

NORTH CAROLINA

MOORE COUNTY

AMENDMENT #1 To:
DECLARATION OF COVENANTS
EASEMENTS, AND RESTRICTIONS
VILLAGE IN THE WOODS
(Book 01695 Page 00153)

THIS AMENDMENT amends THE DECLARATION OF COVENANTS, EASEMENTS, AND RESTRICTIONS, this 9th day of January, 2001, by the Owners of Units in Village in the Woods and the Village in the Woods Association of Southern Pines, Inc., in accordance with ARTICLE XVI, GENERAL PROVISIONS, Section 3. Amendment as follows:

ARTICLE XIII
COVENANTS FOR USE RESTRICTIONS
Section 8. Recreational Vehicles

FROM: No trailers, campers, vans, motorcycles, trucks, boats, recreational vehicles, or vehicles other than an automobile may be parked or kept within the confines of the development for more than a 72 hour period. Said vehicles shall be parked only in the off street designated guest parking areas and may not be more than 16 feet in length.

TO: No trailers, campers, commercial vans, motorcycles, trucks (including SUV's with truck beds or trucks that have a covered top placed on the truck bed), boats, recreational vehicles, or vehicles other than passenger vehicles may be parked or kept within the confines of the development for more than a 72-hour period. Nor can any vehicle, including passenger vehicles, be parked or kept within the confines of the development for more than 72 hours if it exceeds 16 feet in length.

In the event of a dispute over the meaning of the foregoing paragraph regarding parking of vehicles in Village in the Woods, the Board of Directors' decision thereto shall be final and binding.

This declaration supercedes the subject paragraph filed in Book 01015 Page 00164 on July 7, 1994.

IN WITNESS WHEREOF, The Unit Owners and the Association sign and seal this Declaration of Amendment the day and year first above written.

STATE OF NORTH CAROLINA

COUNTY OF MOORE

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MRS. JUDY D. MARTIN

REGISTER OF DEEDS - MOORE COUNTY

AMENDMENT TO THE DECLARATION OF
COVENANTS, EASEMENTS, AND RESTRICTIONS
VILLAGE IN THE WOODS

THIS AMENDMENT TO THE DECLARATION OF COVENANTS, EASEMENTS, AND RESTRICTIONS, made this 13th day of November, 2000 by the Owners of Units in Village in the Woods and the Village in the Woods Association of Southern Pines, Inc.

WITNESSETH:

WHEREAS, the Declaration of Covenants, Easements, and Restrictions dated May 11, 1994 and filed in Book 1015 at Page 160 of the Moore County Registry, which was recorded on July 7, 1994; and

WHEREAS, pursuant to the Declaration of Covenants, Easements, and Restrictions, the Restricted Covenants can be amended by a vote of 80% of the Owners of the Units in the Village in the Woods development; and

WHEREAS, it was adopted at the annual meeting held on November 10, 2000, that Article 13, Section 8 of the Restricted Covenants shall be amended. The revision of Article 13, Section 8 is attached with this amendment as Exhibit "A" along with the signature of 80% of the Owners of Units in the Village in the Woods and Village in the Woods Association of Southern Pines, Inc.

IN WITNESS WHEREOF, the Unit Owners and Association sign and seal this Amendment the day and year first above written.

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NORTH CAROLINA
MOORE COUNTY

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MRS. JUDITH M. ADAMS
REGISTER OF DEEDS
MOORE COUNTY, N.C.

DECLARATION OF COVENANTS,
EASEMENTS, AND RESTRICTIONS
VILLAGE IN THE WOODS

THIS DECLARATION OF COVENANTS, EASEMENTS, AND RESTRICTIONS, made this 11th day of May, 1994, by the Owners of Units in Village in the Woods and the Village in the Woods Association of Southern Pines, Inc., hereinafter referred to collectively as "Declarant."

WITNESSETH:

WHEREAS, Village in the Woods is a development of attached and detached townhomes located in Southern Pines, Moore County, North Carolina, and shown on the plat filed in Plat Cabinet 2, Slide 248 of the Moore County Registry of Deeds; and

WHEREAS, the Village in the Woods development is subject to a Declaration of Restrictive Covenants and Conditions filed in Book 404, Page 694 of the Moore County Registry, which was filed on March 9, 1976; and

WHEREAS, more than two-thirds (2/3) of the Owners of Units in the Village in the Woods development and Village in the Woods Association of Southern Pines, Inc., desire to modify the said Declaration to provide the terms contained herein; and

WHEREAS, Declarant desires to insure the attractiveness of the townhouse community and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of all properties within the townhouse community and to provide for the maintenance and upkeep of the exterior of all townhouse units and the Common Area, as hereinafter defined; and to this end desires to subject the real property shown on the plat filed in Plat Cabinet 2, Slide 248, of the Moore County Registry, to the covenants, easements, and restrictions hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, the Village in the Woods was conceived as a residential community for those forty-eight (48) years of age or older and the Declarant desires to make the community attractive to its residents.

