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Onslow County, NC  
Rebecca L. Pollard Reg. of Deeds

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DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR  
THE BURROUGHS AT CAROLINA PLANTATIONS

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THE UNITED STATES OF AMERICA OR STATE OF NORTH CAROLINA. THIS  
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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS  
FOR  
THE BURROUGHS AT CAROLINA PLANTATIONS

**THIS DECLARATION OF COVENANTS, CONDITIONS, AND  
RESTRICTIONS FOR THE BURROUGHS AT CAROLINA PLANTATIONS**

("Declaration") is made this 3 day of November, 2010, by CAROLINA PLANTATION DEVELOPMENT CORPORATION, a North Carolina corporation (herein referred to as the "Declarant"); ANTHONY W. SYDES, ("Lender"); and ALL PROSPECTIVE PURCHASERS AND OWNERS of real property within the planned community generally known as "THE BURROUGHS AT CAROLINA PLANTATIONS."

WHEREAS, Declarant is the owner in fee simple of the real property described in Exhibit A, which is attached hereto and incorporated herein by reference, and desires to create a planned community pursuant to the provisions of Chapter 47F of the General Statutes of North Carolina (the "Act") and subject the Burroughs Property (as defined in Article 1) to mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the property described on Exhibit A and any additional property Declarant elects to subject to this Declaration pursuant to the terms herein, and to establish a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Burroughs Property; and,

WHEREAS, Declarant hereby declares that all of the property described in Exhibit A and any additional property subjected to this Declaration by Supplemental Declaration (as defined in Article 1) shall be held, sold, used and conveyed subject to the Act and to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the desirability of, and which shall run with, the real property subjected to this Declaration. No real property other than the property described on Exhibit A is subject to this Declaration until explicitly made subject to this Declaration by Supplemental Declaration, and Declarant is not obligated to subject any additional property to this Declaration. This Declaration shall be binding on and shall inure to the benefit of all parties having any right, title, or interest in the property described in Exhibit A and any property subsequently made subject to this Declaration by Supplemental Declaration or any part thereof, their heirs, successors, successors-in-title, and assigns.

**Article 1.     Definitions.**

The terms used in this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1     "Act": Chapter 47F of the General Statutes of North Carolina designated as the North Carolina Planned Community Act.

1.2 "Articles": The Articles of Incorporation of The Burroughs Owners Association, as filed with the North Carolina Secretary of State.

1.3 "Assessment": Assessments levied on all Lots to fund the Common Expenses. During the Development Period, no Assessment shall be imposed on Lots owned by the Declarant.

1.4 "Association Documents": Collectively the Articles of Incorporation of the Burroughs Association, the Bylaws of the Burroughs Association, this Declaration, any Supplemental Declaration as may be applicable to separate portions of the Burroughs Property, the Rules and Regulations, and any resolutions adopted by the Board, all as may be amended, restated and revised from time to time. Any exhibit, schedule or amendment to an Association Document shall be considered a part of that document.

1.5 "Benefited Assessment": Assessments levied under Section 10.6.

1.6 "Board of Directors" or "Board": The body responsible for administration of the Burroughs Association selected as provided in the Bylaws.

1.7 "Builder": Any Person designated by Declarant as a Builder who purchases one or more Lots for the purpose of constructing Dwelling Units for resale to consumers in the ordinary course of its business, or who purchases one or more parcels of land within the Burroughs Property for further development and/or sale or resale in the ordinary course of its business.

1.8 "Burroughs Association": The Burroughs Owners Association, a North Carolina nonprofit corporation, its successors and assigns.

1.9 "Burroughs Common Elements": All real and personal property in which the Burroughs Association now or hereafter owns, leases or otherwise holds possessory or use rights for the common use and enjoyment of the Owners, including easements held by the Burroughs Association for those purposes. The terms shall include, without limitation, any Recreational Facilities (if constructed by Declarant and transferred to the Burroughs Association as provided in Section 2.2 herein), and any drives, roads, cul-de-sacs, and buffers transferred by the Declarant to the Burroughs Association. The term shall also include any and all permits and other such intangible property held by the Burroughs Association for the common use and benefit of the Owners.

Notwithstanding this definition, Section 47F-3-112 of the Act, which requires certain membership approval and certain procedures to convey portions of common elements, shall apply only to those portions of the Burroughs Common Elements included in real estate owned or leased by the Burroughs Association other than Lots.

1.10 "Burroughs Limited Common Elements": A portion of the Burroughs Common Elements allocated by this Declaration or by operation of law for the exclusive use of



one (1) or more but fewer than all of the Lots, if any. The Burroughs Limited Common Elements may also be shown on any Recorded Plat.

1.11 "Burroughs Property": The real property described in Exhibit A, together with such additional property as is subjected to this Declaration in accordance with the provisions of Article 9 and excluding any real property withdrawn from the encumbrance of this Declarant in accordance with Article 9.

1.12 "Business and Trade": Shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to a Person other than the family of the producer of such goods or services and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

1.13 "Bylaws": The Bylaws of the Burroughs Association as they may be amended from time to time.

1.14 "Common Expenses": Any and all expenditures made by or financial liabilities and obligations of the Burroughs Association, together with any allocations to reserves.

1.15 "Community-Wide Standard": The standard of conduct, upkeep, or other activity generally prevailing throughout the Burroughs Property. The standard shall be established initially by Declarant thereafter shall be determined by the Board of Directors and the Reviewing Body (as described in Article 11). The standard may contain both objective and subjective elements, and may evolve and change as development progresses and as the needs and desires within the Burroughs Property change.

1.16 "Covenant to Share Costs": Any declaration of easements and covenant to share costs executed by Declarant and recorded in the Register of Deeds which creates easements for the benefit of the Burroughs Association and the present and future owners of the real property subject to the Declaration and which obligates the Burroughs Association and such owners to share the costs of maintaining certain property described therein.

1.17 "Declarant": Carolina Plantation Development Corporation, a North Carolina corporation, or any successor, successor-in-title, or assignee thereof, who is designated as Declarant in a recorded instrument executed by the immediately preceding Declarant. There may be multiple Declarants in the event that the Declarant elects to assign a portion of the Declarant rights hereunder to another party.

1.18 "Declaration": This Declaration, including any exhibit, schedule or amendment thereto, and any Supplemental Declaration, all as may be amended, restated and revised from time to time.

1.19 "Development Period": The period ending on the earliest of (a) thirty (30) years from the date this Declaration is recorded in the Register of Deeds; provided, that if Declarant is delayed in the improvement and development of the Burroughs Property as a result of a sewer, water or building permit moratorium or other cause or event beyond Declarant's control, then the aforesaid period shall be extended for the length of the delay plus an additional two (2) years upon written notice to the Burroughs Association of such extension; or (b) the date specified by Declarant(s) in a recorded instrument executed by all then current Declarants as to the property for which the executing party is the current Declarant that the Development Period is to terminate on that date so stated.

1.20 "Dwelling Unit": Any building or structure or portion of a building or structure situated upon a Lot which is intended for use and occupancy as an attached or detached residence for a single family.

1.21 "Landscaping": Living plants, shrubs, trees, vegetation, ground coverings (including grass and sod) and appurtenant live/growing vegetative materials, straw, mulches, composting materials, pools (other than swimming pools), ornamental ponds, ornamental structures and any other living or non-living material or structure reasonably constituting a part of any or all of the foregoing installed upon a Lot.

1.22 "Lot": A portion of the Burroughs Property, whether improved or unimproved, other than the Burroughs Common Elements and property dedicated to the public, which may be independently owned and conveyed and which is separately identified on a Recorded Plat. The term shall refer to the land, if any, which is part of the Lot as well as any improvements thereon including but not limited to the Dwelling Unit.

For all purposes set forth in the Association Documents, a Lot comes into existence upon the recordation in the Register of Deeds of the last to occur of: (i) a Recorded Plat or plat depicting said Lot or (ii) a Supplemental Declaration defining and subjecting the proposed Lot to this Declaration. Nothing herein obligates Declarant to subject any additional Lots to this Declaration.

1.23 "Master Association": Carolina Plantations Owners Association, a North Carolina nonprofit corporation, its successors and assigns.

1.24 "Master Declaration": Declaration of Carolina Plantations recorded in Book 3435, at Page 457, in the Register of Deeds, as amended and supplemented from time to time.

1.25 "Member": A Person having membership in the Burroughs Association consistent with Section 3.2 of this Declaration.

1.26 "Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security deed encumbering a Lot.

1.27 "Mortgagee": A beneficiary or holder of a Mortgage.

1.28 "Owner": One or more Persons who hold the record title to any Lot, except Persons holding an interest merely as security for the performance of an obligation in which case the equitable owner will be considered the Owner.

1.29 "Permit": North Carolina Stormwater Management Permit No. SW8100510 issued for the real property described in Exhibit A, and any additional North Carolina Stormwater Management Permits, applicable to the Burroughs Property, and any amendments, additions or replacements thereof.

1.30 "Person": A natural person, corporation, limited liability company, partnership, trust, or any other legal entity.

1.31 "Project": The Burroughs at Carolina Plantations development located on the Burroughs Property.

1.32 "Recorded Plat": Any and all maps and plats recorded in the Register of Deeds depicting portions of the Burroughs Property subject to this Declaration, including without limitation that certain map entitled "THE BURROUGHS SECTION I-A AT CAROLINA PLANTATIONS " recorded in Map Book 60, at Page 200 in the Register of Deeds.

1.33 "Register of Deeds": The office of the Register of Deeds of Onslow County, North Carolina.

1.34 "Stormwater Management Facilities": All areas consisting of ditches and swales, retention ponds and other improvements which are constructed pursuant to, and regulated by, the Permit.

1.35 "Supplemental Declaration": An amendment or supplement to this Declaration filed pursuant to Article 9 which subjects additional property to this Declaration and identifies the Burroughs Common Elements within the additional property, if any, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein.

1.36 "Upkeep": Care, inspection, maintenance, operation, repair, repainting, remodeling, restoration, improvement, renovation, alteration, replacement and reconstruction.

1.37 "Use Restrictions": The rules and use restrictions are more fully defined as set forth in Section 12.

1.38 "Utility Company": A public or private company or entity duly licensed and authorized by the North Carolina Utilities Commission to provide utility services within a specified franchise area, any entity providing utility services on behalf of a body politic,

municipality or other governmental body or entity and any entity that provides utility services to any of the Burroughs Property.

**Article 2. Burroughs Property Rights.**

2.1 The Burroughs Common Elements: Every Owner shall have a right and nonexclusive easement, in common with all other Owners, of use, access, and enjoyment in and to the Burroughs Common Elements, subject to:

- (a) The Association Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Burroughs Association;
- (c) All applicable provisions of the Act;
- (d) The right of the Declarant and Board to adopt rules, regulations or policies regulating the use and enjoyment of the Burroughs Common Elements as described in Section 12.2 herein, including rules restricting use of Recreational Facilities (as hereinafter defined) within the Burroughs Common Elements to Owners, their families, lessees and guests, and rules limiting the number of occupants and guests who may use the Burroughs Common Elements;
- (e) The right of the Declarant or the Burroughs Association to dedicate or transfer all or any part of the Burroughs Common Elements to governmental entities pursuant to Section 4.3;
- (f) The right of the Burroughs Association to impose reasonable membership requirements and charge reasonable membership, admission, or other fees for the use of any Recreational Facility (if constructed) or other improvements situated upon the Common Elements;
- (g) The right of the Burroughs Association to permit use of any Recreational Facilities (if constructed) situated on the Common Elements by Persons other than Owners, their families, lessees and guests upon payment of use fees established by the Board;
- (h) The right of the Burroughs Association to suspend the privilege of an Owner to use Recreational Facilities, if any are constructed within the Common Elements.
- (i) The right of the Burroughs Association to rent or lease Recreational Facilities within the Common Elements (if any are constructed) on a short-term basis to any Owner for the exclusive use of such Owner and such Owner's family and guests.

(j) The right of the Declarant and the Burroughs Association to create, enter agreements with, grant easements to and transfer portions of the Burroughs Common Elements to tax-exempt organizations under Section 4.8;

2.2 Recreational Facilities. Declarant may, but has no obligation to, construct recreational improvements and facilities within the Burroughs Common Elements (only such facilities that are constructed on the Burroughs Common Elements owned by the Burroughs Association and are explicitly dedicated as such by the Declarant are included in the defined term "Recreational Facilities" as used herein). If constructed, the Recreational Facilities will be provided for the benefit of Owners of Lots (other than Builders), their families, tenants and guests within the Property. During the Development Period, the Declarant, and thereafter the Burroughs Association, may impose reasonable regulations regarding the use of any such Recreational Facilities to insure accessibility, safety, harmony and preservation of any such Recreational Facilities. The Recreational Facilities shall be maintained as part of the Burroughs Common Elements. The cost of the management, operation, maintenance, repair, servicing, replacement and renewal of the Recreational Facilities shall be deemed Common Expenses as to all Owners who have the right of access to and use of said Recreational Facilities.

**Article 3. The Burroughs Association Function, Membership and Voting Rights.**

3.1 Function of The Burroughs Association. The Burroughs Association shall be the entity responsible for management, Upkeep, operation and control of the Burroughs Common Elements. The Burroughs Association shall be the primary entity responsible for enforcement of the Association Documents. The Burroughs Association shall perform its functions in accordance with the Association Documents and North Carolina law. The Burroughs Association shall have all powers reasonably necessary to perform its functions and obligations described in the Association Documents including, but not limited to, all powers set forth in N.C. Gen. Stat. Chapter 55A and the Act.

