shall be prior to all liens and encumbrances on a Lot except: (i) liens and encumbrances (specifically including, but not limited to, a mortgage or deed of trust on the Lot) recorded before the docketing of the claim of lien in the Office of the Clerk of Superior Court, and (ii) liens for real estate taxes and other governmental assessments and charges against the Lot.

C. The lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within three (3) years after the docketing of the claim of lien in the Office of the Clerk of Superior Court.

D. Any judgment, decree or order in any action brought under this section shall include costs and reasonable attorneys' fees for the prevailing party.

E. Where the holder of a first mortgage or deed of trust of record, or other purchaser of a Lot obtains title to the Lot as a result of foreclosure of a first mortgage or first deed of trust, such purchaser and its heirs, successors and assigns shall not be liable for the Assessments against the Lot which became due prior to the acquisition of title to the Lot by such purchaser. The unpaid Assessments shall be deemed to be Common Expenses collectible from all of the Lot Owners including such purchaser, its heirs, successors and assigns.

F. A claim of lien shall set forth the name and addresses of the Association, the name of the record Owner of the Lot at the time the claim of lien is filed, a brief description of the Lot, and the amount of the lien claimed.

SECTION 12. Failure to Assess. Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release or any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Master Association Assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time the Association may retroactively assess any shortfalls in collections.

SECTION 13. Subordination Of The Lien To Mortgage. The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

ARTICLE V

RIGHTS OF DECLARANT/DECLARANT CONTROL PERIOD

The rights, powers, and privileges reserved to the Declarant under this Article shall be in full force and continue until the earlier the following: (a) such time as ninety percent (90%) of the Lots within the Planned Community have been sold or conveyed by the Declarant to purchasers; (b) December 31, 2017; or (c) such time when the Declarant voluntarily relinquishes the rights described

in this Article (the "Developer Control Period"). Management and control can be voluntarily transferred by Declarant to the Owners at any time.

The Declarant shall have and there is hereby reserved to the Declarant, the following rights, powers and privileges which shall be in addition to any other rights, powers and privileges reserved to the Declarant herein:

SECTION 1. The Association. All the powers and duties of the Board of Directors of the Association may be exercised by the Declarant, and the Declarant shall appoint all members of the Board of Directors.

SECTION 2. The Architectural Review Committee. All duties and responsibilities conferred upon the Architectural Review Committee by this Declaration or the By-laws of the Association shall be exercised and performed by the Declarant or its designee, so long as Declarant shall own any Lot within the Property or any Additional Property. Thereafter, the Architectural Committee shall be as designated in Article VI, Section 1.

SECTION 3. Plan of Development. The right to change, alter or redesignate the allocated planned, platted, or recorded use or designation of any of the lands constituting the Planned Community (so long as the Declarant retains title to said lands) including, but not limited to, the right to change, alter or redesignate road, utility and drainage facilities and easements and to change, alter or redesignate such other present and proposed amenities or facilities as may in the sole judgment and discretion of Declarant be necessary or desirable. The Declarant hereby expressly reserves unto itself, its successors and assigns, the right to re-plat any one (1) or more Lots shown on the plat of any subdivision of the Property or Additional Property in order to create one or more modified Lots; to further subdivide tracts shown on any such subdivision plat into two or more Lots; to recombine one or more tracts or Lots or a tract and Lots to create a larger tract; to eliminate from this Declaration Lots that are not otherwise buildable or are needed for access or are needed for use as private roads or access areas, and to take such steps as are reasonably necessary to make such replatted Lots or tracts suitable and fit as a building site or access area or roadway.

SECTION 4. Amendment of Declaration by the Declarant. The right to amend the Declaration as follows:

- A. In any respect, prior to the sale of the first Lot.
- B. To the extent this Declaration applies to Additional Property.
- C. To correct any obvious error or inconsistency in drafting, typing or reproduction.
- D. To qualify the Association or the Property and Additional Property, or any portion thereof, for tax exempt status.
- E. To include any platting change as permitted herein.

F. To conform this Declaration to the requirements of any law or governmental agency having legal jurisdiction over the Property or any Additional Property or to qualify the Property or any Additional Property or any Lots and improvements thereon for mortgage or improvement loans made, insured or guaranteed by a governmental agency or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by, or under the substantial control of the United States Government or the State of North Carolina, regarding purchase or sale of such Lots and improvements, or mortgage interests therein, as well as any other law or regulation relating to the control of property, including, without limitation, ecological controls, construction standards, aesthetics, and matters affecting the public health, safety and general welfare. A letter from an official of any such corporation or agency, including, without limitation, the Veterans Administration, U. S. Department of Housing and Urban Development, the Federal Home Loan Mortgage Corporation, Government National Mortgage Corporation, or the Federal National Mortgage Association, requesting or suggesting an amendment necessary to comply with the requirements of such corporation or agency shall be sufficient evidence of the approval of such

corporation or agency, provided that the changes made substantially conform to such request or suggestion. Notwithstanding anything else herein to the contrary, only the Declarant, during the Developer Control Period, shall be entitled to amend this Declaration pursuant to this Section 4F.

