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Prepared by and after recording mail to:
Declarant

Submitted electronically by "Howard Stallings From"
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Chatham County Register of Deeds.

(NO TITLE EXAMINATION PERFORMED)

STATE OF NORTH CAROLINA

COUNTY OF CHATHAM

**DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR
FIREFLY OVERLOOK**

THIS DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR FIREFLY OVERLOOK (the "Declaration") is made on the 9th day of July, 2024, by Pea Ridge Developers, LLC, a North Carolina limited liability company, with a mailing address of P.O Box 5548, Cary, North Carolina 27512 (hereinafter referred to as the "Declarant");

WITNESSETH:

WHEREAS, the Declarant is the owner of the real property located in Chatham County, North Carolina (as more particularly described in Article I below, the "Property" or the "Community");

WHEREAS, Declarant will convey all Lots (as defined below) that are part of the Property subject to certain protective covenants, conditions, restrictions, reservations, and charges as hereinafter set forth; and

WHEREAS, Declarant desires to provide for the preservation and enhancement of property values, amenities and conceptual intent of the Property, for the maintenance of Common Properties or Common Areas (as defined below) and improvements thereon as described herein, and accordingly desires to subject the Property, together with such additions and/or deletions as may hereafter be made, to the covenants, restrictions, easements, affirmative obligations, charges and liens as hereinafter set forth each and all which are hereby declared to be for the benefit of said Property and each and every owner of any and all parts thereof; and

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the values and amenities of the Property to create an Association (as defined herein) to which shall be delegated and assigned the power and authority of owning, maintaining and administering the Common Properties, administering and enforcing the covenants and restrictions governing said Common Properties, collecting

and disbursing all assessments and charges necessary for such activities, and promoting the recreation, health, safety, and welfare of the residents; and

WHEREAS, Declarant has caused or will later cause the Association to be incorporated for the purpose of exercising the functions described above, and which are hereinafter more fully set forth.

NOW, THEREFORE, in consideration of the premises and covenants set forth herein, Declarant declares that the Property, and such additions and/or deletions thereto as may hereafter be made, is and shall be held, transferred, sold conveyed, leased, occupied, and used subject to the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations, and liens hereinafter set forth in this Declaration (sometimes referred to herein as the "Covenants"), and the Covenants shall run with the Property and be binding on all persons claiming under and through Declarant, and the Covenants shall inure to the benefit of each owner thereof.

ARTICLE I

SUBJECT PROPERTY

The Property is located in the County of Chatham, State of North Carolina, and is more particularly, described on Exhibit A, which is attached hereto and incorporated herein by this reference.

ARTICLE II

DEFINITIONS

As used herein:

A. "Association" shall mean and refer to Firefly Overlook Homeowners Association, Inc. a North Carolina nonprofit corporation, incorporated or to be incorporated for the care, maintenance and improvement of the roads, easements, and Common Properties or Areas, for the enforcement of the Covenants, and to engage in such activities as may be to the mutual benefit of the Owners.

B. "Board" or "Board of Directors" shall mean the Board of Directors from time to time of the Association.

C. "Bylaws" shall mean the Bylaws of the Association, as amended from time to time.

D. "Common Areas (or) Common Properties" shall mean all portions of the Property, including any parks and areas dedicated for the common use and enjoyment of the Owners, now or hereafter shown on any recorded plat for the Property as amended from time to time pursuant to the terms hereof, or hereafter deeded to the Association and intended to be devoted to the common use and enjoyment of the Owners.

E. "Declarant Control Period" shall mean that period of time during which Declarant is a Class B Member as defined in Article XX herein.

F. "Dwelling" shall mean a building designed for, or used for, human occupancy on a Lot in the Community.

G. "Environmentally unsound" shall mean soil erosion, ungrassed land (except gardens or woodlands) and the use of chemicals or other materials that may pollute ground or surface water, the soil or plants or animal life (other than the specific pest at which it is directed).

H. “Exceptional Maintenance” shall mean all roadway or driveway maintenance required as a result of damage caused by heavy or tracked vehicles, especially including those that may be used in construction.

I. “Improvement(s)” shall mean any structure, thing or device other than landscaping, the placement of which upon the Property (or any part thereof) may affect the appearance of the Property (or any part thereof) including by way of example and not limitation, any building, trailer, garage, swimming pool, radio or television antenna, satellite dish, fence, sign, curbing, paving, wall, roadway, walkway, exterior light, signboard or any temporary or permanent living quarters, house trailer, or any other temporary or permanent improvement to the Property or any part thereof. Improvement(s) shall also include (i) any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across the Property, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across the Property, and (ii) any change in the grade of the Property (or any part thereof) of more than six (6) inches from that existing at the time of purchase by an Owner.

J. “Lot” shall mean any improved or unimproved parcel of land with delineated boundary lines shown on any recorded subdivision map, or plat of the Property intended for the construction of an attached or detached single family dwelling unit, with the exception of the Common Areas.

K. “Lot 5 Septic Easement” means the area shown as “Lot 5 Septic Easement” on the Survey, which “Lot 5 Septic Easement” is located upon Open Space and Lot 29 and includes the septic easement area shown on the Survey.

L. “Lot 9 Septic Easement” means the area shown as “Lot 9 Septic Easement” on the Survey, which “Lot 9 Septic Easement” is located upon Lot 10 and includes the septic easement area shown on the Survey.

M. “Mobile Home” or “Modular Home” means a structure intended for use as a residential dwelling consisting of one or more transportable sections built off-site and transported to the site for later assembly on-site, whether or not the structure complies with the North Carolina Building Code.

N. “Owner” shall mean the record owner, whether one or more persons or entities of the fee simple title to any Lot excluding those having such interest merely for the performance of an obligation.

O. “Person” shall mean a natural person, partnership, corporation, body politic, and any unincorporated association, organization, or society which may sue or be sued under a common name.

P. “Survey” shall mean the survey prepared by CE Group entitled “Subdivision Plat Firefly Overlook Property of Pea Ridge Developers, LLC” and recorded at Plat Book 2024, Pages 217–218, Chatham County Registry that, inter alia, delineates the boundaries of the Lots and the location and dimensions of the road and easements further described in Article X.

ARTICLE III

LOTS AND VARIANCE OF LINES

Each Lot shall comprise a tract of land having an area shown on the plat or plats of the Property. The lines and boundaries of the Lots shown on the aforementioned plats may not be further subdivided so as to create two Lots out of any one Lot, nor may the Owners of any Lots recombine any Lots or vary the lines and boundaries of said Lots except in accordance with the rules and regulations of appropriate

Chatham County governmental agencies or other governmental agencies that may have jurisdiction over the Property. Declarant, however, hereby expressly reserves the right to replat any Lot or Lots owned by Declarant. The Declarant's right to replat any Lot shall include the right to change the configuration of streets and otherwise make changes on the final plat for the Community as to how the streets and common areas in the Community are laid out.