3.2 Membership. Every Owner shall be a Member of the Burroughs Association. If a Lot is owned by more than one Person, all co-Owners shall be Members and share the privileges of such membership, subject to reasonable Board regulation, and the restrictions on voting set forth in Section 3.3 and in the Bylaws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is a corporation, limited liability company, partnership or other legal entity may be exercised by any officer, director, manager, partner, or trustee, or by any other individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Burroughs Association.

3.3 Voting. All Owners shall have one (1) equal vote for each Lot in which they hold the interest required for membership under Section 3.2, provided, there shall be only one (1) vote per Lot.

(a) Declarant may, by Supplemental Declaration, create additional classes of membership for the Owners of Lots within any additional property made subject to this Declaration, with such rights, privileges and obligations as may be specified in such Supplemental Declaration in recognition of the different character and intended use of the property subject to such Supplemental Declaration.

(b) Except as otherwise specified in this Declaration or the Bylaws or as required by law, the vote for each Lot shall be exercised by the Owner. In any situation in which there is more than one Owner of a particular Lot, the vote for such Lot shall be exercised as such co-Owners determine among themselves and advise the Secretary of the Burroughs Association in writing prior to any meeting. Absent such notice to the Burroughs Association, the Lot vote shall be suspended if more than one Person seeks to exercise it. If the co-Owners are unable to agree on how the vote should be cast, it will be disregarded.

**Article 4. The Burroughs Association Rights, Obligations and Services.**

4.1 Personal Property and Real Property for Common Use. The Burroughs Association may acquire, hold, and dispose of tangible and intangible personal property and real property. Declarant may convey to the Burroughs Association improved or unimproved real estate, personal property and leasehold and other property interests. Upon each and every such conveyance, such property shall be accepted by the Burroughs Association and thereafter shall be maintained as the Burroughs Common Elements by the Burroughs Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed, including but not limited to restrictions governing the use of such property.

4.2 Implied Rights; Board Authority. The Burroughs Association may exercise any right or privilege given to it expressly by the Association Documents or which may be reasonably implied from, or reasonably necessary to effectuate, any such right or privilege. Except as otherwise specifically provided in the Association Documents, or by law, all rights and powers of the Burroughs Association may be exercised by the Board without a vote of the membership.

4.3 Dedication of The Burroughs Common Elements. During the Development Period, the Declarant, and thereafter the Burroughs Association may dedicate or grant easements over portions of the Burroughs Common Elements to any local, state, or federal governmental entity or any Utility Company.

4.4 Disclaimer of Liability. The Master Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to promote the health, safety and welfare of Owners and occupants of any Lot.

(a) Notwithstanding anything contained herein or in the Association Documents or the Act, neither the Burroughs Association, the Board, the Master Association, the management company of the Burroughs Association, Declarant nor any successor Declarant(s) shall be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or

welfare of any Owner or occupant of any Lot or any tenant, guest or invitee of any Owner or occupant or for any property of any such Persons. Each Owner and occupant of a Lot and each tenant, guest and invitee of any Owner or occupant shall assume all risks associated with the use and enjoyment of the Burroughs Property, including any and all Recreational Facilities.

(b) Neither the Burroughs Association, the Board, the Master Association the management company of the Burroughs Association, Declarant, nor any successor Declarant(s) shall be liable or responsible for any personal injury, illness or any other loss or damage caused by the presence or malfunction of utility lines or utility sub-stations adjacent to, near, over, or on the Burroughs Property. Each Owner and occupant of a Lot and each family member, tenant, guest, and invitee of any Owner or occupant shall assume all risk of personal injury, illness, or other loss or damage arising from the presence of utility lines or utility sub-stations and further acknowledges that the Burroughs Association, the Board, the management company of the Burroughs Association, Declarant or any successor Declarant(s) have made no representations or warranties, nor has any Owner or occupant, or any family member, tenant, guest, or invitee of any Owner or occupant relied upon any representations or warranties, expressed or implied, relative to the condition or impact of utility lines or utility sub-stations.

Each Owner (by virtue of his or her acceptance of title to his or her Lot) and each other Person having an interest in or lien upon, or making any use of, any portion of the Burroughs Property (by virtue of accepting such interest or lien or making such use) shall be bound by this Section and shall be deemed to have waived any and all rights, claims, demands and causes of action against the Burroughs Association, the management company of the Burroughs Association, if any, the Master Association, Declarant and any successor Declarant(s), their directors, officers, committee and Board members, employees, agents, contractors, subcontractors, successors and assigns arising from or connected with any matter for which the liability has been disclaimed.

4.5 Provision of Services. The Burroughs Association may, but is not obligated to, provide services and facilities for the Members of the Burroughs Association and their guests, lessees and invitees. The Burroughs Association shall be authorized to enter into contracts or other similar agreements with other entities, including Declarant, to provide such services and facilities. The costs of services and facilities provided by the Burroughs Association may be funded by the Burroughs Association as a Common Expense. In addition, the Board shall be authorized to charge additional use and consumption fees for services and facilities. By way of example, some services and facilities which may be provided include landscape maintenance, pest control service, cable television service, security, caretaker, fire protection, utilities, and similar services and facilities. The Board, subject to the terms of the contracts for facilities or services, but without the consent of the Members of the Burroughs Association, shall be permitted to modify or cancel existing services or facilities provided, if any, or to provide additional services and facilities. Nothing contained herein can be relied upon as a representation as to what services and facilities, if any, will be provided by the Burroughs Association. This paragraph shall be specifically construed to allow the Burroughs Association

to enter into a contract for the overall management of the Burroughs Association with any individual or corporation. The Burroughs Association or its managing agent shall also be permitted to provide services to any Owners where it deems it to be in the interest of the Burroughs Association to do so.

4.6 Change of Use of The Burroughs Common Elements. Upon (a) adoption of a resolution by the Board stating that, in the Board's opinion, a service provided by the Burroughs Association pursuant to Section 4.5 or the then present use of a designated part of the Burroughs Common Elements is no longer in the best interest of the Owners or is no longer necessary or appropriate for the purposes intended, and (b) the consent of Declarant during the Development Period, the Board shall have the power and right to terminate such service or change the use of any the Burroughs Common Elements (and, in connection therewith, construct, reconstruct, alter or change the buildings, structures and improvements thereon in any manner deemed necessary by the Board to accommodate the new use), provided that any such new use (i) shall be for the benefit of the Owners, and (ii) shall be consistent with any deed restrictions and zoning regulations restricting or limiting the use of the Burroughs Common Elements.

4.7 View Impairment. Neither Declarant nor the Burroughs Association guarantees or represents that any view over and across any property, including any Lot, from adjacent Lots will be preserved without impairment. Any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

4.8 Relationship with Tax-Exempt Organizations. During the Development Period, the Declarant, and thereafter the Burroughs Association, may create, enter into agreements or contracts with, grant exclusive and/or non-exclusive easements over the Burroughs Common Elements to, or transfer portions of the Burroughs Common Elements to non-profit, tax-exempt organizations, including but not limited to organizations that provide facilities or services designed to meet the physical or social needs of a particular group or class of persons, for the benefit of the Burroughs Property, the Burroughs Association, its Members and residents. The Burroughs Association may contribute money, real or personal property or services to any such entity. Any such contribution shall be a Common Expense of the Burroughs Association and included as a line item in the Burroughs Association's annual budget. For the purposes of this Section, a "tax-exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code ("Code"), such as but not limited to entities which are exempt from federal income taxes under Sections 501(c)(3) or 501(c)(4), as the Code may be amended from time to time.

4.9 Entry Gates. The Declarant may, but is not obligated to, construct or install entryway gates at one or more entries to the Burroughs neighborhood. In the event that Declarant elects to install any such gates, whether or not said gates are located on the Burroughs Common Elements, said gates shall be operated and maintained by the Declarant or the Burroughs Association in the Declarant's discretion, and the cost of said maintenance and operation shall be a Common Expense of the Burroughs Association.



4.10 Lakes, Ponds, and Other Water Features. To the extent that any lakes, ponds or other water features are included on the Burroughs Property, neither the Declarant, the Master Association, the Burroughs Association, nor any of their successors, assigns, officers, directors, committee members, employees, management agents, contractors or subcontractors shall be liable or responsible for maintaining or assuring the water quality or level in any lake, pond, canal, creek, stream, waterfall, water feature, or other water body adjacent to or within the Burroughs Property, except as such responsibility may be specifically imposed by an applicable governmental or quasi-governmental agency or authority. Furthermore, all Owners and other users of any portion of the Burroughs Property located adjacent to or having a view of any of the aforesaid water bodies shall be deemed, by virtue of their acceptance of a deed to, or use of, such portion of the Burroughs Property, to have agreed to hold harmless all of the parties listed above for any and all changes in the quality and level of the water in such water bodies.

4.11 No Partition. Except as permitted in this Declaration, the Burroughs Common Elements shall remain undivided, and no Person shall bring any action for partition of the whole or any part thereof without the written consent of all Owners and Mortgagees.

**Article 5. Maintenance/Repair and Reconstruction.**

**5.1 The Burroughs Association's Responsibility.**

(a) The Burroughs Common Elements. The Burroughs Association shall provide Upkeep for the Burroughs Common Elements, which may include without limitation:

- (i) all Burroughs Common Elements, all improvements upon the Burroughs Common Elements;
- (ii) all Landscaping, parks, signage, structures, and improvements situated upon the Burroughs Common Elements;
- (iii) all private roads and streets including any asphalt repairs thereto, situated upon the Burroughs Common Elements;
- (iv) any walls and fences constructed by Declarant on any Lots which serve as perimeter walls or fences for the Property or which separate any Lot from the Burroughs Common Elements which are not to be maintained by the Master Association;
- (v) Landscaping, sidewalks, street lights, irrigation systems, and signage within public streets or other rights of way on or for the benefit of the Burroughs Property which are not maintained by the Master association;
- (vi) all entry features, signs, and gates for the benefit of the Burroughs neighborhood, including Landscaping and irrigation for the entry feature areas, and the provision of electrical service to said areas for the benefit of the Project; and

(vii) any property and facilities owned by Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Burroughs Association and its Members and identified by written notice from Declarant to the Burroughs Association until Declarant revokes such privilege of use and enjoyment by written notice to the Burroughs Association. Said property and facilities may include without limitation recreational amenities, roads, streets, or other access ways.

(b) The Burroughs Association may also maintain and improve other property which it does not own, including, without limitation, property dedicated to public use, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard and if otherwise permitted by applicable law.

(c) The Burroughs Association shall maintain that portion of the lawn on each Lot which is located outside a fence on said Lot, and the cost of said maintenance shall be a Common Expense of the Association without regard to the size of the portion of the lawn maintained on any particular Lot. Lot Owner's shall be responsible for maintaining that portion of the lawn on each Lot which is located inside a fence on said Lot.

Except as otherwise specifically provided herein, all costs for Upkeep of the Burroughs Common Elements shall be a Common Expense allocated among all Lots as part of an Assessment, without prejudice to the right of the Burroughs Association to seek reimbursement from the Persons responsible for, such work pursuant to this Declaration, other recorded covenants, or agreements with such Persons.

5.2 Owner's Maintenance Responsibility. Each Owner shall provide for the Upkeep of his or her Lot, and his or her Dwelling Unit, and all other structures, parking areas, Landscaping, and other improvements upon the Lot in a manner consistent with all applicable covenants, unless such responsibility for Upkeep is otherwise assumed by or assigned to the Burroughs Association pursuant to any Supplemental Declaration or other declaration of covenants applicable to such Lot.

In addition to any other enforcement rights, if an Owner fails properly to perform his or her Upkeep responsibility, the Burroughs Association may perform such work for Upkeep and assess all costs incurred by the Burroughs Association against the Lot and the Owner in accordance with Section 10.6. The Burroughs Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

5.3 Owner's Obligation to Reconstruct and Regarding Party Walls.

(a) In the event of a partial loss or damage resulting in less than total destruction of the Dwelling Unit situated upon a Lot, the Owner shall promptly repair, replace, and/or reconstruct the damaged Dwelling Unit in a manner consistent with the original construction. In the event that a Dwelling Unit is totally destroyed, Owner shall elect whether to rebuild within sixty (60) days of the loss. If an Owner determines not to rebuild or to reconstruct

following a total destruction, the Owner shall clear the Lot of all debris within ninety (90) days of the loss and return it to substantially the natural state in which it existed prior to the beginning of construction, and said Owner shall complete the necessary and appropriate construction to finish the exposed party wall left as a result of the destruction of the Owner's Dwelling Unit in a manner consistent with the original construction of the building including the Owner's Dwelling Unit. If the Owner fails to complete its obligations under this Section, the Declarant or the Burroughs Association may do so, and the cost shall be assessed against the Owner of the Lot as a Benefited Assessment.

(b) Party Walls.

(i) Laws of North Carolina to Apply; Easement. All matters arising in connection with any wall which would constitute a party wall at common law shall, to the extent consistent with the provisions of this Article, be subject to the common law of North Carolina as modified by statute from time to time and as modified by this Article. If the centerline of a party wall now or hereafter fails to coincide with the boundary between the Lots it serves, an easement for any resulting encroachment is granted in accordance with Section 13.1 hereof.

(ii) Upkeep. The Owners of Lots served by a party wall shall provide for the Upkeep of party walls and shall share equally the cost of their Upkeep except as otherwise provided in this Article. No Owner shall impair the structural integrity of any party wall nor diminish the fire protection afforded by any party wall.

(iii) Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, the following procedures shall be followed in order to restore such party wall.

(1) Either Owner served by the party wall shall notify the other Owner served by the party wall of any proposal to repair the wall. If within ten (10) days after such notice (or in an emergency, within twenty-four (24) hours after such notice or a bona fide attempt to give such notice) the other Owner has not responded to the notice, then the Owner giving notice may proceed with the repairs. Such repairs must be substantially similar to the original construction and installation and of first class quality, but may be made with contemporary materials.

