

ATTACHMENT A

PROPOSED AMENDMENT AND RESTATEMENT OF AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR HARBOUR POINT

AMENDED AND RESTATED DECLARATION OF COVENANTS
AND RESTRICTIONS FOR HARBOUR POINT

**THIS AMENDED AND RESTATED DECLARATION OF COVENANTS
AND RESTRICTIONS FOR HARBOUR POINT** ("Declaration") is made this ____ day of
_____, 2018, by **HARBOUR POINT HOMEOWNERS' ASSOCIATION, INC.**, a North
Carolina non-profit corporation ("Association").

W I T N E S S E T H:

WHEREAS, H.P.P.I. Investments, L.L.C. caused to be recorded the Declaration of Covenants Conditions and Restrictions for Harbour Point in Book 2512, at Page 100 in the office of the Register of Deeds of New Hanover County, which was amended and restated by H.P.P.I. Investments, L.L.C. and DJF Enterprises, Inc. by recording the Amended and Restated Declaration of Covenants Conditions and Restrictions for Harbour Point in Book 2759, at Page 438 in the office of the Register of Deeds of New Hanover County (as amended and supplemented, the "Original Declaration"); and

WHEREAS, pursuant to Article IX, Section 6 of the Original Declaration, the Original Declaration may be amended upon the vote of not less than two-thirds (2/3) of the Lot Owners; and

WHEREAS, pursuant to N.C. Gen. Stat. § 47F-2-117(a), the Original Declaration may be amended only by affirmative vote or written agreement signed by Lot Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated; and

WHEREAS, this Declaration has been approved by Lot Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

NOW, THEREFORE, the Association hereby covenants and declares on behalf of itself and its successors and assigns that the Original Declaration is hereby amended and restated in its entirety. The real estate previously made subject to the Original Declaration from the date this Declaration is recorded in the office of the Register of Deeds of New Hanover County shall be held, conveyed, acquired and encumbered subject to the terms and provisions hereof, all of which shall run with the real estate and bind and inure to the benefit of all current owners and perspective purchasers

and parties who have or may acquire any right, title, estate or interest in or to any of such real estate or who have or may acquire any right or occupancy of or interest upon any portion thereof, all subject to the right of the Association to amend this Declaration according to its terms.

Article I

AMENDMENT AND RESTATEMENT OF ORIGINAL DECLARATION

The Original Declaration is hereby amended to delete and rescind the Original Declaration as amended and supplemented in its entirety, subject to Article III herein, and adopt in its place instead this Declaration.

Article II.

DEFINITIONS

SECTION 1. Additional Property shall mean and refer to any lands which may be hereinafter annexed to and made a part of the Development (as hereinafter defined) pursuant to the provisions of this Declaration.

SECTION 2. Association shall mean and refer to Harbour Point Homeowners' Association, Inc., a North Carolina non-profit corporation, its successors and assigns, the owners association organized for the purposes set forth herein.

SECTION 3. Assessments shall mean the Annual, Special, Insurance, and Ad Valorem Assessments provided for in this Declaration.

SECTION 4. Board of Directors or Board shall mean the body responsible for administration of the Association selected as provided in the Bylaws of the Association.

SECTION 5. Common Area(s) shall mean and refer to all real and personal property in which the Association now or hereafter owns, leases or otherwise holds possessory or use rights for the common use and enjoyment of the Owners, including, without limitation, any private roads within the Development.

SECTION 6. Common Expense shall mean any and all expenditures made by or financial liabilities and obligations of the Association, together with any allocations to reserves.

SECTION 7. Declaration shall mean this instrument as it may be from time to time amended or supplemented.

SECTION 8. Design Guidelines shall mean the architectural, design, development, and other guidelines, standards, controls, and procedures including but not limited to, application and review procedures, adopted pursuant to Article VIII and applicable to the Property.

SECTION 9. Development shall mean the Property plus any Additional Property.

SECTION 10. Dwelling, Townhouse, or Townhome shall mean any building or structure or portion of a building or structure situated upon a Lot which is intended for use and occupancy as an attached residence for a single family.

SECTION 11. Limited Common Area(s) shall mean a portion of the Common Areas allocated by this Declaration or by operation of law for the exclusive use of one (1) or more but fewer than all of the Lots. Limited Common Area may also be depicted as "Designated Common Area" or "D.C.A." on any map of the Development recorded in the office of the Register of Deeds of New Hanover County.

SECTION 12. Lot(s) shall mean and refer to any numbered lot within the Development depicted on any map of the Development recorded in the office of the Register of Deeds of New Hanover County, together with the Dwelling situated thereon.

SECTION 13. Owner shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 14. Property shall mean the real property described in Exhibit A.

SECTION 15. Member(s) shall mean and refer to every person or entity who has a Membership in the Association as set forth in this Declaration.

SECTION 16. Membership shall mean and refer to the rights, privileges, benefits, duties and obligations, which shall inure to the benefit of and burden each Member of the Association.