SECTION 5. Rejection of Amendment by Members. The right to veto or reject any amendment to the Declaration approved by the Members during the Declarant Control Period.

SECTION 6. Sales Offices/Models/Signs. The right to maintain sales offices, models and the like relating to construction, sale, or rental of Lots and dwellings thereon. The Declarant shall also have the right to place "For Sale" or "For Rent" signs on any Lot, and the Declarant may assign this right to any other Person or entity it so chooses.

ARTICLE VI

USE RESTRICTIONS AND ARCHITECTURAL REVIEW

SECTION 1. Building and Site Improvement. No dwelling, wall or other structure, including fences, shall be commenced, erected, or maintained upon any Lot, nor shall any exterior addition to or change in or alteration therein (including painting or repainting of exterior surfaces) be made until the plans and specifications showing the nature, kind, shape, heights, materials, colors and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Declarant, or its designee, or, after the sale of all Lots by Declarant, by the Board of Directors of the Association, or by an Architectural Review Committee composed of three (3) or more representatives appointed by the Board. In the event the Declarant, or its designee, or, if applicable, the Board, or the Architectural Review Committee, fails to approve or disapprove such design and location within sixty (60) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Refusal or approval of any such plans, location or specification may be based upon any ground, including purely aesthetic and environmental considerations, that in the sole and uncontrolled discretion of the Declarant, the Board, or Architectural Review Committee shall be deemed sufficient. One copy of all plans and related data shall be furnished to the Declarant, the Board, or Architectural Review Committee, as the case may be, for its records. Neither the Declarant, the Board, nor the Architectural Review Committee shall be responsible for any structural or other defects in plans and specifications submitted to it or any structure erected according to such plans and specifications.

SECTION 2. Approval of Plans.

A. No house plans will be approved unless the proposed house shall have a minimum of 1,400 square feet of enclosed, heated dwelling area. Provided, however, Declarant reserves the right to allow a variance for the minimum enclosed, heated dwelling area of up to ten percent (10%) of the stated minimum, 1,400 square feet. The term "enclosed, heated dwelling area" as used in the minimum requirements shall be the total enclosed area within a dwelling which is heated by a common heating system; provided, however, that such term does not include garages, terraces, decks, open porches, and like areas.

B. Since the establishment of inflexible building setback lines for location of houses on lots tends to force construction of houses directly to the side of other homes with detrimental effects on privacy, view, preservation of important trees and other vegetation, ecological and related considerations, no specific setback lines shall be established by this Declaration. In order to assure, however, that the foregoing considerations are given maximum effect, the site and location of any house or dwelling or other structure upon any lot shall be controlled by and must be approved absolutely by the Declarant, the Board, or the Architectural Review Committee, as the case may be.

C. The exterior of all houses and other structures must be completed within twelve (12) months after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the Owner or builder, due to strikes, fires, national emergency or natural calamities.

D. No structure shall be erected, altered, placed or permitted to remain on any Lot,

except one single family dwelling not to exceed two and one-half stories in height. No garage apartments are allowed.

E. All service utilities, fuel tanks, and wood piles are to be enclosed within a wall or plant screen of a type and size approved by the Declarant, the Board or the Architectural Review Committee, so as to preclude the same from causing an unsightly view from any highway, street or way within the subdivision, or from any other residence within the subdivision. All mail and newspaper boxes shall be uniform in design. Design for mail and newspaper boxes shall be furnished by Declarant. Fences shall be permitted on any Lot; provided, however, that the design and materials of any fence are approved by the Declarant, the Board, or the Architectural Review Committee, as the case may be, and provided further, that no fence shall be over six feet in height or forward of the rear corner of the house or dwelling erected on the Lot. Clotheslines are not permitted on any Lot.

F. Off street parking for not less than two (2) passenger automobiles must be provided on each Lot prior to the occupancy of any dwelling constructed on said Lot which parking areas and the driveways thereto shall be constructed of concrete, brick, asphalt, or turf stone, or any other material approved by Declarant, the Board or Architectural Review Committee. Automobiles and other permitted motor vehicles shall be parked on the designated off street parking areas of each Lot. The Board may adopt further rules and regulations relating to parking pursuant to its authority to enact reasonable rules and regulations for the Planned Community.

