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KATHRYN CREWS AVERETT
Register Of Deeds

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
1104 LYON'S PLACE SUBDIVISION

Prepared by: a Mail To:

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION is made on this ____ day of July, 2005, by PARK LAND OF NORTH CAROLINA, LLC (the "Developer").

WITNESSETH:

THAT WHEREAS, the Developer is the owner of all of that tract of real property located in Granville County, North Carolina, and being more particularly shown and described on that certain plat dated April 22, 2005, recorded July 11, 2005, in Plat Book 32, at Page 12, in the Office of the Register of Deeds of Granville County, reference to said plat being hereby specifically made; and

WHEREAS, the Developer proposes to sell and convey certain lots shown on the aforesaid plat to be used for residential purposes and to develop said lots into a well planned community; and

WHEREAS, the Developer, prior to selling and conveying the aforesaid residential lots, desires to impose upon such lots certain mutual and beneficial restrictions, covenants and conditions and charges (hereinafter collectively referred to as "Restrictions") for the benefit and complement of all of the residential lots in the subdivision in order to promote the best interests and protect the investments of the Developer and Owners;

NOW, THEREFORE, the Developer hereby declares that all numbered lots shown on the aforesaid plat dated April 22, 2005, recorded July 11, 2005, in Plat Book 32, at Page 12, in the Office of the Register of Deeds of Granville County, North Carolina, and any additional property within the Development Area as may by subsequent amendment be added to and subjected to this Declaration, are held and shall be held, conveyed, encumbered, leased, rented, used, occupied and

improved subject to this Declaration and to the following Restrictions. This Declaration and the Restrictions shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in and to the real property or any part or parts thereof subject to this Declaration.

ARTICLE 1

DEFINITIONS

As used herein,

- A. "Articles" means the Articles of Incorporation of 1104 LYON'S PLACE HOMEOWNERS ASSOCIATION, INC.
- B. "Builder" or "Builders" means those residential builders of houses purchasing lot(s) from Developer for the purpose of building houses in the Subdivision.
- C. "By-laws" means the Bylaws of 1104 LYON'S PLACE HOMEOWNERS ASSOCIATION, INC.
- D. "Common Expenses" means and includes actual and estimated expenses of maintaining and operating the Corporation for general purposes, all as may be found to be necessary and appropriate by the Board of Directors pursuant to this Declaration, the Bylaws and the Articles.
- E. "Community Use Areas" means all real and personal property, together with those areas within dedicated portions of the Development Area and the Subdivision, which may be deeded to or acquired by the Corporation for the common enjoyment of the Owners and Occupants.
- F. "Corporation" means 1104 LYON'S PLACE HOMEOWNERS ASSOCIATION, INC., a North Carolina non-profit corporation. The "Board of Directors" or "Board" shall be the elected body governing the Corporation and managing the affairs of the Corporation.

G. "Dedication" means the act of committing a portion of the Development Area or the Subdivision to the purposes of this Declaration.

H. "Developer" means PARK LAND OF NORTH CAROLINA, LLC, its successors or assigns or any legal entity acquiring ownership of portions of the Development Area heretofore not dedicated with the intent and for the purpose of further development.

I. "Development Area" means that property described by deed recorded in Plat Book 32, Page 12, in the Office of the Register of Deeds of Granville County, North Carolina.

J. "Lot" means a separately numbered tract of land lying within the Subdivision or other dedicated portion of the Development Area and which, according to the plat of that portion recorded at the dedication thereof, may be conveyed by the Developer and owned in fee by the Grantee thereof, and held for such uses as are consistent with this Declaration and the Restrictions covering the area wherein the tract is located. No tract of land shall become a "Lot" as that word is used herein until the area on which the same is located is "dedicated." The Owner of all of a numbered Lot may combine such numbered Lot, part or parts of another such numbered Lot and the aggregate shall be considered as one Lot for the purpose of these Restrictions.