SECTION 17. Upkeep shall mean care, inspection, maintenance, operation, repair, repainting, remodeling, restoration, improvement, renovation, alteration, replacement and reconstruction.

ARTICLE III.

PROPERTY RIGHTS AND EASEMENTS

SECTION 1. Easements in Original Declaration. Notwithstanding the replacement of the Original Declaration with this Declaration, all easements created and described in the Original Declaration shall be easements appurtenant to, and shall run with, the land by whomsoever owned, whether or not the same shall be contained or referred to in any future deed or conveyance, and shall at all times inure to the benefit and be binding upon the Association and the Owners, all their grantees and their respective heirs, successors, personal representatives or assigns.

SECTION 2. Owners' Property Rights and Easement of Enjoyment in the Common Area. Every Owner shall have and is hereby granted a right and easement of

enjoyment in and to the Common Area, if any, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The Association may make and amend reasonable rules and regulations governing use of the Common Areas by the Owners, and limiting the number of guests of Members;

(b) 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 60 days for an infraction of the published rules and regulations of the Association;

(c) The Association may mortgage or convey the Common Areas, or dedicate or transfer all or part of the Common Areas, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by Members entitled to cast at least eighty percent (80%) of the votes in the Association; provided, however, that the Association may without the consent of the Owners grant easements over the Common Area, and provided, further, that any conveyance or encumbrance of Common Area shall be subject to any rights of ingress and egress to any Lot over private streets.

(d) The Association may levy fines in accordance with the North Carolina Planned Community Act (Chapter 47F of the North Carolina General Statutes or the "Act").

SECTION 3. Owners Property Rights and Easement of Enjoyment in the Limited Common Area. The Limited Common Area (depicted as "Designated Common Area" or "D.C.A." on recorded maps of the Property) is allocated to the Owner or Owners of each adjacent Lot as depicted on the maps of the Property recorded in the office of the Register of Deeds of New Hanover County. Each Owner shall be entitled to use such allocated Limited Common Area for, among other things, yard area, the installation and maintenance of HVAC systems servicing the Townhome, the installation of fences (if approved by the Architectural Review Committee), and for the encroachment of steps, stoops, decks, porches, and roof overhangs constituting a part of the Lot Owner's Townhome. The Association may make and amend reasonable rules and regulations governing the use of the Limited Common Areas by the Owners.

SECTION 4. Existing Encroachments. In the event that any Dwelling shall encroach upon any Common Area for any reason not caused by the purposeful or negligent act of the Owner, or agents of such Owner, then an easement appurtenant to such Dwelling shall exist

for the continuance of such encroachment upon the Common Area for so long as such encroachment naturally shall exist. In the event that any portion of the Common Area shall encroach upon any Lot, then an easement shall exist for the continuance of such encroachment of the Common Area upon any Lot for so long as such encroachment naturally shall exist.

SECTION 5. Easements in Favor of the Association. The following easements are reserved to the Association, its successors and assigns:

(a) easements as necessary in the Common Area and that portion of each Lot not occupied by a structure for the installation and maintenance of utilities and drainage facilities; including the right of the Association 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 New Hanover County; the right to cut drain ways, swales and ditches for surface water whenever such action may appear to the Association 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; and 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. No structures or plantings or other material shall be placed or permitted or remain upon such easement areas or other activities undertaken thereon which may damage or interfere with the installation or maintenance of utilities or other services, or which may retard, obstruct or reverse the flow of water or which may damage or interfere with established slope ratios or create erosion problems;

(b) easements over all private streets, if any, access easements, and Common Areas within the Development 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 Common Areas, at all reasonable times to perform any maintenance and repair that the Association is required to perform by this Declaration. This easement shall also run in favor of the Association and the Association's agents, employees, successors and assigns.

SECTION 6. Other Easements. The following easements are hereby granted 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 Area in the performance of their duties;

(b) in case of any emergency originating in or threatening any Lot or Common Areas, 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 and its allocated Limited Common Area for the purposes of providing Lot maintenance. Owners shall provide gates in fences to permit access by the Association.

SECTION 7. 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 Association, 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 IV

ANNEXATION

The Association may subject Additional Property to the provisions of this Declaration with the consent of the owner of such property and the affirmative vote of two-thirds (2/3) of the Members who are voting in person or by proxy at a meeting called for this purpose. Such annexation shall be accomplished by recording a supplemental declaration in the Register of Deeds of New Hanover County describing the property to be annexed and specifically subjecting it to the terms of this Declaration. Any such supplemental declaration shall be signed by the President of the Association, and by the owner of the annexed property. Any such annexation shall be effective upon the recording unless otherwise provided therein. Any Additional Property annexed into the Association by the provisions of this Declaration shall be subject to all conditions and privileges of the Association and Owners of any such Additional Property shall be Members of the Association.

ARTICLE V.

HOMEOWNERS' ASSOCIATION

SECTION 1. Formation of Association. The 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 (i) own, operate and maintain the Common Areas, (ii) to perform the duties and obligations set forth in this Declaration, and (iii) serve as a member of Harbour Point Clubhouse Association, Inc., all in accordance with this Declaration, the Association's Articles of Incorporation, and the Association's Bylaws.