SECTION 3. Land Use and Building Type. No Lot shall be used for any purpose except for residential purposes. All numbered Lots are restricted for construction of single family dwellings only. Different and amended land use restrictions and Architectural Review guidelines may be established for Additional Property added to the Development by Declarant; provided, however, that no Lot may be used for other than single family dwellings except pursuant to approval of the Members in accordance with this Declaration.

SECTION 4. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. There shall not be maintained any plants or animals, nor device or thing of any sort whose normal activities or existence are in any way noxious, dangerous, unsightly, unpleasant or other nature as may diminish or destroy the enjoyment of other Lots by the Owners thereof. It shall be the responsibility of each Owner to prevent the development of any unclean, unsightly or unkept condition of buildings or grounds on the Owner's Lot which would tend to substantially decrease the beauty of the neighborhood as a whole or the specific area.

SECTION 5. Lot Maintenance. Each Lot Owner shall keep his Lot free from weeds, underbrush or refuse piles, or unsightly growth or objects. In the event the Owner fails to do so, then, after thirty days notice from the Architectural Review Committee, the Association or its designee may enter upon the Lot and remove the same at the expense of the Owner, and such entry shall not be deemed a trespass, and in such event a lien shall arise and be created in favor of the Association for the full amount of the cost thereof chargeable to such Lot, including collection costs and administrative expenses, and such amounts shall be due and payable within thirty (30) days after the Owner is billed therefor. Such lien shall be enforceable by Court proceedings as provided by law for enforcement of liens.

SECTION 6. Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot any time as a residence either temporarily or permanently without the written consent of the Association or its designee; provided, however, that this shall not prevent the Declarant, its designees or assigns from maintaining a construction trailer or office on any part of the Development until the construction of dwellings on all Lots is completed. Provided that any temporary structure must comply with all governmental laws regulations whether state or local pertaining to said structures. However, nothing herein shall be meant to prevent the construction (with Developer's consent) of storage and utility buildings. It is the express intention of the Developer that no trailer or mobile home (including a double-wide mobile home) shall be allowed on said property. Nothing herein shall be construed to prevent the use, upon Developer's approval, as set forth above, of a prefabricated or modular home as long as same is consistent with the general development and the standards of quality of said subdivision and is not materially detrimental to the value of the subdivided Lots in said subdivision.

SECTION 7. Vehicles/Boats. No boat, motor boat, camper, school bus, trailer, motor or mobile homes, tractor/trailer, (including vehicles rated to handle over one ton) or similar type vehicle, shall be permitted to remain on any Lot or on any street at any time, without the written consent of the Association or its designee. The Association's consent may be conditioned on keeping said vehicles or boats in a fenced or screened area in the rear yard as approved by the Association. No inoperable vehicle or vehicle without current registration and insurance, will be permitted on any Lot, street or Common Element. The Association shall have the right to have all such vehicles towed away at the owner's expense. No repairs to any vehicle may be made on streets or in driveways but only in garages or other areas and not visible from the street. Due to noise concerns, safety, liability and property damage reasons, no motorized, gas or electric vehicles, including dirt bikes and all terrain vehicles (ATV's) are permitted on the Common Element/Open Space or grounds of the properties or on lots yet to be built on. Only maintenance equipment needed to maintain the grounds is exempt from this rule.

SECTION 8. 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 household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and do not exceed three (3) pets in one household, and provided further that they are not allowed to run free, are at all times kept properly leashed or under the rule of their owner and do not become a nuisance to the neighborhood. The Association may adopt reasonable rules regarding household pets designed to minimize damage and disturbance to other Owners and occupants, including rules requiring damage deposits, waste removal, leash controls, noise controls to include bark collars, pet occupancy limits based on size and facilities of the Lot and fair share use of the Common Elements. Nothing in this provision shall prevent the Association from requiring removal of any animal that presents an actual threat to the health or safety of residents or from requiring abatement of any nuisance or unreasonable source of annoyance. No Owner shall be permitted to raise, breed or keep mammals, birds, fish, or reptiles of any kind for commercial purposes

SECTION 9. Statuary, Television Satellite Dishes and Antennas. No yard statuary or TV satellite signal receiving dishes are permitted on any Lot and no outside radio or television antennas shall be erected on any Lot or dwelling unit unless and until permission for the same has been granted by the Board of Directors of the Association or its Architectural Review Committee. Provided, however, an owner may install a satellite dish not exceeding 24 inches without further approval provided said satellite dish is installed in the rear portion of the yard or the rear portion of the dwelling.

