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MAIL TO: COPPER RIDGE DEVELOPMENT LLC

P.O. BOX 2825

Sanford, N.C. 27331

Prepared by:

W. Woods Doster; Doster, Post, Foushee, Post & Patton, P.A.

STATE OF NORTH CAROLINA COUNTY OF LEE

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF NOTTINGHAM SUBDIVISION, PHASE II-C, Lot 127; and NOTTINGHAM SUBDIVISION, PHASE II-D, Lots 121-123, and Lots 128-129

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR NOTTINGHAM SUBDIVISION, PHASE II-C, Lot 127; and NOTTINGHAM SUBDIVISION, PHASE II-D, Lots 121-123, and Lots 128-129 (as may be amended or supplemented as set forth herein, hereinafter, the "Declaration") is made this 2/2 day of October, 2016, by COPPER RIDGE DEVELOPMENT, L.L.C., a North Carolina limited liability company whose address is P.O. Box 2825, Sanford, NC 27331-2825; and CUSTOM CONTRACTING CORPORATION, a North Carolina corporation whose address is also P.O. Box 2825, Sanford, NC 27331-2825; (hereinafter, the "Declarant").

WITNESSETH:

- A. Declarants are the owners and developers of certain real estate in Lee County, North Carolina, and more particularly described on <u>Exhibit A</u> attached hereto and made a part hereof (the "<u>Property</u>" or "<u>Subdivision</u>"); and
- B. Declarant is developing the Property known as "NOTTINGHAM SUBDIVISION, PHASE II-C, Lot 127; and NOTTINGHAM SUBDIVISION, PHASE II-D, Lots 121-123, and Lots 128-129" by subdividing it into "Lots" that are to be used for residential purposes as well as common real estate and improvements that are to be owned by a homeowners association to which the Owner of a Lot must belong and pay lien-supported maintenance assessments; and
 - C. At the time of the conveyance of a Lot to an Owner, the Declarant intends to

make available the common amenities on the Property, if any, as they are built, and, at the time of completed development, the entire Property, excluding the Lots and dedicated streets, if any, shall be conveyed without cost or charge to the Association.

THEREFORE, the Declarant hereby declares that all of the Lots and Common Areas (defined below) located within the Subdivision are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the following covenants, conditions and restrictions, all of which are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision as a whole and of each of said Lots. All of these restrictions shall run with the land and shall be binding upon the Declarant and upon the parties having or acquiring any right, title or interest, legal or equitable in and to the Property or any part or parts thereof subject to such restrictions, and shall inure to the benefit of the Declarant and every one of the Declarant's successors in title to any of the Property.

ARTICLE I DEFINITIONS

Section I.1 <u>"Annual Organizational Board Meeting"</u> means the annual organizational board meeting of the Board, which shall take place immediately after each Annual Meeting of the Members.

Section I.2 "<u>Annual Meeting</u>" means the annual meeting of the Members held in Lee County, North Carolina, within the last quarter of each calendar year, upon proper notice, at a date, time and at a place from time to time designated by the Board. The first Annual Meeting of the Members shall be held within one (1) year from the date of incorporation on such date as the initial Board shall determine.

Section I.3 "<u>Assessments</u>" means Regular Assessments, Special Assessments, Working Capital Assessments, Individual Assessments and Fine Assessments.

Section I.4 "<u>Association</u>" shall mean and refer to THE NOTTINGHAM HOMEOWNERS ASSOCIATION, which may be organized as an unincorporated association, a corporation, or any other form of entity selected by the Members.

Section I.5 "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association.

Section I.6 "Bylaws" shall mean the Bylaws of the Association, as the same may be amended from time to time.

Section I.7 "Constituent Documents" shall mean the Covenants, the Bylaws, the Articles of Incorporation, and the Rules and Regulations, if any, and any other basic documents used to create and govern the Subdivision.

Section I.8 "Common Areas" shall mean all the real estate (including retention ponds, storm drainage improvements, entrance signage, streets (including any dedicated streets prior to

their acceptance for public maintenance) and all landscaping and other improvements thereon)) owned by the Association for the common use and enjoyment of the Owners. Common Areas shall include, but not be limited to, the Recreational Facilities and parcels designated on the Subdivision plat as "Walking Trail," "Common Area" or reserved as an access drive or private street.

Section I.9 "Common Expenses" shall mean, refer to, and include all charges, costs and expenses incurred by the Association for and in connection with the administration of the Subdivision, including, without limitation thereof, operation of the Subdivision, maintenance, repair, replacement and restoration (to the extent not covered by insurance) of the Common Areas; the costs of any additions and alterations thereto; all labor, services, common utilities, materials, supplies, and equipment therefor; all liability for loss or damage arising out of or in connection with the Common Areas and their use; all premiums for hazard, liability and other insurance with respect to the Subdivision; all costs incurred in acquiring a Lot pursuant to judicial sale; and all administrative, accounting, legal, and managerial expenses. "Common Expenses" shall also include the cost of operation, maintenance, improvement, and replacement of any Recreational Facilities, including establishing reserves therefore. "Common Expenses" shall also include amounts incurred in replacing, or substantially repairing, capital improvements within the Common Areas of the Subdivision, including, but not limited to private road resurfacing. "Common Expenses" shall also include all reserve funds or other funds established by the Association. "Common Expenses" shall be construed broadly.