ARTICLE IV

BUILDING AND SETBACK REQUIREMENTS

Section 1. General Requirements:

Owners must submit two (2) complete sets of final house plans and a site plan showing the location of the house on the Lot, the area for any well, septic areas, and any other specifications to the Declarant or Architectural Review Board (the "ARB") for any and all proposed Improvements, the erection, modification, replacement, or alteration of which is desired by Owner. No structures or Improvements of any kind shall be erected, altered, modified, replaced, placed, or maintained upon any Lot, unless until the final plans and specifications thereof have received written approval as set forth herein. Such plans shall include a site plan showing the house and other structure(s), the well/septic areas, any wall or fence, or any other structure or Improvement to be constructed, altered, places, or maintained thereon, together with a description of the proposed construction materials, color schemes, roof design and material, and landscape design including, without limitation, mature tree size and location.

Section 2. Minimum Home Requirements:

Except as provided below, no building shall be erected, altered, placed or permitted to remain on any lot other than one single-family dwelling not to exceed two and one-half stories in height above the natural grade line and one attached private garage for not more than four cars, and two outbuildings as restricted herein; provided, however, that a guest house may be kept and maintained as part of a dwelling or an outbuilding constructed in accordance with this Article if said guest house is approved by Chatham County and other appropriate governmental authorities. In the event a guest house is located in an outbuilding, said outbuilding may also be used for some other permitted use as defined by Article VIII below. Notwithstanding the above, the single-family dwelling on Lots 13 through 22 may be three and one-half stories in height above the natural grade.

One story primary residential dwelling shall have a minimum ground floor heated area of the main structure, exclusive of basements, porches, garages, and storage areas, of not less than 3,500 heated square feet; said dwellings must also have garages suitable for housing a minimum of two cars. Dwellings with more than one story of heated living area shall have a ground floor area of not less than 2,600 square feet and a total heated living area of not less than 4,000 square feet. Once construction has begun on any approved foundation, the exterior must be completed within sixteen (16) months.

No Mobile Homes or Modular Homes shall be erected, altered, placed, or remain on any Lot. Log homes shall not be permitted to be erected or placed on a Lot and may not remain on any lot. However, timber frame home construction is allowed as approved by Declarant or ARB. No dwelling shall have or contain metal siding or exposed cinder block. All materials used in the exterior construction of a dwelling or outbuilding shall be new building materials unless specifically approved in writing by the Declarant or the ARB.

Accessory structures shall be permitted within the Community subject to the restrictions contained herein, and as these restrictions may be amended. Accessory structures shall not exceed two (2) in number on any Lot. An accessory structure may not be greater than 3,000 square feet in area, not exceed thirty (30) feet in height, and in the event more than one Accessory structure is planned or constructed, the second such structure shall not exceed 1,000 square feet in area nor fifteen (15) feet in height.

A twenty-five (25) foot natural area setback shall exist on the side and rear property boundaries and a forty (40) foot natural area setback shall exist on the front boundary wherein no building or other structure may be placed, and no vehicles, boats, or trailers may be parked, no materials of any kind may be permanently kept or stored. In said setback area the trees shall not be cut or removed but shall remain for a privacy screen between the Lots; provide, however, that this setback area can be cleared of the following: (a) dead, dying or diseased trees; (b) bushy vegetations, vines, poisonous plants, and similar items; and (c) any tree that is four inches or less in diameter at a four (4) foot height. In addition, the following are allowed in said natural area setback: (a) activities required for the installation and maintenance of septic systems and wells; (b) selected clearing of trees and/or construction of improvements within the easements noted on the recorded plat as may be agreed upon by the Association; (c) driveways and utility lines which may cross said natural area but may not run parallel to a boundary line inside the natural area except as approved in writing by the Declarant or the ARB. The removal of trees within the natural area setback for the allowed activities must be kept at the minimum necessary to complete the activity. No structure shall be located on any Lot shall be nearer to the street or lot line than as set forth in the setback requirements on the recorded plats of the subdivision. If requested in writing, Declarant or the ARB may grant a front yard set-back variance not to exceed twenty-five percent (25%) of the required setback but the Declarant and ARB may not grant any such variance if the variance is in violation of county setback requirements.

In the event an Owner builds a dwelling on two adjacent lots, the multiple Lots shall be considered as one for the purposes of setback measurements. The Owner must combine the lots to become one Lot as per Chatham County requirements. However, such combined Lots shall remain treated as two (2) Lots for purposes of assessments and voting hereunder and the Lots may not be re-subdivided in the future.

Several Lots may require above ground septic disposal state approved surface drip systems. There shall be a variance in the setback for above ground septic drip disposal systems and other county septic systems for said Lots such that no residential dwelling on any of said Lots shall be located closer than County and State requirements for said aboveground disposal systems. Construction of any building with one hundred (100) feet of such a septic disposal system shall constitute a waiver of any rights of or claims, at law or in equity, against any Owner, the ARB or the Declarant; and acceptance of any building or parcel of land in violation of said one hundred (100) feet setback shall constitute a waiver of any rights or claims, at law or in equity, against any property owner, the ARB or the Declarant.

Section 3. Architectural Review Board.

The "Architectural Review Board" or "ARB", shall consist of three (3) persons to be appointed by or before the first sale and transfer of title of a Lot by the Declarant. The Declarant shall have the right to appoint all of the members of the Architectural Review Board until all new or initial construction of all homes on all Lots is completed. After the time when all said new or initial construction of all homes on all Lots in the Property is completed, the Architectural Review Board shall be appointed by the Board of Directors of the Association.

In addition, the Declarant shall have the right but not the obligation to appoint an Architectural Advisory Committee, a majority of which advisory committee shall be comprised of Owners in the Community, which shall advise the Architectural Review Board on all changes, modifications, or additions to the initial construction of all homes which are proposed to be done by any homeowner. However, the Architectural Review Board shall have the final authority on all architectural decisions. At such time as the Architectural Review Board is appointed by the Board of Directors of the Association rather than by the Declarant, any Architectural Advisory Committee which then exists shall cease to exist and thereafter all architectural advisories, recommendations and/or decisions shall be made by the Architectural Review Board.

Section 4. Failure to commence construction provision.

These covenants require any, and all Owners to begin home construction not later than three (3) years from the date such Owner acquired its Lot and subject to all other provisions contained in Article IV pertaining to penalties regarding commencement of home construction.

In the event an Owner has not submitted an acceptable house and site plan design and commenced construction within the allotted three (3) year period, the Declarant and/or the Association may institute a monthly non-performance penalty of Three Thousand and 00/100 Dollars (\$3,000.00) due and payable monthly to the Association for non-compliance of the mandatory building provision herein stated. In the event the penalty is not paid, it shall become a lien on the Owner's Lot and the Association may enforce the provisions under the Statutes of North Carolina with any and all rights accordingly including the sale of the Lot if necessary.

Section 5. Plan or Design Approval.

Declarant or the ARB shall approve or disapprove plans, specifications and details within forty-five (45) days from the receipt thereof. One (1) set of said plans and specifications and details with the approval or disapproval endorsed thereon shall be returned to the Owner submitting them, and the other copy thereof shall be retained by Declarant or the ARB for its permanent files. Declarant or the ARB, as applicable, shall have the right to disapprove any plans, specifications or details submitted to it in the event the same are (1) not in accordance with any of the provisions of this Declaration; (2) if the design or color scheme of the proposed building or other structure is not in harmony with the general surroundings of such Lot or with the adjacent buildings or other structures on the Property; (3) if the plans and specifications submitted are incomplete; (4) if plans and specifications do not conform to building standards established for the subject area; (5) or in the event Declarant or the ARB, as applicable, deems the plans, specifications or details, or any part thereof, to be contrary to the interests, welfare or rights of all or any part of the Property subject hereto, or the Owners thereof. For clarification, Declarant shall have the right the right to require all buildings or other structures to have uniform or substantially similar exteriors and features. The Association may adopt architectural guidelines from time to time for guidance to the Owners and to the Association in applying these restrictions. The decisions of the Declarant or the ARB, as applicable, shall be final and not subject to appeal or review.