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. If a Lot is owned by more than one person, all co-Owners shall be Members and share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 3 and in the Bylaws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is a corporation, limited liability company, partnership or other legal entity may be exercised by any officer, director, manager, partner, or trustee, or by any other individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association

SECTION 3. Voting Rights. All Owners shall have one (1) equal vote for each Lot in which they hold the interest required for membership under Section 2 above, provided, there shall be only one (1) vote per Lot. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determined, but in no event shall more than one vote be cast with respect to any Lot. Fractional voting with respect to any Lot is hereby prohibited.

SECTION 4. Government Permits. The Association shall perform all duties, obligations, rights and privileges of the permit holder under any water, sewer, stormwater and utility agreements, easements and permits for the Development with municipal or governmental agencies or public or private utility companies held by the Association.

ARTICLE VI.

INSURANCE AND BONDS

SECTION 1. Insurance. It shall be the duty of the Association to maintain in effect casualty and liability insurance as follows:

(a) Amount and Scope of Insurance. All insurance policies upon the Development (except personal property within a Townhome and betterments and improvements installed by Owners) 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 amounts required by N.C. Gen. Stat. § 47F-3-113), (2) flood, and (3) 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 Development 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 Areas and Limited Common Areas and legal liability arising out of lawsuits relating to employment contracts of the Association. In obtaining such coverage, the Board of Directors shall consider the reasonable requirements of holders of first liens on individual Lots;

(b) Insurance Provisions. 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 rights 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 Development over which the Association has no control;

(5) The master policy on the Development 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 Development 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.

(c) Premiums and Deductibles. Premiums for insurance policies purchased by the Association shall be paid by the Association as a Common Expenses to be assessed and collected from all of the Owners of Dwellings. The deductible, if any, on any insurance policies maintained by the Association shall be paid by the Association as a Common Expense. The Association may assess (i) any deductible amount necessitated by either the intentional act or omission, negligence, abuse, misuse or neglect of an Owner, or his or her family, guest, tenant, or the family or guest of said tenant, against such Owner; and (ii) a proportionate share of the deductible amount to any Owner whose Townhome is repaired (or which Owner is compensated) by funds from the insurance policies maintained by the Association, based on the proportionate amount of insured loss incurred to the Townhome relative to the total insured loss to the Common Area and other Townhomes. If an Owner fails to pay the deductible assessed against his or her Lot and the Association pays the deductible cost owed by the Owner, then the deductible cost paid by the Association shall be charged to the Lot as an assessment for which the Association shall have a lien.

(d) Proceeds. All insurance proceeds 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;

(e) Policies. 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. 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 and their mortgagees, upon request, 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) Individual Policies. It shall be the responsibility of each Owner, at such Owner's expense, to maintain a public liability insurance policy and a Homeowner Form 6 insurance policy, and any other necessary insurance policies, in an amount sufficient to insure his

or her personal property, alterations, betterments, or improvements to his or her Townhome, and the portion of the deductible of any insurance policy or policies carried by the Association that the Owner may be obligated to pay as set forth herein (each Owner must provide the Board a copy of said policies upon request);

(g) Distribution of Insurance Proceeds. 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).

ARTICLE VII.

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;
- (c) Insurance Assessments; and
- (d) Ad Valorem Tax 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.

SECTION 2. Purpose of Annual Assessments. The Annual Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and residents of the Property and Additional Property and for the improvement and maintenance of the Common Areas and Limited Common Areas. The funds arising from said assessments or charges, may be used for any or all of the following purposes: Operations, maintenance and improvement of the Common Areas and any Limited Common Areas, including payment of utilities; enforcing this Declaration; paying taxes, legal and accounting fees and governmental charges; paying the Association's Proportionate Share of Clubhouse Assessments due to Harbour Point Clubhouse Association, Inc., and in addition, doing any other things necessary or desirable in the opinion of the Board to keep the Common Areas and Limited Common Areas in good operating order and repair.

SECTION 3. Annual Assessments. The Board of Directors shall adopt a proposed annual budget at least 90 days before the beginning of each fiscal year. Within 30 days after adoption of the proposed budget for the Development, the Board of Directors shall provide to all of the 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 of Directors. The Annual Assessment for each Lot shall be established based on the annual budget thus adopted. The due date for payment shall be established by the Board of Directors. The Board of Directors shall have the authority to require the assessments to 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 other authorized assessments, the Association may, from time to time, levy a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or for the purpose of meeting any unanticipated expenses of the Association. Such Special Assessments must be approved by two-thirds (2/3) of the Members in attendance (in

person or by proxy) at a meeting duly called for this purpose. Special assessments shall be payable in such manner and at such times as determined by the Board and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

SECTION 5. Insurance Assessments. All premiums on insurance policies purchased by the Board of Directors or its designee 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, 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 Areas, 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, 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. Rate of Assessment. The Association may differentiate in the amount of Assessments charged when a reasonable basis for distribution exists, such as between vacant Lots of record and Lots of record 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. However, Assessments must be fixed at a uniform rate for all Lots similarly situated.