- Section I.10 "<u>Declarant</u>" shall mean and refer to COPPER RIDGE DEVELOPMENT, L.L.C., a North Carolina limited liability company whose address is P.O. Box 2825, Sanford, NC 27331-2825; and CUSTOM CONTRACTING CORPORATION, a North Carolina corporation whose address is also P. O. Box 2825, Sanford, NC 27331-2825; their successors and assigns as a Declarant.
- Section I.11 "<u>Default</u>" shall mean any violation or breach of, or any failure to comply with, the Restrictions, this Declaration or any other Constituent Documents.
- Section I.12 "<u>Development Period</u>" means the period commencing on the date on which this Declaration is recorded in the Lee County Register of Deeds and terminating on the earlier to occur of (i) when Declarant no longer owns a Lot in the Subdivision; (ii) the date that Declarant relinquishes in writing Declarant's right to appoint Directors; or (iii) the occurrence of the date ten (10) years from the date of recording the Declaration, renewable for an additional ten (10) year period with the consent of a majority of Lot Owners other than the Declarant.
- Section I.13 "<u>Dwelling Unit</u>" shall mean and refer to the individual family living unit on an individual Lot.
- Section I.14 "<u>Fine Assessment</u>" means the charge established by Section 5.4.2 of this Declaration.
 - Section I.15 "Individual Assessment" means the charge established by Section 5.3
 Page 3

of this Declaration.

- Section I.16 "Lot" shall mean and refer to any parcel of land designated on the Plat upon which a Dwelling Unit has been or is to be constructed. There are 6 Lots in these phases of the Subdivision. The Declarant hereby adds these lots to the Nottingham Subdivision, and reserves the right to establish additional Lots in accordance with the terms of this Declaration and/or Previous Declarations.
- Section I.17 "<u>Member</u>" shall mean and refer to all those Owners who are Members of the Association as provided in Article IV below.
- Section I.18 "Owner" shall mean and refer to the record owner, including Declarant, whether one or more persons or entities, of a fee simple title to any Lot located within the Subdivision.
- Section I.19 "<u>Plat</u>" shall mean and refer to the record plat of the Subdivision recorded by Declarant, as the same may be amended or supplemented by Declarant from time to time.
- Section I.20 "<u>Planned Community Act</u>" shall mean and refer to the North Carolina Planned Community Act, currently codified as Chapter 47F of the North Carolina General Statutes, as the same may be amended from time to time.
- Section I.21 "<u>Property</u>" or "<u>Subdivision</u>" shall mean and refer to that certain real estate described in Exhibit A and all other real estate that may be annexed or may have previously been annexed into this Declaration or previous Declarations and the Association by the Declarant.
- Section I.22 "<u>Recreational Facilities</u>" shall mean and refer to any common area designated as such on the recorded Plat or by Deeds to the Association including, but not limited to, any improvements to said common area and the related grounds and landscaping and improvements located, or to be located thereon.
- Section I.23 "Regular Assessment" means the charge established by Article V of this Declaration.
- Section I.24 "<u>Resident</u>" shall mean and refer to any person, not an Owner, living in the Owner's Dwelling Unit, including, but not limited to, temporary guests and Tenants.
- Section I.25 "Restrictions" shall mean all covenants, conditions, restrictions, easements, charges, liens and other obligations provided for in this Declaration, including, without limitation, all notices, rules and regulations issued in accordance with this Declaration.
- Section I.26 "Rules and Regulations" shall mean and include the rules and regulations made from time to time by the Board of Directors as provided in Section 4.3 below.

Section I.27 "Special Assessment" means the charge established by Section 5.2 of this Declaration.

Section I.28 "Tenant" means any person occupying any Lot pursuant to a written or oral lease agreement with the Owner thereof or with any other person or entity claiming under the Owner.

When applicable for the sense of this instrument, the singular should be read as including the plural and the male, female, and neuter pronouns and adjectives should be read as interchangeable.

ARTICLE II PROPERTY SUBJECT TO THIS DECLARATION

The Property, each portion thereof, and all Dwelling Units thereon shall be held, transferred, sold, conveyed, leased, mortgaged and occupied subject to the terms, provisions, covenants and conditions of these Covenants. The Declarant reserves the right to add additional property subject to these Covenants by recording additional plat(s) which state that the property subject to such plat(s) is a subsequent phase of Nottingham Subdivision.

ARTICLE III PROPERTY RIGHTS IN COMMON AREAS

- Section III.1 Owner's Easements of Enjoyment. Except as herein otherwise provided, each Owner shall have a right and easement of enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to his Lot. Each Tenant shall have a non-transferable right to use and enjoy the Common Areas, if any, which right shall terminate when such person ceases to have the status of a Tenant. Such rights and privileges shall be subject, however, to the following:
 - III.1.a The right of the Board to suspend the right of any Owner or the privilege of any Resident to use such of the Common Areas that are recreational in nature as determined by the Board for any infraction of the Rules and Regulations relating to the Common Areas for a period not to exceed sixty (60) days for each such infraction, or for any non-payment or delinquency of the Assessments against such Owner's Lot for a period not to exceed the period of such non-payment or delinquency;
 - III.1.b The right of the Board to adopt and enforce and from time to time amend reasonable limitations upon use and Rules and Regulations pertaining to the use of the Common Areas, including regulations limiting guests of Owners and Tenants who may use the Common Areas at any one time;
 - III.1.c All applicable provisions of valid easements and/or agreements of the Association relating to the Common Areas; or
 - III.1.d The right of the Association to grant permits, licenses and public or

private easements over Common Areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Property.

- Section III.2 <u>Extension of Use</u>. Any Owner may extend his right of enjoyment to the Common Areas to the immediate and/or extended members of his family, his Tenants, guests or contract purchasers of the Owner's Lot.
- Section III.3 <u>Title to Common Areas</u>. The Declarant shall convey by deed all Common Areas to the Association in fee simple after the final platting of all Lots in the Subdivision. Any such conveyance shall be subject to taxes for the year of conveyance, and to restrictions, conditions, limitations and easements of record.
- Section III.4 <u>Use of Common Areas by Declarant</u>. In addition to the specific rights and easements reserved herein, Declarant and its affiliates and associates shall have the same rights of use and enjoyment of the Common Areas as the Members during the Development Period, and shall have the same right to use Common Areas for promotional, sales and similar purposes until all of the Lots have been sold.

