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JOYCE M. SWICEGOOD
REGISTER OF DEEDS
PENDER COUNTY, NC

STATE OF NORTH CAROLINA
COUNTY OF PENDER

**DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS OF
DOGWOOD LAKES**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF DOGWOOD LAKES, made this the 30th day of November, 2007, by **DOGWOOD LAKES, LLC**, hereinafter referred to as "Developer" or "Owner" or "Declarant" or "Successor Declarant";

WITNESSETH:

Recorded and Verified
Joyce M. Swicegood
Register of Deeds
Pender County, NC

That Whereas, Owner is the owner of certain property located in Surf City, Pender County, North Carolina as is hereinafter described; and

Whereas, the Owner desires to insure the use of the hereinafter described property for attractive residential purposes only, to prevent the impairment of the attractiveness of the property, to maintain the desired tone of the community, and thereby to secure to each lot owner the full benefit and enjoyment of his or her home with no greater restriction upon the free and undisturbed use of his or her lot than is necessary to ensure the same advantages to the other lot owners;

NOW THEREFORE, the undersigned Owner does hereby covenant, agree, and declare to and with all persons, firms, or corporations owning or hereafter acquiring any lots made subject to this Declaration that all of the properties described herein shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of, and which shall run with the real property, and be binding on all parties having any right, title, or interest in the said properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof, to-wit:

1. **SCOPE OF DECLARATION** This Declaration of Restriction shall apply to all lots

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in DOGWOOD LAKES as shown upon a map recorded in Map Book 46 at Page 61 of the Pender County Registry and all successive phases.

2. **LOT USE** No lot located within the subdivision shall ever be used for business, manufacturing, commercial, or professional purposes, it being intended that all lots shall be used for residential purposes only. No mobile home shall be allowed to be placed, located, or constructed on any of the lots in the subdivision. Houses shall contain a minimum of 1,800 heated square feet, must be built on a crawl space or raised slab, and must be constructed according to ARC Guidelines. It is desired that the front elevation have some decorative features such as quoin corners, a soldier course, jack arches, or some other similar features.

Developer reserves the right to construct apartments, duplexes, triplexes, townhouses, condominiums, or any other type of multi-family residential development as allowed by law, within the subdivision or on tracts adjacent to the subdivision, and to record such plats as necessary to re-plate any lots that shall be converted to multi-family use.

3. **SETBACK REQUIREMENTS** Since the establishment of standard inflexible building setback lines for the location of units on lots tends to force construction of units directly to the side of other units with detrimental effects on privacy, views, preservation of important trees and other vegetation, ecological, and related considerations, no specific setback lines are established by these restriction. In order to assure, however, that the foregoing considerations are given maximum effect, the Owner or its duly appointed agent or agents reserve the right to control and approve absolutely the site and location of any structure upon any lot. All houses must comply with applicable local county and municipal setback requirements as depicted on the recorded plat of the subdivision.

4. **TEMPORARY STRUCTURES AND OTHER STRUCTURES** Unless specifically approved in writing by the Owner or the designated agent of the Owner as hereinafter provided, no structure of a temporary character, trailer, basement, tent, shack, garage apartment, barn, or other outbuilding shall be erected on any lot or used as a residence thereon. This restriction shall not be applicable to a temporary construction trailer used by a builder while a residence is being built on the lot, so long as such trailer is not used as a residence or living quarters.

In the event that the Owner or its designated agent shall approve such placement of a structure as herein provided, the structure shall be constructed of the same materials and be of the same design as the residence located on that lot. Should such structure encroach upon any of the common areas or limited common areas, there shall be an easement reserved upon such common areas or limited common areas for the location of such structure as hereinafter provided.