Section 6. Effect of Failure to Approve or Disapprove.

In the event that the Declarant or ARB to which the plans and specifications were submitted by Owner fails to approve or disapprove the design of any proposed improvements within forty-five (45) days after plans and specifications therefore have been submitted and received, approval will not be required, and the requirements of this Article will be deemed to have been fully satisfied.

Section 7. Rights of Inspection.

The ARB or its designee shall have all right, at its election to enter upon any of the Lots during preparation, construction, erection, or installation of any improvements to determine that such work is being performed in conformity with the approved plans and specifications.

ARTICLE V

LANDSCAPING REQUIREMENTS

Section 1. Driveway Entrance.

The plans and specifications submitted to the Declarant or the ARB for each Dwelling shall include a driveway entrance landscape plan and may include specifications for a gate for their driveway. All private driveways require a minimum width of twelve feet (12') exit from any of the Community's interior roads to individual homes. Said plan must include entrance columns of brick, stone or stucco to conform to the house design. The minimum column size shall be 24" x 24" x 50" with affixed lighting together with the

driveway entry landscape plan which shall have a minimum value of Twenty Thousand and 00/100 Dollars (\$20,000.00) inclusive of the columns.

Section 2. House Landscape plan and Exterior lighting plan.

The plans and specifications submitted to the Declarant or the ARB for each Dwelling shall include a landscape and lighting plan for the area around the house with a minimum value of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00). All landscaping must be completed prior to owner occupancy. In the event the weather conditions do not allow the completion of the landscaping prior to move-in the owner will post the funds with the ARB together with a copy of the landscape plan and contract. The owner shall then have ninety (90) days to have the work completed. In the event the work is not completed by the extended completion date the ARB may have the work completed and paid for from the funds held in trust for the work.

ARTICLE VI

RESTRICTED BUILDERS

All Owners have been made aware of, acknowledge, and accept the Declarant's right to limit the approved builders in the Community to those builders approved by the Declarant. The Declarant shall furnish the list of approved builders to each Owner prior to the closing of any lot purchase. The Declarant shall maintain a list of not less than five (5) builders from which the Owner may select to construct their home. The Declarant together with the ARB retain the exclusive right to approve or reject a builder in order to maintain and protect property values within The Community. Each Owner is aware that all approved builders will pay a five percent (5%) commission to The Real Estate Company from the construction contract. Should any Owner sell a Lot prior to building a house on such Lot, the Owner shall include in its sales contract this provision on commission. Each Owner shall cause any builder on its Lot to pay a fee of five percent (5%) of the total costs of the construction contract to the sales and marketing company for the Community, which is The Real Estate Company, as of the date hereof and is subject to change by Declarant. This preferred builder provision runs with the land and therefore must be disclosed by any seller prior to a closing to any purchaser who should purchase their Lot.

ARTICLE VII

NO NOXIOUS OR OFFENSIVE ACTIVITY

No noxious, offensive, or environmentally unsound activity, condition or trade shall be carried on or permitted upon any Lots, nor shall anything be done thereon which may be or become an annoyance or nuisance to the Community. No plants or animals, or device or thing of any sort whose normal activity of existence is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the Community shall be permitted. Four-wheel all-terrain vehicles are not permitted to be operated on the Property, except that any Owner may operate such vehicles within their Lot during daylight hours. No trade materials or inventories may be stored upon the Lots unless said materials are kept in an allowed building or structure, and no inoperable automobiles may be stored or regularly parked on the Lots unless completely enclosed in an allowed building. No sign or billboard shall be placed, erected or maintained on any Lot, excepting "For Sale" signs of not more than five (5) square feet in area.

No hunting or discharge of weapons is allowed on any Lot or other land which is a part of the Property. No target practicing with firearms is allowed on any Lot or other land which is part of the Property. Boats and recreational vehicles must be stored inside an allowed outbuilding. No yard lights shall be allowed to shine directly into adjoining Lots and any such lights must be placed at least fifty (50) feet from any boundary line. Decorative lamp posts of low intensity lighting not exceeding eight (8) feet in height will be allowed at the entrances to the home and sidewalks.

ARTICLE VIII**USES**

All Lots shall be used only for single family residential purposes or such other permitted uses as is specifically permitted by Article IX. No Lot shall be used for business, manufacturing, or commercial purposes, except as specifically permitted herein.

No dwelling or outbuilding may be used as a public church, fraternity house, rooming house, boarding house, motel, office or retail space for lease, doctor office or any medical related businesses. Subject to the provision of Article IX below, a professional office, including but not limited to, the business of law, real estate, accounting, computer related services or other similar in-house businesses are allowed, provided that at least one resident family member is a partner or principal owner of the business and further provided that said activity shall not cause excessive traffic within the Community. Agricultural related businesses, poultry houses, zoos, pet grooming businesses, landscaping companies, wholesale, or retail plant nurseries, are not allowed.

All Lots shall be rented only in their entirety; no fraction or portion of a Lot or Dwelling thereon shall be rented. All leases shall be in writing and shall be for a term of no less than twelve (12) months, except with the prior written consent of the Board of Directors. All leases shall be subject to the following provisions:

a. Each tenant shall comply, and the lease shall require the tenant to comply, with the covenants, terms, conditions and restrictions of the Declaration, Bylaws and rules and regulations promulgated by the Board from time to time.

b. The Board of Directors shall have the power and authority to terminate the lease and/or bring proceedings to evict the tenant in the name of Owner if (i) tenant defaults under the lease or (ii) the Association forecloses a lien for unpaid Assessments on the Lot.

c. The Declaration, Bylaws, and rules and regulations promulgated by the Board from time to time must be given to the tenant prior to or on the commencement of the lease term and both tenant and Owner shall provide written verification to the Board no later than ten (10) days after the execution of the lease confirming that the tenant has been provided with the documents. All tenancies are hereby made subordinate to any lien filed by the Association, whether prior to or subsequent to the lease.

If an Owner fails to include any of the foregoing provisions in any lease, the provisions shall be deemed to be included and part of the lease. Notice of any lease, together with such additional information as may be required by the Board of Directors, shall be given to the Board by the Owner no later than ten (10) days after execution of the lease. The Owner must make available to the tenant current copies of this Declaration, Bylaws, and the rules and regulations promulgated from time to time by the Board.