(2) If the other Owner served by the party wall responds to the notice, the Owners shall act together to repair the party wall. If the Owners are unable to agree upon the action to be taken, they shall submit the issue to arbitration in accordance with subsection (v) below.

(3) If any Owner restores a party wall in accordance with this section, then the other Owner shall contribute one-half (1/2) of the cost thereof. An Owner may, however, demand a larger contribution from the other Owner or refuse to contribute

one-half (1/2) of such costs, under any rule of law or equity regarding liability for negligent or willful acts or omissions.

(4) To the extent that any failure to repair a party wall affects the use and enjoyment of the Burroughs Common Elements, the Burroughs Association may participate in the repair of the party wall and, in an emergency situation threatening life or property, make such repair without notice to the Owners. The Burroughs Association may assess the cost of such repair against the Owners responsible for the damage or benefiting from the repair as a Benefited Assessment.

(iv) Liability. Any Owner who by a negligent or willful act or omission causes or permits a party wall to be damaged shall pay the cost of restoring such party wall to its condition prior to such damage.

(v) Arbitration. In the event of any dispute between Owners concerning a party wall, the Owners on each side shall select one arbitrator, and the arbitrators thus selected shall select one additional arbitrator. Arbitrators shall be qualified by experience and education to serve as such. Once selected, the arbitrators shall promptly agree upon and notify the parties of the discovery procedures and rules of evidence to be used in the arbitration. The arbitrators shall be requested to reach a decision within twenty (20) days after their appointment. The decision of a majority of the arbitrators shall bind the Owners and their successors in interest. The cost of arbitration shall be paid by the losing party unless the arbitrators determine that the cost should be otherwise allocated between the parties, in which case that allocation shall be binding.

(vi) Fences and Other Barriers. The provisions of this subsection pertaining to party walls shall also govern any fence, other barrier or shared improvement the Upkeep of which is not provided by the Burroughs Association and to any replacement thereof authorized by the Reviewing Body.

(vii) Right to Contribution Runs with Land. Rights and duties of contribution set forth in this Article and any such rights and duties arising under the laws of North Carolina shall run with the land and bind successors in interest. This subsection shall not prejudice any right of a successor in interest to recover any amount from a predecessor in title for which such predecessor was liable. Any rights of contribution set forth in this subsection shall constitute a lien in favor of any Owner entitled to contribution against any Owner obligated to pay such contribution. Until fully paid and satisfied, the lien shall apply to and encumber all of the Lots that were owned, as of the date when payment was due, by the Owner from whom payment was due, and shall also apply to and encumber any and all Lots thereafter acquired by that Owner from the time such Owner becomes the Owner thereof. The lien created by this section shall be prior to all liens and encumbrances, except mortgages, real estate taxes and other charges levied by governmental authority made superior by law and the Burroughs Association's lien established pursuant to this Declaration.

5.4 Standard of Performance. All Upkeep shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants, as determined by the Board. Upkeep may include irrigation as the Board may determine necessary or appropriate to satisfy the Community-Wide Standard.

Portions of the Burroughs Property are environmentally sensitive and/or may provide greater aesthetic value than other portions of the Burroughs Property. The Board may establish a higher Community-Wide Standard for such areas and require additional Upkeep for such areas to reflect the nature of such property.

Notwithstanding anything to the contrary contained herein, neither the Burroughs Association, nor any Owner shall be liable for property damage or personal injury occurring on, or arising out of the condition of, property which it does not own unless and only to the extent that it has been negligent in the performance of its maintenance responsibilities.

**Article 6. Insurance and Casualty Losses.**

6.1 Authority to Purchase - Notice. The Board shall have the power on behalf of the Burroughs Association to (1) purchase insurance policies relating to the Burroughs Common Elements, (2) adjust all claims arising under such policies and (3) execute and deliver releases upon payment of claims. The cost of any and all insurance policies purchased by the Board relating to the Burroughs Common Elements shall be a Common Expense. The Board, the managing agent and the Declarant shall not be liable for failure to obtain any coverages described in this Article for any reason whatsoever. Exclusive authority to negotiate losses under such policies shall be vested in the Board or with its authorized representative. The Board shall promptly notify the members of material adverse changes in, or termination of, insurance coverages obtained on behalf of the Burroughs Association.

6.2 Association Insurance. The Burroughs Association shall maintain insurance coverage as required by § 47F-3-113 of the Act.

6.3 Owner Insurance .

(a) Each Owner shall maintain property insurance at such Owner's expense covering the improvements located on such Owner's Lot and consistent with the provisions of this Section. Each Owner shall provide a copy of the Owner's property insurance policy or satisfactory evidence of the same to the Association promptly following the Association's request for the same. The Owner's property insurance shall include: (i) coverage against all risks of direct physical loss commonly insured against, including fire and extended coverage perils, and a total amount of coverage not less than one hundred percent (100%) of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, and foundations; (ii) a deductible for the physical loss coverage no greater than Ten Thousand and No/100 Dollars (\$10,000.00); and (iii) liability insurance coverage in reasonable amounts, covering all occurrences commonly insured against –

death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Lot.

(b) No Owner shall acquire or maintain insurance coverage on the Burroughs Common Elements insured by the Burroughs Association so as: (i) to decrease the amount which the Board may realize under any insurance policy maintained by the Board; (ii) to cause any insurance coverage maintained by the Board to be brought into contribution with insurance coverage obtained by an Owner; or (iii) in violation of any declaration of covenants encumbering such Owner's Lot. No Owner shall obtain separate insurance policies on the Burroughs Common Elements owned by the Burroughs Association.

**Article 7. Conservation Areas.**

The areas depicted as conservation areas, wetlands conservation areas, or within wetlands lines on the Recorded Plats shall be maintained in perpetuity in their natural or mitigated condition. No person or entity shall perform any of the following activities on such conservation areas:

- (1) Fill, grade, excavate, or perform any other land-disturbing activities;
- (2) Cut, mow, burn, remove, or harm any vegetation;
- (3) Construct or place any roads, trails, walkways, buildings, mobile homes, signs, utility poles, or towers, or any other permanent or temporary structures;
- (4) Drain or otherwise disrupt or alter the hydrology or drainage ways of the conservation areas;
- (5) Dump or store soil, trash, or other waste;
- (6) Graze or water animals, or use for any agricultural or horticultural purpose.

These covenants are intended to ensure continued compliance with the mitigation condition of a Clean Water Act authorization issued by the United States of America, U.S. Army Corps of Engineers, Wilmington District, Action ID #SWA-200802353 and, therefore, may be enforced by the United States of America. These covenants run with the land, and shall be binding on the Owners and all parties claiming under it, and no amendment to the covenants described in this Article 7 shall be valid without the execution and recording of an amendment upon the authorization and approval of the United States of America, U.S. Army Corps of Engineers, Wilmington District, or a successor regulatory agency or authority.

**Article 8.     Master Association.**

8.1     Master Association. The Owner or Owners of each Lot shall automatically be members of the Master Association upon his, their or its acquisition of an ownership interest to any Lot. The membership of such Owner or Owners shall terminate automatically upon such Owner or Owners being divested of such ownership interest in such Lot.

8.2     Administration by Master Association. The Master Association, subject to the provisions of the Act, shall have the authority and power to enforce the provisions of the Master Declaration, to levy and collect assessments in the manner provided therein, to adopt, promulgate and enforce such rules and regulations governing the use of the Common Elements of the Master Association, and to exercise such other powers as set forth in the Master Declaration and the Act.

8.3     Delegation of Powers. The Board of the Burroughs Association may delegate to the Master Association, from time to time as the Board in its discretion determines, those powers set forth in this Declaration and the Act that may be exercised by the Board of Directors of the Burroughs Association. The Board of the Association may thereafter revoke such delegation, from time to time, in its sole discretion and resume the obligation and responsibility for the performance of such acts and powers formerly delegated to the Master Association. Upon the delegation of any such powers as may be permitted in this Section, all provisions of N.C. Gen. Stat. § 47F-2-120, as may be applicable, shall apply.

8.4     Master Declaration. The Owner or Owners of each Lot, and all Persons entitled to use and occupy such Lot, shall be subject to and shall abide by all provisions of the Master Declaration.

**Article 9.     Annexation and Withdrawal of Burroughs Property.**

9.1     Annexation Without Approval of Membership.

(a)     During the Development Period, Declarant may, but is not obligated to, unilaterally subject any real property to the provisions of this Declaration, including without limitation any of the real property described on Exhibit C. Nothing in this Declaration or otherwise shall be construed to require Declarant, or any successor, to develop any additional real property in any manner whatsoever. Nothing in this Declaration or otherwise shall be construed to encumber any real property other than the real property described on Exhibit A unless and until any additional property is made subject to this Declaration by Declarant, as evidenced by an executed and recorded Supplemental Declaration.

(b)     Declarant may transfer or assign this right to annex property absolutely in its entirety, or with regard to specific property, and may assign this right to one (1) or more parties as deemed appropriate by Declarant.

(c) Such annexation shall be accomplished by filing a Supplemental Declaration in the Register of Deeds describing the property to be annexed and specifically subjecting it to the terms of this Declaration. Such Supplemental Declaration shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the recording of such Supplemental Declaration in the Register of Deeds unless otherwise provided therein.

9.2 Withdrawal of Burroughs Property. Declarant reserves the right to amend this Declaration without prior notice and without the consent of any Person, for the purpose of removing property then owned by Declarant, its affiliates, or the Burroughs Association from the coverage of this Declaration. Furthermore, Declarant may withdraw any real property from the coverage of this Declaration without prior notice and without consent of any Person other than the Owner of the withdrawn property, but with the written consent of the fee simple owner of the real property to be withdrawn.

9.3 Additional Covenants and Easements. Declarant may unilaterally subject any portion of the Burroughs Property subject to this Declaration to additional covenants and easements, including covenants obligating the Burroughs Association to maintain and insure such property on behalf of the Owners. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrently with or after the annexation of the subject property and shall require the written consent of the owner(s) of such property, if other than Declarant.

9.4 Amendment. During the Development Period, this Article shall not be amended without the prior written consent of Declarant.

9.5 Additional Members. Any property made subject to this Declaration pursuant to the provisions of this Article 9 shall be subject to all conditions and privileges of the Association Documents and Owners of any such annexed property shall be members of the Burroughs Association.

#### **Article 10. Assessments.**

10.1 Creation of Assessments. Subject to the limitations described in Sections 10.2 and 10.3, the Burroughs Association shall levy assessments against each Lot for Common Expenses as the Board may specifically authorize from time to time. There shall be two (2) types of assessments for the Burroughs Association expenses: (a) Assessments to fund Common Expenses for the general benefit of all Lots; and (b) Benefited Assessments as described in Section 10.6. Each Owner, by accepting a deed or entering into a recorded contract of sale for any Lot within any portion of the Burroughs Property is deemed to covenant and agree to pay those assessments.

(a) All assessments, together with interest from the due date of such assessment at a rate determined by the Burroughs Association (not to exceed the highest rate allowed by North Carolina law), late charges, costs, including lien fees and administrative costs,



and reasonable attorneys' fees, shall be a charge and continuing lien upon each Lot against which the assessment is levied until paid, as more particularly provided in Section 10.8. Each such assessment, together with interest, late charges, costs, including lien fees and administrative costs, and reasonable attorneys' fees, also shall be the personal obligation of the Person who was the Owner of such Lot at the time the assessment was levied. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable with the grantor for any assessments and other charges due at the time of conveyance.

(b) All assessments shall be paid in such manner and by such dates as the Board may establish. Unless the Board otherwise provides, an Assessment for each Lot shall be due and payable in advance each year on the first day of the fiscal year of the Burroughs Association.

(c) The Burroughs Association shall, upon request by an Owner, furnish to any Owner a certificate in writing signed by an officer of the Burroughs Association setting forth whether assessments for such Owner's Lot have been paid and any delinquent amount. Such certificate shall be conclusive evidence of payment. The Burroughs Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(d) No Owner may exempt himself or herself from liability for assessments, by non-use of the Burroughs Common Elements, abandonment of his or her Lot or Dwelling Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Burroughs Association or Board to take some action or perform some function required of it or for inconvenience or discomfort arising from repairs or improvements or other action taken by it.

10.2 Declarant's Obligation for Assessments. During the Development Period, no assessment shall be imposed on any Lot owned by Declarant. During the Development Period, Declarant may, at Declarant's sole election, advance to the Burroughs Association the shortage for any fiscal year or any portion thereof. The "shortage" shall be the difference between:

(a) the amount of all income and revenue of any kind received by the Burroughs Association, including but not limited to, assessments collected on all other Lots, use fees, advances made by Declarant, and income from all other sources, and

(b) the amount of all actual expenditures incurred by the Burroughs Association during the fiscal year, including any reserve contributions for such year, but excluding all non-cash expenses such as depreciation or amortization, all expenditures and reserve contributions for making additional capital improvements or purchasing additional capital assets, and all expenditures made from reserve funds. Calculation of the shortage shall be performed on a cash basis of accounting.

In the event that the Declarant elects to advance to the Burroughs Association the shortage or any portion thereof for any fiscal year during the Development Period, such advances made by the Declarant shall be accounted for and cumulatively credited against the Declarant's obligation to pay assessments after the expiration or termination of the Development Period. Such credits shall be applied to the Declarant's obligations to pay assessments immediately after the expiration or termination of the Development Period, and each subsequent assessment period thereafter until such credits are entirely diminished. In the event that the Declarant is still entitled to said credit after both: (i) the expiration or termination of the Development Period, and (ii) the Declarant owns no more Lots, the Burroughs Association shall pay the amount of the credit owed to Declarant promptly after said events.

Any obligation of the Declarant to pay assessments may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by any combination of these.