5. **BUILDING DESIGN AND LANDSCAPE PLAN** The design of all buildings erected or moved onto any lot and all landscaping plans shall be subject to the approval of an Architectural Control Committee selected by the Owner, or of some person or persons designated by the Architectural Review Committee to pass upon said designs. The initial committee shall consist of C. Richard Vaughn, Jr or his designee. This person shall be the only member of the committee, and he shall not be replaced until all of the houses to be built on all lots have been approved and completed, at which time the Association shall appoint the Committee. Upon written request of a lot owner for approval of construction plans and/or landscaping plans, which request shall be by the submission to the Committee of a **full and complete architectural and landscaping package** containing blueprints, drawings, site plans, construction specifications, and such other documents as the Committee may request, the Architectural Review Committee or its duly authorized agent, or such other person or persons who shall have been selected by the

Committee, shall have thirty days within which to approve or disapprove such plans. In the event of failure to approve or disapprove such plans within thirty days, such approval will not be required; but the design of the proposed building and the landscaping must be in harmony with the existing structures and landscaping in this subdivision. DOGWOOD LAKES OWNERS ASSOCIATION shall not be responsible for approvals required under this section and, more specifically, shall have no control or authority over building design or landscape design on any of the lots subject hereto.

6. BUILDING CONSTRUCTION The construction materials used for any residence or other structure upon any of the lots must be approved in writing by the Architectural Control Committee or by such person or entity as the Architectural Control Committee may direct. No exterior colors may be changed without the written permission of the Architectural Control Committee, or of such person or entity as shall be authorized by the Architectural Control Committee to approve a change of the exterior colors. It is the express intention of the Owner to maintain a uniform plan of development with respect to design, size, type, cost, and general appearance of all structures upon the lots in the subdivision.

Construction activity on a lot within the subdivision shall be confined to the boundaries of the lot. Each Lot owner shall have the obligation to collect and dispose of rubbish and trash resulting from the construction on the lot at such time and upon such schedule as is required by the Architectural Control Committee and to make any repairs to the roads in the subdivision damaged by construction vehicles. All requests for approval of plans and construction of any residence on any lot shall be accompanied by a \$2000.00 deposit to be used for the collection and disposal of said rubbish and trash in the event that the lot owner or builder should fail to do so, and to repair any road damage caused by the lot owner or builder should such repairs not be made by the owner or builder. Upon completion of construction and the collection and disposal of trash and rubbish as provided herein, and/or the repair of any road damage as described herein, the \$2000.00 deposit shall be returned to the owner or builder making such deposit.

7. A. MAINTENANCE OF LOT, NUISANCES It shall be the duty of each homeowner or occupant to keep his or her property (or that of the occupant's landlord) in a neat and tidy condition, well maintained, with no unsightly debris or litter or the like in view. No noxious or offensive trade or activity shall be carried on or maintained on any lot, nor shall any activity be conducted which constitutes an annoyance or nuisance to the neighborhood.

From the date of the conveyance of a lot from the Developer to a lot owner, and regardless of whether the lot is vacant or a dwelling is completed on the lot, each lot owner must maintain their lot in such manner as is reasonably consistent with the standards of the other lots in the subdivision. At a minimum, (1) each lot must be mowed free of grass taller than eight inches (8") a minimum of twice per year, (2) all trash, refuse, garbage, and other such debris must be immediately and regularly removed from the lot. In the event of a dispute as to the "standards of the other lots in the subdivision", the Developer shall make the final decision as to such standards. In the discretion of the Developer, this responsibility may be turned over to the Association at any time. If the lot owner should fail to maintain the lot as herein provided, the Developer or the Association may cause such lot to be cleaned and maintained as herein provided, and the costs of such cleaning and/or maintenance shall be charged to such lot owner, plus a service charge of fifteen percent (15%) of such cost, and assessed and collected against the lot and the individual lot owner as a special assessment pursuant to the regulations regarding liens and assessments as hereinafter set forth in this Declaration.

B. PARKING All vehicles must be parked in driveways and no vehicles may be

parked at any time on lawns or common areas. No vehicles shall be parked on any roadway overnight. No vehicle shall be allowed to block any street, roadway, or other access area. Any vehicles parked on lawns, roadways overnight, or common areas shall be subject to be towed at the owner's expense at the request of the Homeowners Association.