ARTICLE IX**OTHER PERMITTED USES**

An Owner that develops a Lot for single family residence on its Lot in accordance with the requirements herein may use its Lot for one or more of the following purposes incidental to such single family residential purpose:

a. An Owner may plant, cultivate and harvest crops upon its Lot provided, said crops are planted and cultivated solely for use and consumption by the Owner's household, or by animals lawfully kept and maintained on said Lot by the Owner thereof in accordance with the terms hereof.

b. An Owner may not keep or maintain chickens, turkeys, pheasants, ducks, quail, geese, and/or guinea hens (collectively, "Fowl") on its Lot. The keeping of any of the following animals is also prohibited: (1) swine; (2) ostriches; (3) emus; (4) peacocks; (5) any wild or exotic animal; (6) horses or goats or sheep; and (7) any other animal which by its nature or disposition is dangerous to the residents of the Community.

c. To carry on any business upon a Lot provided: (1) said Lot is also used for residential purposes by the owners of said Lot; (2) only immediate family members and one non-family member is involved or employed by said business; (3) said business is not illegal; (4) business shall not create constant or frequent daily traffic through the Property resulting from customer sales or transport of inventory or trade materials; (5) no signs are located upon the Lot regarding the business; (6) such business is located and maintained solely within the residential dwelling of the owner or an allowed outbuilding; (7) no activity involving the business creates noise, smoke, odor, or unsightly condition or other noxious condition offensive to any other Owner exercising reasonable judgement relative thereto; and (8) that the primary function of the business is passive in nature and would blend in with a residential environment. Examples of businesses that do not meet this provision are junk yards, grading companies, heavy equipment servicing, trucking companies, construction companies utilizing the Lot as their sole office, or any business primarily dealing in retail and over the counter sales.

d. Any other provision of this Declaration to the contrary notwithstanding, written approval of the proposed business must be received from the Declarant or the Association Board of Directors, stating that the business is in keeping with the intent of these Covenants, prior to commencement of operations of the business on the Lot.

ARTICLE X

EASEMENTS

Section 1. Easements for Use and Enjoyment.

Every Owner of a Lot shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to each Lot, subject to the following provisions: (a) The right of the Association to suspend the voting rights of an Owner and the right of an Owner to use the recreational facilities available for use by the Community, if any, for any period during which any assessment against such Owner's Lot which is hereby provided for remains unpaid; and, for a reasonable period of time for an infraction of the Declaration, Bylaws, or rules and regulations; (b) the right of the Association to dedicate or grant licenses, permits, or easements over, under, and through the Common Area to governmental entities for public purposes and to other Persons for purposes reasonably necessary or useful for the proper maintenance of the Community; (c) the right of the Association, acting through the Board without Member, Mortgagee or agency approvals, to dedicate or transfer non-exclusive easements on, over and upon all or any part of the Common Area which are not inconsistent with and do not unreasonably interfere with the intended use of the Common Area and otherwise for such purposes and subject to such conditions as may be agreed to by the Association's Board; provided, however, no such dedication or transfer shall be effective unless it is approved by Declarant during the Declarant's Development Period and unless an instrument executed on behalf of the Association by its duly authorized officers, agreeing to such dedication or transfer, has been recorded in the Registry of Deeds for the County in which the Community is located; (d) the right of the Association to dedicate or transfer any real property interest in all or any portion of the Common Area; provided, however, such dedication or transfer shall not be effective unless an instrument agreeing to such dedication or transfer has been approved in writing by the Owners entitled to cast at least seventy-five percent (75%) of the votes of the Association, by Declarant during the Declarant's Development Period, and, further provided that no such dedication or transfer shall interfere with or obstruct utility service to, or ingress, egress and regress to or from, the Lots or any remaining Common Area or cause any Lot or any remaining Common Area to fail to comply with

applicable laws, regulations or ordinances; (e) the right of the Association, acting through the Board, to impose rules and regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area, and specifically including the right to establish rules and regulations concerning pets and pet ownership and parking and vehicular traffic flow on and along the streets and roadways, whether public or private, within or abutting the Community, which rules and regulations may restrict or prohibit on-street parking and may be enforced by towing at the expense of the vehicle's owner, by reasonable fine levied against the vehicle's owner and/or any Owner of a Lot to which such violation reasonably may be attributed, or by any other reasonable method of enforcement established by the Association's Board; and (f) the easements, conditions and restrictions herein reserved and established for the benefit of the Declarant, the Association and others.

Section 2. Easements for Access, Utilities and Other Purposes.

There is hereby reserved and established in favor of the Declarant and the Association blanket non-exclusive easements upon, across, above, and under all property within the Community, including all Lots, for access, ingress, egress, installation, repairing, replacing, and maintaining all utilities serving all or any portion of the Community or any portion of the additional property that may be annexed pursuant to the provisions of Article XXIV hereof (whether or not such additional property is added to the Community), and for such other purposes that are not inconsistent with and do not unreasonably interfere with the intended use of such property. This easement shall include, without limitation, access, gas, water, sanitary sewer, telephone, electricity, cable television, security, as well as storm drainage, irrigation, and any other service or system which the Declarant or the Association might decide to have installed to service the Community or any portion of the additional property that may be annexed pursuant to the provisions of Article XXIV hereof (whether or not such additional property is added to the Community). It shall be expressly permissible for the Declarant, the Association, or the designee of either, as the case may be, to install, repair, replace, and maintain or to authorize the installation, repairing, replacing, and maintaining of such wires, conduits, pipes, cables, and other equipment related to the providing of any such access, utility or service. Should any party furnishing or receiving any such utility or service request a specific license or easement by separate recordable document, the Declarant or the Board, as the case may be, shall have the right to grant such easement. Notwithstanding the foregoing, the Declarant shall have the right to grant or consent to the granting by the Association of any such easement on, over, or upon the Common Areas that is consistent with the plan of development for the Community and the Association shall be obligated to sign any plats, deeds, or other instruments or forms necessary to accomplish any of the actions that Declarant is permitted to take pursuant to this Section 2. This Section may not be construed to create a duty for Declarant, the Association, or any architect, engineer, design professional, builder or contractor, and may not be amended without Declarant's advanced written consent. In support of this reservation, each Owner, by accepting an interest in or title to a Lot, hereby grants to Declarant an easement of access and entry over, across, under, and through the Property, including without limitation, all Common Areas and the Owner's Lot and all improvements thereon for the purposes contained in this Section.

Section 3. Easement for Drainage.

Declarant hereby (i) reserves for itself, during Declarant's Development Period and for a period of ten (10) years thereafter, and (ii) establishes in favor of the Association, a perpetual easement across the Community for the purpose of altering drainage and water flow across the Community. This right shall include, but is not limited to, altering swales, installing drains, drainage ditches, pipes, inlets, headwalls, and altering channeling, or piping waterflow across any Lot or any property in the Community. Notwithstanding the foregoing, nothing herein will be interpreted to impose any duty upon Declarant to correct or maintain any drainage facilities within the Property. Rights exercised pursuant to this reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at such Person's sole expense. Notwithstanding the foregoing, Declarant or the Association (as

the case may be) shall be entitled to remove trees or vegetation, without liability for replacement or damages, as may be necessary to provide adequate drainage facilities for the Community.

Section 4. Easement for Entry.

In addition to the other rights reserved and established in favor of Declarant and the Association, the Declarant and the Association each shall have the right (but not the obligation) to enter upon any property or Lot within the Community for emergency, security, and safety reasons and to inspect any construction or proposed construction activity on such Lot. This right may be exercised by the Declarant, the Association their respective designee, any officer of the Board, 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 by the negligence or willful misconduct of said party. This right of entry shall include the right of the Board 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 Board.