10.3 Builders Obligations for Assessments. For the period of time from the date of the recording of a deed from Declarant for an unimproved lot to a Builder until, the earliest to occur of: (i) conveyance of the Lot by the Builder to a different Owner, (ii) issuance of a certificate of occupancy for the home on the Lot, or (iii) occupancy of the home on the Lot, no assessment shall be imposed on said Lots owned by Builders. After the earliest to occur of these events, the full amount of the Assessment for all Lots shall be paid by the Owner of the Lot, commencing on the first day of the first month after said event.

10.4 Computation of Annual Assessment. The Declarant shall establish the initial budget for the Burroughs Association including the initial Annual Assessment for each Lot. Thereafter, not less than sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget covering the Common Expenses estimated to be incurred during the coming year. The budget shall include a capital contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 10.5, but shall not include expenses incurred during the Development Period for initial development, original construction, installation of infrastructure, original capital improvements, or other original construction costs unless approved by Owners representing a majority of the votes of the Burroughs Association and Declarant. In determining the budget, the Board, in its discretion, may consider other sources of funds available to the Burroughs Association. In addition, the Board shall take into account the number of Lots subject to assessment on the first day of the fiscal year for which the budget is prepared and the number of Lots reasonably anticipated to become subject to assessment during the fiscal year.

Within thirty (30) days after adoption of any proposed budget by the Board, the Board shall provide to all Owners a summary of the budget and notice of a meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The Board shall set a date for a meeting of the Owners to consider ratification of the budget, such meeting to be held not less than ten (10) nor more than sixty (60) days after mailing of the summary of the budget and notice of the meeting. There shall be no requirement that a

quorum be present at the meeting. The budget shall be deemed ratified unless, at that meeting, a majority of all the Owners in the Burroughs Association rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

The Assessment for the fiscal year shall be determined based upon the budget adopted by the Board and ratified by the Owners. In addition to Assessments for the fiscal year, the Board may levy Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Such Assessments shall be approved at a meeting of the Board and shall become effective upon approval by the Board, unless disapproved by Declarant during the Development Period. Such Assessments shall be payable in such manner and at such times as determined by the Board and may be payable in installments extending beyond the fiscal year in which such Assessment is approved. The amount of each Assessment shall be levied equally against all Lots, subject to the provisions of Sections 1.3, 10.2 and 10.3.

10.5 Reserve Budget and Special Reserve Assessment. In the event that the Burroughs Common Elements include replaceable assets or improvements, the Board shall prepare, on an annual basis, reserve budgets for general purposes which take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost of each asset. Such reserve budgets may also anticipate making additional capital improvements and purchasing additional capital assets. The Board shall include in the Assessments reserve contributions in amounts sufficient to meet these projected needs, if any.

The Board may adopt resolutions regarding the expenditure of reserve funds, including policies designating the nature of assets for which reserve funds may be expended. Neither the Burroughs Association nor the Board shall adopt, modify, limit or expand such policies without Declarant's prior written consent.

10.6 Benefited Assessments. The Board may levy Benefited Assessments against particular Lots for expenses incurred or to be incurred by the Burroughs Association, as follows:

- (a) to cover costs incurred in bringing the Lot into compliance with the terms of the Association Documents and the Act or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their family members, tenants, invitees, or guests; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing before levying a Benefited Assessment under this Section.
- (b) As provided in the Association Documents;
- (c) To recover costs incurred as a result of an Owner's failure to comply with the Permit; and
- (d) For a violation of the Association Documents by an Owner and the cost of enforcement of the same.

10.7 Date of Commencement of Assessments. The obligation to pay assessments shall commence as to each Lot on the first day of the month following (a) the date the Lot is made subject to this Declaration, or (b) the date the Board first determines a budget and levies assessments pursuant to this Article, whichever is later. The first annual Assessments against each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Lot.

10.8 Lien for Assessments. All assessments authorized in this Article shall constitute a lien against the Lot against which they are levied, as provided in N.C. Gen. Stat. § 47F-3-116, as amended, until paid unless otherwise specifically precluded in this Declaration. The lien shall also secure payment of interest (subject to the limitations of North Carolina law), late charges, and costs of collection (including attorneys' fees, lien fees and administrative costs). Such lien shall be superior to all other liens, except (a) those superior by law, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. The Burroughs Association may enforce such lien, when any assessment or other charge is delinquent, by suit, judgment, and foreclosure.

The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, a Mortgagee holding a first Mortgage of record or other purchaser of a Lot who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Lot due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under Section 10.7, including such acquirer, its successors and assigns.

10.9 Acceleration. In any case where an assessment or other charge is payable in installments, upon a default by such Owner in the timely payment of any two (2) consecutive installments, the maturity of the remaining total of the unpaid installments of such assessment or other charge may be accelerated, at the option of the Board, and the entire balance of the assessment or other charge may be declared due and payable in full by the service of such notice to such effect upon the defaulting Owner.

10.10 Failure to Assess. Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time the Burroughs Association may retroactively assess any shortfalls in collections.

10.11 Exempt Burroughs Property. The following property shall be exempt from payment of Assessments:

- (a) all of the Burroughs Common Elements;

(b) all property dedicated to and accepted by any governmental authority or Utility Company; and

(c) all property owned by the Declarant during the Development Period.

In addition, Declarant and/or the Burroughs Association shall have the right, but not the obligation, to grant exemptions to certain Persons qualifying for Section 501(c) status under the Internal Revenue Code so long as such Persons own property subject to this Declaration for purposes listed in Section 501(c).

#### **Article 11. Architectural and Design Standards.**

11.1 General. No improvements (including culverts, staking, clearing, excavation, grading and other site work), exterior alteration of existing improvements (including painting and replacing roofing materials), placement or posting of any object or thing on the exterior of any Lot, Dwelling Unit, other structure or the Burroughs Common Elements (e.g., signs, antennae, clotheslines, playground equipment, temporarily or permanently installed basketball goals, pools, propane tanks, lighting, temporary structures, and artificial vegetation), planting or removal of Landscaping, or installation or removal of an irrigation system shall take place except in compliance with this Declaration, and with the approval of the appropriate Reviewing Body under Section 11.2.

Any Owner may remodel, paint or redecorate the interior of structures, including the Dwelling Unit on his or her Lot, without approval. However, modification of the exterior and modifications to the interior of screened porches, patios, and similar portions of a Lot visible from other Lots, Dwelling Units, the Burroughs Common Elements or streets (public or private) within the Burroughs Property shall be subject to this Article and approval as set forth below.

This Article shall not apply to the activities of Declarant or to improvements to the Burroughs Common Elements by or on behalf of the Burroughs Association.

This Article may not be amended without Declarant's written consent.

#### **11.2 Architectural and Design Review.**

(a) New Construction. Declarant shall have exclusive authority to administer and enforce architectural standards under this Article and to review and act upon all applications for original construction within the Burroughs Property. There shall be no surrender of this right except in a written instrument in recordable form executed by Declarant. Upon the expiration or surrender of such right, the Board may, at its option, either assume such authority, create and appoint an Architectural Committee ("AC"), or assign such duties to the MC (as defined below). The AC, if established, shall consist of at least three (3), but not more than five (5), Persons who shall serve and may be removed in the Board's discretion. The AC shall have no rights or authority until Declarant's authority under this Article is surrendered.

(b) Modifications. Declarant shall have exclusive authority to approve modifications, additions, or alterations made on or to existing structures on Lots containing Dwelling Units until such authority is surrendered by Declarant as evidenced by written instrument executed by Declarant and recorded in the Register of Deeds. Thereafter, the Board shall establish a Modifications Committee ("MC") which shall consist of at least three (3), but not more than five (5), Persons who shall be appointed and shall serve at the discretion of the Board. The MC shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing structures on Lots or containing Dwelling Units and the adjacent open space. During the Development Period, Declarant shall have the right to disapprove any action taken by the MC. ("Reviewing Body" shall refer to either Declarant, the MC, or the AC, as appropriate under the circumstances.)

(c) Fees. The Reviewing Body may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals. Declarant and the Burroughs Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons in the Burroughs Association's annual operating budget as a Common Expense.

(d) Security. The Reviewing Body may also require posting of security by any Owner, or such Owner's contractor or builder to be utilized for the payment of any fines and cost of any enforcement in accordance with Section 11.9 herein, or the repair of any damage to any Burroughs Common Elements or providing Upkeep of such Burroughs Common Elements in excess of normal Upkeep as may occur during the construction of any permitted improvements within the Burroughs Property. The amount and type of security, as required by the Reviewing Body, may be changed from time to time and does not necessarily have to be consistent as to all Owners, contractors or builders.

11.3 Architectural Restrictions. All of the Lots shall be subject to the following restrictions regarding design and construction of improvements:

(a) Only one (1) building may be constructed on each group of Lots (each group of Lots being identified by a common Arabic numeral, for example, Lots 4A, 4B, 4C, 4D, 4E, and 4F are a group), and said building shall comply with this Declaration and shall have been approved by the Reviewing Body. Only one (1) residential dwelling designed for use as, and used as, a townhouse residential dwelling, which complies with these Restrictions and has been approved by the Reviewing Body may be constructed, erected, placed or maintained on any Lot. No improvement of any kind, other than buildings including four (4) or six (6) residential dwellings and other improvements which are not prohibited herein may be constructed, erected, placed or maintained on the Lots.

(b) [Intentionally omitted.]

(c) All roofs on the buildings including Dwelling Units shall have at least a 6/12 roof pitch.

(d) The Reviewing Body shall have the authority to establish regulations pertaining to the height and size requirements of all types of structures.

(e) No building or other structure, except approved fences, mailboxes and paper boxes, shall be located nearer to any Lot boundary line than the building setback lines shown on the Recorded Plat. The variance provisions set forth in Section 11.7 herein shall apply to setbacks and utility easements shown on the Recorded Plat. The exact location of the building including Dwelling Units shall be shown on the site plan and approved by the Reviewing Body. The provisions of these restrictions supersede the Recorded Plat.

(f) No building may be located nearer to a side Lot boundary line than five (5) feet, provided that this restriction shall not prohibit construction of buildings across side Lot boundary lines of interior Lots. For example, no building may be located closer than five (5) feet from the southeastern side Lot boundary line of Lot 4A or the northwestern side boundary lot line of Lot 4F, but the building may be located across the side boundary lines of Lots 4B, 4C, 4D, and 4E. In no event shall a building be located and constructed less than ten (10) feet from another building.

(g) Any building including Dwelling Units located on any Lot shall be "stick built" onsite; provided, however, this does not prohibit the use of trusses and similar structural items which are built offsite and transported to a Lot by vehicle and placed on the building. No temporary residence, mobile home, doublewide or multiple-wide mobile home, modular home (whether built offsite on a frame or constructed offsite in modules and transported to a Lot by vehicle and placed on a permanent foundation onsite), trailer, camper, tent or other building shall be placed on or erected on any Lot. It is provided, however, that Declarant may grant permission for the use of a temporary structure for storage of materials during construction. Any such temporary structures approved by Declarant shall not be used at any time as a residential dwelling.

(h) To ensure ongoing compliance with the Permit as issued by the Division of Water Quality under NCAC 2H.1000, Burroughs Property is subject to the restrictions included in the Master Declaration, including restrictions regarding the maximum built upon area permitted per Lot.

(i) All fences must be approved in advance by the Reviewing Body as to location, height, color, and materials, and shall be constructed of pressure treated wood; decay and insect resistant wood such as cedar, juniper or redwood, or of vinyl. No chain link fences shall be constructed on any Lot.

(j) All mailboxes constructed within the Project shall be constructed and located according to mailbox plans and specifications from time-to-time adopted by the Reviewing Body. The intention of these restrictions is that all mailboxes shall be identical.

(k) The elevations of all Dwelling Units shall be of a color approved by the Reviewing Body.

(l) The roofing material of any building including Dwelling Units located on a Lot shall be either "architectural style" or "three dimensional asphalt" shingles.

(m) At the time a building including Dwelling Units is constructed, there also shall be constructed by the installation of Centipede, St. Augustine or Zoysia grass sod, a contiguous lawn from the front face of the building located on said Lot to the front lot line of said Lot.

(n) The Subdivision is subject to North Carolina Sedimentation and Erosion Control Permits. Each Owner shall be responsible for compliance with all requirements of said permits.

(o) All structures constructed or placed on any Lot shall be built of substantially new material and no used structure shall be relocated or placed on any such Lot.

(p) Once construction is started on any approved building, the improvements and landscaping on all of the Lots on which the approved building is to be located shall be completed in accordance with the plans, specifications and details, as approved, within twelve (12) months from commencement, with extensions as approved by Declarant or its designated successor or assign. No Dwelling Unit may be occupied until it is completed and a Certificate of Occupancy issued.

(q) All electrical, telephone, cable, television service and other utility lines in the Subdivision shall be installed underground.

(r) Any Dwelling Unit which is destroyed in whole or in part by fire, windstorm or by any other cause, shall be rebuilt or all debris removed and the Lot restored to a sightly condition with reasonable promptness; provided, however, that in no event shall such debris remain longer than ninety (90) days.

11.4 Guidelines and Procedures. The Architectural Restrictions above shall apply to all construction activities within the Burroughs Property, except by the Declarant and the Burroughs Association as provided in Section 11.1.

All structures and improvements constructed upon a Lot shall be constructed in strict compliance with this Declaration, unless the Reviewing Body has granted a variance in writing pursuant to Section 11.7. So long as the Reviewing Body has acted in good faith, its findings and conclusions with respect to appropriateness of, applicability of or compliance with this Declaration shall be final.