ARTICLE IV HOMEOWNERS ASSOCIATION

- Section IV.1 <u>Homeowners Association</u>. There is created a North Carolina unincorporated association, known as NOTTINGHAM HOME OWNER'S ASSOCIATION, which shall be responsible for the maintenance, management and control of the Common Areas and upon each Lot and Dwelling Unit as more specifically set forth in this Declaration.
- Section IV.2 <u>Board of Directors and Officers</u>. The Board of Directors, and such officers as may be elected or appointed in accordance with the Articles or the Bylaws, shall conduct the affairs of the Association.
- Section IV.3 Rules and Regulations. By a majority vote of the Board of Directors, the Association may, from time to time adopt, amend and repeal Rules and Regulations with respect to certain aspects of the Association's rights, activities and duties under this Declaration. The Rules and Regulations may, without limitation, govern use of the Common Areas, including prohibiting, restricting or imposing charges for the use of any portion of the Common Areas by Owners, Residents or others, interpret this Declaration or establish procedures for operation of the Association or the administration of this Declaration; provided, however, that the Rules and Regulations shall not be inconsistent with this Declaration, the Articles, or Bylaws. A copy of the Rules and Regulations, as they may from time to time be adopted, amended or repealed, shall be maintained in the office of the Association and shall be available to each Owner upon request.
- Section IV.4 <u>Membership of Association</u>. Every Owner of a Lot shall be a Member of the Association. Such Owner and Member shall abide by the Association's Rules and Regulations, shall pay the Assessments provided for in this Declaration, when due, and shall comply with decisions of the Association's governing body. Conveyance of fee simple title to a Lot automatically transfers membership in the Association without necessity of further

documents. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to Assessment. Provided, however, that any person or entity who holds title to a Lot solely as security for the performance of an obligation shall not be a Member.

- IV.4.a <u>Voting</u>. Each Member shall have one vote with respect to each Lot owned by such Member. In the event that more than one person, group of persons or entity is the record Owner of a fee interest in any Lot, then the vote for the membership appurtenant to such Lot portion 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. In the event agreement is not reached, the vote attributable to such Lot shall not be cast.
- Section IV.5 <u>Maintenance Obligations of the Association</u>. The Association, at its expense, shall maintain, operate and keep in good repair, unless such obligations are assumed by any municipal or governmental agency having jurisdiction thereof, the Common Areas and all improvements located thereon for the common benefit of the Subdivision. This shall include, without limitation, the maintenance, repair, replacement and painting of the following landscaping and improvements (to the extent that such improvements or landscaping are located upon or constitute Common Areas): (a) all private roadways, driveways, pavement, sidewalks, walkways and uncovered parking spaces; (b) all lawns, trees, grass and landscape areas, shrubs and fences, except as otherwise set forth hereinbelow; (c) the Recreational Facilities; (d) all conduits, ducts, utility pipes, plumbing, wiring and other facilities which are part of or located in, or for the furnishing of utility services to, the Common Areas and which are not for the exclusive use of a single Dwelling Unit.
- Section IV.6 <u>Maintenance Obligation of the Lot Owners</u>. The responsibilities of each Lot Owner shall include:
 - IV.6.a To clean, maintain, keep in good order, repair and replace at his or her expense all portions of his or her Lot and Dwelling Unit. Any repair, replacement and maintenance work to be done by an Owner must comply with local building codes, if applicable.
 - IV.6.b To perform his responsibilities in such manner so as not unreasonably to disturb other persons residing within the Subdivision.
 - IV.6.c Not to impair the use of any easement without first obtaining the written consents of the Association and of the Owner or Owners for whose benefit such easements exists.
 - IV.6.d Each Lot Owner shall be deemed to agree by acceptance of delivery of a deed to a Lot, to repair and/or replace at his or her expense all portions of the Common Areas which may be damaged or destroyed by reason of his or her own intentional or negligent act or omission, or by the intentional or negligent act or omission of any invitee, tenant, licensee family member, including, but not limited to any repairs necessary which result from damage incurred by pets or vehicles owned by the Lot

Owner, or owned by any guest, invitee, Tenant or licensee of such Lot Owner. To the extent that any Common Area is damaged as an insurable loss and the proceeds from the Association's insurance policy are utilized to pay for the loss, the Owner shall be responsible for payment of the deductible as an Individual Assessment in accordance with Section 5.3 below.

ARTICLE V COVENANT FOR ASSESSMENTS

- Section V.1 <u>Regular Assessments</u>. Regular Assessments for the payment of the Common Expenses shall be made in the manner provided herein, and in the manner provided in the Bylaws. The Regular Assessment is established for the benefit and use of the Association and shall be used in covering all of the Common Expenses. The Regular Assessment for each lot which has been deeded out of the Declarant shall be \$120.00 per year.
- Section V.2 <u>Special Assessment</u>. In addition to levying Regular Assessments, and to the extent that the reserve fund is insufficient, the Board of Directors may levy Special Assessments to construct, structurally alter, or replace improvements which are a part of the Common Areas.
- Section V.3 <u>Individual Assessment</u>. In the event that the need for maintenance, repair or replacement of any improvement on the Property, for which the Association has the maintenance, repair and/or replacement obligation, is caused through the willful or negligent act of an Owner, his family, his pet(s), or his Resident, the cost of such maintenance, repairs or replacements shall be paid by such Owner. The Board shall have the maintenance, repair or replacement done and the cost thereof shall be provided by the Board to said Owner and shall be paid by said Owner within thirty (30) days thereafter, unless an earlier date is otherwise set forth herein.
- Section V.4 Date of Commencement of Assessments; Due Dates; Determination of Regular Assessments; Fine Assessments.
 - V.4.a The annual Regular Assessment provided for herein shall commence as to each Owner of a Lot, except Declarant, on the first day following the initial conveyance of the Dwelling Unit to the Owner. The Declarant, its successors and assigns, shall not be required to pay the Regular Assessment for any Lot which it owns until such time as Declarant transfers the Lot to a third party. The Board of Directors shall fix the annual Regular Assessment to be paid by each Member against each Lot at the beginning of each calendar year. Provided, that during the Development Period, the Declarant must approve any change in the Regular Assessment. Written notice of the monthly Regular Assessment shall be sent to every Member subject thereto. The Board of Directors shall establish the due dates.
 - V.4.b The Board of Directors, or an adjudicatory panel established by the Board of Directors, may levy a reasonable Fine Assessment, as a fine or penalty for violation of this Declaration, all in accordance with the North Carolina Planned Community Act. A

lien may be filed for this Fine Assessment and this Fine Assessment may be enforced by foreclosure and otherwise treated as a Regular Assessment.