Section 5. Easement for Maintenance.

Declarant hereby expressly reserves a perpetual easement for the benefit of Declarant and the Association across such portions of the Community, determined in the sole discretion of the Declarant and the Association, as are necessary to allow for the maintenance required or permitted by this Declaration. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment to Owners' property and reasonable steps shall be taken to protect such property.

Section 6. Easement for Sign, Entry and Streetscape Features, and Mail Kiosk.

There is hereby reserved to the Declarant and, established in favor of the Association, an easement for ingress, egress, installation, construction, landscaping, inspection, and maintenance of sign, entry and streetscape features and landscaping, and mail kiosks, over and upon each Lot over which such an easement is denoted on any recorded subdivision plats for the Community. The easement and right herein reserved and established shall include the right to (i) erect and maintain sign, entry, streetscape features and mail kiosks, (ii) cut, remove, and plant trees, shrubbery, flowers, and other vegetation around such features, (iii) grade the land under and around such features.

Section 7. Construction and Sale Period Easement.

Notwithstanding any provisions contained in the Declaration, the Bylaws, the articles of incorporation of the Association, use restrictions, rules and regulations, design guidelines, and any amendments thereto, promulgated during the Declarant's Development Period, Declarant reserves an easement across such portions of the Community as Declarant may reasonably deem necessary for any or all of the purposes hereinafter set forth. This reserved easement shall include an easement for such facilities and activities which, in the sole opinion of Declarant, may be required, convenient, or incidental to the development, construction, and sales activities related to property within or near the Community. This easement shall include, without limitation: (a) the right of access, ingress, and egress for vehicular and pedestrian traffic, and construction activities over, under, on, or in any portion of the Community as well as any Lot in the Community; (b) the right to tie into any portion of the Community with driveways, parking areas, and walkways; (c) the right to tie into or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain, and repair any device which provides utility or similar services; (d) the right (but not the obligation) to construct additional improvements on Common Areas; (e) The right to carry on sales and promotional activities in the Community; (f) the right to place direction and marketing signs on any portion of the Community, including any Lot or Common Area; (g) the right to construct and operate business offices, signs, construction trailers, model residences, and sales offices incidental to the construction, development, and sales activities; and (h) the right to use residences, offices,

or other buildings owned or leased by Declarant as model residences and sales offices, and also use Common Area and any improvements located thereon, including any recreational facilities, as a sales office or for marketing purposes without charge. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, and reasonable steps shall be taken to protect such property from damage. This Section shall not be amended without the Declarant's express written consent until the Declarant's rights hereunder have terminated as provided in this Declaration.

Section 8. Irrigation Easements.

There is hereby reserved to the Declarant and established in favor of the Association a blanket easement to pump water from ponds, lakes, and other bodies of water located within the Community for irrigation purposes, subject to any applicable governmental restrictions.

Section 9. Blanket Easement.

An easement is hereby reserved in favor of the Declarant and the Association over the Lots and Common Area for the installation, operation, inspection, and maintenance of landscaping, a common cable television system, a common sprinkler system, entrance sign or features, or any other item for the common enjoyment and benefit of the Owners or for the enhancement of the Community. No Owner shall damage, destroy, alter or otherwise disrupt any of such items so installed. Each Owner shall hold the Association and/or Declarant harmless from the cost of repairing or replacing any of such items which are damaged or destroyed by the acts of such Owner, his family, his guests or invitees.

Section 10. Retaining Wall/Privacy Fence Easement.

Declarant hereby reserves for the benefit of Declarant and the Association, an easement over and upon those portions of the Properties on which any part of a retaining wall or privacy fence constructed by Declarant is located. The purpose of this easement is to allow Declarant and the Association to inspect, maintain, repair, reconstruct, and replace the retaining walls and privacy fences installed by Declarant upon various portions of the Properties. This easement includes the right of Declarant and the Association to enter upon any Lot on which any portion of a retaining wall or privacy fence is located, including the right to remove any improvements, materials or other obstructions which impede access to the retaining wall or common privacy fence. Declarant reserves the right to file one or more amendments to this Declaration for the purpose of delineating portions of the easement subject to this Section 10 of Article X on a map or plan to locate the specific as-built location of all or a portion of any retaining wall or common privacy fence. Such amendment shall not require the joinder or consent of the Association or any Owner or other party, regardless of the ownership of the specific portions of the Properties on which such wall and/or fence are located. No amendment of this Section shall be effective without the consent of Declarant.

Section 11. Easements for Benefit of Lot 5 and Lot 9.

Declarant hereby grants and conveys unto the Owner of Lot 5, its successors and assigns, a perpetual easement over and across the right of way labeled "Firefly Overlook", Lot 29, and the Open Space adjacent to Lot 29, as the same are shown on the Survey, for the benefit of Lot 5 to construct and maintain an underground septic line extending from Lot 5 and continuing within the Lot 5 Septic Easement. This Lot 5 Septic Easement includes the right of the Owner of Lot 5 to go over and upon the Lot 5 Septic Easement for the purposes of constructing, installing, maintaining, repairing and replacing the septic line that benefits Lot 5.

Declarant hereby grants and conveys unto the Owner of Lot 9, its successors and assigns, a perpetual easement over and across Lot 10 for the benefit of Lot 9 to construct and maintain an underground septic line extending from Lot 9 and continuing within the Lot 9 Septic Easement. This Lot 9 Septic

Easement includes the right of the Owner of Lot 9 to go over and upon the Lot 9 Septic Easement for the purposes of constructing, installing, maintaining, repairing and replacing the septic line that benefits Lot 9.

ARTICLE XI

OWNER RESPONSIBILITIES

During the construction of any improvement to a Lot, the Lot, roads, landscaping and Common Areas adjacent thereto shall be kept in a neat and orderly condition, free from any dirt, mud, garbage, trash, or other debris, so as not to cause an unsightly condition to exist or damage to occur. Any damage to the street, curb, sidewalk or to any other part of any Common Areas or utility system caused by an Owner or an Owner's builder shall be repaired by such Owner at their sole expense. Owners and their agents and employees shall adhere to the construction standards promulgated from time to time by the Association.

Each Owner shall maintain the storm water drainage easements and portions of their Lot served by storm water drainage easements. No road swale drainage system shall be altered without the express written consent of the Declarant or the Association. If the roads are turned over to the North Carolina Department of Transportation ("NCDOT"), any work on a Lot that is rejected by the NCDOT will be the sole responsibility of the Lot Owner to correct to applicable NCDOT standards.

In the event the Owner or his agent, employee or contractor shall fail to maintain the Lot and adjoining areas or the Common Areas, as specified herein, or damage occurs and such failure continues or damage remains unrepaired for seven (7) days following delivery of written notice thereof from Declarant or the Association, Declarant or the Association shall have the right, exercisable in its sole discretion, to summarily abate any unsightly conditions, make needed repairs, and to remove any rubbish, refuse, unsightly debris and/or growths from the Lot and adjoining area. In the event the Declarant or the Association, after such notice, causes the subject work to be done, the costs of such shall be immediately reimbursed by the Owner to the Association upon presentation of an invoice therefor and will become a continuing lien on the Lot until paid.