K. "Mortgagee" shall mean the holder of any mortgage, security deed, deed of trust, or similar instruments used for the purpose of encumbering real property in the Development Area as security for the payment or satisfaction of an obligation.

L. "Occupant" means any person occupying all or any portion of a lot or other property located within the Development Area for any period of time, regardless of whether such person is a tenant or the owner of such property.

M. "Owner" means the record owner of the fee simple title to any lot including Developer and Builder(s). "Owner" excludes any person holding fee simple title merely as security for the performance or satisfaction of any obligation.

N. "Owner" means a person who purchases an improved lot from a Builder for the purpose of occupying or renting the same.

O. "Person" means a natural person, corporation, joint venture, partnership (general or limited), association, trust or other legal entity.

P. "Subdivision" means 1104 LYON'S PLACE and any portion of the Development Area which has been dedicated pursuant to this Declaration.

Q. "Subdivision Standard" means the standard conduct maintenance or other activity general prevailing in the Subdivision. Such standard may be more specifically determined by the Board of Directors of the Corporation.

ARTICLE 2

APPLICABILITY

These restrictions shall apply to all subdivided numbered Lots shown on the aforesaid plat and any additional plats or maps of subdivisions of the Development Area (hereafter referred to as "Lot" or "Lots"), which Lots are for residential purposes only.

ARTICLE 3

CORPORATION MEMBERSHIP

A. A Corporation named 1104 LYON'S PLACE HOMEOWNERS ASSOCIATION, INC., has been formed pursuant to the rules and requirements of the Nonprofit Corporation Act (Chapter 55A) of the General Statutes of North Carolina as an association of the

Owners of Lots. Its purposes are to own, manage, maintain, and operate the Community Use Areas and facilities located upon the Community Use Areas; to enforce the restrictions contained herein; and to make and enforce rules and regulations governing the Owners' and Occupants' use of Lots.

B. Each Owner shall be a member of the Corporation. The Developer, by this Declaration, the Owners of Lots by their acceptance of individual deeds thereto, and any Occupants, covenant and agree with respect to the Corporation:

1. That for so long as a Person is an Owner of a Lot, such Owner will perform all acts necessary to remain in good and current standing as a member of the Corporation;

2. That each Owner shall be subject to the rules and regulations of the Corporation with regard to ownership of a Lot; and

3. That any unpaid assessment, whether general or special, levied by the Corporation in accordance with these Restrictions, the Bylaws or the Articles shall be a lien upon the Lot upon which such assessment was levied, and shall be the personal obligation of the Owner of the Lot at the time the assessment fell due.

C. Each membership in the Corporation shall relate to and have a unity of interest with an individual Lot which may not be separated from ownership of said Lot.

D. The Corporation shall have one class of members who shall all be Owners. Each member shall be entitled to one vote for each Lot owned; provided, however, when more than one Person holds an interest in any Lot, all such Persons shall be members and, the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote or any fraction of a vote be cast with respect to any Lot. Provided further that Developer shall have the right to elect the Board of Directors until 21 of the 27 Lots in the Subdivision have been conveyed to occupying Owners.

ARTICLE 4

MANAGEMENT AND ADMINISTRATION

The management and administration of the affairs of the Community Use Areas shall be the sole right and responsibility of the Developer and/or the Corporation. The management shall be carried out in accordance with the terms and conditions of these Restrictions, the Bylaws and the Articles, but may be delegated or contracted to managers or management services.

ARTICLE 5

COMMUNITY EXPENSES

The Community Expenses include:

- A. All amounts expended by the Corporation in operating, administering, managing, repairing, lighting and improving Community Use Areas; all amounts expended by the Corporation in legal fees; all similar fees which may be incurred by the Corporation from time to time in performing the functions delegated to the Corporation by these Restrictions; and all amounts expended in any form by the Corporation in enforcing these Restrictions, the Bylaws or Articles.
- B. All amounts expended by the Corporation in carrying out any duty or discretion as may be required or allowed by these Restrictions, the Bylaws or the Articles.
- C. All amounts declared to be Community Expenses in these Restrictions or the Bylaws.
- D. All taxes and special assessments which may be levied from time to time by any governmental authority upon Community Use Areas.