C. JUNK VEHICLES AND TRACTOR TRAILERS No inoperable vehicle or vehicle without current registration, current state inspection sticker, current license plate, and current insurance will be permitted on the premises, and no tractor-trailers or tractors for semi-rigs will be permitted on the premises. The Association shall have the right to have all such vehicles towed away at the owner's expense.

D. TRASH RECEPTACLES, LAWN FURNITURE, TOYS, PERSONAL PROPERTY AND LIGHTS All trash receptacles, lawn furniture, toys, lawnmowers, bicycles, grills, stored materials, and other such similar personal property must be kept and stored out of view from the street. All light bulbs or other lights installed in any fixture located on the exterior of any building or any lot shall be clear, white, or non-frost lights or bulbs. No colored bulbs or lights will be allowed except during generally recognized holiday periods. The Association may limit the amount of holiday lighting or the hours that such holiday lighting is lit in its sole discretion.

E. VEHICLE REPAIRS No repairs to any vehicle may be made in driveways unless such repairs may be completed in one day. During the course of repair work, no vehicle shall be permitted to remain in any driveway on any type of jacks or stands more than one day.

F. RECREATIONAL VEHICLE/BOATS The open storage of boats, motor boats, personal water craft, campers, recreational vehicles, trailers, recreational trailers, motor homes, or similar type vehicles is prohibited in Dogwood Lakes. These items must be stored in an area not visible to persons on other lots, streets, or recreational areas. These items must be stored in an enclosed garage approved by the ARC.

G. GARAGE SALES/YARD SALES/RUMMAGE SALES No "garage sales", "yard sales", or rummage sales shall be allowed on any lot in the subdivision.

8. ANIMALS No, animals, livestock, or poultry of any kind shall be raised, bred, or kept or maintained on the Property or in any Improvement thereto, except that a reasonable number of domesticated household pets may be kept on any Lot, provided that such pet(s): (a) are not kept for breeding or commercial purposes, (b) do not pose an unreasonable disturbance to adjacent neighbors, do not unreasonably interfere with a Lot Owner's peaceful enjoyment of their Lot or of the Common Properties, and do not constitute a nuisance or annoyance to the neighborhood; (c) do not pose an unreasonably risk to the safety, health or wellbeing of adjacent neighbors or to the neighborhood; (d) can be, and are, restrained by a fence of not more than six feet in height; (e) are reasonably restrained while outside of the residence; and (f) are not permitted access to an outside shelter which is (i) not approved by the Declarant (as long as Class B membership exists), the Board of Directors or the Architectural Committee, or (ii) visible from the street. The term "domesticated household pet," as used herein, means, among other things, that the pet regularly resides within the home on the Lot or is a pet of a kind or nature that is capable of regularly residing within the home on the Lot. Notwithstanding the foregoing, any animal with a bite history as evidenced by documentation from a state or local animal control agency or other reliable medical or veterinary records are specifically prohibited from being kept or maintained on the Properties, or on a Lot. No pet shall be permitted upon the Common Area unless attended and carried or leashed by a Person who can control the pet. All pets shall be

controlled so as not to create a nuisance or unreasonable disturbance (including but not limited to loud or excessive barking) on the Property. All Owners and their respective tenants and invitees who own pets (collectively, the "Pet Owners") shall immediately clean up any waste on the Property from his/her pet. All Pet Owners shall indemnify and hold the Declarant (during the Declarant Control Period) and the Association harmless from any claim, action or demand against the Declarant or Association that arises out of or results from any act of their pet. All Pet Owners shall promptly repair, at his/her own cost, any damage to the Common Area caused by their pet. If any Pet Owner violates this Section 8., the Declarant (during the Declarant Control Period) and the Association shall have the right, but not the obligation, to require the Pet Owner to permanently remove the pet from the Property upon no less than ten (10) days prior written notice, in addition to any other remedy. In addition, the Declarant (during the Declarant Control Period) and the Association shall specifically have the power and authority to designate by rule from time to time, based upon temperament, size, nature or tendencies, a list of animal breeds or types which shall be additionally prohibited on the Property or on any Improvements thereto.