ARTICLE XII

PETS

Dogs, cats and other household pets may be kept and maintained upon a Lot; provided that; (1) no Owner may keep and maintain a dog or cat kennel, veterinarian office, pet grooming business, or zoo; (2) said pets are kept under proper supervision and control so as not to cause or create a nuisance or menace to owners and occupants of other Lots; and (3) said pets are kept on the Lot of its owner and not allowed to go upon the Lots of others or run free and unrestricted through the Community. No more than four (4) total dogs or cats, excluding the offspring of such animals that are less than four (4) months old, may be kept or maintained on any Lot. Each Owner shall be absolutely liable to each and all remaining Owners, their families, guests, and invitees and to the Association, for any and all damage to person or property caused by any such pet brought upon or kept on the Lot by such Owner or by such Owner's family, guests, or invitees. The Board of Directors, with the approval of Declarant during the Declarant's Development Period, shall have the power to adopt, publish, amend and enforce rules and regulations governing the keeping of pets on the Property and to establish penalties for the infraction thereof, to the extent such rules and regulations do not conflict with this provision.

ARTICLE XIII

NO TEMPORARY STRUCTURES

No structure of a temporary nature, mobile homes, trailers, campers, vans, basements, tent shacks, temporary garages, temporary barns, or other similar outbuildings shall be erected, placed, used or permitted on any Lot for any purpose.

ARTICLE XIV

GARBAGE, REFUSE AND DEBRIS

It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy or unsightly conditions of buildings or grounds on the lots. All Lots shall be kept clean and free of garbage, junk, trash, debris and any substance that might contribute to a health hazard or to the breeding and inhabitation by snakes, rats, insects or other pests and vermin. Each Owner shall provide privacy enclosures for garbage receptacles in an area not generally visible from adjacent Lots or provide underground garbage receptacles or similar facilities in accordance with reasonable standards, and all trash shall be disposed of in a timely manner by a garbage service or by the Owner at least once each week.

The Association shall have any Lot cleaned to meet these requirements if the Owner fails to do so and the costs of such shall be reimbursed by the Owner to the Association within thirty (30) days following presentation of an invoice therefor and will become a continuing lien on the Lot until paid.

ARTICLE XV

STORAGE TANKS

No fuel tanks or similar storage receptacles may be exposed to view. Such devices must be installed within an authorized outbuilding, buried underground, or must be screened from view from adjoining Lots by wooden privacy fencing fully concealing the tank from view. Each Owner shall also comply with all other applicable laws, rules and regulations governing the use and storage of such tanks.

ARTICLE XVI

WATER AND SEWAGE SYSTEMS, WELL EASEMENT

All well and sewage systems shall be in conformity with the requirements of either the Chatham County Health Department or the State of North Carolina and shall be inspected and approved by the same.

ARTICLE XVII

FENCING

All fencing must be approved by the Declarant or the ARB. No barbed wire fencing shall be permitted on any Lot. Permanent fencing must consist of at least three board or three-rail fencing. Permanent wood fencing may be placed within the setback areas no closer than one (1) foot to any boundary line, except where adjoining Owners agree to build a joint fence on the property line. No cyclone or other mesh wire fencing will be allowed without it being framed in wood and must be approved by the ARB except as may be required by the health department for septic areas. All fencing installed must be kept in good repair so as to maintain a neat appearance.

ARTICLE XVIII

ROAD RESPONSIBILITIES

Prior to their acceptance for public maintenance, the Community roads shall be maintained by the Association, including all repairs and reconstruction when necessary. Once the required number of houses have been built by the Owners of the Lots, the Owners shall petition the North Carolina Department of Transportation to accept the roads into their maintenance system. The maintenance of the Community roads shall conform to the standard of maintenance (if one is ascertainable) which would be required by the North Carolina Department of Transportation or other governmental entity before it would accept such Community roads for maintenance. In addition, to the extent not maintained by the North Carolina

Department of Transportation or other governmental entity, as the case may be, the Association shall maintain or cause to be maintained the swales and medians and associated landscaping and related improvements along and within the Community roads. Community roads shall be dedicated to the North Carolina Department of Transportation by the Owners and built to North Carolina Department of Transportation specifications. The Association agrees to assume responsibility for the maintenance of the roads upon the earlier of the sale of seventy-five percent (75%) of the Lots by Declarant or the date which Declarant receives any bonds or letters of credit posted with Chatham County for the construction of the Community roads. Each Owner who constructs a home will hold their builder responsible for any road damage which is caused by any subcontractors during construction of any home. The Owner's builder must sign a responsibility form for any damage by him or his suppliers or subcontractor to the roads, such form to be provided by the Declarant.

Notwithstanding any provision contained herein or in any other document or instrument to the contrary, every Owner (other than the Declarant) who purchases a Lot from Declarant shall pay to the Declarant at the time of the closing of such purchase a non-refundable operating contribution fee in the amount of Two Thousand Five Hundred and 00/100 (\$2,500.00) for each Lot purchased, which amount will be used for the operating expenses and/or for the maintenance, repair, construction and replacement of the Community roads during such time as Declarant owns any Lots within the Community.

ARTICLE XIX

SEPTIC MAINTENANCE

Each Owner agrees to maintain their septic field in accordance with State and Chatham County requirements. Once home construction is complete the owner is responsible to maintain the septic system according to the State or County code. This provision provides that all septic fields and septic systems shall be maintained in a manner acceptable to the State and /or Chatham County authorities based on the type of system installed.

ARTICLE XX

FIREFLY OVERLOOK HOMEOWNERS ASSOCIATION

Section 1. Formation

Declarant shall incorporate the Association with the duties and powers as set forth in this Declaration. Declarant shall maintain control of the Association until such times as it is turned over to the control of the Owners. The Declarant or Association may designate another person or organization to manage the Association and authorize the designated manager to receive compensation for services from the Association, not to exceed seven percent (7%) of the money annually collected as dues, fees, etc. The designated manager shall provide a yearly financial report of income and expenses to the Association. The Association may elect to self-manage if approved by a vote of not less than seventy-five percent (75%) of eligible votes per Section 2 below.

Section 2. Member classes and Voting Rights

Class A Members. Class A Members shall be all those Owners with the exception of the Declarant. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the required ownership interest. When more than one person or entity holds such 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 (1) vote be cast with respect to any Lot and no fractional vote may be cast with respect to any Lot.

Class B Member. The Class B Member shall be the Declarant. The Class B Member shall be entitled to nine (9) votes for each Lot in which it holds the required ownership interest, provided that the

Class B membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs first (and unless the Declarant, in its sole but reasonable discretion and by written notice recorded in the Chatham County Registry, decides to transition the Association to control by the Class A Members effective as of a date earlier than specified below):

a. The total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; provided that the Class B membership shall be reinstated with all rights, privileges, responsibilities and voting power if, after conversion of the Class B membership to Class A, additional lands are annexed to the Property, all within the times and as provided in these Covenants; or

b. December 31, 2034.