ARTICLE 6

ANNUAL GENERAL ASSESSMENT

A. Assessments are provided for in this Declaration for the purpose of paying common expenses for betterment of residential Owners who occupy homes within the Subdivision on a more or less permanent basis and are not assessable against the Developer and Builder(s). Each Owner of a Lot, excluding the Developer and Builder(s), by acceptance of a deed for same (whether or not it shall be so-expressed in such deed), is deemed to covenant and agrees to pay to the Corporation annual general assessments or charges as hereinafter provided. The annual general assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge and lien on the land and, subject to Article 6, Section F, shall be a continuing lien upon the property against which each such assessment is made. Furthermore, each such assessment, together with interest, costs, and reasonable attorneys' fees, shall be a personal obligation of the person who was the Owner of the Lot at the time when the assessment fell due. Each Grantee of an Owner shall also be jointly and severally liable for the assessments which are due at the time of conveyance and, subject to the provisions of this Declaration, delinquent assessments shall continue to be a lien upon such Lot; provided Developer and Builder(s) shall not be liable for annual or special assessments during the time that either owns lots in the Subdivision.

B. Until December 31 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment shall be One Hundred Fifty and No/100 Dollars (\$150.00) per Lot.

1. From and after December 31 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment may be increased

each year not more than ten percent (10%) above the assessment for the previous year without any vote of the membership.

2. From and after December 31 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment may be increased by an amount greater than ten percent (10%) of the assessment for the previous year provided the proposed increase is approved by a vote of two-thirds (2/3) of the members who are voting in person or by a proxy at a meeting duly called for this purpose.

3. The Board of Directors may not fix the annual general assessment at an amount in excess of the maximum.

4. Once the annual general assessment has been set, notice of the annual general assessment shall be given to all members. After the initial notice of the assessment, the assessment shall become due and payable as provided by the Board of Directors.

C. Written notice of any meeting called for the purpose of taking any action authorized under Article 6, Section B, Paragraph 2 shall be sent to all members not less than thirty (30) days, nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of the class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

D. The annual general assessments levied by the Corporation shall be used exclusively to pay the Community Expenses.

E. The Corporation shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Corporation setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Corporation as to the status of assessments on a Lot is binding upon the Corporation as of the date of its issuance.

F. The lien of the assessment 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 foreclosure of a first mortgage or any proceeding in lieu therefor, 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 7

SPECIAL ASSESSMENTS

Special assessments may be levied against all Lots for such reasons as are provided in these Restrictions, the Bylaws or the Articles and on such terms as provided by the Board of Directors or the members provided that Lots owned by the Developer and Builder(s) held for sale shall not be subject to Special Assessments. Either the Board of Directors or the members may levy and impose special assessments upon a majority vote. The purposes for which special assessments may be levied include, but are not limited to, providing funds to pay Community Expenses which exceed the general assessment fund then on hand to pay same and providing a contingency fund for capital improvements and extraordinary expenses. Furthermore, special assessments may be assessed against individual Lots. In the event the Owner of a Lot fails to comply with the provisions

of Article 14 hereof, the Corporation may perform such task or remedy such matter and levy the cost of such performance against the Owner of such Lot and such Lot as a special assessment.

ARTICLE 8

CAPITALIZATION OF CORPORATION

At the Closing of the sale of an improved Lot by a Builder to an Owner, the Builder shall collect or in lieu of collection be responsible for a Two Hundred Dollar (\$200.00) fee ("Initiation Fee") from the purchasing Owner and transfer said Initiation Fee to the Corporation. The Initiation Fee shall be in addition to, not in lieu of, any annual or special assessments. The Initiation Fee shall be payable at closing, shall not be prorated, and the Corporation shall have all rights under the Declaration for enforcement of assessments if it is not paid. The Initiation Fee shall be deposited into an account of the Corporation and disbursed from that account (a) \$100.00 for the common expenses of the Corporation in accordance with the Declaration and the Bylaws and (b) \$100.00 of the Initiation Fee shall be held by the Corporation as a long term "Reserve" to be disbursed by the Corporation for maintenance of any property which the Corporation is required or permitted to maintain, in its sole discretion.