9. **FENCED AREAS** The Owner or the authorized agent of the Owner may construct a fenced area adjacent to the houses or units for the use of the owner of that house or unit. Maintenance of the fence and the fenced areas within the fences shall be the responsibility of the owner of the house. All fences must be approved by the architectural control committee or its assigns, and the written design guidelines shall be available from the architectural control committee. **No chain link or welded wire fences shall be allowed on any lot.**

10. **UTILITY EASEMENTS** The Owner reserves for itself, its successors, and assigns, an easement in and right at any time in the future to grant a right of way under, over, and along the side, rear, and front property lines of each and every lot in the Subdivision, for the installation and maintenance of poles, lines, conduits, pipes, and other equipment necessary to or useful for furnishing electric, power, gas, telephone service, cable television, or other utilities including water, sewer and storm water drainage. Also, easements for drainage and utilities are reserved as shown on the recorded plat of the Subdivision. Owner reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing improvements.

11. **LOT GRADING** The general grading, slope, and drainage plan of a lot may not be altered without the express written approval of the Pender County authorities and Owner, and other appropriate agencies having authority to grant such approval.

12. **EXTERIOR MAINTENANCE** Each lot owner shall maintain the exterior of all buildings, walls, and other improvements on his lot in good condition and repair, and shall replace worn and rotten parts and shall regularly repaint all painted surfaces and shall not permit the roofs, rain gutters, down spouts, exterior walls, windows, doors, or other exterior portions of the improvements to deteriorate in an unattractive manner. The maintenance referenced herein shall be supervised and regulated by the DOGWOOD LAKES OWNERS ASSOCIATION, INC., as hereinafter provided and hereinafter referenced as "The Association". In the event that the lot owner shall fail to comply with these maintenance requirements, the Association is hereby expressly authorized, and the lot owner hereby expressly agrees, that said maintenance and/or repair may be effected by the said Association with the expenses incurred for the same to be assessed against the individual lot owner as a special assessment and subject to the regulations regarding liens and assessments as herein set forth.

13. **(A) DIRECTIONAL SIGNS** The Owner reserves for itself, its successors and assigns, a temporary easement to place directional signs upon any of the lots in said Subdivision

and upon the street rights of way, in order to assist prospective purchasers in locating other lots or houses which are for sale in the Subdivision, or in other future subdivisions coming out of adjoining lands. The right to place and maintain such signs shall terminate when the last lot owned by the Owner is sold.

(B) **"FOR SALE", "FOR RENT", OTHER SIGNS** Except for a "For Sale" sign placed on a lot by the original builder of a house on a lot, and/or a "For Sale" sign placed on a lot by a realty company or real estate agent advertising the lot and house for sale not to exceed sixty four square feet, no signs shall be allowed on any lots, in or on any houses, or on any of the rights of ways of any street within the subdivision until the last lot owned by the Owner or Developer is sold.

14. **STREET LIGHTING** The owner reserves the right to subject the real property in this Subdivision to a contract with a public or private 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/or a continuing monthly payment to said public or private utility by the owner of each lot.

15. **MAILBOXES AND NEWSPAPER BOXES** Each lot in the Subdivision shall have one mailbox and this box shall be provided by the Builder. The design of such mailboxes shall be selected by the Developer. The maintenance of such boxes shall be the responsibility of the homeowner.

16. **WINDOW COVERINGS** To insure consistency and attractiveness with in the Subdivision, white window treatments must be installed in all of the windows of all homes within ten (10) days of occupancy, such that the total view of all windows from the outside of the house is white window coverings. Window treatments inside of the house and not visible from the outside of the house or unit are in the discretion of the homeowner. Bed sheets, towels, blankets, etc. are not considered acceptable window treatments.

17. **EXTERIOR ANTENNAE** Television or radio satellite dishes are permitted within the Subdivision, as long as they are not visible from the street and are subject to ARC approval before installation.