SECTION 10. Exterior Lights. All light bulbs or other lights installed in any fixture located on the exterior of any building or any Lot for the purpose of illumination shall be clear, white or non-frost lights or bulbs.

SECTION 11. Landscaping. Prior to initial occupancy of the residence constructed on each Lot, the front yard, side yard, and rear yard areas of such Lot must be sodded; provided, however, that any areas to be used as planting beds for trees and shrubs need not be sodded so long as such beds are planted prior to initial occupancy of the Lot. The Declarant, the Board or the Architectural Review Committee, as the case may be, may on account of adverse weather conditions or for other good cause shown permit such landscaping to be done within a period of six months after initial occupancy of the residence.

Each Lot Owner shall be required to maintain sodding in the front, side, and rear yard areas of the Lot in order to prevent erosion, stormwater runoff, and any damage to wetlands, drainage easements, ditches, swales, and any other stormwater runoff basins or facilities on the Property. The sod and landscaping shall be maintained by the Lot Owner in a healthy and lush condition at all times, and dead or unhealthy sod, trees, plants, or other vegetation shall be promptly removed and replaced. Furthermore, each Lot Owner shall indemnify and hold harmless the Declarant, and/or the Association, as the case may be, from any cost, claim, or expense arising from any damages to wetlands, drainage easements, ditches, swales, and any other stormwater runoff basins or facilities caused by the failure of the Lot Owner to maintain sodding in the front, side, and rear yard areas of the Lot.

SECTION 12. Signs. Except for lots upon which are located model homes constructed by builders approved by the Declarant, no signs of any type or description shall be placed on or

displayed on any residential lot except signs "For Rent" or "For Sale," which signs shall not exceed six square feet in size. Model homes, including unrestricted signage, may remain in use as models as long as there are lots available for sale in said subdivision. Notwithstanding any language to the contrary, builders may erect in Common Elements temporary directional signs or signage not larger than ten square feet in size.

SECTION 13. Religious/Holiday Decorations. Religious and/or holiday decorations are permitted, subject, however, to reasonable rules and regulations which the Association may adopt regarding the time, place, and manner in which such decorations may be displayed.

SECTION 14. Alterations. No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Elements except the direction or with the express written consent of the Association.

SECTION 15. Subdividing. Subject to the provisions of Article V hereof, no Lot shall be subdivided, or its boundary lines changed except with the prior written consent of the Declarant during the period of Declarant control of the Association and thereafter by the Board of Directors of the Association.

ARTICLE VII **ANNEXATION OF ADDITIONAL PROPERTY**

SECTION 1. Assent of Members. Declarant or any successor or assignee of the Declarant or TRI-STOK PROPERTIES, LLC, a North Carolina Limited Liability Company which is an associate company to the Declarant, may annex to and make a part of the Development any other real property which Declarant or TRI-STOK PROPERTIES, LLC now owns or which Declarant or TRI-STOK PROPERTIES, LLC may hereafter acquire or develop (the "Additional Property"), as follows:

A. Except as provided in subparagraph B, below, annexation of Additional Property to the Development shall require the assent of a majority of the Members who are voting in person or by proxy at a meeting called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

B. Additional Property may be annexed to the Development by the Declarant or its successors or assigns or by TRI-STOK PROPERTIES, LLC, without the assent of the Members so long as the Additional Property can be used only for residential purposes and related facilities usually appurtenant to residential developments, recreational facilities and Common Elements.

SECTION 2. Recording. Annexation of Additional Property shall occur upon the recording, in the Office of the Register of Deeds for the county where the Additional Property is located, of (i) a subdivision plat for the Additional Property and (ii) a supplemental declaration stating that the Additional Property is made a part of the Development and is subject to this Declaration. Upon recording of such plat and supplemental declaration, the Additional Property shall become fully subject to the terms of this Declaration, except to the extent that pursuant to Article V, Section 4 hereof, the Declarant amends the applicability of this Declaration to the Additional Property.

SECTION 3. Name. Nothing herein shall prevent Declarant from using the name "OLDE GEORGETOWNE" in conjunction with the development of other real property which is not made part of the Development and subject to this Declaration.