ARTICLE 9

LIEN FOR ASSESSMENTS

Any general or special assessment, if not paid within thirty (30) days after the date such assessment is due, together with interest (not to exceed the lesser of the maximum rate permitted by law or eighteen percent (18%) per annum on the principal amount due, costs of collection, court costs, and reasonable attorneys' fees shall constitute a lien against the Lot upon which such assessment is levied. The Corporation may record notice of same in the Office of the

Clerk of Superior Court of Granville County or file a suit to collect such delinquent assessments and charges. The Corporation may file Notice of Lis Pendens, bring an action at law against the Owner personally obligated to pay the same and/or bring an action to foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein.

ARTICLE 10

INSURANCE

A. The Board of Directors or the duly authorized agent of the Corporation shall have the authority to and shall obtain insurance for all insurable improvements whether or not located on the Community Use Areas which the Corporation is obligated to maintain.

B. The Board of Directors shall obtain a general commercial liability policy applicable to the Community Use Areas covering the Corporation and its members for all damage or injury caused by the negligence of the Corporation or any of its members or agents, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least One Million Dollars (\$1,000,000.00). If available, the Board of Directors is authorized to obtain directors' and officers' liability insurance coverage.

C. The Board of Directors is authorized to obtain the insurance coverage required hereunder through the Developer and to reimburse the Developer for the cost thereof. The Board of Directors shall not be required to comply with the provisions of this Section if the Board of Directors has contracted for or otherwise arranged to obtain the required insurance coverage through the Developer.

D. Premiums for all insurance shall be Community Expenses.

E. All insurance coverage obtained by the Board of Directors shall be written in the name of the Corporation, as Trustee for the respective benefitted parties, as further identified

below. Such insurance shall comply with these provisions:

1. All policies shall be written with a company authorized to do business in North Carolina.
 2. Exclusive authority to settle losses under policies obtained by the Corporation shall be vested in the Corporation's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.
 3. In addition to the other insurance required by this Section, the Board of Directors may obtain worker's compensation insurance, if and to the extent necessary to satisfy the requirements of applicable laws, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Corporation's funds, if reasonably available. If obtained, the amount of fidelity coverage shall be determined in the three (3) months' assessments plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled, subjected to nonrenewal, or substantially modified without at least thirty (30) days prior written notice to the Corporation.
- F. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner acknowledges that the Corporation has no obligation to provide any insurance for any portion of individual Lots.

ARTICLE 11

COMPLIANCE WITH THIS DECLARATION, THE BYLAWS AND THE ARTICLES

In the case of failure of an Owner to comply with the terms and provisions contained in this Declaration, the Bylaws or the Articles, the following relief shall be available:

A. The Corporation, an aggrieved Owner, Owners within the Subdivision on behalf of the Corporation or any Lot Owner on behalf of all the Lot Owners within the Subdivision shall have the right to bring an action and recover sums due, damages, injunctive relief, and/or such other and further relief as may be just and appropriate.

B. The Corporation shall have the right to remedy the violation and assess the costs of remedying same against the offending Owner as a special assessment.

C. If the violation is the nonpayment of any general or special assessment, the Corporation shall have the right to suspend the offending Owner's voting rights and the use by such Owner, his agents, employees and invitees of the Community Use Areas in the Subdivision for any period during which an assessment against the Lot remains unpaid.

D. The remedies provided by this Article are cumulative, and are in addition to any other remedies provided by law.

E. The failure of the Corporation or any Person to enforce any restriction contained in these Restrictions, the Articles or the Bylaws shall not be deemed to waive the right to enforce such restrictions thereafter as to the same violation or subsequent violation of similar character.