#### 11.5 Submission of Plans and Specifications.

(a) No activities within the scope of Section 11.1 shall commence on any Lot until an application for approval of the proposed work has been submitted to and approved by the Reviewing Body. Such application shall be in the form required by the Reviewing Body and shall include plans and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout and screening therefore and other features of proposed construction, as applicable. The Reviewing Body may set forth the procedure and any additional information for submission of the Plans.

(b) In reviewing each submission, the Reviewing Body may consider quality of workmanship and design, visual and environmental impact, ecological compatibility, natural platforms and finish grade elevation, harmony of external design with surrounding structures and environment, and location in relation to surrounding structures and plant life. The Reviewing Body may require relocation of native plants within the construction site or the installation of an irrigation system for the landscaping including the natural plant life on the Lot as a condition of approval of any submission.

The Reviewing Body shall, within a reasonable period of time, advise the party submitting the same, in writing, at an address specified by such party at the time of submission, of (i) the approval of Plans, or (ii) the segments or features of the Plans which are deemed by such committee to be unacceptable, or inconsistent or not in conformity with this Declaration, the reasons for such finding, and suggestions for the curing of such objections. In the event the Reviewing Body fails to advise the submitting party by written notice within forty-five (45) days of either the approval or disapproval and suggestions for curing the objections of the Reviewing Body of the Plans, approval shall be deemed to have been given. Notice shall be deemed to have been given at the time the envelope containing such notice, properly addressed, and postage prepaid, is deposited with the U.S. Postal Service, registered or certified mail, return receipt requested. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the submitting party.

(c) If construction does not commence on a project for which Plans have been approved within sixty (60) days of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to resubmit the Plans to the Reviewing Body for reconsideration provided that the Reviewing Body may grant a longer time period for expiration of the approval at the time the approval is granted.

11.6 No Waiver of Future Approvals. Each Owner acknowledges that the members of the Reviewing Body will change from time to time and that approvals, and interpretation, application and enforcement of the Architectural Restrictions included in this Declaration may vary accordingly. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar

proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

11.7 Variances. The Reviewing Body may authorize variances in writing from its guidelines and procedures, but only: (a) in accordance with duly adopted rules and regulations; (b) when unique circumstances dictate such as unusual topography, natural obstructions, hardship or aesthetic or environmental considerations; and (c) when construction in accordance with the variance would be consistent with the purposes of the Declaration and compatible with existing and anticipated uses of adjoining properties. Inability to obtain, or the terms of, any governmental approval, or the terms of any financing shall not be considered a hardship warranting a variance. Notwithstanding the above, no party may authorize variances without the written consent of Declarant during the Development Period.

11.8 Limitation of Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither Declarant, the Burroughs Association, the Board, the AC or the MC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither Declarant, the Burroughs Association, the Board, the AC or the MC, or any member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction or modifications to any Lot. In all matters, the AC and the MC and their members shall be defended and indemnified by the Burroughs Association as provided in the Bylaws.

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

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

All acts by any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article may be excluded from the Burroughs Property, subject to the notice and hearing procedures contained in the Declaration. In such event, neither Declarant, the Burroughs Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this section.

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

**Article 12. Plan of Development and Use Restrictions.**

**12.1 Plan of Development: Applicability: Effect.**

(a) Declarant has established a general plan of development and occupancy for the Burroughs Property under this Declaration subject to the ability of the Burroughs Association and the Members to respond to changes in circumstances, conditions, needs, and desires within the community. All provisions of this Declaration and any rules shall apply to all Builders, their contractors, builders, agents, and employees and to all other Owners, their family members, occupants, tenants, guests and invitees of any Lot. Notwithstanding Declarant's establishment of a general plan of development, the Declarant shall not be liable for any failure or alleged failure to police and enforce the Association Documents.

(b) The Burroughs Property may be subject to restrictions governing land development, architectural and design control, individual conduct and uses of or actions upon the Burroughs Property. This Declaration, including the Initial Use Restrictions attached hereto as Exhibit B, and the rules and resolutions adopted by the Board or the Members establish affirmative and negative covenants, easements, and restrictions on the Burroughs Property.

**12.2 Authority to Promulgate Rules.**

(a) Subject to the terms of this Article and in accordance with its duties of care and undivided loyalty to the Burroughs Association and its Members, the Board may adopt rules not inconsistent with the Use Restrictions set forth in Section 12.4 hereof, and other such rules and regulations permitted by, and not inconsistent with, the Act, including such rules and regulations relating to the use of, and parking and traffic, on public and private streets located within the Burroughs Property. Said rules and regulations shall be applicable to all Owners except the Declarant(s).

(b) After the termination or expiration of the Development Period, the Owners, at a meeting duly called for such purpose, may adopt rules which modify, cancel, limit, or create exceptions to, adopted rules by a vote of Owners representing sixty-seven percent (67%) of the total vote.

(c) The Board shall send a copy of the rule to each Owner specifying the effective date of such rule within a reasonable period of time, as determined by the Board, prior to the effective date of the rule. The Burroughs Association shall provide, without cost, a copy of the rules then in effect to any requesting Member or Mortgagee.

(d) Nothing in this Article shall authorize the Board or the Owners to modify, repeal or expand the Declaration, the Bylaws, the Articles, or the Design Guidelines. Such documents may be amended as provided therein.

12.3 Owners' Acknowledgment. All Owners are subject to this Declaration and are given notice that: (a) their ability to use their privately owned property is limited thereby; and (b) the Declarant, Board, and/or the Owners may adopt, delete, modify, create exceptions to, or amend the rules.

Each Owner by acceptance of a deed acknowledges and agrees that the use and enjoyment and marketability of his or her property can be affected by this provision and that the Use Restrictions and rules may change from time to time.

12.4 Use Restrictions. The Burroughs Property is subject to the Initial Use Restrictions described on Exhibit B.

Furthermore, the Burroughs Property shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Burroughs Association or business offices for Declarant or the Burroughs Association consistent with this Declaration and any Supplemental Declaration), subject to applicable laws. Any Supplemental Declaration or additional covenants imposed on property annexed into the Burroughs Property may provide for different uses and impose standards and restrictions other than those contained in this Declaration and the Burroughs Association shall have standing and the power to enforce such standards and restrictions. None of the use restrictions described herein shall interfere with any Declarant Right as described in Article 15.

12.5 Rights of Owners. Except as may be specifically set forth in the Use Restrictions, including the Initial use Restrictions, neither the Board nor the Owners may adopt any rule in violation of the following provisions:

(a) Activities Within Dwelling Units. No rule shall interfere with the activities carried on within the confines of Dwelling Units, except that the Burroughs Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Burroughs Association or other Owners, that create a danger to the health or safety of occupants of other Dwelling Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the Dwelling Unit, or that create an unreasonable source of annoyance.

(b) Allocation of Burdens and Benefits. The initial allocation of financial burdens and rights to use the Burroughs Common Elements among the various Lots shall not be changed to the detriment of any Owner over that Owner's objection expressed in writing to the Burroughs Association. Nothing in this provision shall prevent the Burroughs Association from changing the use of the Burroughs Common Elements as provided in Section 4.6, from adopting generally applicable rules for use of the Burroughs Common Elements, or from denying use privileges to those who abuse the Burroughs Common Elements, violate rules or this Declaration, or fail to pay assessments. This provision does not affect the right to increase the amount of assessments as provided in Article 10.

(c) Rights to Develop. No rule or action by the Burroughs Association or Board shall impede Declarant's right to develop the Burroughs Property, including, but not limited to, the rights of Declarant as set forth in Article 15.

(d) Abridging Existing Rights. Any rule which would require Owners to dispose of personal property being kept on the Burroughs Property shall apply prospectively only and shall not require the removal of any property which was being kept on the Burroughs Property prior to the adoption of such rule and which was in compliance with all rules in force at such time unless otherwise required to be removed by law.

The limitations in this Section 12.5 shall apply to rules only; they shall not apply to amendments to this Declaration adopted in accordance with Section 17.2.

#### **Article 13. Easements.**

13.1 Easements of Encroachment. During the Development Period, Declarant reserves unto itself, easements of encroachment, and for Upkeep and use of any permitted encroachment, between each Lot and any adjacent Burroughs Common Elements and between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with this Declaration). In the event that a Dwelling Unit erected on one (1) Lot encroaches on to an adjoining Lot or on to the Burroughs Common Elements, an easement appurtenant to the encroaching Lot hereby is granted over the Lot or portion of the Burroughs Common Elements encroached upon for the natural duration of the encroachment. The intent and purpose of this Section is to prevent hardship and expense incurred in removing any Dwelling Unit mistakenly constructed by the Declarant or another Owner on property belonging to another and which does not have a material adverse effect thereon. Nothing herein shall grant any easement for any encroachment unless the encroachment either: (i) is a part of the original construction by the Declarant or another Owner, or (ii) is thereafter constructed in good faith and according to plans and specifications approved by the Reviewing Body.

#### **13.2 Easements for Utilities, Access, Subdivision, Drainage**

(a) Declarant reserves unto itself a perpetual, nonexclusive easement for ingress, egress, regress, across, the installation and maintenance of utilities, further

subdivision, and the right to dedicate to public use, over, under and upon any and all streets, roads, and other rights of way on the Burroughs Property including without limitation Cider Hill Road, Falls Lane, and Glen Cannon Drive as shown on the Recorded Plat, all drainage and utility easements shown on the Recorded Plat or lying on the Burroughs Property, and water and sewer easements shown on the Recorded Plat or lying on the Burroughs Property.

(b) Declarant reserves unto itself a perpetual, nonexclusive easement for the purpose of access and Upkeep upon, across, over, and under all of the Burroughs Property to the extent reasonably necessary to install, operate, and provide Upkeep for : roads, walkways, bicycle pathways, trails, lakes, ponds, wetlands, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephone, gas, electricity, television, and security and similar systems. Declarant may assign these easements and rights to any Utility Company providing a service or utility to the Project and/or any other neighborhood at Carolina Plantations subject to the limitations herein. Without limiting the general authority described by the foregoing, Declarant reserves the right to subject any portion of the Burroughs Property, including the Burroughs Common Elements, to an easement for the benefit of an electric Utility Company for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and continuing obligation to the electric Utility Company by the Burroughs Association or the Owners directly.

Declarant specifically grants to the Utility Companies easements across the Burroughs Property for ingress, egress, installation, reading, and providing Upkeep of meters and boxes. However, the exercise of this easement shall not extend to permitting entry into the Dwelling Unit on any Lot, nor shall any utilities be installed or relocated on the Burroughs Property, except as approved by the Board or Declarant.

**13.3 Easement and Right to Dedicate Public Rights of Way and Utility Easements.** Declarant reserves for itself, its successors and assigns, the perpetual right to dedicate to public use, any and all: (i) rights of way, streets, roads, and other access ways, and (ii) utilities, drainage and similar easements, located on the Burroughs Property.

**13.4 Easements to Serve Additional Property.** Declarant hereby reserves for itself and its duly authorized agents, representatives, employees, successors, assigns, licensees, and Mortgagees, a perpetual, nonexclusive easement over the Lots and the Burroughs Common Elements for the purposes of enjoyment, use, access, and development of any real property whether or not such property is made subject to this Declaration, including without limitation the real property described on Exhibit C and the real property described in that certain deed recorded in Book 2149, at Page 44 in the Register of Deeds. This easement includes, but is not limited to, a right of ingress and egress over the Burroughs Common Elements for construction of roads and for connecting and installing utilities on such property.

**13.5 Development and Other Easements.** Declarant specifically reserves all of the easements identified as being so reserved in this Declaration including, but not limited to, those set forth in Article 15.

13.6 Easements for Cross-Drainage. Every Lot and the Burroughs Common Elements shall be burdened with perpetual easements for natural drainage of stormwater runoff from other portions of the Burroughs Property; provided, no Person shall alter the natural drainage on any Lot to increase materially the drainage of stormwater onto adjacent portions of the Burroughs Property without the consent of the Owner(s) of the affected property and the Board.

13.7 Easements for Lake and Pond Maintenance and Flood Water. Declarant reserves for itself, the Burroughs Association, the Master Association, and their successors, assigns, and designees, the nonexclusive right and perpetual easement, but not the obligation, to enter upon the lakes, ponds, rivers, streams, and wetlands located with the Burroughs Common Elements to (a) perform Upkeep of pumps in order to provide water for the irrigation of any of the property included in the Carolina Plantations development; (b) perform Upkeep of any bulkhead, wall, dam, or other structure retaining water; (c) remove trash and other debris therefrom and fulfill their maintenance responsibilities as provided in this Declaration or the Master Declaration; and (d) exercise and enjoy all rights reserved to Declarant in this Declaration or the Master Declaration. Declarant, the Burroughs Association, the Master Association, and their successors, assigns and designees shall have an access easement over and across any of the Burroughs Property abutting or containing any portion of any of the lakes, ponds, rivers, streams, or wetlands to the extent reasonably necessary to exercise their rights under this Section.

There is further reserved herein for the benefit of Declarant, the Burroughs Association, the Master association, and their successors, assigns and designees, a perpetual, nonexclusive right and easement of access and encroachment over the Burroughs Common Elements and Lots (but not the Dwelling Units thereon) adjacent to or within one hundred (100) feet of lake beds, ponds, rivers, streams and wetlands within the Burroughs Property (but not over any Dwelling Units located within said are), in order to (a) temporarily flood and back water upon and maintain water over such portions of the Property; (b) fill, drain, dredge, deepen, clean, fertilize, dye, and generally maintain the lakes, ponds, rivers, streams, and wetlands within the Burroughs Common Elements subject to the approval of all appropriate regulatory bodies; (c) maintain and landscape the slopes and banks pertaining to such lakes, ponds, rivers, streams, and wetlands; and (d) enter upon and across such portions of the Burroughs Property for the purpose of exercising their rights under this Section. All Persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from, the intentional exercise of such easements. The ponds, lakes and other water bodies within the Carolina Plantations development may be designed to overflow onto portions of the Burroughs Common Elements from time to time and the easement described herein includes an easement for the routine or occasional drainage of water onto the Burroughs Common Elements from overflowing ponds, lakes, and other water bodies within the Carolina Plantations development. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to heavy rainfall, hurricanes, or other natural occurrences.