SECTION 8. Commencement of Assessments. Assessments for each Lot shall commence upon the date of acceptance by an Owner of a deed from Declarant (as defined in the Original Declaration).

SECTION 9. 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. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his Lot. All unpaid installment payments of Assessments shall become immediately due and payable if an Owner fails to pay any installment within the time permitted. The Association may also establish and collect late fees for delinquent installments.

SECTION 10. 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 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, 47F-3-115, and 47F-3-116 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 tax lien are instituted within three 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 address of the Association, the name of the record Owner of the Lot at the time the claim of lien is filed, a description of the Lot, and the amount of the lien claimed.

ARTICLE VIII.

ARCHITECTURAL REVIEW

SECTION 1. General. No improvements (including staking, clearing, excavation, grading and other site work), exterior alteration of existing improvements (including painting), placement or posting of any object or thing on the exterior of any Lot, Dwelling, other

structure, or the Common Area (e.g., signs, antennae, clotheslines, playground equipment, temporarily or permanently installed basketball goals, statues, yard art, pools, hot tubs, patios, decks, sidewalks, propane tanks, lighting, temporary structures, and artificial vegetation), or planting or removal of landscaping shall take place except in compliance with this Article, this Declaration, and the Design Guidelines and with the approval of the Board under Section 2 below. Any Owner may remodel, paint or redecorate the interior of structures, including the Dwelling on his or her Lot, without approval. However, modification of the exterior and modifications to the interior of screened porches, patios, and similar portions of a Lot visible from other Lots, Dwellings, Common Area or streets (public or private) within the Property shall be subject to this Article and approval as set forth below. This Article shall not apply to improvements to the Common Area by or on behalf of the Association.

SECTION 2. Architectural Review. The Board shall establish an Architectural Review Committee ("ARC") which shall consist of at least three (3), but not more than five (5), persons who shall be appointed and shall serve at the discretion of the Board. The ARC may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals. The ARC, with the Board's consent, may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons in the Association's annual operating budget as a Common Expense.

SECTION 3. Design Guidelines. The ARC, with the Board's approval, shall prepare Design Guidelines which shall apply to all construction activities within the Property. The Design Guidelines may contain general provisions applicable to all of the Property, as well as specific provisions which vary from one portion of the Property to another depending upon the location, unique characteristics, intended use, and any other applicable zoning ordinances. The Design Guidelines are intended to provide guidance to Owners regarding matters of particular concern in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the Board and compliance with the Design Guidelines does not guarantee approval of any application.

The Association shall make the Design Guidelines available to Owners (including builders) and contractors who seek to engage in development or construction within the Property and all such persons shall conduct their activities in accordance with such Design Guidelines.

All structures and improvements constructed upon a Lot shall be constructed in strict compliance with the Design Guidelines in effect at the time the plans for such improvements are submitted to and approved.

In addition to the Design Guidelines and provisions contained herein, Owners must comply with the following requirements:

(a) 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 Board, 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 boxes shall be located in the clubhouse. Design for and location of mail boxes shall be furnished by the ARC. Fences shall be permitted on any Limited Common Area; provided, however, that the design, placement, and materials of any fence are approved by the Board. Clothes lines are not permitted within the Limited Common Area.

(b) All light bulbs or other lights installed in any fixture located on the exterior of any Dwelling or any Limited Common Area for the purpose of illumination shall be clear, white or non-frost lights or bulbs. Exterior spot/flood lights must be approved by the Board. Any such approved spot/flood lights shall be aimed to the greatest extent possible to direct light away from adjoining property.

Section 4. Submission of Plans. No activities within the scope of Section 1 above shall commence on any Lot until an application for approval of the proposed work has been submitted to the ARC and approved by the Board. Such application shall be in the form required by the Board and shall include plans and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout and screening therefore and other features of proposed construction, as applicable. The Design Guidelines shall set forth the procedure and any additional information for submission of the Plans. In reviewing each submission, the ARC and Board may consider quality of workmanship and design, visual and environmental impact, ecological compatibility, natural platforms and finish grade elevation, harmony of external design with surrounding structures and environment, and location in relation to surrounding structures and plant life.

The ARC shall, within the period specified in the Design Guidelines, provide its recommendation regarding the Plans to the Board. The Board shall, within the period specified in the Design Guidelines, advise the party submitting the same, in writing, at an address specified

by such party at the time of submission, of (i) the approval of Plans, or (ii) the segments or features of the Plans which are deemed to be inconsistent or not in conformity with this Declaration and/or the Design Guidelines, the reasons for such finding, and suggestions for the curing of such objections. In the event the Board or ARC fails to advise the submitting party by written notice within the period specified in the Design Guidelines of either the Board's approval or disapproval and suggestions for curing the objections of the committee of the Plans, approval shall be deemed to have been given.