Prior to availing itself of the relief specified herein, the Corporation shall follow the hearing procedures as set forth in the Bylaws.

ARTICLE 12

PROPERTY RIGHTS OF LOT OWNER, CROSS-EASEMENTS, AND EXCEPTIONS AND RESERVATIONS

A. Every Owner of a Lot, including the Developer and Builder(s), as an appurtenance to such Lot, shall have a perpetual easement over and upon the Community Use Areas

for each and every purpose or use to which such Community Use Areas were intended as determined by their type, or for which such Community Use Areas generally are used. Such easements shall be appurtenant to and shall pass with the title to every Lot, whether or not specifically included in a deed thereto, subject to the following provisions:

1. The Corporation shall have the right to make reasonable rules and regulations respecting the use of same.

2. The Corporation shall have the right to suspend the voting rights of an Owner and his right to use the Community Use Areas for any period during which any due assessment against such Owner's Lot remains unpaid as is provided in Article 11 hereof, and for a period not to exceed sixty (60) days for any infraction of its Guidelines and Procedures.

B. The Corporation hereinafter may grant easements for utility purposes for the benefit of the Subdivision and the Lots now or hereafter located thereon, over, under, along and through the Community Use Areas. Provided, however, that no such grant of easement shall have a material adverse effect on the use, enjoyment or value of any Lot.

C. There is hereby reserved to the Developer and the Corporation blanket easements and rights of way upon, across, above, and under all property in the Development Area, including all Lots, for access, ingress, egress, installation, repairing, replacing, and maintaining all utilities and services. The easements and right of way areas reserved by the Developer and the Corporation on each Lot pursuant hereto shall be maintained continuously by the Owner but no structures, plantings or other material shall be placed or permitted to remain upon such 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. Improvements within such areas also shall be maintained by the respective owner except those for which a public authority or utility company is responsible.

D. The rights of the use of utility and service easements and right of way areas as provided and defined herein for any type of cable transmission system is reserved exclusively to the Developer and the Corporation, and no other cable transmissions service company or organization shall be permitted to service any Lot or combination of Lots except with the expressed permission of the Developer and the Corporation.

E. In addition to the other rights reserved to the Developer and the Corporation, the Developer or the Corporation shall have the right (but not the obligation) to enter upon any property or Lot within the Development Area for emergency, security, and safety reasons. This right may be exercised by the Developer or its designee, any officer of the Corporation, and all governmental employees, policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner, and the entering party shall be responsible for any damage caused. This right of entry shall include the right of the Corporation to enter to cure any condition which may increase the possibility of a fire, slope erosion, or other hazard or condition in the event an Owner fails or refuses to cure the condition upon request by the Corporation.

F. The Developer and Corporation hereby expressly reserve a perpetual easement for the benefit of the Developer or the Corporation across such portions of the Development Area, determined in the sole discretion of the Developer and the Corporation, as are

necessary to allow for the maintenance required by this Declaration. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment to Owner's property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

ARTICLE 13

RESTRICTIONS ON USE AND OCCUPANCY

- A. No Lot shall be used except for single family residential purposes. No structure shall be erected, placed or permitted to remain on a Lot other than one (1) detached, single family residence dwelling and such outbuildings as are usually accessory to a single family residence dwelling, including a private enclosed garage with space for not more than three (3) automobiles and a second story for guests and/or servants quarters which garage shall not be rented separately for remuneration. Unenclosed carports, or similar storage structures, shall not be erected, placed or permitted to remain on any Lot.
- B. Any dwelling constructed on a Lot shall contain not less than twelve hundred (1,200) square feet of fully enclosed and heated floor area devoted to living purposes (exclusive of roofed or unroofed porches, terraces, garages and any outbuildings).
- C. No above-grade structure (except approved fences or walls) may be constructed or placed on any Lot except within the minimum building setback lines as set forth herein:
- (a) Twenty-five (25) feet from the Lot front line.
 - (b) Six (6) feet from the Lot side line with total minimum fifteen (15) feet.
 - (c) Thirty (30) feet from the Lot rear line.