NOW, THEREFORE, Declarant, by this Declaration of Covenants, Conditions, Easements, and Restrictions, does declare that all of the property shown on the plat filed in Plat Cabinet 2, Slide 248 of the Moore County Registry, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration which shall run with the land and be binding on all parties owning any right, title or interest in said real property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof. This Declaration supersedes the Declaration filed in Book 404, Page 694 upon its expiration on March 9, 1996.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to VILLAGE IN THE WOODS ASSOCIATION OF SOUTHERN PINES, INC., a North Carolina nonprofit corporation, its successors and assigns.

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Section 2. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners. Said Common Area as shown on the plat filed in Plat Cabinet 2, Slide 248 of the Moore County Registry.

Section 3. "Declarant" shall mean and refer to Village in the Woods Association of Southern Pines, Inc. and all the Owners of property in Village in the Woods, collectively.

Section 4. "Lot" shall mean and refer to the Units shown in the plat filed in Plat Cabinet 2, Slide 248 in the Moore County Registry with the exception of the Common Area.

Section 5. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Unit which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Properties" shall mean and refer to the Village in the Woods development as shown on plat filed in Plat Cabinet 2, Slide 248 of the Moore County Registry.

Section 8. "Unit" shall mean any numbered plot of land, with delineated boundary lines, appearing on the recorded subdivision map of the Properties filed in Plat Cabinet 2, Slide 248 with the exception of the Common Area.

ARTICLE II

VILLAGE IN THE WOODS ASSOCIATION OF SOUTHERN PINES, INC.

There is incorporated under North Carolina law a North Carolina nonprofit corporation, Village in the Woods Association of Southern Pines, Inc., for the purpose of owning and maintaining the Common Areas and streets and roads within the Village in the Woods development. The Association has such purposes as are described herein and any other purposes properly adopted by the Association's Board of Directors. The Association shall be governed by this Declaration and the By-laws attached hereto as Exhibit A.

ARTICLE III

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

The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration and within the jurisdiction of the Association is located in Southern Pines, McNeill Township, Moore County, North Carolina, and is shown on the plat filed in Plat Cabinet 2, Slide 248 of the Moore County Registry.

ARTICLE IV

MUTUALITY OF BENEFIT AND OBLIGATION

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

ARTICLE V

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, including an easement and full and

mutual right of use, for the purpose of access, ingress and egress, over such portions of the Common Area designated for such purposes, all of which shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

(a) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Unit remains unpaid; and for a period not to exceed sixty days for any infraction of its published rules and regulations;

(b) the right of the Association to grant utility, drainage and other easements across the Common Area.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-laws of the Association, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE VI MEMBERSHIP AND VOTING RIGHTS

Every Owner of a Unit which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from the ownership of any Unit which is subject to assessment. When more than one person owns an interest (other than a leasehold or a security interest) in any Unit, all such persons shall be members and the voting rights appurtenant to said Unit shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any one Unit.

ARTICLE VII COVENANTS FOR MAINTENANCE ASSESSMENT

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Unit owned within the Properties, hereby covenants, and each Owner of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment or charge, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessment. The assessments or charges levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and including, but not limited to, the painting of the exterior of townhouse units and maintenance of the Common Areas, streets and parking areas and for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including, but not limited to, the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management and supervision thereof, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the By-laws, the employment of attorneys to represent the Association when necessary, the cost of audits and reviews, and such other needs as may arise.

Section 3. Annual Assessment. The Board of Directors of the Association shall prepare and adopt a budget for operation of the Association considering current maintenance costs and future needs of the Association. After considering current maintenance costs and future needs of the Association, the Board of Directors shall set the annual assessment at such amounts as shall be reasonable, taking into account all the factors involved in the efficient operation of the Association. Should the Board decide that an increase in the maintenance fee for any one year in excess of ten percent (10%) is needed, such increase shall require the approval of at least fifty-one percent (51%) of a

quorum of the members of the Association at a meeting called with thirty (30) days written notice. Voting may in the discretion of the Chairman be by show of hands.

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

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only 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, provided that any such assessment shall be consented to by sixty percent (60%) of the votes of Members that are present in person or by proxy at the annual meeting or a meeting duly called to approve the special assessment.

Section 5. Assessment Rate. Both annual and special assessments must be fixed at a uniform rate for all similar Units within the development and shall represent each Unit's pro rata share of the adopted annual budget adjusted for the size of the Unit.

Section 6. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of approving Special assessments or a change in the annual maintenance assessment of greater than ten percent (10%) under Sections 3 or 4 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 in person or by proxies entitled to cast sixty percent (60%) of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

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

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the Board of Directors of the Association to defray the costs of late payment. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, and interest, late payment fees, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Unit.