ARTICLE VIII **INSURANCE AND BONDS**

SECTION 1. Insurance. Commencing not later than the time of the first conveyance of a Lot to a Person that is not a Declarant, it shall be the duty of the Association to maintain in effect casualty and liability insurance as follows to the extent it is reasonably available:

A. All insurance policies upon the Common Elements shall be secured by the Board of Directors, or its designee on behalf of the Association which shall obtain such insurance against (1) loss or damage by fire or other hazards normally insured against in an amount after application of

any deductibles of not less than eighty percent (80%) of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date exclusive of land excavation, foundations and other items normally excluded from property policies, and (2) such other risks, including public liability insurance, as from time to time shall be customarily required by private institutional mortgage investors for projects similar in construction, location and use as the Planned Community and the improvements thereon for at least \$1,000,000.00 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries, and deaths of persons in connection with the operation, or maintenance or use of the Common Elements and legal liability arising out of lawsuits relating to employment contracts of the Association. If the insurance described in subsection (a) of this section is not reasonably available, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Lot Owners;

B. The Board of Directors shall make diligent efforts to insure that said insurance policies provide for the following:

(1) a waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent or employee of the Association, the Lot Owners and their employees, agents, tenants and invitees;

(2) a waiver by the insurer of its right to repair and reconstruct instead of paying cash;

(3) coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty days prior written notice to the named insured and all mortgagees;

(4) coverage will not be prejudiced by act or neglect of the Lot Owners when said act or neglect is not within the control of the Association or by any failure of the Association to comply with any warranty or condition regarding any portion of the Planned Community over which the Association has no control.

(5) the master policy on the Planned Community cannot be cancelled, invalidated or suspended on account of the conduct of any one or more individual Lot Owners;

(6) the master policy on the Planned Community cannot be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Board of Directors without prior demand in writing that the Board of Directors cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured;

(7) each Lot Owner is an insured person under the policy to the extent of the Lot Owner's insurable interest;

(8) if at the time of a loss under the policy, there is other insurance in the name of a Lot Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

C. All premiums on such insurance policies and any deductibles payable by the Association upon loss shall be a Common Expense;

D. All insurance policies purchased pursuant to these provisions shall provide that all proceeds thereof shall be payable to the Board as insurance trustee or to such attorney-at-law or institution with trust powers as may be approved by the Board of Directors who shall hold any such insurance proceeds in trust for Lot Owners and lien holders as their interest may appear;

E. All insurance policies purchased by the Board of Directors shall be with a company or companies permitted to do business in the State of North Carolina and holding a rating of "A" or better by the current issue of Best's Insurance Reports. All insurance policies shall be written for the benefit of the Board of Directors and the Lot Owners and their mortgagees as their respective interests may appear, and shall provide that all proceeds thereof shall be payable to the Board of

Directors and duplicates of said policies and endorsements and all renewals thereof, or certificates thereof, together with proof of payment of premiums, shall be delivered to the Owners at least ten (10) days prior to the expiration date with respect to the then current policies. Duplicates shall also be obtained and issued by the Association to each mortgagee, if any upon request of such mortgagee;

F. If the Association shall determine that it would be more economically feasible in lieu of the Association maintaining a master policy for the entire Planned Community, for the Lot Owners to purchase insurance policies covering each Lot and Lot Owner individually, then upon the assent of sixty-seven percent (67%) of the Members (which votes may be cast in person or by proxy) who are eligible to vote at a meeting duly called for such purpose, the insurance coverage for the entire Planned Community, may be turned over to the Members to purchase individual policies under such terms and conditions as the Association may prescribe. If the responsibility for maintaining the insurance coverage on the Planned Community is turned over to the individual Lot Owners under the provisions of this paragraph, then the Association shall be named as additional insured on each policy, each Lot shall be insured for its full replacement value and the provisions of this Section shall be modified accordingly;

G. Subject to the provisions of Section 47F-3-113(g) of the Act the proceeds of insurance policies shall be distributed to or for the benefit of the beneficial owners in the following manner:

- (1) all reasonable expenses of the insurance trustee shall be first paid or provision made therefor;
- (2) the remaining proceeds shall be used to defray the cost of repairs for the damage or reconstruction for which the proceeds are paid. Any proceeds remaining after defraying such cost shall be distributed to the beneficial owners, including lienholders of record, or retained by the Association for such common expenses or purposes as the Board shall determine.

SECTION 2. Fidelity Bond. The Association may maintain blanket fidelity bonds for all officers, directors, employees and all other persons handling or responsible for funds of the Association, as follows (provided, however, that if the Association shall delegate some or all of the responsibility for the handling of its funds to a management agent, such fidelity bonds shall be maintained by such management agent for its officers, employees and agents handling or responsible for funds of or administered on behalf of the Association):

A. The total amount of fidelity bond coverage required shall be based upon best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three months aggregate assessments on all units plus reserve funds;

B. Fidelity bonds required herein must meet the following requirements:

- (1) fidelity bonds shall name the Association as an obligee;
- (2) the bonds shall contain waivers by the issuers of the bonds of all defenses upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions;
- (3) the premiums on all bonds required herein for the Association (except for premiums on fidelity bonds maintained by a management agent for its officers, employees and agents) shall be paid by the Association as a common expense;
- (4) the bonds shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days prior written notice to the Association, to any insurance trustee and each institutional holder of a first lien on any Lot.