The term "lot front line" defines the boundary line of the Lot that is contiguous to and bounded by the named street as shown on the recorded subdivision plat.

The term "lot rear line" defines the boundary line of the Lot that is farthest from, and substantially parallel to, the line of the street on which the Lot abuts.

The term "lot side line" defines a boundary line that extends from the street on which the Lot abuts to the rear line of the Lot.

An Owner of a Lot and a portion or all of an adjoining and contiguous Lot or Lots may construct a dwelling and/or other structures permitted hereunder upon and across the dividing line of such adjoining and contiguous Lots, all such structures to comply with the minimum building setback lines from the actual boundary lines of the subject Owner's property, and thereafter such combinations of Lots or portions thereof shall be treated for all purposes under these Restrictions as a single Lot.

D. The design, size and location of containers for the collection and removal of garbage, trash and other like household refuse shall be subject to and shall require the approval of the Committee.

E. The following general requirements and prohibitions shall apply and control the improvement, maintenance and use of all Lots:

1. All maintenance of the Lot and all structures, parking areas, landscaping, and other improvements thereon shall be the sole responsibility of the Owner thereof, who shall maintain such Lot in a manner consistent with the Subdivision Standards and this Declaration. In the event that the Board of Directors determines that any Owner has failed or refused to discharge properly any of such Owner's obligations with regard to the maintenance,

repair, or replacement of items for which such Owner is responsible, the Corporation may perform such maintenance, repair or replacement for the Owner at the expense of the Owner. Except in an emergency situation, the Corporation shall give the Owner written notice of the Corporation's intent to provide such necessary maintenance, repair, or replacement. The notice shall set forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. The Owner shall have ten (10) days after receipt of such notice within which to complete such maintenance, repair, or replacement, or, in the event that such maintenance, repair, or replacement is not capable of completion within a ten (10) day period, to commence such work which shall be completed within a reasonable time. If any Owner does not comply with the provisions hereof, the Corporation may provide any such maintenance, repair, or replacement at such Owner's sole cost and expense, and all costs shall be an assessment.

2. No mobile home, trailer, camper, tent, or temporary house, temporary garage or other temporary outbuilding shall be placed or erected on any Lot, provided, however, that the Committee may grant permission for temporary structures for storage of materials during construction. No such temporary structure as may be approved shall be used at any time as a residence.

3. Once construction of a dwelling or other improvements is started on any Lot, the improvements must be substantially completed in accordance with the approved plans and specifications within twelve (12) months from commencement.

4. During construction of improvements on any Lot, adequate portable sanitary toilets must be provided for the construction crew and the Lot must be cleaned of excess debris at least once a week.

5. All dwellings and permitted structures erected or placed on any Lot shall be constructed of material of good grade, quality and appearance, and all construction shall be performed in good workmanship manner and quality. The exterior of all dwellings and permitted structures shall be either natural wood, stone or brick. No used structures shall be relocated or placed on any Lot and no structures shall have an exterior constructed of concrete blocks, asbestos or asphalt siding. Any permitted outbuilding shall be of the same material, quality, general appearance and workmanship as the dwelling on the Lot. The requirements of the Committee shall control all improvements to any Lot as is therein specified.

6. Except structures erected by the Developer and/or Builder, no structure erected upon any Lot may be used as a model exhibit or house unless prior written permission to do so shall have been obtained from the Committee.

7. All Lots, whether occupied or unoccupied, shall be well maintained and no unattractive growth or accumulation of rubbish or debris shall be permitted.

8. No trash, ashes, garbage or other refuse shall be dumped or stored or accumulated on any Lot or other area in the Development Area.