- Section V.5 <u>Assessment Certificate</u>. The Association shall, upon demand, at any reasonable time, furnish to any Owner liable for Assessments or to an attorney searching title to any Lot a certificate in writing signed by an Officer or other authorized agent of the Association, setting forth the status of said Assessments; i.e., "current", and if not current, "delinquent" and the amount due. Such certificate shall be conclusive evidence of the payment of any Assessment therein stated to have been paid.
- Section V.6 <u>Books and Records of the Association</u>. The Association shall keep full and correct books of account. The Association shall make available to all Lot Owners and the holders of all mortgages on Lots, current copies of the books, records and financial statements of the Association upon reasonable request during normal business hours. All funds collected by the Association shall be held and expended solely for the purposes designated by this Declaration and shall be deemed to be held for the use, benefit and account of the Association and all of the Lot Owners. All books and records must be kept in accordance with good accounting procedures.
- Section V.7 Non-Payment of Assessment. Any Assessments levied pursuant to these covenants which is not paid on the date when due shall be delinquent and shall, together with such interest and other costs as set out elsewhere in this Declaration, thereupon become a continuing lien upon the Lot which shall bind the Lot in the hands of the then Owner and the Owner's successors and assigns.

If the Assessment is not paid within thirty (30) days after the due date, the Assessment shall bear interest at a reasonable rate of ten percent (10%) per year or at such other reasonable rate set by Association in its minutes, not to exceed the maximum amount allowed by law, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot, in either of which events interest, costs and reasonable attorneys' fees shall be added to the amount of each Assessment. No Owner may waive or otherwise escape liability for the Assessments by non-use or waiver of use of the Common Areas or by abandonment of his Lot.

Section V.8 Priority of Association Lien. The lien provided for in this Article V shall take priority over any lien or encumbrance subsequently arising or created, except liens for real estate taxes and assessments and liens of bona fide first mortgages which have been filed of record before a claim of this lien hereunder has been docketed in the office of the clerk of superior court in Lee County, and may be foreclosed in the same manner as a mortgage on real property under power of sale in an action brought by the Association in accordance with the Planned Community Act. The Association is entitled to recover its reasonable attorneys' fees and court costs and collection costs, as part of the lien. In any such foreclosure action, the Association shall be entitled to become a purchaser at the foreclosure sale.

<u>and Regulations of the Association</u>. Any purchaser of a Lot at a foreclosure sale shall automatically become a Member of the Association and shall be subject to all the provisions of this Declaration, the Bylaws and the Rules and Regulations.

- Assessments. When the holder of a first mortgage or first deed of trust of record or other purchaser of a Lot acquires title to the Lot as a result of foreclosure of the first mortgage first deed of trust or by deed in lieu of foreclosure, such acquirer of title, his, her or its successors and assigns, shall not be liable for the Assessments by the Association chargeable to such Lot which became due prior to the acquisition of title to the Lot by such acquirer, other than Assessments for which a claim of lien has been docketed with the Lee County clerk of superior court prior to the recordation of the lien being foreclosed. This provision shall not relieve the party acquiring title or any subsequent Owner of the subject Lot from paying future Assessments.
- Section V.11 <u>Liability for Assessments Upon Voluntary Conveyance</u>. In a voluntary conveyance of a Lot, any grantee or his or her attorney, or his or her first mortgagee shall inform the Board of Directors in writing of such contemplated conveyance and such grantee, attorney or first mortgagee shall be entitled to a statement from the Board of Directors of the Association setting forth the amount of all unpaid Assessments (including current Assessments) against the grantor due the Association. Neither the grantee nor his attorney nor the mortgagee shall be personally obligated for any delinquent Assessments, but such delinquent Assessments, along with interest, late charges, costs and reasonable attorneys fees shall be a lien against the Lot in accordance with Section 5.7 and Section 5.8 herein.
- Section V.12 <u>Late Charge</u>. The Association may impose a charge against any Lot Owner who fails to pay any amount assessed by the Association against his Lot within ten (10) days after such Assessments are due and payable. The amount of the late charge shall be the greater of (a) twenty and 00/100 Dollars (\$20.00), or (b) twenty percent of the delinquent amount, or such other amount as may be determined by the Association from time to time.

Section V.13 Miscellaneous.

- V.13.a The Association may change the interest rate due on delinquent Assessments (including any late charges), except that the rate cannot be changed more often than once annually. As of its effective date, the new interest rate will apply to all Assessments then delinquent.
- V.13.b The Owner has the sole responsibility of keeping the Association informed of the Owner's current address if different from the Lot owned. Otherwise notice sent by Association to the Lot is sufficient for any notice requirement under this Declaration.
- V.13.c The lien under this <u>Article V</u> arises automatically, and no notice of lien need be recorded to make the lien effective.
 - V.13.d The Assessment lien includes all collection costs, including demand

letters, preparation of documents, reasonable attorneys' fees, court costs, filing fees, collection fees, and any other expenses incurred by the Association in enforcing or collecting the Assessment.