ARTICLE IX
LOTS SUBJECT TO DECLARATION AND ENFORCEMENT

SECTION 1. Lots Subject to Declaration. The covenants and restrictions contained in this Declaration are for the purpose of protecting the value and desirability of the Planned Community and the Lots contained in it. All present and future Owners, tenants and occupants of Lots and their guests or invitees, shall be subject to, and shall comply with the provisions of the Declaration, and as the Declaration may be amended from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any Lot shall constitute an agreement that the provisions of the Declaration are accepted and ratified by such Owner, tenant or occupant. The covenants and restrictions of this Declaration shall run with and bind the land and shall bind any person having at any time any interest or estate in any Lot, their heirs, successors and assigns, as though such provisions were made a part of each and every deed of conveyance or lease, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless terminated by the Lot Owners.

SECTION 2. Enforcement and Remedies. The covenants and restrictions of this Declaration shall inure to the benefit of and be enforceable (by proceedings at law or in equity) by the Association, or the Owner of any Lot, their respective legal representatives, heirs, successors and assigns. The Executive Board shall be entitled to enforce its Articles of Incorporation, Bylaws and Rules and Regulations. In addition to the remedies otherwise provided for herein concerning the collection of Assessments, the following remedies shall be available:

A. In the event an Owner (or other occupant of a Lot) is in violation of or fails to perform any maintenance or other activities required by this Declaration, the Association's Bylaws, Charter or Rules and Regulations, the Executive Board or its designee, after thirty (30) days notice, may enter upon the Lot and remedy the violation or perform the required maintenance or other activities, all at the expense of the Owner, and such entry shall not be deemed a trespass. The full amount of the cost of remedying the violation or performing such maintenance or other activities and shall be chargeable to the Lot, including collection costs and reasonable attorneys' fees. Such amounts shall be due and payable within thirty (30) days after Owner is billed. If not paid within said thirty (30) day period, the amount thereof may immediately be added to and become a part of the Annual assessment levied against said Owners Lot. In the event that any maintenance activities are necessitated to any Common or Limited Common Elements by the willful act or active or passive negligence of any Owner, his family, guests, invitees or tenants, and the cost of such maintenance, repair or other activity is not fully covered by insurance, then, at the sole discretion of the Board of Directors of the Association, the cost of the same shall be the personal obligation of the Owner and if not paid to the Association upon demand, may immediately be added to and become a part of the Annual assessment levied against said Owner's Lot. Notwithstanding the foregoing, the Association shall not have a lien for the cost of any maintenance and repairs mentioned in this section if the Association is obligated to make such repairs or conduct such maintenance by virtue of yards or structures being Limited Common Elements.

B. The Association may in accordance with the procedures set forth in the Act establish a schedule of and collect fines for the violation of this Declaration or of the Association's Articles of Incorporation, Bylaws or Rules and Regulations. If an Owner does not pay the fine when due, the fine shall immediately become a part of and be added to the Annual assessment against the Owner's Lot and may be enforced by the Association as all other Assessments provided for herein.

C. The Association may in accordance with the procedures set forth in the Act suspend all services and privileges provided by the Association to an Owner (other than rights of access to Lots) for any period during which any Assessments against the Owner's lot remain unpaid for at least thirty (30) days or for any period that the Owner or the Owners Lot is otherwise in violation of this Declaration or the Association's Charter, Bylaws, or Rules and Regulations.

SECTION 3. Miscellaneous. Failure by the Association or by an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The remedies provided herein are cumulative and are in addition to any other remedies provided by law.



ARTICLE X GENERAL PROVISIONS

SECTION 1. Enforcement. The Declarant, 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 an 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. Enforcement of Storm Water Runoff Regulations. The covenants contained in this section are intended to insure continued compliance with storm water runoff rules adopted by the State of North Carolina and, therefore, may be enforced by the State of North Carolina. Any Owner may in accordance with applicable governmental regulations borrow from another Owner any Built Upon Area which is not being utilized by the other Owner. Such transaction need not be approved by any Owners, other than those involved in the transaction, by the Declarant or by the Association.

A. Swales shall not be filled in, piped, or altered except as necessary to provide driveway crossings.

B. Built-upon area in excess of the permitted amount requires state stormwater management permit modification prior to construction.

C. All permitted runoff from out parcels or future development shall be directed into the permitted stormwater control system. These connections to the stormwater control system shall perform in a manner that maintains the integrity and performance of the system as permitted.