9. Any dwelling or improvement on any Lot which is destroyed in whole or in part by fire or other casualty must be rebuilt or all debris removed and the Lot restored to a sightly condition with reasonable promptness, provided, however, that in no event shall such debris remain on such Lot longer than four (4) months.

10. No stripped, partially wrecked, or junked motor vehicle, or part thereof, shall be permitted to be parked or kept on any Lot. All motor vehicles of any type kept on any Lot shall have current registration and inspection certificates.

11. All fuel storage tanks shall be buried below the surface of the ground or screened or so placed and kept as not to be visible to the Occupants of other Lots or the users of any street or recreation area.

12. All dwelling connections for all utilities including but not limited to, water, electricity, gas, telephone and television shall be run underground from the proper connecting points to the dwelling structure in such manner as may be acceptable to the appropriate utility authority.

13. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets in a reasonable number may be kept provided they are not kept, bred or maintained for any commercial purpose, and provided, further, that such pets do not constitute a danger or nuisance to other Lot owners or to the neighborhood.

14. No noxious, offensive or illegal trade or activity shall be carried on upon any Lot nor shall anything be done on any Lot that shall be or become an unreasonable annoyance or nuisance to other Lot owners or the neighborhood.

ARTICLE 14

SELF-HELP

In addition to any other remedies provided for herein, the Corporation or its duly authorized agent shall have the power to enter upon any Lot or any other portion of the Development Area to abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates this Declaration, the Bylaws, the rules and regulations, or the use restrictions. Unless an emergency situation exists, the Board of Directors shall give the violating Lot Owner ten (10) days written notice of its intent to exercise self-help. Notwithstanding the

foregoing, vehicles may be towed after reasonable notice. All costs of self-help, including reasonable attorneys' fees, shall be assessed against the violating Lot Owner and shall be collected as provided for herein for the collection of assessments.

ARTICLE 15

WAIVER

No provision contained in these Restrictions, the Bylaws or Articles shall be deemed to have been waived, abandoned, or abrogated by reason of failure to enforce them on the part of any Person as to the same or similar future violations, no matter how often the failure to enforce is repeated.

ARTICLE 16

LITIGATION

No judicial or administrative proceeding shall be commenced or prosecuted by the Corporation unless approved by at least seventy-five percent (75%) of the Board of Directors. This Section shall not apply, however, to (a) actions brought by the Corporation to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided in this Declaration, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Corporation in proceedings instituted against it. This Section shall not be amended during the time period when the Developer owns any property for development or sale in the Development Area, or has the right to unilaterally annex additional property to the Development Area unless such amendment is made by the Corporation.

ARTICLE 17

VARIANCES

The Board of Directors in its discretion may allow reasonable variances and adjustments of these Restrictions in order to alleviate practical difficulties and hardship in their enforcement and operation. Any such variances shall not violate the spirit or the intent of this document to create a Subdivision of Lots owned in fee by various Persons with each such Owner having an easement upon areas owned by the Corporation.

To be effective, a variance hereunder shall be recorded in the Granville County Register of Deeds Office; shall be executed on behalf of the Corporation; and shall refer specifically to this Declaration.

ARTICLE 18

DURATION, AMENDMENT AND TERMINATION

A. The covenants and Restrictions contained in this Declaration shall run with and bind the land 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 one (1) year.

B. This Declaration may be amended unilaterally at any time and from time to time by the Developer (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; or (c) if such amendment is necessary to enable any governmental agency or private insurance company to insure or guarantee Mortgage Loans on the Lots subject to this Declaration; provided, however,

any such amendment shall not adversely affect the title to any Owner's Lot unless any such Lot Owner shall consent in writing. Further, so long as the Developer has the right unilaterally to subject additional property to this Declaration, the Developer may unilaterally amend this Declaration for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Lot Owners hereunder, nor shall it adversely affect title to any Lot without the consent of the affected Lot Owner.