V.13.e No Owner of a Lot may exempt himself or herself from liability for his or her obligation to pay Assessments by waiver of the use or enjoyment of any of the Common Areas or by the abandonment of his or her Lot.

V.13.f This Section 5.13 applies to every type of Assessment.

ARTICLE VI EASEMENTS AND ENCUMBRANCES

Section VI.1 <u>Easement for Encroachments</u>. The Dwelling Units, all utility lines, and all other improvements as originally constructed by or on behalf of Declarant or its assigns shall have an easement to encroach upon any setback, Lot or Common Area as a result of the location of the building, utility lines and other improvements across boundary lines between and along Lots and/or the Common Areas, or as a result of building or improvement movement or alterations or additions from time to time, provided that such alterations or additions have complied with the requirements of this Declaration.

Section VI.2 <u>Lot's Utility Easements</u>. Easements are granted in favor of each Lot Owner to and throughout the Common Areas and, if necessary, the setback areas of any other Lots, as may be necessary for the installation, maintenance, repair and use of underground water, gas, sewer, power and other utilities and services including power and communication, now or hereafter existing, including maintaining, repairing and replacing any pipes, wires, ducts, conduits, equipment, fixtures, utility, power or communication lines or equipment, or other components. The foregoing notwithstanding, no Lot Owner (other than Declarant) may exercise the easement rights reserved in this Section 6.2 without the prior written approval of the Board as described in Section 6.6 below and the Declarant, so long as it owns a Lot in the Subdivision.

Utility Easements. Easements are reserved and/or granted hereby in Section VI.3 favor of the Declarant and/or the Association through each Lot (provided that such easements shall not materially and unreasonably interfere with the use of any dwelling located upon any Lot) and the Common Areas for the purpose of installing, laying, maintaining, repairing and replacing any pipes, wires, ducts, conduits, equipment, fixtures, utility, power or communication lines or equipment, or other components throughout the Common Areas. Without limiting any other provision in this Article 6, it is understood that Declarant's easement rights reserved herein may be utilized for the benefit of property within or outside of the Subdivision. Each Lot Owner and/or his respective mortgagee by acceptance of a deed conveying such ownership interest and each mortgagee encumbering such ownership interest, as the case may be, hereby irrevocably appoint Declarant, or the Association, as the case may be, as his attorney in fact, coupled with an interest, and authorize, direct and empower such attorney, at the option of the attorney, to execute, acknowledge and record for and in the name of such Lot Owner and his mortgagee, such easements or other instruments as may be necessary to effect the purpose of this Section 6.3. The easements may be assigned and/or granted by the Declarant and/or the

Association to any utility or service company.

Section VI.4 <u>General Easements</u>. An easement is hereby reserved and/or granted in favor of the Declarant and/or the Association in, on, over and through the Common Areas, the Lots and/or Dwelling Units for the purposes of maintaining, cleaning, repairing, improving, regulating, operating, policing, replacing and otherwise dealing with the Common Areas, Lots and/or Dwelling Units, including all improvements thereon as required or permitted by the Constituent Documents or applicable law. An easement is hereby reserved in favor of Declarant over the Common Areas for the purpose of advertising or promoting sales of Lots or Dwelling Units in the Subdivision.

Section VI.5 <u>Access Easement</u>. Appurtenant to each Lot is an easement over any Common Area for necessary pedestrian and vehicular ingress and egress to and from any such Lot over the Common Areas, to and from a thoroughfare. The easement shall be over such walkways, driveways, or other ways as are designated by the Declarant and/or the Association and shall be subject to the terms of the Constituent Documents.

Use of Easement. Any use of the rights and easements granted and Section VI.6 reserved in this Article VI shall be reasonable. If any damage, destruction, or disturbance occurs to a Lot or Common Area as a result of the use of any easement or right, the Lot or Common Area shall be restored by, or at the direction of, the Association promptly in a reasonable manner at the expense of the person or persons making the use of the easement or right that resulted in the damage, destruction or disturbance. Before beginning work, Association may require all or any part of the expected expense to be prepaid by that person or those persons liable for the expense. Additionally, should any Lot Owner other than Declarant elect to exercise its easement rights hereunder, it shall be required to obtain the Board's prior written approval (not to be unreasonably withheld), after providing the Board with detailed plans of its proposed work, as well as evidence of appropriate insurance and other such reasonable information or assurances as the Board may require. No easement may be granted across, through, over, or under any Lot or Common Area, which materially restricts ingress and egress to the Lot or Common Area, unless reasonable alternate ingress and egress is provided or unless the restriction is only temporary. All easements reserved hereunder shall be perpetual and nonexclusive.

Section VI.7 Reservation of Access Easement by Declarant. Declarant reserves an easement for itself, its grantees, successor and assigns, to enter upon the Subdivision for access, including ingress and egress for both vehicles and pedestrians, to and from any public street, road, land, walkway or right-of-way. The easement shall be over the streets, sidewalks, bridges and other access ways of the Subdivision. Declarant further reserves the right to connect, at Declarant's expense, to any street, roadway, walkway or other means of access that are located on the Common Areas of the Subdivision. This reservation of access easements and the right of connection should be construed liberally in favor of the Declarant, in order to facilitate the development of all or any portion of Nottingham Subdivision or any additions to said subdivision.

Section VI.8 Reservation of Construction Easement by Declarant. The Declarant reserves the non-exclusive right and easement to temporarily go upon the Subdivision in order to complete the development of the Subdivision and the construction of the improvements to be located therein, and to develop other neighboring land. The easement should be construed broadly in favor of the Declarant, including giving Declarant the right to store temporarily construction materials, equipment or dirt. After the construction is finished, Declarant must, at Declarant's cost, repair any damage done to the Subdivision including to any landscaping. As soon as reasonably possible after Declaration has completed construction on the neighboring land, Declarant must remove all debris, equipment, materials and dirt from the Subdivision.