If construction does not commence on a project for which Plans have been approved within sixty (60) days of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to resubmit the Plans to the ARC for reconsideration provided that the Board may grant a longer time period for expiration of the approval at the time the approval is granted. If construction is not completed on a project for which plans have been approved within the period set forth in the Design Guidelines or in the approval, such approval shall be deemed withdrawn, and such incomplete construction shall be deemed to be in violation of this Article.

SECTION 5. Variances. The Board may authorize variances in writing from its guidelines and procedures, but only: (a) in accordance with duly adopted rules and regulations; (b) when unique circumstances dictate such as unusual topography, natural obstructions, hardship or aesthetic or environmental considerations; and (c) when construction in accordance with the variance would be consistent with the purposes of the Declaration and compatible with existing and anticipated uses of adjoining properties.

SECTION 6. No Waivers/Limitation of Liability. Each Owner acknowledges that the members of the ARC and Board will change from time to time and that interpretation, application and enforcement of the Design Guidelines may vary accordingly. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither the ARC nor the Board shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the ARC nor the Board shall be

held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot.

SECTION 7. Enforcement. Any construction, alteration or other work done in violation of this Article or the Design Guidelines shall be deemed to be nonconforming. Upon written request from the ARC or Association, Owners shall, at their own cost and expense and within such reasonable time frame as set forth in such written notice, cure such nonconformance to the satisfaction of the requester or restore the property, Lot and/or Dwelling to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Association or their designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Lot and collected as an Assessment unless otherwise prohibited in this Declaration.

All approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any person fails to commence and diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Lot and an opportunity to be heard, to enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and the Owner thereof as an Assessment unless otherwise prohibited in this Declaration.

All acts by any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded from the Property, subject to the notice and hearing procedures contained in the Declaration.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article.

ARTICLE IX
USE RESTRICTIONS

The following restrictions shall apply to all of the Property:

(a) Land Use and Building Type. No Lot shall be used for any purpose other than as a single family residence for residential purposes. Notwithstanding the foregoing, the occupant residing in a Dwelling may conduct business activities within the Dwelling so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Dwelling; (ii) the business activity conforms to all zoning requirements for the Development; (iii) the business activity does not involve door-to-door solicitation of residents of the Development; (iv) the business activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in the Development which is noticeably greater than that which is typical of Dwellings in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of the Development and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Development, as may be determined in the sole discretion of the Board. All numbered Lots are restricted for construction of one single family townhome dwelling.

(b) Nuisances. No noxious or offensive activity shall be carried on upon the Property, 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 and Common Areas 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 and Limited Common Area which would tend to decrease the beauty of the neighborhood as a whole or the specific area.

(c) Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot or Limited Common Area any time as a residence either temporarily or permanently without the written consent of the Association or its designee.

(d) Vehicles/Boats. No boat, motor boat, camper, trailer, motor or mobile homes, tractor/trailer, or similar type vehicle, or Commercial Vehicle (as defined herein) shall be permitted to remain on any Lot, or any Common Area, or on any street at any time,

without the written consent of the Association or its designee. Notwithstanding the foregoing, the aforementioned vehicles shall be permitted to be placed on a Lot for a period of time not to exceed seventy-two (72) consecutive hours; provided that the aforementioned vehicles may not be placed on a Lot more than twice in any calendar month. "Commercial Vehicle" shall mean any vehicle having a gross vehicle weight of ten thousand (10,000) pounds or more, but shall not include all vehicles with a decal, logo, or sign advertising a business. No inoperable vehicle or vehicle without current registration and insurance will be permitted on any Lot, street or Common Area. 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. Motor vehicles shall only be parked on paved driveways upon a Lot or within a garage inside a Dwelling. The Board may establish additional rules and regulations regarding the use and storage of vehicles on Common Area, including without limitation parking regulations.

(e) Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot, or any Limited Common Area, 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 provided further that they are not allowed to run free, are at all times kept properly leashed or under the control 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, pet occupancy limits based on size and facilities of the Lot and fair share use of the Common Area.

(f) TV Satellite Dishes and Outside Antennas. Satellite dishes, antennae and similar devices for the transmission of television, radio, satellite, or other signals of any kind are prohibited. Notwithstanding the foregoing, (i) antennae or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (ii) antennae or satellite dishes designed to receive video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement; or (iii) antennae or satellite dishes designed to receive television broadcast signals which are less than one meter in diameter ("Permitted Devices") shall be permitted, *provided that* (i) any such Permitted Device is placed in the least conspicuous location on the Lot in which an acceptable quality signal can be received, (ii) any such Permitted Device is screened from the view of adjacent Dwellings, streets, and Common Areas, (iii) any such Permitted Device is installed on a permanent post or structure

and not the side or roof of a Dwelling, and any wires or cables connected to the Permitted Device are concealed from view as set forth in the Design Guidelines. Owners shall be responsible for any damage caused to the Common Area or other Dwellings by the installation or existence of a Permitted Device installed on their Lot.