D. Nothing other than grass shall be allowed or permitted to be placed within any drainage, water or sewer easement that is established on any lot by the map of said Section referenced above. Not by way of limitation, but by way of example, shrubs, trees and other vegetation, fences, walls, storage buildings and all other structures and improvements, of whatever nature or kind, are prohibited from being located within any such easement area.

E. Although not required, owners are encouraged to grade and maintain along the side lot lines of their lots a swale or depression sufficient in size to encourage surface water drainage. Owners shall not alter or impede in any way a naturally occurring drainage way or a swale constructed or provided by the Developer along lot lines.

F. Any and all erosion from said lot occurring at the time of occupancy of any residence constructed on said lot must be stabilized and controlled as described hereinabove within sixty (60) days of occupancy of said residence by the owner of record.

G. The following covenants are intended to ensure ongoing compliance with State Stormwater Management Permit Number SW8 061013, as issued by the Division of Water Quality under NCAC 2H.1000:

(1) The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the Stormwater Management Permit.

(2) These covenants are to run with the land and be binding on all persons and parties claiming under them.

(3) The covenants pertaining to stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality.

(4) Alteration of the drainage as shown on the approved plans may not take place without the concurrence of the Division of Water Quality.

(5) The maximum allowable built-upon area for all Lots is 3,400 square feet per Lot. This allotted amount includes any built-upon area constructed within the lot property boundaries, and that portion of the right-of-way between the front lot line and the edge of the

pavement. Built upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, coquina and parking areas, but does not include raised, open wood decking, or the water surface of swimming pools.

(6) Filling in, piping or altering any 3:1 vegetated conveyances (ditches, swales, etc.) associated with the development except for average driveway crossings, is prohibited by any persons.

(7) Lots within CAMA's Area of Environmental Concern may have the permitted built-upon area reduced due to CAMA jurisdiction within the AEC.

(8) Filling in, piping or altering any designated 5:1 curb outlet swale or vegetated area associated with the development is prohibited by any persons.

(9) A 30' vegetated buffer must be maintained between all built-upon area and the Mean High Water line of surface waters.

(10) All roof drains shall terminate at least 30' from the Mean High Water mark.

(11) Each designated curb outlet swale or 100' vegetated area shown on the approved plan must be maintained at a minimum of 100' long, maintain 5:1(H:V) side slopes or flatter, have a longitudinal slope no steeper than 5%, carry the flow from a 10 year storm in a non-erosive manner, maintain a dense vegetated cover, and be located in either a dedicated common area or a recorded drainage easement.

SECTION 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

SECTION 4. Lots Subject to Declaration. All present and future Owners, tenants and occupants of Lots and their guests or Invitees, shall be subject to, and shall comply with the provisions of the Declaration, and as the Declaration may be amended from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any Lot shall constitute an agreement that the provisions of the Declaration are accepted and ratified by such Owner, tenant or occupant. The covenants and restrictions of this Declaration shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot, their respective legal representatives, heirs, successors and assigns, and shall run with and bind the land and shall bind any person having at any time any interest or estate in any Lot, as though such provisions were made a part of each and every deed of conveyance or lease, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years.

SECTION 5. Amendment of Declaration. Except as provided elsewhere herein, the covenants and restrictions of this Declaration may be amended only by an instrument duly recorded in the Office of the Register of Deeds of the county where the Development is located, executed by the duly authorized officers of the Association upon the vote of not less than sixty-seven percent (67%) of the votes in the Association; provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements, as herein provided, or affect any lien for the payment thereof established herein. In no event may the Declaration be amended so as to deprive the Declarant of any rights herein granted or reserved unto Declarant.

SECTION 6. Private Streets. The streets and rights of way over and across the Property are private and included as part of the Common Elements. The Association shall maintain the streets and rights of way on the Property as provided for in Article III of this Declaration, and the Association may levy assessments for the improvement and maintenance of the streets and rights of way in accordance with Article IV of this Declaration. The streets and rights of way over and across the Property shall remain private unless and until the said streets and rights of way are dedicated to and accepted by a public body.

SECTION 7. North Carolina Planned Community Act. It is the intent of the Declarant to comply with the requirements imposed on the Planned Community by the Act, and to the extent any of the terms in this Declaration are in conflict with the Act, the terms of the Act shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Declaration to be executed in their corporate name by its duly authorized officers this the 18th day of July, 2007.