Section VI.9 <u>Roadway Easement.</u> Declarant has reserved and hereby grants to all Lot Owners the non-exclusive right of ingress and egress on, over and across all public and private roadways (the "<u>Roadways</u>") located on or to be located on a portion of the Subdivision which private roadways extend between one or more publicly dedicated streets. Roadways (other than those (if any) that have been accepted by applicable governmental authorities for maintenance) constitute Common Areas and shall be maintained, insured, and repaired by the Association in accordance with this Declaration. The Declarant hereby reserves the right (but not the obligation), in its sole discretion, to annex additional Roadways into the Subdivision. Notwithstanding the foregoing to the contrary, no part of the Roadway shall be dedicated or transferred to a unit of local government without acceptance of the unit of local government involved.

Section VI.10 <u>Easements to Run with Land</u>. All easements and rights described in this Article VI are easements appurtenant, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on the Declarant, its successors and assigns, and any Owner, purchaser, mortgagee, and other person or entity now or hereafter having an interest in the Subdivision, or any part or portion of it.

ARTICLE VII ASSOCIATION

Section VII.1 <u>Association</u>. The administration of the Subdivision shall be vested in the Association. The Owner of any Lot, upon acquiring title, shall automatically become a Member of the Association and shall remain a Member until such time as his ownership of such Lot ceases for any reason, at which time his membership in the Association shall automatically cease. The Association shall have full power and responsibility to administer, operate, sustain, maintain, and govern the Subdivision including but not limited to, the powers and responsibilities to make prudent investments of funds held by it; to make reasonable Rules and Regulations; to borrow money; to make Assessments; to bring lawsuits and defend lawsuits; to enter into contracts; to enforce all of the provisions of this Declaration, the Bylaws and any other documents or instruments relating to the establishment, existence, operation, alteration of the Subdivision. The powers of the Association shall be construed liberally and shall include, without limitation, all of the powers set forth in *Section 47F-3-102* of the Planned Community Act. The Association is initially created as an unincorporated association but may elect to incorporate.

Section VII.2 <u>Board of Directors</u>. Unless otherwise specifically stated in this Declaration, the Association shall act exclusively through its Board of Directors (the "Board"). The Association in accordance with the Bylaws shall choose the Board.

Section VII.3 Limitations on Association's Duties.

VII.3.a The Association did not construct the improvements, including the Dwelling Units. The Association does not warrant in any way or for any purpose, the improvements in the Subdivision. Construction defects are not the responsibility of the Association.

VII.3.b The Association shall have a reasonable time in which to make any repair or do any other work, which it is required to do under the Constituent Documents. The Association must first have actual knowledge of a problem. Any determination of the reasonableness of the Association's response, must allow for the facts that the Association is volunteer and that the funds available to the Association are limited.

Section VII.4 In case of ambiguity or omission, the Board may interpret the Declaration and the other Constituent Documents, and the Board's interpretation shall be final if made without malice or fraud. Notwithstanding the foregoing, the Declarant may overrule any interpretation affecting it, for so long as Declarant owns any portion of the Property and such interpretation cannot be enforced against the Declarant, its successors or assigns.

ARTICLE VIII USE RESTRICTIONS

Section VIII.1 <u>Use and Occupancy</u>. The Association may make Rules and Regulations to govern the use of the Common Areas. In addition, the following covenants, conditions, and restrictions, as to use and occupancy within the Subdivision shall run with the land and shall be binding upon each Lot Owner, his heirs, tenants, licensees and assigns.

Section VIII.2 <u>Purpose of Subdivision</u>. Except as otherwise provided in this Declaration, no part of a lot or Common Area shall be used for other than housing and the common recreational purposes for which the property was designed, and each Lot shall be used only for residential purposes. Except for the construction, sales and management activities (including, without limitation, the right of Declarant to maintain one or more model Dwelling Units, or sales offices) of the Declarant, no business, trade, industry, occupation or profession of any kind, whether for profit or not for profit, may be conducted, maintained, or permitted on any part of the Subdivision property. To the extent permitted by law, an Owner may use a portion of his or her Dwelling Unit for an office or studio (other than a music and/or dance studio) provided that the activities conducted therein shall not interfere with the quiet enjoyment or comfort of any other owner or occupant; and provided further that such activities do not increase the normal flow of traffic or individuals in and out of the Subdivision or in and out of said Owner's Lot.

Section VIII.3 Obstruction of Common Areas. There shall be no storage or parking

Page 14

of any items, including baby carriages, playpens, bicycles, wagons, toys, vehicles, benches or chairs in any part of the Common Areas, except as permitted by the Rules and Regulations.

Section VIII.4 Animals and Pets. No animals of any kind shall be raised, bred, or maintained on any Lot for any commercial purpose. No Lot Owner shall install a fence and/or electric fence on any portion of the Common Area without the prior written consent of the Board. No pet may be "staked", housed, tied up or otherwise left in any Common Area. A Lot Owner shall be responsible for cleaning up after his household pet. The Association shall have the right to levy fines and penalties against persons who do not clean up after their pets. Additionally, the right of an occupant to maintain an animal in a Dwelling Unit shall be subject to termination if the Board in its full and complete discretion, determines that maintenance of the animal constitutes a nuisance or creates a detrimental effect on the Subdivision or occupants. No dog house or other structure used or intended for the housing or keeping of animals may be constructed, placed or maintained on any part of the Common Areas.

Section VIII.5 <u>Nuisances.</u> No noxious or offensive activity shall be carried on in any Dwelling Unit or in the Common Areas or on the Lot of an Owner, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Lot Owners or occupants.

Section VIII.6 <u>Impairment of Structural Integrity of Building</u>. Nothing shall be done on or to the Common Areas which will impair the structural integrity of any building or which, absent the prior written approval of the Board, would structurally change any building.