(g) Construction in Common Area. No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Areas except at the direction or with the express written consent of the Association or as permitted by this Declaration.

(h) Signs. No signs shall be permitted on any Lot or in the Common Areas without permission of the Board of Directors; provided that one "for sale" sign shall be permitted on a Lot as long as it is consistent with the standards set forth in the Design Guidelines. Any signs permitted by the Board must be consistent with the standards set forth in the Design Guidelines.

(i) Subdividing. No Lot shall be subdivided, or its boundary lines changed except with the prior written consent of the Board of Directors.

(j) Trash Cans. All trash cans must be kept from view from the street except on trash pickup days. Trash cans must be removed from the street within 24 hours of trash pickup.

(k) Christmas Decorations. Christmas decorations may only be exhibited between November 20 and January 7 of the following year.

(l) Rentals. Nothing contained herein shall prohibit the leasing of a Dwelling; provided, however, that:

1) No Dwelling shall be leased for a period of less than one hundred eighty (180) consecutive calendar days.

2) All leases for any Dwelling Unit shall be in writing signed by the Owner and the tenant.

3) All leases shall be in such form, and contain such provisions, as approved by the Board, including provisions (a) requiring the tenant to comply with the Declaration, Bylaws, and any rules, regulations, or guidelines established by the Association (collectively, the "Association Documents"), (b) providing that the failure of any tenant under a lease to comply with the Association Documents shall constitute an event of default under the lease, and (c) providing that the Board may exercise any and all remedies for a

default under the Association Documents against the Owner and the tenant under the lease including, without limitation, the right to remove a tenant from possession of a Dwelling by judicial process or otherwise.

4) No structure on any Lot other than the Dwelling may be leased or otherwise occupied.

5) A true executed copy of any lease for a Dwelling shall be provided to the Association prior to the occupancy by the tenant of such Dwelling.

ARTICLE X MAINTENANCE

SECTION 1. Responsibility of the Association. The Association shall be responsible for the Upkeep of the Common Area, including all conduits, ducts, plumbing, wiring, irrigation systems, and other facilities located in the Common Area for the furnishing of utility and/or other services to the Common Area or other Dwellings, provided that Owners shall be responsible for the Upkeep of conduits, ducts, plumbing, wiring and other facilities that provide service solely to their Dwellings. If any incidental damage is caused to any Dwelling by virtue of any work which may be done or caused to be done by the Association in the Upkeep of any Common Area, the Association shall, at its expense, repair such incidental damage.

In addition to providing Upkeep to the Common Area, the Association shall provide certain scheduled Upkeep to certain portions of the exterior of Dwellings, including by way of illustration, but not limited to, roofs, exterior building surfaces, gutters and downspouts, but excluding any HVAC systems. All such Upkeep described above shall be provided by the Association on a schedule and to a scope of work appropriate to meet the reasonable standards determined by the Board, in its discretion, and not on a schedule or to a scope as directed, requested or specified by any specific Owner.

Whenever the Upkeep of any item for which the Association is obligated to perform at its expense is occasioned by any act of an Owner, his tenants, guests or invitees, and such loss or damage may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of such Upkeep, except that the Owner who is responsible for the act causing the damage (whether done by himself or his tenants, guests or invitees) shall be required to pay such portion of the cost of

such Upkeep as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such Upkeep.

Whenever the Upkeep of any item for which the Association is obligated to maintain, replace or repair at its expense is occasioned by an act of an Owner, his tenants, guests or invitees, and such loss or damage is not covered by any insurance maintained in force by the Association, the Owner who is responsible for the act causing the damage (whether done by himself or his tenants, guests or invitees) shall be required to pay the cost of such Upkeep.

SECTION 2. Responsibility of Owner. Except for the Upkeep performed by the Association as set forth herein, every Owner shall perform promptly all Upkeep to his Dwelling and Lot, which shall include without limitation, Upkeep to doorbells, door and window hardware, including glass, driveways, exterior adornments, and garage doors. The Owner of each Dwelling shall also be liable and responsible for the Upkeep of all air conditioning and heating equipment, fans or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage and sanitary service, and irrigation solely to his Dwelling.

All Lots and Dwellings must be maintained consistent with the standards set forth in any guidelines established by the Board.

In addition to any other enforcement rights, if an Owner fails to properly perform his or her Upkeep responsibility, the Association may perform such work for Upkeep and assess all costs incurred by the Association against the Lot and the Owner in accordance with Article VII of this Declaration. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

Whenever the Upkeep of any item for which the Owner of a Dwelling is obligated to perform at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of performing such Upkeep, except that the Owner of such Dwelling shall be, in said instance, required to pay such portion of the costs of such Upkeep as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such Upkeep.

SECTION 3. Maintenance Chart. The Board shall prepare and distribute to the Owners a chart to further explain and clarify the maintenance responsibilities of the Association and the Owners ("Maintenance Chart"). The Association and the Owners must perform their respective Upkeep responsibilities set forth herein consistent with the Maintenance Chart. The Board may revise the Maintenance Chart from time to time so long as any revisions are consistent with the Declaration, and shall distribute the revised Maintenance Chart to the Owners after the same is adopted by the Board.