13.8 Easements for Irrigation. Declarant reserves for itself, and its successors and assigns, a nonexclusive perpetual easement to install, maintain, and operate irrigation

systems on, over, across, and under the Burroughs Property, including the Lots but excluding the Dwelling Units, for the purpose of dispensing and spraying treated water from a wastewater package plant or other wastewater treatment facility. Said irrigation systems and related facilities may include, without limitation, ponds, pumps, covered and uncovered drains, irrigation ponds, waterlines, and spray heads. This easement is explicitly assignable by the Declarant separate and apart from other Declarant rights and easements reserved herein.

13.9 Right of Entry. The Burroughs Association and the Master Association shall have the right, but not the obligation, and a perpetual easement is hereby granted to the Burroughs Association and the Master Association, to enter all portions of the Burroughs Property, including each Lot, for emergency, security, and safety reasons. Such right may be exercised by the authorized agents of the Burroughs Association or the Master Association, their Board, officers or committees, and by all police officers, firefighters, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in emergencies, entry onto a Lot shall be only during reasonable hours and after notice to and permission from the Owner thereof. This easement includes the right to enter any Lot to cure any condition which increases the risk of fire or other hazard if an Owner fails or refuses to cure the condition within a reasonable time after request by the Board, but does not authorize entry into any Dwelling Unit without permission of the Owner, except by emergency personnel acting in their official capacities.

13.10 Easements for Maintenance and Enforcement. Authorized agents of the Burroughs Association and the Master Association shall have the right, and a perpetual easement is hereby granted to the Burroughs Association and the Master Association, to enter all portions of the Burroughs Property, including each Lot to (a) perform its Upkeep responsibilities under Article 5, and (b) make inspections to ensure compliance with the Association Documents. Except in emergencies, entry onto a Lot shall be only during reasonable hours and after notice to and permission from the Owner. This easement shall be exercised with a minimum of interference to the quiet enjoyment to Owners' property, and any damage shall be repaired by the Burroughs Association or the Master Association at its expense.

The Burroughs Association also may enter a Lot to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the Declaration, any Supplemental Declaration, the Bylaws, the Design Guidelines, or the rules. All costs incurred, including reasonable attorneys' fees, shall be assessed against the violator as a Benefited Assessment.

The Burroughs Property is hereby burdened with perpetual, non-exclusive easements in favor of the Declarant and the Burroughs Association for overspray of water from any irrigation system serving the Burroughs Common Elements. The Burroughs Association and the Declarant may use treated water from a water treatment plant for the irrigation of any Burroughs Common Elements. Under no circumstances shall the Burroughs Association or the Declarant be held liable for any damage or injury resulting from such overspray or the exercise of this easement.



13.11 Sign Easements. As of the date of this Declaration, neither the Owners nor the Burroughs Association has any right or interest in any areas depicted as "Sign Easement" on the Recorded Plats. The Declarant's rights to those easements is described in Article 13 of the Master Declaration.

13.12 Property Benefited. The easements reserved by and for the Declarant in this Declaration are for the benefit of the Burroughs Property, any additional property made subject to this Declaration, which may include without limitation the real property described on Exhibit C, any real property to which the Declarant conveys the benefit of such easements, which may include, without limitation, any of the real property described on Exhibit C and/or any of the real property described in that certain deed recorded in Book 2149, at Page 44 in the Register of Deeds, and any other real property identified by the Declarant from time to time.

13.13 Declarant Easements Assignable. Notwithstanding anything to the contrary herein, each and every easement reserved by, retained by, or granted to, the Declarant in this Declaration may be separately assigned to one or multiple parties as deemed appropriate by Declarant. Said assignments may be in connection with or separate from any assignment of Declarant Rights.

13.14 Rights to Stormwater Runoff, Irrigation Water, and Water Reclamation. Declarant hereby reserves for itself and its designees all rights to ground water, surface water, water within ponds, lakes, rivers, streams and wetlands located with the Burroughs Property, stormwater runoff, and irrigation water located or produced within the Burroughs Property, and each Owner agrees, by acceptance of a deed to a Lot, that Declarant shall retain all such rights. Such right shall include perpetual easements over the Burroughs Property for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff and irrigation water.

#### **Article 14. Mortgage Provisions.**

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Lots in the Burroughs Property. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

14.1 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage which provides written request to the Burroughs Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Burroughs Property or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of ninety (90) days, or any other violation of the Declaration or Bylaws relating to such Lot or the Owner or Occupant which is not cured within ninety (90) days. Notwithstanding this provision, any holder of a first Mortgage is entitled to written notice from the Burroughs Association upon request of any default in the performance by an Owner of a Lot of any obligation under the Declaration or Bylaws which is not cured within ninety (90) days; or

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Burroughs Association.

14.2 No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Burroughs Common Elements.

14.3 Notice to The Burroughs Association. Upon request, each Owner shall be obligated to furnish to the Burroughs Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

**Article 15. Declarant's Rights.**

15.1 Declarant's Rights. Notwithstanding anything to the contrary in the Association Documents, the Declarant(s) shall be entitled to the Declarant Rights. Declarant's Rights are those rights reserved for the benefit of Declarant as provided for in the Act and the Association Documents which shall include, without limitation, the following rights:

- (a) To complete improvements on the Burroughs Property;
- (b) To maintain models, management offices, construction offices, sales offices, customer service offices, and signs advertising the Burroughs Property within any portion of the Burroughs Common Elements Declarant deems appropriate;
- (c) Those rights set forth in Article 9 of this Declaration;
- (d) To designate any portion of the Burroughs Property as the Burroughs Common Elements or the Burroughs Limited Common Elements;
- (e) To exercise all rights of architectural review and all other rights as set forth in Article 11 of this Declaration;
- (f) To construct improvements within portions of the Burroughs Property and to operate the same as public or private facilities in the sole discretion of Declarant;
- (g) To appoint, remove and replace the members of the Board;

(h) To disapprove actions of the Board or any committee during the Development Period;

(i) To disapprove any amendment or change in any Association Documents during the Development Period;

(j) To enforce any covenants, restrictions and other provisions of the Association Documents during the Development Period; and

(k) To amend this Declaration as set forth in 17.2(a).

15.2 Transfer of Declarant's Rights. Any or all of Declarant's Rights and obligations of Declarant set forth in this Declaration or the Bylaws may be transferred to other Persons, separately, with regard to specific real property, or in their entirety. Notwithstanding the foregoing, each of the Declarant Rights described in subsections (g), (h), (i), and (k) of Section 15.1 above, the right to withdraw real property described in Section 9.2 and the right to establish additional covenants and easements described in Section 9.3 shall be vested in only one (1) Declarant at any time. Except as described in subsection (b) below, no such transfer shall be effective unless it is in a written instrument signed by Declarant and the transferee and duly recorded in the Register of Deeds.

15.3 Modification of Development Plan. Each Owner, by accepting title to a Lot and becoming an Owner, and each other Person, by acquiring any interest in the Burroughs Property, acknowledges awareness that Carolina Plantations, including the Project, is a planned community, the development of which is likely to extend over many years, and agrees not to protest or otherwise object to (a) zoning or changes in zoning or to uses of, or changes in density of, the Burroughs Property, or (b) changes in any conceptual or master plan for the Burroughs Property or the Carolina Plantations development, provided that such revision is or would be lawful (including, but not limited to, lawful by special use permit, variance or the like).

15.4 Development Easements. Declarant, its employees, agents and designees, specifically reserve a nonexclusive perpetual easement over, upon, under and above the Burroughs Common Elements and other portions of the Burroughs Property (expressly excluding a Dwelling Unit) for any and all purposes deemed reasonably necessary or desirable by Declarant for the development of the Burroughs Property, and the development of any additional property, whether or not it is made subject to this Declaration including without limitation any of the real property described on Exhibit C and/or any of the real property described in that certain deed recorded in Book 2149, at Page 44 in the Register of Deeds, said easement including, but not limited to, easements of access, the installation and maintenance of utilities and easements as may be required from time to time by any governmental agency or pursuant to the Permit. Declarant and its employees, agents and designees shall also have a right and easement over and upon all of the Burroughs Common Elements for the purpose of making, constructing, installing, modifying, expanding, replacing, and removing such improvements to the Burroughs Common Elements as it deems appropriate in its sole discretion.

15.5 Marketing and Sales. During the Development Period or so long as Declarant owns any portion of the Burroughs Property, Declarant and its designees may maintain and carry on upon the Burroughs Common Elements and any property owned by Declarant such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Lots, including, but not limited to, business offices, signs, model units, sales offices, and storage of building materials. Declarant and its designees shall have easements for access to and use of such facilities. Declarant's or any designee's unilateral right to use the Burroughs Common Elements for purposes stated in this section shall not be exclusive and shall not unreasonably interfere with use of such Burroughs Common Elements by Owners unless leased pursuant to a lease agreement with the Burroughs Association providing for payment of reasonable rent.

15.6 Declarant Approval to Changes in Association Documents. In addition to the other Declarant Rights reserved herein, during the Development Period, the Burroughs Association shall not, without the prior written approval of Declarant, adopt any policy, rule or procedure that:

- (a) Limits the access of Declarant, its successors, assigns and/or affiliates or their personnel and/or guests, including visitors, to the Burroughs Common Elements of the Burroughs Association or to any property owned by any of them;
- (b) Limits or prevents Declarant, its successors, assigns and/or affiliates or their personnel from advertising, marketing or using the Burroughs Association or its Burroughs Common Elements or any property owned by any of them in promotional materials;
- (c) Limits or prevents new Owners from becoming members of the Burroughs Association or enjoying full use of the Burroughs Common Elements, subject to the membership provisions of the Association Documents;
- (d) Impacts the ability of Declarant, its successors, assigns and/or affiliates, to carry out to completion its development plans and related construction activities for Carolina Plantations, including the Project, as such may be amended and updated from time to time. Policies, rules or procedures affecting the provisions of existing easements established by Declarant and limiting the establishment by Declarant of easements necessary to complete Carolina Plantations, including the Project, shall be expressly included in this provision. Easements that may be established by Declarant shall include but shall not be limited to easements for development, construction and landscaping activities and utilities; or
- (e) Impacts the ability of Declarant, its successors, assigns and/or affiliates to develop and conduct customer service programs and activities in a customary and reasonable manner.

15.7 Unimpeded Access. The Burroughs Association shall not exercise its authority over the Burroughs Common Elements (including, but not limited to, any gated entrances and other means of access to the Burroughs Property) to interfere with the rights of

Declarant set forth in this Declaration or to impede access to any portion of the Burroughs Property, or over the streets and other Burroughs Common Elements within the Burroughs Property.

15.8 Additional Declarations/Restrictions. During the Development Period, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Burroughs Property without Declarant's review and written consent recorded in the Register of Deeds. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by recorded consent signed by Declarant.

15.9 Governmental Interests. During the Development Period, Declarant may designate sites within the Burroughs Property for fire, police and utility facilities, and parks, and other public facilities in accordance with applicable laws. The sites may include the Burroughs Common Elements.

**Article 16. Compliance and Enforcement.**

16.1 General Remedies. Every Owner and occupant of any Lot shall comply with the Association Documents, including without limitation the provisions of this Declaration, and the Act. Failure to comply shall be grounds for an action by the Burroughs Association to recover sums due, for damages, injunctive relief or any other remedy available at law and equity or under the Act.

16.2 Enforcement/Sanctions. The Board or such other Burroughs Association agent with the Board's approval, may impose sanctions for violations of Association Documents after notice and a hearing in accordance with the procedures set forth in the Declaration. Such sanctions may include, without limitation:

- (a) Imposing reasonable monetary fines which shall constitute a lien upon the Lot of the violator;
- (b) Suspending an Owner's right to vote;
- (c) Suspending any Person's right to use any Burroughs Common Elements; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from the Lot;
- (d) Suspending any services provided by the Burroughs Association to an Owner or the Owner's Lot if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Burroughs Association; and
- (e) Levying Benefited Assessments to cover costs incurred in bringing a Lot into compliance in accordance with Section 10.6(a).

16.3 Self-Help Remedies. The Board or such other Burroughs Association agent with the Board's approval, may elect to enforce any provision of the Association Documents by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations in accordance with any applicable ordinance(s) of Onslow County, North Carolina) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedures set forth in Section 16.7 or in the Bylaws.

16.4 Cumulative Remedies/Attorneys' Fees. The Burroughs Association shall have all powers and remedies under the Act and the Association Documents which shall be cumulative of any remedies available at law or in equity. In any action to enforce the provisions of the Association Documents, if the Burroughs Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

16.5 The Burroughs Association's Right Not to Take Action. The Burroughs Association shall not be obligated to pursue enforcement action in any particular case, such decisions to be within the discretion of the Board, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing, the Board may determine that, under the circumstances of a particular case: (a) the Burroughs Association's position is not strong enough to justify taking any or further action; or (b) the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; or (c) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or justify expending the Burroughs Association funds; or, (d) it is not in the best interest of the Burroughs Association, based upon hardship, expense or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed a waiver of the right of the Burroughs Association to enforce such covenant, restriction, rule or provision at a later time under other circumstances or preclude the Burroughs Association from enforcing any other covenant, restriction, rule or provision, nor shall it preclude any Owner from taking action at law or in equity to enforce the Association Documents.

16.6 Enforcement by Owner. Nothing set forth in this Article 16 shall prevent any aggrieved Owner from instituting any available remedy in law or in equity for a violation of the Association Documents.