Section VIII.7 Laundry or Rubbish and Open Fires in Common Areas and Facilities. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed on any part of the Common Areas, or on any Lot in a manner visible from any Common Area, neighboring Lot or street. The Common Areas shall be kept free and clear of rubbish, debris and other unsightly materials. All trash, garbage or other rubbish shall be deposited only in covered sanitary containers as provided in Section 8.10 below. No open fires shall be permitted on any part of the Subdivision other than fires in charcoal grills or other similar cooking devices located upon Lots or grills or similar devices (if any), owned by the Association and constituting a portion of the Recreational Facilities, provided the use of such devices does not violate any local governmental rules or regulations.

Section VIII.8 Prohibited Activities. Except as otherwise provided in this Declaration, no business, trade, industry, occupation or profession of any kind, whether for profit or not for profit, shall be conducted, maintained or permitted on any part of a Lot. A Lot Owner is permitted to place and maintain a standard "For Sale" or "For Rent" sign; provided, however it is of a typical size within the industry or within an area expressly permitted by the Board of Directors. No other sign that is visible from the outside of Dwelling Units may be placed on any part of the Subdivision except as expressly permitted by the Board of Directors. Declarant and/or the Board shall have the right to immediately remove and dispose of those items in violation of this Declaration. A Lot Owner must obtain the prior written consent of the Board of Directors in the event a Lot Owner desires to maintain a "For Sale" or "For Rent" sign which is

not of a typical size within the industry, or desires to maintain other displays or advertising. The right is reserved by the Declarant to use any such unsold or unoccupied Dwelling Units or other structures in the Subdivision as models and/or offices in connection with the construction, sale or rental of Dwelling Units.

So long as the Declarant owns a Lot no action may be taken nor may any Rule or Regulation be adopted or amended that would (a) directly or indirectly alter the exterior appearance of any part of the Subdivision; (b) reduce or discontinue any maintenance standard or practice in effect as of the date when the Declarant no longer controls the Board; (c) adversely affect the Declarant's sale or leasing of any Lots; or (d) otherwise adversely affect the Declarant, any of its rights, or any Lot owned by it without, in each case, first obtaining the Declarant's written consent.

Section VIII.9 <u>Alteration of Common Areas</u>. Nothing shall be altered or constructed in or removed from the Common Areas except as otherwise provided in this Declaration and except upon the written consent of the Association.

Section VIII.10 <u>Trash Disposal</u>. Lot Owners shall keep trash containers at all times in each Lot Owner's garage, or in the rear of the home out of sight, except on the days which trash, garbage, or other rubbish is collected by the local waste removal authorities. Any trash containers placed outside by the Lot Owners in the location designated for collection by the local waste removal authorities shall only remain in such location for a period not to exceed twenty-four (24) hours. The Board shall have the right to dispose of any trash, garbage, or other rubbish of a Lot Owner in violation of this Article VIII, and may assess the Lot Owner for the cost of such removal, which amount shall be payable on the date the next installment of the regular assessment is due.

Section VIII.11 <u>Nondiscrimination</u>. No owner (including the Declarant), or any employee, agent or representative thereof, shall discriminate upon the basis of sex, race, age, color, creed or national origin in the sale, lease or rental of any Lot nor in the use of the Common Areas.

Section VIII.12 <u>Satellite Dishes</u>. No Lot shall have a satellite dish that exceeds two feet in diameter. Satellite dishes shall not be placed in the front portion of any Lot where it is visible from the street.

Section VIII.13 <u>Fences</u>. No Lot may have a fence of any type located closer to any street fronting the Lot than the front of the Dwelling Unit on the Lot or for any side street abutting the Lot no closer than the side of the Dwelling Unit facing said side street.

Section VIII.14 <u>Driveways</u>. Upon completion of any Dwelling Unit on a Lot there must be a concrete driveway leading from the street fronting the Lot or side street abutting such Lot to the garage or parking area on such Lot. Provided, however, that the concrete may stop short of a garage or parking area if the driveway extends at least sixty (60) feet in length from the road pavement. Driveways as aforesaid must be no less than ten (10) feet wide.

Section VIII.15 <u>Square Footage</u>. Any Dwelling Unit constructed on a Lot must contain no less than 1600 square feet. Heated square footage and unheated square footage in any attached garage may be included in satisfying the 1600 square foot minimum. However, in no event shall a Dwelling Unit have less than 1200 square feet of heated space.

Section VIII.16 No illegal activities shall be allowed on any lot.

ARTICLE IX ENFORCEMENT

Section IX.1 <u>Enforcement</u>.

IX.1.a The Association or any Lot Owner may enforce these covenants, conditions and restrictions. Enforcement of these covenants, conditions and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate ("Violating Party") any covenant, condition or restriction, either to restrain or enjoin violation or to recover damages, and against the land to enforce any lien created by these covenants. In addition to all other amounts due on account of said violation or attempted violation, the Violating Party shall be liable to the parties enforcing the covenants and/or restrictions of this Declaration (the "Enforcing Parties") for all reasonable attorney's fees and court costs incurred by the Enforcing Parties. Failure or forbearance by the Association or any Owner to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In any lawsuit filed to enforce this Declaration by injunction or restraint, there shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or any attempted violation or breach of any of the within covenants, conditions or restrictions cannot be adequately remedied by action at law or by recovery of damages.

IX.1.b In addition to all other remedies of the Association, the Association shall have the right to assess a maximum fine of \$15.00 per day (or such higher amount as may be allowed by law) per violation against any Owner who violates any provision of this Declaration or the Articles, Bylaws or Rules and Regulations of the Association after such Owner has been given notice of the violation and an opportunity to be heard with respect to the violation in accordance with such policies and procedures as may be adopted from time to time by the Board of Directors or as may be set forth in the Bylaws.