Section 3. Duties and Powers

The Association shall maintain, repair, and replace all improvements situated on the Common Areas, provided that the Association shall only be required to replace landscaping improvements if and when required to do so by a governmental authority. The Association shall also maintain, repair and replace, all entry features (including the expenses for water and electricity, if any, provided to all such entry features); operate and maintain street lights (if not maintained and operated by a governmental entity) for the Community, all retaining walls and common privacy fencing installed by Declarant or the Association within the Community, all storm water facilities and easements serving the Community, the mail kiosk, and the open space areas. To the extent that any entry feature, mail kiosk, retaining wall, privacy fence, or portion thereof is located upon a Lot, the Declarant has reserved an easement in favor of Declarant and the Association pursuant to Section 6 of Article X to maintain, repair, and replace all improvements situated thereon.

The Association shall have the authority and affirmative duty to act on behalf of its members in enforcing compliance with these Covenants. It may do so in all lawfully appropriate ways including all forms of court proceedings. The Association shall also have the power to contract for and expend money for road maintenance (as provided herein) for any member when the member has failed to abide by these Covenants and may then assess the individual member for such expenses. The Association may delegate construction and maintenance of the roads and common areas and carry-on activities of common interest on behalf of the Association.

Section 4: Assessments

Owners shall be subject to an annual assessment (the "Annual Assessment") by the Association, its successors or assigns, for the care, maintenance, and improvement of the Common Areas, including the payment of ad valorem taxes and other assessments by governmental bodies or agencies of the Common Area. The Annual Assessment initially shall be Two Thousand Four Hundred and 00/100 (\$2,400.00) per year, of which Eight Hundred and 00/100 Dollars (\$800.00) shall be set aside for future maintenance and improvements of Community roads including, but not limited to, annual repairs and asphalt overlays. The Annual Assessment may be increased thereafter as provided below. Such Annual Assessment shall be used exclusively for the care, maintenance, and improvement of the Common Areas, the payment of taxes, the payment of utility bills for the street lights, the maintenance and improvements of any parks, the maintenance and improvements of all roads on the Property, the maintenance and improvements of entrance signs and landscaping, the payment of Association insurance premiums, attorney's and accountant's fees for Association business, enforcement actions by the Association to enforce these covenants, other common and necessary expenses of the neighborhood, and other such items as may be voted on by a majority of the members of the Association.

The Association shall establish and maintain reserves in accordance with standard accounting practices and procedures for the periodic maintenance, repair and replacement of all of any portion of the

Common Area and in order to fund unanticipated expenses of the Association deemed necessary or desirable by the Board. Such reserve fund shall be collected and maintained out of the annual assessments and operating contribution fees and shall not reduce an Owner's obligation to pay Annual Assessments.

A special assessment (the "Special Assessment") may be made against any Owner for cleanup cost or other costs related to the exceptional road maintenance in connection with any construction activity on said Owner's Lot, for the removal of refuse, debris and garbage generally visible from the public and private roads serving the Property or which may be visible from adjoining Lot(s), and which costs are incurred by the Association as a result of the failure of the Owner to abide by these Covenants, or other lawful and binding actions of the Association. A Special Assessment may also be made against Owners for ordinary road maintenance expenses, which exceed revenues available with the respective road funds. In every case, the Association may assess its costs and expenses of enforcement of these Covenants, including its reasonable attorneys' fees.

Any major improvements not necessary for the maintenance, beautification, and use of the roads, common areas, park and entrance signs and landscaping must be approved by Owners of Lots to which at least seventy-five percent (75%) of the votes in the Association are allocated.

A Special Assessment shall be due and payable fifteen (15) days after being invoiced by the Association or Declarant, as the case may be. The Annual Assessment for each calendar shall be invoiced on or before January 1st of said year by the Association or the Declarant, as the case may be, and shall be payable by January 15th of said year. At the first conveyance of a Lot by the Declarant to the initial Owner of said Lot, said Owner will pay at the closing a pro-rated amount of the first year's Annual Assessment to the Declarant for the purpose of establishing the Association's Annual Assessment account. Any future conveyance of Lots may not take place without the then current year's Annual Assessment or Special Assessment being paid in full by the Owner of the Lot being conveyed.

The Association, its successors or assigns, shall, upon demand, furnish a certificate in writing, signed by an office of the Association, stating whether the assessments on a specified Lot have been paid or any amount due thereon. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Any assessment, which is not paid when due, shall be delinquent. If the assessment is not paid within thirty days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring action at law against the Owner personally obligated to pay the same. In every case, the Association may assess its cost and expenses of enforcement of these Covenants, including its reasonable attorneys' fees. No Owner may waive or otherwise escape liability for the assessment provided for herein by the non-use of the road or the abandonment of his Lot.

The above Annual Assessment or any properly approved Special Assessment, together with such interest thereon and collection costs thereof shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made. In addition, each such assessment together with interest, costs, and attorney's fees, shall be the personal obligation of the person owning the Lot at the time of the assessment, and shall be a lien on the Lot.

The lien for the assessments provided for herein shall be subordinate to the liens of any first and second mortgage or deed of trust. Sale or transfer of any Lot which is subject to any mortgage or deed of trust pursuant to a decree of foreclosure thereof shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No conveyance or transfer shall release such Lot from liability for any assessment thereafter becoming due or from the lien thereof.

The following properties shall be exempt from all the assessments created herein: (a) all properties dedicated and accepted by a local public authority; (b) the Common Areas; and (c) the Lots owned by Declarant.

Section 5: Notice and Quorum

For any action requiring the vote of the members of the Association, written notice of a meeting shall be given to all members not less than thirty (30) or more than sixty (60) days in advance of the meeting. A quorum shall be required for the membership to take action. A quorum shall constitute the presence of Owners of Lots to which at least fifty percent (50%) of the votes in the Association are allocated. For the initial meeting to elect directors and officers, those members present shall constitute a quorum.

Section 6: Right of Declarant to Representation on Board of Directors of the Association

Notwithstanding anything contained herein to the contrary, until the earlier of the date which the Declarant shall have conveyed one hundred percent (100%) of the Lots or as otherwise decided in writing by the Declarant (the "Declarant Control Period"), the Declarant (or its express assignee of the rights granted in this Section) shall have the right to designate and select the Board of Directors of the Association. Whenever the Declarant shall be entitled to designate and select any person(s) to serve on any Board of Directors, the manner in which such person(s) shall be designated shall be as provided in the Articles of Incorporation and/or Bylaws of the Association. The Declarant shall have the right to remove any person(s) selected by it to act and serve on said Board of Directors and to replace such person(s) with another person or other persons to act and serve in the place of any Director(s) so removed. Any Director designated and selected by the Declarant need not be an Owner. Any representative of the Declarant serving on the Board of Directors of the Association shall not be required to disqualify himself from any vote upon any contract or matter between the Declarant and the Association where the Declarant may have a pecuniary or other interest. Similarly, the Declarant, as a member of the Association, shall not be required to disqualify itself upon any vote upon or entry into any contract or matter between the Declarant and the Association where the Declarant may have a pecuniary or other interest.

ARTICLE XXI

NOTICE

Any notice permitted or required to be sent to an Owner under the provisions of these Covenants shall be deemed to have been properly sent when mailed by first class mail, postage prepaid, to that person's last known address as it appears on the official records of the Association. Notice to any one of two or more co-Owners of a Lot shall constitute notice to all co-Owners.