Section 9. The Association's lien may be foreclosed in the same manner as deeds of trust on real estate under power of sale under Article 2A of Chapter 45 of the General Statutes of North Carolina, as the same may be in effect at the time the foreclosure is commenced and each owner hereby grants to the Association a power of sale under said statutes. Each Owner of a Unit agrees that the Association may appoint a trustee for such purpose, and upon request by the Association, it shall be lawful and the duty of the trustee so appointed to sell the tract subject to the lien at public auction for cash, after having first given such notice of hearing as to commencement of foreclosure proceedings and obtaining such findings or leave of court as may then be required by law and by giving such notice and advertising the time and place of such sale in the manner as then provided by law. Any sale or resale shall be according to the law for foreclosure proceedings under power of sale to convey title to the purchaser in as full and ample manner as the trustee is hereby empowered. The trustee shall be authorized to retain an attorney to represent the trustee in such proceedings and the cost of any such attorney shall be an expense of the trustee which shall be chargeable against the

proceeds from the sale or resale of the Unit. A proceeding to enforce the lien for unpaid assessments or charges or repair or maintenance costs must be commenced within three (3) years after the delivery of notice of the assessments or charges or repair or maintenance costs to the Owner. Each assessment or charge together with the interest, costs, and reasonable attorneys fees incurred or expended by the Association in collection thereof, shall also be the personal obligation of the Owner of the Unit. The personal obligation for any delinquent assessment or charge, together with interest, costs and reasonable attorneys fees, however, shall not pass to the Owner's successors in title unless expressly assumed by them.

The proceeds of the sale after the trustee retains a commission, together with any reasonable attorney's fees incurred by the trustee in such proceeding, shall be applied to the costs of sale, including, but not limited to, cost of collection, taxes, assessments, cost of recording, service fees and incidental expenditures, the amount due on the assessment and any accrued interest thereof which the lien secures and any advancements and other sums expended by the Association according to the provisions hereof and otherwise as required by the then existing law relating to foreclosures under power of sale. The trustee's commission shall be five percent (5%) of the gross proceeds of sale or the minimum of Five Hundred Dollars (\$500.00), whichever is greater, for completed foreclosure. In the event foreclosure of the lien is commenced but not completed, the Unit Owner shall pay all expenses incurred by the trustee, including reasonable attorney's fees and a partial commission computed on five percent (5%) of the outstanding indebtedness or the above stated minimum sum, whichever is greater, in accordance with the following schedule: one fourth (1/4) thereof before the trustee issues a Notice of Hearing on the Right to Foreclosure; one half (1/2) thereof after issuance of said Notice; three quarters (3/4) thereof after such hearing; and the greater of the full commission or minimum after the initial sale.

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

In the event the trustee is named as a party to any civil action as trustee in foreclosing the Association's lien rights, the trustee shall be entitled to employ an attorney at law, including the trustee if a licensed attorney, to represent the trustee in said action and the reasonable attorney's fee of the trustee in such action shall be paid by the Association and added to the outstanding indebtedness which the Association's lien secures and bear interest at the rate provided by the Amendment for unpaid assessments.

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

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage granted to a bank, trust company, insurance company or other recognized lending institution. Sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage or deed of trust as above provided.

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ARTICLE VIII
EASEMENTS FOR USE OF COMMON AREAS

Section 1. Declarant hereby grants to each Owner the right to use roads, streets, alleys, sidewalks, parks, Common Areas, and common facilities which are owned by the Association at the development.

Section 2. Each Owner of a Unit with a heating and/or cooling unit which encroaches on the Common Areas owned by the Association shall have an easement over that portion of the Common Area affected by the encroaching object for the purpose of using said portion of the Common Area for his own benefit and for the purpose of maintaining the encroaching structure in good condition and repair.

ARTICLE IX
ARCHITECTURAL CONTROL

The Association shall maintain an Architectural and Landscape Committee as described in the By-laws. No addition, painting, alteration, repair, or construction shall be made to the exterior of any home on any Unit or Common Area within the development, without the approval of the Architectural and Landscape Committee. Color combinations for the exterior painting of houses shall be determined by the Architectural and Landscape Committee. Members shall maintain their premises in good order and the property shall be maintained in conformance with the original Williamsburg design of the houses. Only Williamsburg colors will be used on the exterior.

ARTICLE X
EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Unit which is subject to assessment hereunder, as follows: Repair, replacement and care of walks, brick gutters as well as brick steps and brick walls adjacent to steps; painting of exterior building surfaces; maintenance and replacement of trees, shrubs, and other exterior improvements, including grass and other vegetation in those portions of each Unit lying outside of the residence building. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right to unobstructed access over and upon each Unit at all reasonable times to perform maintenance as provided in this Article.