16.7 Hearing Procedures. Except as may be otherwise specifically authorized by the Association Documents, and permitted by the Association Documents, the Board shall not (i) impose a fine or penalty, (ii) undertake permitted remedial action, or (iii) suspend voting or infringe upon other rights of a Member or other occupant of a Lot or Dwelling Unit for violations of the Association Documents, or for assessments or other amounts due and owing to the Burroughs Association remaining unpaid for a period of thirty (30) days, or longer, unless and until the following procedure is completed:

(a) Written Demand. Written demand to cease and desist from an alleged violation shall be served upon the Responsible Person specifying (i) the alleged violation; (ii) the action required to abate the violation; and (iii) a time period, not less than five (5) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation may result in the imposition of a sanction after notice and hearing if the violation is not continuing.

(b) Notice. At any time within twelve (12) months following receipt of notice of the alleged violation, the Board, or an adjudicatory panel appointed by the Board, shall serve the Responsible Person (for purposes of this Section 16.7, the "Responsible Person" shall be any Member, Owner, or occupant of a Lot or Dwelling Unit) with a written notice of a hearing to be held by the Board of the Burroughs Association in executive session or an adjudicatory panel appointed by the Board; provided, however, any adjudicatory panel appointed by the Board shall be composed of members of the Burroughs Association who are not officers of the Burroughs Association or members of the Board. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing, which shall not be less than ten (10) days from the giving of the notice; (iii) an invitation to attend the meeting and produce any statement, evidence and witness on his or her behalf; and (iv) the possible sanction to be imposed. The notice prescribed herein may be served by mailing a copy of said notice to the alleged violator by placing said notice in the United States mail, postage prepaid, by any method as permitted for the service of summons as set forth in Rule 4 of the North Carolina Rules of Civil Procedure or by the delivery of said notice by an officer, director or agent of the Burroughs Association to the Responsible Person or to any person who may be served on the Responsible Person's behalf as provided in said Rule 4.

(c) Hearing. The hearing shall be held in executive session of the Board or an adjudicatory panel appointed by the Board pursuant to the notice affording the member a reasonable opportunity to be heard. Any adjudicatory panel appointed by the Board shall be composed of Members who are not officers of the Burroughs Association or members of the Board. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of deliver, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the Responsible Person appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. In addition, a written statement of the results of the hearing and the sanction, if any, imposed shall be mailed by the United States mail, postage prepaid, by the Burroughs Association to the violator.

(d) Appeal. If the hearing is held before an adjudicatory panel, following such hearing and notice of a decision adverse to the violator, the Responsible Person shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the managing agent of the Burroughs Association, President or Secretary of the Burroughs Association within fifteen (15) days after the date of the decision,

said written notice to contain information by which the Board may notify the Responsible Person of the date of the appeal hearing. If no adjudicatory panel is appointed by the Board, no right of appeal shall exist.

(e) Sanction as Assessment. Pursuant to the provisions of this Section, a fine may be imposed by the Burroughs Association is an amount not exceeding One Hundred and No/100 Dollars (\$100.00) (or any greater amount as may be provided otherwise by law or the Act) per violation of the Association Documents and without further hearing, for each day after five (5) days after the decision to impose such fine that the violation occurs. Any such fine shall be an assessment as set forth in this Declaration and the Act. If it is decided pursuant to the provisions of this Section that a suspension of privileges or services should be imposed, the suspension may be continued without further hearing until the violation or delinquency is cured.

#### **Article 17. General Provisions.**

17.1 Term. This Declaration shall run with and bind the Burroughs Property, and shall inure to the benefit of and shall be enforceable by the Burroughs Association or any Owner, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded. After such time, this Declaration shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding each extension, agreeing to amend, in whole or in part, or terminate this Declaration, in which case this Declaration shall be amended or terminated as specified therein.

#### 17.2 Amendment.

(a) By Declarant. During the Development Period, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, Declarant may unilaterally amend this Declaration if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) required by an institutional or governmental lender or purchaser of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable it to make or purchase Mortgage loans on the Lots; (iv) necessary to enable any governmental agency or reputable private insurance company to guarantee or insure Mortgage loans on the Lots; or (v) otherwise necessary to satisfy the requirements of any governmental agency for approval of this Declaration. However, any such amendment shall not adversely affect the title to any Lot unless the affected Owner shall consent thereto in writing.

(b) By Owners. Except as otherwise specifically provided in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners representing sixty-seven percent (67%) of the total votes in the Burroughs Association. During the Development Period, the Declarant's written consent recorded in the Register of Deeds shall be required for any amendment to the Declaration.



Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Validity and Effective Date of Amendments. Amendments to this Declaration shall become effective upon recordation in the Register of Deeds unless a later effective date is specified therein. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority so to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege as long as Declarant owns any portion of the Burroughs Property.

17.3 Termination. The Burroughs at Carolina Plantations planned development may only be terminated: (i) in accordance with the provision of N.C.G.S. § 47F-2-118, and (ii) during the Development Period, with the written consent of the Declarant recorded in the Register of Deeds.

17.4 Litigation. Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Burroughs Association unless approved by a vote of sixty-seven percent (67%) of the Members and the consent of Declarant during the Development Period. This Section shall not apply, however, to: (a) actions brought by the Burroughs Association to enforce the provisions of the Association Documents (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article 10; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims brought by the Burroughs Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

No judicial, quasi-judicial, administrative or governmental proceeding shall be commenced or prosecuted by the Burroughs Association against or involving Declarant unless approved by a vote of seventy-five percent (75%) of the Members.

17.5 Severability. Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

17.6 Use of the Words "The Burroughs at Carolina Plantations". No Person shall use the words "The Burroughs at Carolina Plantations" or any derivative, or any other term which Declarant may select as the name of this development or any component thereof, in any

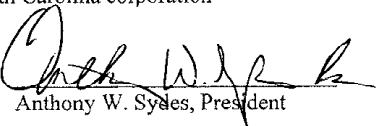
printed or promotional material without Declarant's prior written consent. However, Owners may use the words "The Burroughs at Carolina Plantations" in printed or promotional matter solely to specify that a particular property is located within the Burroughs Property, and the Burroughs Association shall be entitled to use the words "The Burroughs at Carolina Plantations" in its name.

17.7 Notice of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to his or her Lot shall give the Board at least seven (7) days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Lot, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title. The Burroughs Association may require the payment of a reasonable administration or registration fee by the transferee, provided that the Declarant shall not be required to pay any such fee. During the Development Period, any such fee must be approved by the Declarant.

17.8 Attorneys' Fees. In the event of an action instituted to enforce any of the provisions contained in the Association Documents, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorneys' fees and costs, including administrative and lien fees, of such suit. In the event the Burroughs Association is a prevailing party in such action, the amount of such attorneys' fees and costs shall be a Benefited Assessment with respect to the Lot(s) involved in the action.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 3 day of November, 2010.

CAROLINA PLANTATION DEVELOPMENT  
CORPORATION (SEAL)  
a North Carolina corporation

By:  (SEAL)  
Anthony W. Sydes, President

*[Notary certification on the following page]*

STATE OF NORTH CAROLINA  
COUNTY OF Onslow

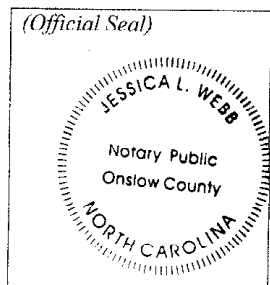
I certify that the following person personally appeared before me this day, acknowledging to me that he signed the foregoing document for the purpose(s) stated therein and, if other than in an individual capacity, in the capacity indicated having been first authorized to do so: Anthony W. Sydes, President of Carolina Plantation Development Corporation.

Date: 11-3-2010

Jessica L Webb  
*Signature of Notary Public*

Jessica L. Webb  
Notary's printed or typed name

My commission expires: 12-02-2011

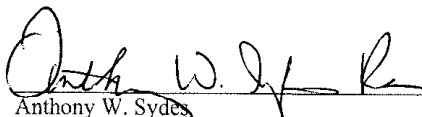


Notary seal or stamp must appear within this box.

CONSENT OF LIENHOLDER

Anthony W. Sydes, ("Lender") is the holder of the beneficial interest under that certain deed of trust dated March 10, 2010 given by Declarant for the use and benefit of Lender, covering all or portions of the Burroughs Property, and recorded on March 10, 2010, in Book 3370, at Page 812 in the office of the Register of Deeds of Onslow County, North Carolina. WASLAW, LLC is the trustee under said deed of trust ("Trustee"). Lender and Trustee hereby join in the execution of this Declaration to consent to the terms hercof, and to all restrictions, covenants, terms, easements, obligations and other matters set forth in this Declaration, as the same may hereafter be amended, modified, supplemented, or changed.


IN TESTIMONY WHEREOF, the parties have properly executed and sealed this Declaration, this the 3 day of November, 2010.

 (SEAL)  
Anthony W. Sydes

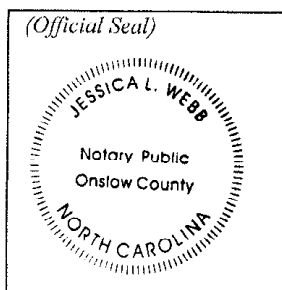
STATE OF NORTH CAROLINA  
COUNTY OF Onslow

I certify that the following person personally appeared before me this day, acknowledging to me that he signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: Anthony W. Sydes.

Date: 11-3-2010

  
*Signature of Notary Public*  
Jessica L. Webb  
Notary's printed or typed name


My commission expires: 12-02-2011



Notary seal or stamp must appear within this box.

WASLAW, LLC (SEAL)

By: Ward and Smith, P.A. (SEAL)  
Member/Manager

By:  (SEAL)  
C.H. Pope, Jr., Vice President

STATE OF NORTH CAROLINA

COUNTY OF Craven

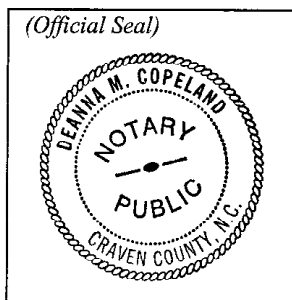
I certify that the following person personally appeared before me this day, acknowledging to me that he/~~she~~ signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: C.H. Pope, Jr.

Date: 11/1/2010

  
Signature of Notary Public

DEANNA M. Copeland  
Notary's printed or typed name

My commission expires: 3/7/2014



Notary seal or stamp must appear within this box.

080621-00003

ND: 4846-9794-2023, v. 2

**EXHIBIT A**

Those tracts or parcels of land lying and being situate in Onslow County, North Carolina, and being more particularly depicted on the map entitled "THE BURROUGHS SECTION I-A AT CAROLINA PLANTATIONS " recorded in Map Book 60, Page 200 in the office of the Register of Deeds of Onslow County, North Carolina.

## EXHIBIT B

### Initial Use Restrictions

The following restrictions shall apply to all of the Burroughs Property until such time as they are amended, modified, repealed or limited pursuant to the Declaration.

1. **Use.** No Lot shall be used for any purpose other than as a townhouse residence. Except as otherwise provided herein, only one (1) townhouse dwelling designated for use as, and used as, a single family residential dwelling may be constructed, erected, used or allowed to remain on any Lot. Each Lot shall be used for single-family residential purposes only and no more than one (1) single family (and its attendant butler, maid or nanny) may reside on a Lot at any one time.

Except as hereinafter provided, no Lot shall be used for an office, business, or other operation to which persons physically visit to obtain goods or services; no goods shall be stored on a Lot for the purpose of delivery to persons not residing on that Lot; and no goods shall be delivered to a Lot by delivery trucks or otherwise if the goods are intended to be delivered thereafter to persons not residing on that Lot. The foregoing notwithstanding, the storage by an occupant living in the residential dwelling on a Lot of goods intended to be delivered as gifts to a family member or personal acquaintance of said occupant is not prohibited by this Section. No lot may be used for a daycare center, after-school care center, nursery or similar use. However, it shall not be a violation of these restrictions for an occupant residing on a Lot to hire a sitter or other caregiver to come upon that Lot to care for members of said occupant's family who also reside on that Lot.

Nothing in the Association Documents shall be construed to prohibit the Declarant or its assignees from using any Lot owned by the Declarant (or any other Lot with the permission of the Owner thereof) or any portion of the Burroughs Common Elements for promotional, marketing, display or customer service purposes (such as a visitors' center) or for the settlement of sales of Lots. Further, the Declarant specifically reserves the right to operate a construction office or a rental, brokerage and management office at any time on Lots owned by the Declarant (or any other Lot with the permission of the Owner thereof) and on any portion of the Burroughs Common Elements. The Declarant may assign its rights under this subsection to or share such rights with one or more other Persons, exclusively, simultaneously or consecutively with respect to the Burroughs Common Elements and Lots owned by the Declarant or such Persons.