ARTICLE XI
PARTY WALLS

SECTION 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Townhomes and placed on the dividing line between Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law in North Carolina regarding party walls and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

SECTION 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

SECTION 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omission.

SECTION 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act caused the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such element.

SECTION 5. Right to Contribute Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

SECTION 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Declaration, each Owner shall choose an arbitrator,

and those arbitrators shall choose one additional arbitrator, and the decisions shall be by a majority of all the arbitrators

ARTICLE XII

GENERAL PROVISIONS

SECTION 1. Enforcement of Storm Water Runoff Regulations. No Lot nor that portion of the street right of way between the edge of the pavement and the front Lot line, shall be covered by impervious structures, including asphalt, gravel, concrete, brick, stone, slate or similar material (but excluding wood decking and the water surface of swimming pools), in excess of the square footages permitted by applicable governmental rules and regulations. Roadside or lot line swales may not be filled, piped or altered except as necessary to provide a minimum driveway crossing. These covenants are intended to insure continued compliance with the stormwater permit for the Property issued by the State of North Carolina and, therefore, may not be changed or deleted without the consent of the State. For curb and gutter projects, no one may pipe, fill in, or alter any Lot line sale used to meet North Carolina Stormwater Management Permit requirements.

SECTION 2. Rights of Institutional Note Holders. Any institutional holder of a first lien on a Lot will, upon request, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive an annual audited financial statement of the Association within ninety (90) days following the end of its fiscal year, (c) receive written notice of all meetings of the Association and right to designate a representative to attend all such meetings, (d) receive written notice of any condemnation or casualty loss that affect either a material portion of the Development or the Property securing its loan, (e) receive written notice of any sixty-day (60) delinquency in the payment of assessments or charges owed by any Owner of any property which is security for the loan, (f) receive written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association, (g) receive written notice of any proposed action that requires the consent of a specified percentage of mortgage holders, and (h) be furnished with a copy of any master insurance policy.

SECTION 3. Utility Service. Each Lot Owner will be required to pay for any water connections, sewer connections, impact fees or any other charges imposed by any entity furnishing water, sewer or other utility service to the Lots. All Lot Owners shall be required, for household purposes, to use water and sewer supplied by the companies/governmental units servicing the Development. Separate water systems for outside irrigation and other outdoor uses shall not be permitted without the consent of the Association.

SECTION 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

SECTION 5. Lots Subject to Declaration/Enforcement. 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, 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 proceedings at law or in equity) 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, unless the Owners of Lots to which at least eighty percent (80%) of the votes in the Association are allocated agree to terminate this Declaration pursuant to N.C. Gen. Stat. § 47F-2-118. 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.

Failure to comply with the terms of the Association Documents and the Act shall be grounds for an action by the Association to recover sums due, for damages, injunctive relief or any other remedy available at law and equity or under the Act. The Board or such other Association agent with the Board's approval, may impose sanctions for violations of Association Documents after notice and a hearing in accordance with the procedures set forth in the Declaration. Such sanctions may include, without limitation: (i) imposing reasonable monetary fines which shall constitute a lien upon the Lot of the violator; (ii) suspending an Owner's right to vote; (iii) suspending any person's right to use any Common Areas; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from the Lot; and (iv) suspending any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Association.

Except as may be otherwise specifically authorized by the Association Documents, and permitted by the Association Documents, the Board shall not (i) impose a fine or penalty,

(ii) undertake permitted remedial action, or (iii) suspend voting or infringe upon other rights of a Member or tenant of a Lot for violations of the Association Documents, or for assessments or other amounts due and owing to the Association remaining unpaid for a period of thirty (30) days or longer, unless and until the hearing procedure set forth in N.C. Gen. Stat. § 47F-3-107.1 is followed. Pursuant to the provisions of this Section and the Act, a fine may be imposed by the Association in an amount not exceeding One Hundred and No/100 Dollars (\$100.00) (or any greater amount as may be provided otherwise by law or the Act) per violation of the Association Documents and without further hearing, for each day after five (5) days after the decision to impose such fine that the violation occurs. Any such fine shall be an Assessment as set forth in this Declaration and the Act. If it is decided pursuant to the provisions of this Section that a suspension of privileges or services should be imposed, the suspension may be continued without further hearing until the violation or delinquency is cured.

SECTION 6. Amendment of Declaration. Except as provided elsewhere herein, this Declaration may be amended only by the affirmative vote of, or written agreement signed by, Owners of Lots to which at least sixty-seven percent (67%) of the total votes in the Association are allocated; 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 WITNESS WHEREOF, the Association, acting pursuant to the authority above recited, has caused this Declaration to be executed under seal and in such form as to be legally binding and effective the day and year upon recording this Declaration in the office of the Register of Deeds of New Hanover County, North Carolina.