ARTICLE XXII

DURATION AMENDMENT

The covenants and restrictions of this Declaration shall run with the land and shall be binding on all persons acquiring title to any of the Lots up to and including December 31, 2033, at which time said Covenants shall be extended automatically for successive periods of ten (10) years. At any time, by the affirmative vote of, or written agreement signed by, Owners of Lots to which at least seventy-five percent (75%) of the votes in the Association are allocated, these restrictions may be amended in whole or in part. No such amendment shall affect the easements and rights reserved by Declarant unless Declarant shall consent to such amendment. Further, Declarant shall have the right to make amendments necessary to exercise Declarant's development rights hereunder, and, until such time as seventy-five percent (75%) of the Lots are sold to parties other than the Declarant, the Declarant reserves the right to make amendments to correct or clarify or make minor amendments to the provisions hereof to the extent that such amendments do not substantially adversely affect the rights of the owners of Lots on the Property. The covenants and

restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and shall be enforceable by Declarant, the Association or the Owners, their respective legal representatives, heirs, successors, and assigns. This Declaration may be terminated only by the affirmative vote or written consent of the Owners of Lots to which at least seventy-five percent (75%) of the votes in the Association are allocated and the affirmative vote or written consent of the Declarant.

The Declarant, for so long as it shall retain control of the Board of Directors of the Association, and thereafter, the Board of Directors, may amend this Declaration as shall be necessary, in its opinion, and with the prior or subsequent consent and approval of VA or HUD (as may be deemed necessary and/or desirable by Declarant) and without the consent of any Owner, in order to qualify the Association or the Community, or any portion thereof, for tax-exempt status. Such amendment shall become effective upon the date of its recordation in the Chatham County Registry.

The covenants and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and shall be enforceable by Declarant, the Association or the Owners, their respective legal representatives, heirs, successors, and assigns. This Declaration may be terminated only by the affirmative vote or written consent of the Owners of Lots to which at least seventy-five percent (75%) of the votes in the Association are allocated and the affirmative vote or written consent of the Declarant.

ARTICLE XXIII

ENFORCEMENT

If any Owners or their heirs, successors or assigns, shall violate or attempt to violate any of these Covenants, it shall be lawful for the Association to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate such Covenants, and either to prevent said person(s) from so doing or recover damages or other moneys for such violation. If the Association refuses to act for any reason, any other Owner may prosecute a violation of these Covenants.

ARTICLE XXIV

SPECIAL DECLARANT AND/OR DEVELOPMENT RIGHTS

Declarant hereby retains and reserves the following (collectively and individually, "Special Declarant Rights" or "Development Rights"):

(A) Rights to have on-site promotional sale signs until Declarant's last Lot is sold. This includes an information box, as well as a site plan of the Property. The location for all such promotional information shall be selected by the Declarant at its sole discretion.

(B) Rights to add or annex additional land to the Property and legal authority or ability, but not any such obligation, to submit said additional land to these Covenants, which it shall do by recording an amendment to these Covenants for said purpose. In addition, without any approval by any other Owners or by the Association the Declarant reserves the right to amend these Covenants to add, delete, or modify any terms or provisions of these Covenants for any such newly annexed Property so long as such modified covenants generally are consistent with the stated purpose of these Covenants.

(C) Rights to subject the Property to an easement to the utility company servicing the area for the installation of underground power lines, street lighting, or any other decorative or landscaping lighting on any Common Areas or Properties in the Community, which may require a continuing monthly payment to such utility company, or its successors or assigns, by each residential customer/Owner and/or by the Association.

(D) Rights to subject the Property to easements to appropriate utility providers for the installation of phone lines, water lines, and fiber on any Common Areas or Properties in the Community.

(E) Rights to subject the Property to easements necessary for stormwater or sewer service.

(F) Rights to assign and transfer its rights, powers, duties and obligations under these Covenants to any successor firm or organization provided said assignee assumes all of the obligation of the Declarant hereunder, and provided that any such assignment or "Transfer of Special Declarant Rights" shall be accomplished in accordance with the provision of the North Carolina Planned Community Act, Chapter 47F, of the North Carolina General Statutes (the "Act") (and specifically Section 47F-3-104 as it now exists or is hereafter amended).

(G) Rights to exercise, retain, transfer and/or assign (i) all "Development Rights" as defined and applied in the said Act (specifically Section 47F-1-103 (11) as it now exists or is hereafter amended); and/or (ii) all "Special Declarant Rights" as defined and applied in the Act (specifically Section 47F-1-103 (28), as it now exists or is hereafter amended).

(H) All rights to amend these Covenants and/or to re-subdivide, reconfigure and/or modify any Lots in the Community still owned by the Declarant, or its duly authorized affiliates or assignees, as contemplated and authorized by the Act (specifically Section 47F-2-117, as it now exists or is hereafter amended) so long as any such amendment, reconfiguration or modification of these Covenants or the Lots are done during the Declarant Control Period.

ARTICLE XXV

INVALIDATION

Should any Covenants or restrictions herein contained, or any sentence, clause, phrase, or term of these Covenants be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect. In addition, if there is a contradiction between these restrictions and any governmental ordinances, laws or regulations of a Federal, State, or Local Agency

ARTICLE XXVI

PLANNED COMMUNITY ACT

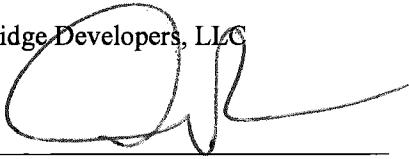
These Covenants and the Property shall be subject to the provisions of the North Carolina Planned Community Act, Chapter 47F of the North Carolina General Statutes (the "Act"). In the event of any inconsistency between these Covenants and the Act, then the provisions of the Act shall prevail as to such inconsistent provision(s) only, and the remaining provisions of these Covenants shall remain in full force and effect.

(SIGNATURES FOLLOW ON NEXT PAGE)

IN WITNESS THEREOF, the Declarant has caused this document to be duly executed in its name by its duly authorized representative as of the day and year first above written.

DECLARANT

Pea Ridge Developers, LLC

By: 

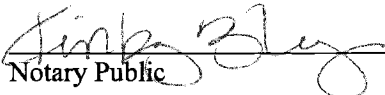
Name: Andrew Ross

Title: Manager

NORTH CAROLINA
COUNTY OF Wake

I, Kimberly Z Lundy, a Notary Public in and for Wake County, North Carolina, do hereby certify that Andrew Ross personally appeared before me and acknowledge that he is the Manager of Pea Ridge Developers, LLC, a North Carolina limited liability company and that he, as Manager, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official stamp/seal 9 day of July, 2024.


Notary Public

My Commission Expires March 8, 2028

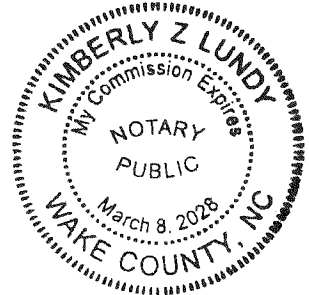


EXHIBIT A

The Subject Property

Lying and being situate in Chatham County, North Carolina and more particularly described as follows:

Being all of that property as shown on that plat prepared by CE Group entitled “Subdivision Plat Firefly Overlook Property of Pea Ridge Developers, LLC” and recorded at Plat Book 2024, Pages 217–218, Chatham County Registry.