Declarant:

SOUTH BRUNSWICK PROPERTIES, LLC

By: [Signature] (SEAL)

Name: Jon T. Vincent

Title: Member/Manager

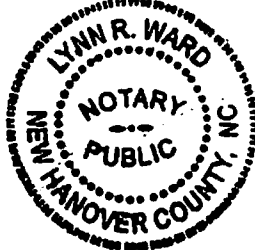
STATE OF NORTH CAROLINA
COUNTY OF New Hanover

I, Lynn R. Ward, a Notary Public in and for said County and State, do hereby certify that Jon T. Vincent personally came before me this day and acknowledged that he is Member/Manager of SOUTH BRUNSWICK PROPERTIES, LLC, a North Carolina limited liability company, which is the company described in and which executed the foregoing instrument; that he executed said instrument in the company name by subscribing his name thereto. [CHECK ONE] ☒ (i) I have personal knowledge of the identity of the principal; or ☐ (ii) I have seen satisfactory evidence of the principal's identity by a current state or federal identification, with the principal's photograph, in the form of a _____.

WITNESS my hand and notarial seal, this the 18th day of July, 2007.

[Signature]
Notary Public

My commission expires: 5-18-08



3
Presenter Alexander Ricks Ret: mail
Total 26. Rev 24 Int. 24
Ck \$ 26. Ck # 1065 Cash \$
Refund: Cash \$ Finance
☐ Portions of document are illegible due to condition of original.
☐ Document contains seals verified by original instrument that cannot be reproduced or copied.

Prepared by and return to: Alexander Ricks PLLC
4601 Park Road, Suite 580
Charlotte, NC 28209

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

AMENDMENT TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR OLDE GEORGETOWNE

THIS AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR OLDE GEORGETOWNE (this "Amendment") is executed as of this 17th day of August, 2015, by **REO FUNDING SOLUTIONS III, LLC**, a Georgia limited liability company ("Declarant").

WITNESSETH:

WHEREAS, Declarant, by that certain Assignment of Declarant Rights dated March 13, 2013 recorded in Deed Book 3383, Page 1238, in the Office of the Brunswick County Register of Deeds (the "Register of Deeds") is the "Declarant" under that certain Declaration of Covenants, Conditions and Restrictions for Olde Georgetowne dated July 18, 2007 and recorded in Deed Book 2644, Page 69, as amended in Deed Book 2698, Page 590 in the Register of Deeds (as amended and supplemented from time to time, the "Declaration"); and

WHEREAS, Article X, Section 5 of the Declaration provides that the covenants and restrictions of the Declaration may be amended by an instrument duly recorded in the Register of Deeds signed by not less than sixty-seven percent (67%) of the Lot Owners (as such terms are defined in the Declaration); and

WHEREAS, Declarant owns more than sixty-seven percent (67%) of the Lots; and

WHEREAS, Declarant wishes to amend the Declaration as more fully set forth herein.

NOW, THEREFORE, Declarant hereby amends the Declaration as follows:

1. The last paragraph of Article IV, Section 1 is hereby deleted in its entirety and replaced with the following:

"Provided, however, any lots sold to a builder as a vacant lot will be exempt from annual assessments or working capital assessments for a period of one year or until sold to a third party, whichever occurs first."

2. Article IV, Section 8 of the Declaration is hereby amended to add the following sentence at the end of the Section:

"Notwithstanding the foregoing, Lots owned by Declarant at any time shall be exempt from payment of Assessments."

3. Article IV, Section 9 of the Declaration is hereby deleted in its entirety and replaced with the following:

"Section 9. Commencement of Assessments. Assessments for each Lot shall commence upon the date of acceptance by an Owner of a deed from Declarant, provided, however, that such Assessments shall cease if Declarant obtains an ownership interest in such Lot at any point."

4. The following Article V, Section 7. of the Declaration is hereby added:

"Section 7. Assessments. The right to determine the amount and frequency of Assessments as reasonably necessary."

[Signatures on Following Pages]

IN WITNESS WHEREOF, the undersigned party has executed this Amendment as of the day and year first above written.

rod.brunasco.net

REO FUNDING SOLUTIONS III, LLC,
a Georgia limited liability company

By: Kim Gualtieri
Name: Kim Gualtieri
Title: Vice President

rod.brunasco.net

STATE OF MINNESOTA

COUNTY OF HENNEPIN

I, Lindsay Tschida, a Notary Public of the County and State aforesaid, certify that Kim Gualtieri, personally known to me, who is the Vice President of **REO FUNDING SOLUTIONS III, LLC**, a Georgia limited liability company, personally appeared before me this day and acknowledged execution of the foregoing instrument on behalf of said company for the purposes stated therein.

Witness my hand and notarial seal, this the 14 day of August, 2015.

rod.brunasco.net

Lindsay Tschida
Notary Public
Print Name: Lindsay Tschida

My Commission Expires:

1/31/19



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