In addition to the above, this Declaration may be amended:

1. For so long as the Developer owns any property in the Development Area with the affirmative written consent of the Developer and the affirmation votes of written consent of at least two-thirds (2/3) of the Lots;

2. If the Developer no longer owns any property in the Development Area and no longer has the right to annex additional property, upon the affirmative vote or written consent, or any combination thereof, of the Owners of at least two-thirds (2/3) of the Lots.

To be effective any amendment must be recorded in the Office of the Register of Deeds of Granville County, North Carolina, and a marginal entry of same must be signified on the face of this document.

C. 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.

ARTICLE 19

BOOKS AND RECORDS

A. This Declaration, the Bylaws, copies of rules and use restrictions, Guidelines and Procedures of the Corporation, membership register, books of account, and minutes of meetings

of the members of the Board of Directors and of committees shall be made available for inspection and copying by the Developer or any member of the Corporation or by the duly appointed representative of any member and by holders, insurers, or guarantors of any first Mortgage at any reasonable time and for a purpose reasonably related to such Person's interest as a member or holder, insurer, or guarantor of a first Mortgage at the office of the Corporation or at such other reasonable place as the Board of Directors shall prescribe.

B. The Board of Directors shall establish reasonable rules with respect to: (1) notice to be given to the custodian of the records; (2) hours and days of the week when such an inspection may be made; and (3) payment of the cost of reproducing copies of documents.

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

ARTICLE 20

CAPTIONS

The captions preceding the various Articles of these Restrictions are for the convenience of reference only, and shall not be used as an aid in interpretation or construction of these Restrictions. As used herein, the singular includes the plural and where there is more than one Owner of a Lot, said Owners are jointly and severally liable for the obligations herein imposed. Throughout this Declaration, references to the masculine shall be deemed to include the feminine, the feminine to include the masculine and the neuter to include the masculine and feminine.

ARTICLE 21

ASSIGNABILITY OF RIGHTS AND LIABILITIES

The Developer shall have the right to sell, lease, transfer, assign, license and in any manner alienate or dispose of any rights, interests and liabilities retained, accruing or reserved to it by this Declaration. Following any such disposition, Developer in no way shall be liable or responsible to any party with regard to any such right, interest or liability or any claim or claims arising out of same in any manner.

ARTICLE 22

LIBERAL CONSTRUCTION

The provisions of this Declaration shall be construed liberally to effectuate its purpose of creating a Subdivision of fee simple ownership of Lots and buildings governed and controlled by rules, regulations, restrictions, covenants, conditions, reservations and easements administered by the Corporation with each Owner entitled to and burdened with the rights and easements equivalent to those of other Owners.

IN WITNESS WHEREOF, the Developer hereby executes this instrument under seal
this the ____ day of July, 2005.

PARK LAND OF NORTH CAROLINA, LLC, a
North Carolina limited liability company

By: T.C. [Signature]
Manager

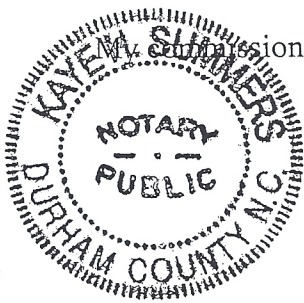
NORTH CAROLINA

DURHAM COUNTY

I, Kaye H. Summers, a notary public of the County and State aforesaid, certify that T. C. Stanford personally appeared before me this day and acknowledged that he is Manager of Park Land of North Carolina, LLC, and that by authority duly given and as the act of the limited liability company, the foregoing instrument was signed in its name by its Manager.

Witness my hand and official stamp or seal, this 13th day of July, 2005.

Kaye H. Summers
Notary Public



STATE OF NORTH CAROLINA, GRANVILLE COUNTY
The foregoing certificate of Kaye H. Summers a Notary Public
is certified to be correct. This instrument was presented for
registration and filed in this office in Book 1097 Page 315
This 15th day of July 2005 at 9:02 o'clock AM
Register of Deeds Kathryn Goss Averett
by Kathy M. Averett Assistant Deputy