IX.1.c In addition to the above rights, the Association may also enter upon a Lot or any land upon which a violation exists to remove any violation, perform maintenance or make repairs thereon which is the responsibility of a Lot Owner who has failed to remove said violation or to perform such maintenance or make such repairs (i) after having given such owner at least ten (10) days prior notice, or (ii) without giving notice in the event of an emergency.

Any action brought by the Association hereunder may be brought in its own name, in the name of its Board or in the name of its managing agent. In any case of flagrant or repeated violation by a Lot Owner, he or she may be required by the Association to give sufficient surety

or sureties for his or her future compliance with the covenants, conditions and restrictions contained in this Declaration, the Bylaws and the Rules and Regulations.

- Section IX.2 <u>Severability</u>. Invalidation of any one of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.
- Section IX.3 <u>Restrictions Run With Land</u>. The easements or other permanent rights or interests are herein created, the covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Dwelling Unit subject to this Declaration, their respective legal representatives, heirs, successors, and assigns.
- Section IX.4 Amendment. During the Development Period, the Declarant shall have the sole right to amend the Declaration. After the Development Period, the Association may amend this Declaration at any time, as long as it is consistent with the design, scheme and purposes of this Declaration, by the affirmative vote or written agreement of the Owners to whom not less than seventy-five percent (75%) of all of the votes in the Association are allocated in accordance with Section 4.4 and Section 4.5 above. Any amendment must be recorded in the Lee County Register of Deeds. Following the end of the Development Period, no such agreement to amend, in whole or in part, shall be effective unless written notice of the proposed amendment is sent to every Member at least thirty (30) days in advance of any action taken, and no such amendment shall be effective with respect to any permanent easements or other permanent rights or interests relating to the Common Areas herein created (unless such amendment is consented to in writing by Declarant and all other beneficiaries of such permanent easements, rights or interests).
- Section IX.5 Reservation of Special Declarant Rights. Declarant reserves the right to maintain sales and management offices, model units, construction trailers, storage or staging areas, and advertising signs upon Lots or the Common Areas and upon Lots owned by it until the expiration of the Development Period and to exercise all other "Special Declarant Rights" as defined in the North Carolina Planned Community Act. Without limiting the foregoing, and notwithstanding anything herein to the contrary, during the Development Period, Declarant shall have the right to annex additional Lots or Common Areas into the Subdivision by filing a supplement to this Declaration in the Lee County Public Registry together with an amendment to the Plat (if applicable). Such additional Lots or Common Areas need not be contiguous to the Property. Declarant shall have the right to assign all or a portion of any rights or easements reserved herein by a written assignment thereof, recorded in the Lee County Public Registry.
- Section IX.6 <u>Binding Determination</u>. In the event of any dispute or disagreement with or between any Owner(s) relating to, or of any other disputes, disagreements or questions regarding, the interpretation or application of the provisions of this Declaration or the Articles or Bylaws of the Association, the determination thereof (i) by Declarant for so long as Declarant retains control of the Association; and (ii) thereafter by the Board of Directors of the Association shall be final and binding on each and all such Owners; providing that any determination which

directly or indirectly affects Declarant shall require Declarant's prior consent to become binding upon Declarant.

Section IX.7 <u>Captions and Titles</u>. All captions, titles or headings in this Declaration are for the purpose of reference and convenience only and are not deemed to limit, modify or otherwise affect any of the provisions hereof, or to be used in determining the intent or context thereof.

Section IX.8 <u>Notices</u>. Except as otherwise provided in this Declaration, any notice to any Owner under this Declaration shall be in writing, shall be effective on the earlier of (i) the date when received by such Owner, or (ii) the date which is three days after mailing (postage prepaid) to the last address of such Owner set forth in the books of the Association. The address of an Owner shall be at his Lot (or any of them if more than one) unless otherwise specified in writing to the Association. The Articles and Bylaws shall specify the permissible manner of giving notice for voting and all other Association matters for which the manner of giving notice is not prescribed in this Declaration.

Section IX.9 <u>Governing Law</u>. This Declaration shall be deemed to be made under, and shall be construed in accordance with and shall be governed by, the laws of the State of North Carolina, and suit to enforce any provision hereof or to obtain any remedy with respect hereto shall be brought in state court in Lee County, and for this purpose each Owner by becoming such hereby expressly and irrevocably consents to the jurisdiction of said court.

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed as of the day and year first above written.

COPPER RIDGE DEVELOPMENT, L.L.C., a North Carolina Limited Liability Company

PV.

. Manager

BY:

Mamber, Mahager

CUSTOM CONTRACTING CORPORATION, A North Carolina Corporation

BY:

Van R. Groce, President

NORTH CAROLINA LEE COUNTY I, Sandra Togam, a Notary Public of Lee County, do hereby certify that Van L. Grove Son Wan L. Grove Jowe County, do hereby certify that Van L. Grove Jowe Managers of COPPER RIDGE DEVELOPMENT, L.L.C., a North Carolina limited liability company, and that said writing was signed by him/her in behalf of said limited liability company by its authority duly given. And the Manager acknowledged the said writing to be the act and deed of said limited liability company.
Witness my hand and official searchs 21 day of Oct , 2016.
NORTH CAROLINA LEE COUNTY I, Jonard Troadr , a Notary Public of County, do hereby certify that VAN R. GROCE, who is known to the Notary Public, personally appeared before me this day and stated that he is the President of CUSTOM CONTRACTING CORPORATION, a North Carolina Corporation, and he, as President, being authorized to do so, executed the foregoing on behalf of the corporation.
Witness my hand and official seal, this

EXHIBIT A

Legal Description

BEING all of Lot 127 Nottingham Phase II-C as shown on a map recorded in Plat Cabinet 2014, Slide 87; and Lots 121-123, and 127-128 Nottingham Phase II-D as shown on a map recorded in Plat Cabinet 2016, Slide 89; of the Lee County Registry, along with any common area designated on said plat. Reference to said maps is hereby made for a more particular description.