HARBOUR POINT HOMEOWNERS' ASSOCIATION,
INC. (SEAL)

By: _____ (SEAL)
_____, President

EXHIBIT A

Property

1. All those tracts or parcels of land lying and being situate in New Hanover County, North Carolina, and being more particularly shown and described on the maps recorded in Map Book 39, at Page 366, Map Book 40, at Page 15, Map Book 40, at Page 69, Map Book 40, at Page 131, Map Book 41, at Page 107, Map Book 42, at Page 132, Map Book 41, at Page 394, Map Book 41, at Page 396, Map Book 43, at Page 51, Map Book 43, at Page 205, Map Book 43, at Page 356, Map Book 43, at Page 243, Map Book 43, at Page 370, and Map Book 45, at Page 27, all in the office of the Register of Deeds of New Hanover County, North Carolina.

ATTACHMENT B
Maintenance Chart

Harbour Point Homeowners' Association. Inc. Maintenance Chart	Owner	Association
Attic Areas - Internal Roof Structure, Vents & Fans	X	
Bearing Walls, Studs, Frames, Tie-Downs and other structural items	X	
Concrete - 12" ribbon curbs.		X
Concrete - curbs		X
Concrete - driveways	X	
Concrete - sidewalks		X
Concrete - Garage Floor	X	
Crawlspace, Doors & Vents	X	
Decks & Porches - Cleaning of surfaces	X	
Decks & Porches - Railing Repair & Replace	X	
Decks & Porches - Structural Repairs	X	
Doorbell - All components	X	
Doors Screens	X	
Drains - Overflow - Bathtubs, Showers & Sinks	X	
Drainage - Lot & crawlspace	X	
Driveways - Maintenance, repair and Replacement	X	
Dryer Vents - Cleaning, Repair & Replacement	X	
Drywall - Interior Damage Repair	X	
Electrical - Interior Components, fixtures & wiring	X	
Electrical - Exterior Components, fixtures & wiring	X	
Exterior Doors - Flashing & Waterproofing	X	
Exterior Doors - Interior Frame & Surface	X	
Exterior Doors - Frame & Door Exterior Surface	X	
Exterior Doors - Locks & Hardware	X	
Exterior Doors - Weatherstripping	X	
Exterior Doors - Painting Exterior		X
Exterior Doors - Repair & Replacement	X	
Exterior Doors- Painting Interior	X	
Exterior Walls Home - Siding & Trim (of Window and Door) Repair/Replace		X
Fences - Maintenance		X
Fences - Owner Installation	X	
Fire Protection - Alarms & Detectors	X	
Fireplaces - Repair Firebox & All Interior Components	X	

Harbour Point Homeowners' Association. Inc. Maintenance Chart	Owner	Association
Fireplaces - Vents,Chimney Caps/Spark Arrestors	X	
Floor Coverings - Interior	X	
Foundations - Blocks, footings, beams	X	
Garage Doors - Electric Openers and Remotes	X	
Garage Doors - Locks & Hardware	X	
Garage Doors - Painting Interior	X	
Garage Doors - Repair & Replacement	X	
Garage Interior	X	
Gas Lines - Propane Tanks & Lines	X	
Glass - All windows and doors	X	
Gutters & Downspouts		X
HVAC - External & Internal components and ducts	X	
Insulation	X	
Interior Walls	X	
Irrigation - All control, lines, heads & Valves		X
Irrigation - Owner installed	X	
Landscaping - Developer installed		X
Landscaping - Owner Installed	X	
Mailboxes - Cluster		X
Mailboxes - Lock & Key Replacement	X	
Outside Shower Stall & Surround	X	
Paint - Balcony & Porch Railings		X
Paint - Decks & Steps Surfaces	X	
Paint - Exterior Home & Caulking		X
Paint - Interior	X	
Parking Spaces - Clubhouse		X
Parking Pads of permeable surface		X
Party (Shared) Walls - Load Bearing	X	
Plumbing Fixtures - All interior and exterior fixtures	X	
Plumbing WaterLines - Exterior meter to home	X	
Plumbing Lines - Interior	X	
Retainer Walls - Common Area		X
Retainer Walls - Owner Installed	X	
Roofs - and all flashing and components		X
Satellite Dishes & Antennas Owner Installed	X	
Sewer Lines - Below ground (outside building envelope)		X
Sewer Lines - Within walls & floors	X	
Shutters - Storm Owner Installed	X	
Signs - Street & Entry		X

Harbour Point Homeowners' Association. Inc. Maintenance Chart	Owner	Association
Spraying/Eradicating of Household Pests - Interior and Perimeter of dwelling	X	
Stormwater - Pipes & Inlets		X
Stormwater - Retention Pond		X
Streets-Repaving/remilling-Silver Sloop Way, Green Turtle Lane		X
Termite - Bond for subterraneum termites		X
Trellises - Maintenance		X
Trellises - Owner installation	X	
Wall Coverings - Interior	X	
Windows - Flashing & Waterproofing	X	
Window Frames - Repair & Replacement	X	
Window Glass Repair	X	
Window Minion Repair	X	
Window Screens	X	