2. **Restricted Activities.** The following activities are prohibited within the Burroughs Property unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board of Directors:

(a) Any activity which tends to cause an unclean, unhealthy or unsafe condition to exist outside of enclosed structures on the Lot;

(b) Any activity which emits foul or obnoxious odors, fumes, dust, smoke, or pollution outside the Dwelling Unit or which creates noise, unreasonable risk of fire or explosion, or other conditions which are a nuisance;

- (c) Any activity which violates local, state or federal laws or regulations;
- (d) Outside burning of trash, leaves, debris or other materials;
- (e) Outdoor storage of goods, materials, or equipment, except that outdoor storage of building materials shall be permitted during construction on the Lot on which such materials are being stored;
- (f) Any activity which would constitute a public or private nuisance;
- (g) Dumping grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any storm sewer, drainage ditch, or other component of the storm drainage system serving the Burroughs Property, any stream, pond, or lake, or elsewhere within the Burroughs Property, except that fertilizers may be applied to landscaping on Dwelling Units provided care is taken to minimize runoff, and Declarant may dump and bury rocks and trees removed from a building site on such building site;
- (h) Subdivision of a Lot into two or more Lots, or changing the boundary lines of any Lot after a Recorded Plat including such Lot has been approved and recorded, except that Declarant shall be permitted to subdivide or replat Lots which it owns;
- (i) All window coverings utilized and maintained in a Dwelling Unit shall be white backed, so that the portion of all such window coverings visible from the exterior of the Dwelling Unit are all white.
- (j) Use of any Dwelling Unit for a Business or Trade, except that an Owner or occupant residing in a Dwelling Unit may conduct business activities within the Dwelling Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Dwelling Unit; (ii) the business activity conforms to all zoning requirements for the Burroughs Property; (iii) the business activity does not involve door-to-door solicitation of residents of the Burroughs Property; (iv) the business activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in the Burroughs Property which is noticeably greater than that which is typical of Dwelling Units in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of the Burroughs Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Burroughs Property, as may be determined in the sole discretion of the Board.

Leasing of a Dwelling Unit shall not be considered Business and Trade. This subsection shall not apply to any activity conducted by Declarant with respect to its development and sale of the Burroughs Property or its use of any Dwelling Units which it owns within the Burroughs Property;
- (k) Any activities which materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within the Burroughs Property or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution;



(l) Vehicles, including without limitation, automobiles, trucks, pleasure boats on trailers, trailers, motorcycles, campers, vans, and recreational vehicles, shall be parked only on a Lot or in parking areas designated by Declarant, subject to the following:

(i) Except when used during and as part of the construction of a Dwelling Unit on a Lot, no buses, trucks or large vans (other than pick-up trucks or vans of one (1) ton capacity or less) shall be parked overnight on the Burroughs Property.

(ii) All pleasure boats on trailers, trailers, campers, vans and recreational vehicles may be parked or stored only on the owner's Lot as hereafter provided and shall not be stored or parked in any other area within the Burroughs Property. Such vehicles may be parked or stored on the owner's Lot only behind the front face of the Dwelling Unit located on the Lot and not nearer than ten (10) feet to any side or rear lot line.

(iii) All motor vehicles parked on the Burroughs Property shall have current license plates, registration and vehicle inspection sticker.

(m) No above-ground swimming pool shall be located on a Lot.

(n) Removal, alteration, damage or change to any of the Stormwater Management Facilities is prohibited without Declarant approval.

(o) The Burroughs Association may adopt reasonable rules regarding household pets designed to minimize damage and disturbance to other Owners and occupants, including rules requiring damage deposits, waste removal, leash controls, noise controls, pet occupancy limits based on size and facilities of the Lot and fair share use of the Burroughs Common Elements. Nothing in this provision shall prevent the Burroughs Association from requiring removal of any animal that presents an actual threat to the health or safety of residents or from requiring abatement of any nuisance or unreasonable source of annoyance. No Owner shall be permitted to raise, breed or keep mammals, birds, fish, or reptiles of any kind for commercial purposes.

(p) Every storage tank, including but not limited to fuel storage tanks, and every outdoor receptacle for ashes, trash, rubbish or garbage shall be installed underground, screened with fences or shrubs or placed and kept so as not to be visible from other Lots or from any street.

(q) No outdoor clotheslines shall be located on a Lot.

(r) All Lots upon which a Dwelling Unit has been constructed shall be well maintained and no unattractive growth shall be permitted. No accumulation of rubbish or debris shall be permitted on any Lot.

3. Prohibited Uses. In addition to uses which are inconsistent with applicable zoning or are prohibited or restricted by other recorded covenants, conditions, restrictions or easements, the following uses are prohibited within the Burroughs Property:

(a) trailer courts, mobile home parks, and recreation vehicle campgrounds;

(b) oil, gas or mineral exploration; drilling, boring, excavation, development, refining, quarrying, or mining operations, and all construction and equipment incident thereto; and oil or gas wells or related equipment or facilities;

(c) commercial excavation of building or construction materials, except in the usual course of construction of improvements;

4. Prohibited Conditions. The following shall be prohibited at the Burroughs Property:

(a) Plants, animals, devices or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Burroughs Property;

(b) Structures, equipment or other items on the exterior portions of a Dwelling Unit which have become rusty, dilapidated or otherwise fallen into disrepair;

(c) Satellite dishes, antennae and similar devices for the transmission of television, radio, satellite, or other signals of any kind, except that Declarant and the Burroughs Association shall have the right, without obligation, to erect or install and maintain any such apparatus for the benefit of all or a portion of the Burroughs Property. Notwithstanding the foregoing, (i) antennae or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (ii) antennae or satellite dishes designed to receive video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement; or (iii) antennae or satellite dishes designed to receive television broadcast signals which are one (1) meter or less in diameter ("Permitted Devices") shall be permitted, *provided that* any such Permitted Device is placed in the least conspicuous location on the Lot in which an acceptable quality signal can be received and is screened from the view of adjacent Dwelling Units, streets and the Burroughs Common Elements in a manner consistent with the Community-Wide Standard and the Architectural Guidelines.

## EXHIBIT C

### Portion of Optional Additional Property

**Declarant may, but is under no obligation to, subject additional real property to this Declaration, including without limitation the following:**

All that certain tract or parcel of land lying and being situate in Jacksonville Township, Onslow County, North Carolina, and being more particularly described as follows:

A certain tract of land on the North side of Ramsey Road, NCSR 1324, 60 foot Right-of-Way, at the intersection with Carolina Forest Boulevard 80 foot Right-of-Way and being more particularly described as follows:

Commencing at a PK Nail found at the approximate centerline intersection of Ramsey Road and Carolina Forest Boulevard; thence with the centerline of Ramsey Road, North 49 degrees 03 minutes 54 seconds West, 1337.20 feet to a PK nail found; thence leaving said centerline, North 02 degrees 25 minutes 31 seconds West, 40.64 feet to an iron stake found on the Northern Right-of-Way Line of Ramsey Road, the Southwest corner of the Anthony W. Sydes Property as recorded in Deed Book 2149, Page 44, the TRUE POINT OF BEGINNING; THENCE from said point of beginning and leaving said Right-of-Way Line and with the Western Lines of said property, North 58 degrees 45 minutes 21 seconds East, 70.40 feet to a point; thence North 55 degrees 58 minutes 06 seconds East, 140.92 feet to an iron stake found; thence North 61 degrees 06 minutes 29 seconds East, 143.98 feet to an iron stake found; thence North 63 degrees 49 minutes 40 seconds East, 237.10 feet to an iron stake found; thence North 67 degrees 59 minutes 34 seconds East, 270.25 feet to a point; thence North 65 degrees 46 minutes 28 seconds East, 78.70 feet to an iron stake found; thence North 52 degrees 05 minutes 42 seconds East, 63.43 feet to an iron stake found; thence North 40 degrees 18 minutes 11 seconds East, 127.67 feet to a point; thence North 39 degrees 01 minutes 02 seconds East, 463.09 feet to an iron stake found; thence North 37 degrees 39 minutes 38 seconds East, 61.73 feet to an iron stake found; thence North 22 degrees 21 minutes 32 seconds East, 74.84 feet to an iron stake found; thence North 17 degrees 50 minutes 51 seconds East, 358.08 feet to an iron stake found; thence North 15 degrees 30 minutes 37 seconds East, 84.26 feet to an iron stake found; thence North 03 degrees 34 minutes 21 seconds West, 50.41 feet to an iron stake found; thence North 27 degrees 09 minutes 40 seconds West, 38.19 feet to a point; thence leaving said Western Lines, North 62 degrees 39 minutes 06 seconds East, 150.18 feet to a point; thence

North 55 degrees 34 minutes 06 seconds East 57.67 feet to a point; thence South 85 degrees 04 minutes 07 seconds East, 35.23 feet to a point; thence North 55 degrees 29 minutes 45 seconds East, 65.74 feet to a point; thence North 72 degrees 32 minutes 50 seconds East, 49.14 feet to a point; thence North 60 degrees 06 minutes 04 seconds East, 50.33 feet to a point; thence North 47 degrees 08 minutes 38 seconds East, 32.87 feet to an iron stake set; thence North 09 degrees 04 minutes 55 seconds East, 47.06 feet to a point; thence North 21 degrees 54 minutes 23 seconds East, 45.07 feet to a point; thence North 30 degrees 41 minutes 34 seconds East, 107.60 feet to an iron stake set; thence North 56 degrees 28 minutes 23 seconds East, 87.55 feet to an iron stake set; thence North 41 degrees 35 minutes 19 seconds East, 56.49 feet to an iron stake set; thence South 85 degrees 07 minutes 22 seconds East, 27.68 feet to an iron stake set; thence North 42 degrees 29 minutes 15 seconds East, 120.27 feet to an iron stake set; thence North 17 degrees 56 minutes 23 seconds East, 53.35 feet to an iron stake set; thence North 86 degrees 30 minutes 34 seconds East, 346.41 feet to an iron stake set; thence South 60 degrees 02 minutes 07 seconds East, 705.96 feet to an iron stake set; thence South 06 degrees 44 minutes 17 seconds West, 346.38 feet to an iron stake set; thence South 09 degrees 31 minutes 16 seconds West, 238.54 feet to an iron stake set; thence South 53 degrees 48 minutes 14 seconds East, 127.52 feet to a point; thence South 45 degrees 50 minutes 57 seconds East, 37.12 feet to a point; thence South 40 degrees 19 minutes 02 seconds East, 135.21 feet to a point; thence South 38 degrees 25 minutes 45 seconds East, 61.41 feet to a point; thence South 11 degrees 01 minutes 05 seconds East, 50.0 feet to a point; thence South 78 degrees 58 minutes 55 seconds West, 12.26 feet to a point; thence South 11 degrees 01 minutes 05 seconds East 150.0 feet to a point; thence South 78 degrees 58 minutes 55 seconds West, 595.37 feet to a point; thence South 03 degrees 26 minutes 19 seconds West, 26.15 feet to a point; thence South 42 degrees 12 minutes 28 seconds West, 691.85 feet to a point; thence South 01 degrees 28 minutes 20 seconds West, 125.69 feet to a point; thence South 19 degrees 18 minutes 59 seconds West, 186.76 feet to a point; thence South 56 degrees 47 minutes 44 seconds West, 413.91 feet to a point; thence South 37 degrees 12 minutes 37 seconds West, 160.90 feet to a point; thence South 82 degrees 04 minutes 08 seconds West, 181.77 feet to a point; thence South 10 degrees 22 minutes 30 seconds West, 634.01 feet to a point on the Northern Right-of-Way Line of Ramsey Road; thence with said Right-of-Way Line, North 68 degrees 02 minutes 44 seconds West, 64.57 feet to a point; thence North 64 degrees 25 minutes 30 seconds West, 58.12 feet to a point; thence North 61 degrees 08 minutes 57 seconds West, 71.85 feet to a point; thence North 55 degrees 45 minutes 43 seconds West, 72.61 feet to a point; thence North 52 degrees 16 minutes 11 seconds West, 52.60 feet to a point; thence North 49 degrees 58 minutes 15 seconds West, 55.02 feet to a point; thence North 49 degrees 07 minutes 36 seconds West,

867.47 feet to a point; thence North 49 degrees 00 minutes 03 seconds West, 537.0 feet to a point; thence North 48 degrees 35 minutes 14 seconds West, 86.35 feet the point and place of beginning.

The described tract contains 108.05 acres, more or less, and being a portion of that property as recorded in Deed Book 2149, Page 44, and that property as recorded in Deed Book 2347, Page 851.

Less and except from the above described tract that property being described as follows:

Commencing at the Northwest corner of the above described tract, said point being on the Western Line of the aforementioned Sydes Tract as recorded in Deed Book 2149, Page 44; thence with said Western lines, South 27 degrees 09 minutes 40 seconds East, 38.19 feet to an iron stake found; thence South 03 degrees 34 minutes 21 seconds East, 50.41 feet to an iron stake found; thence South 15 degrees 30 minutes 37 seconds West, 84.26 feet to an iron stake found; thence leaving said Western Lines, North 85 degrees 32 minutes 12 seconds East, 106.23 feet to a point; the TRUE POINT OF BEGINNING; THENCE from said point of beginning, North 65 degrees 07 minutes 29 seconds East, 208.58 feet to a point; thence South 36 degrees 27 minutes 38 seconds East, 507.23 feet to a point; thence South 40 degrees 23 minutes 24 seconds West, 46.17 feet to a point; thence along the arc of a curve having a radius of 470.0 feet and curving to the right, 48.71 feet (Chord South 43 degrees 21 minutes 34 seconds West, 48.69 feet) to a point; thence South 46 degrees 19 minutes 43 seconds West, 230.01 feet to a point; thence North 52 degrees 07 minutes 55 seconds West, 241.02 feet to a point; thence North 37 degrees 52 minutes 05 seconds East, 47.54 feet to a point; thence along the arc of a curve having a radius of 25.0 feet and curving to the right, 21.03 feet (Chord North 61 degrees 57 minutes 47 seconds East, 20.41 feet) to a point; thence along the arc of a curve having a radius of 50.0 feet and curving to the left, 171.61 feet (Chord North 12 degrees 15 minutes 58 seconds West, 98.95 feet) to a point; thence North 20 degrees 35 minutes 23 seconds West, 275.44 feet to the point and place of beginning.

The described exception tract contains 3.70 acres, more or less, and being a portion of that property as recorded in Deed Book 2149, Page 44. All courses are referenced to GPS Grid North, NAD '83, 2007 adjustment. This description being prepared by Parker and Associates, Inc. from surveyed and computed information.