In the event that the need for maintenance, repair, or replacement is caused through the willful or negligent act of the Owner, his family, guests, or invitees, the cost of such maintenance, replacement, or repairs incurred by the Association, shall be added to and become a part of the assessment to which such Unit is subject.

ARTICLE XI
INSURANCE ON HOMEOWNERS' UNITS

The Board of Directors shall insure the units at Village in the Woods against casualties such as loss or damage by fire, lightning and other hazards under a blanket insurance policy covering all Units. The cost of the blanket insurance policy covering homeowners' Units shall be paid from Association funds obtained through the annual assessment of Unit Owners as provided in this Declaration. Such insurance shall cover the replacement value (less deductible) of replacement, repair, and reconstruction of the units. Such blanket insurance policy shall be payable to the Association and the Association shall use said funds to repair or replace the damaged or destroyed property to the same architectural style and specifications as prior to the casualty unless modifications are agreed to by the Association and the Owner whose Unit was damaged or destroyed. In no event shall the Association be liable for repair or replacement costs in excess of the insurance proceeds.

In the event the repair or reconstruction is performed by the Unit Owner prior to the Association receiving the insurance proceeds, the Association shall reimburse the Owner for any costs of repair or replacement advanced by the Owner up to the amount of the proceeds received by the Association. In addition, in the event that any funds remain after repair or replacement of the Unit according to the terms of this paragraph,

such excess insurance proceeds shall be paid to the Unit Owner. All repairs of damaged or destroyed structures hereunder shall be made to substantially the same architectural style and construction standards as the Unit had when new.

ARTICLE XII PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Units shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and 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 omissions.

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

ARTICLE XIII USE RESTRICTIONS

Section 1. Land Use. All Lots shall be used for residential purposes only and common recreational purposes ancillary thereto and for no other purpose. Only one family may occupy a Unit as a principal residence at any one time.

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

Section 3. Animals. No animals, livestock, or poultry of any kind shall be kept or maintained on any Unit or in any dwelling except that dogs, cats or other commonly accepted household pets may be kept or maintained provided they are not kept or maintained for commercial purposes.

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

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

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

Section 7. Signs. No signs or other advertising devices shall be displayed upon any Unit which are visible from the exterior of the dwelling thereon or on the Common Area, or in the facilities thereon, without prior written permission of the Association.

Section 8. Recreational Vehicles. No trailers, campers, vans, motorcycles, trucks, boats, recreational vehicles, or vehicles other than an automobile may be parked or kept within the confines of the development for more than a 72 hour period. Said vehicles shall be parked only in the off street designated guest parking areas and may not be more than 16 feet in length.

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ARTICLE XIV
LEASING

Section 1. Owners may not lease any dwelling unit on the property more than once in any 12 month period.

Section 2. Leases on Units within the premises shall not contain a clause allowing subleasing and no subleases will be permitted. Rooms may not be rented on a permanent or transitory basis.

Section 3. Prospective Lessees shall be approved by a committee composed of three (3) persons selected by the Board of Directors of the Association prior to commencement of the lease. The aim of this Committee shall be to approve prospective Lessees that the Committee believes will be able to live harmoniously, cooperatively, and with as little conflict as possible with the other residents. The Committee shall have the right to disapprove persons that the Committee feels will be undesirable and not abide by the covenants and conditions stated herein. The purpose of this restriction is to provide for the safety, health, and welfare of the residents and allow harmonious use of the property and Common Area.

ARTICLE XV
RIGHT OF FIRST REFUSAL

In the event that the Owner of any Unit shall desire to sell such Unit then said Unit shall first be offered for sale to the Association at the same price and on the same terms as the bonafide third party offer which has been made to the Owner for purchase of said Unit. The Association shall have thirty (30) days in which to accept said offer on the same terms and conditions as the bonafide offer for purchase and thirty (30) days after acceptance of the offer in which to close. In the event that the Association fails to respond to written notification from the Owner of the Unit concerning the offer which has been made to purchase the Unit, then the Association shall be deemed to have waived its right to purchase the property under this right of first refusal.

ARTICLE XVI
GENERAL PROVISIONS

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

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with the land and bind the property for a term of twenty (20) years from expiration of the prior covenants, after which time they shall be automatically extended for successive periods of ten (10) years unless, prior to the expiration of the then current term, a written instrument shall be executed by the then Owners of fifty-one percent (51%) of the Units stating that this Declaration shall expire at the end of the then current term. This Declaration may be amended by an instrument signed by the Owners of not less than eighty percent (80%) of the Units. Any amendment must be recorded in the Moore County, North Carolina, Registry of Deeds.

IN WITNESS WHEREOF, the Unit Owners and the Association sign and seal this Declaration the day and year first above written.