18. **CLOTHESLINES** The outdoor drying or airing of clothes and the erection of outdoor clotheslines or similar devices on any lot in the Subdivision shall be subject to the approval of the Owner, and then only when thoroughly concealed or screened from public view within a fenced yard area.

19. **FUEL TANKS AND STORAGE RECEPTACLES** No fuel tanks or similar storage receptacles located on any lot may be exposed to public view. Any such receptacles must be installed only within a fenced area adjacent to the house or unit within the Subdivision and are subject to prior ARC approval before construction.

20. **WATER AND SEWAGE**

(a) All water to be used in the Subdivision for domestic purposes shall be obtained from Surf City, unless other sources are approved by the City/County Board of Health and the owner of the community water system, or their successors. An eight (8) foot radius from each water meter shall be an easement for maintenance and repair of such meter. Additionally, the front ten (10) feet of each lot is hereby reserved for sidewalk and utility easements.

The Developer hereby grants an easement to the municipal and/or community water and sewer company along all streets and roads in the Subdivision for the purpose of installing, maintaining, repairing, and replacing water and sewer lines.

(b) Sewage disposal systems shall be only into the Surf City sewage collection system or into such community system as shall be serving the subdivision.

(c) Should the Owner install a master lawn irrigation system for the common areas of the Subdivision, or for any areas not reached by the individual systems as herein provided, the maintenance, inspection, and operation of such system shall be the responsibility of the Owners' Association as hereinafter provided.

21. OWNERS ASSOCIATION

(a) To provide for the maintenance, repair, upkeep and replacement of the subdivision sign, streets, access easements, common area irrigation systems, street signs, walkways, and landscaped common areas and easements in the Subdivision, the Developer has formed the DOGWOOD LAKES OWNERS ASSOCIATION, INC., a non-profit corporation organized pursuant to Chapter 55A of the General Statutes of North Carolina. The Association shall also be responsible for providing any necessary liability insurance. The Articles of Incorporation for said corporation are recorded in the Pender County Registry. The By-Laws for said corporation are attached hereto and are incorporated herein by reference.

(b) Every owner of a fee simple title to a lot within the Subdivision shall be deemed to own, possess and have accepted:

(1) A Class "A" membership in the DOGWOOD LAKES OWNERS ASSOCIATION, INC., (Association), appurtenant to his lot(s);

(2) An undivided equal interest with all other owners, for each membership in the Association owned, in the Association and all of its assets;

(3) The duty of complying with and abiding by all of the provisions of these Articles, the By-Laws of the Association and the Rules and Regulations of the Association, including the payment of *dues*, assessments, and penalties as provided elsewhere herein.

(4) A right and easement of enjoyment, equal to that of all other owners, in and to the common areas and amenities, which is appurtenant to the title to each lot, subject to the right of the Association to dedicate or transfer all or any part of the common areas and amenities, for such purposes and subject to such conditions as the Association may determine, acting by and pursuant to the provisions of its duly enacted By-Laws.

(c) The Association shall have two classes of voting membership:

(1) Class "A". Class A members shall be all lot and unit owners with the exception of the Owner and shall be entitled to one vote for each lot or unit owned. When more than one person holds an interest in any lot or unit, all such persons shall be members. The vote for such lot or unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot or unit.

(2) Class "B". The Class B member shall be the Owner, and Owner shall be entitled to three (3) votes for each lot or unit owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

A. When 75% of the units are deeded to the homeowners, or

B. On December 31, 2017.

22. **LIENS AND ASSESSMENTS** DOGWOOD LAKES OWNERS ASSOCIATION, INC. has heretofore been given the authority to administer the operation and management of the property and to enforce these covenants, it being recognized that the delegation of such duties to one entity is in the best interests of the owners of all lots subject hereto to properly administer the operation and management of the subdivision. The Association will incur, for the mutual benefit of all the owners of such lots, costs and expenses sometimes herein referred to as "common expenses". To provide the funds necessary for such proper operation and management of the subdivision, and for the proper enforcement of these covenants, the Association has heretofore been granted the right to make, levy and collect assessments against the members of the Association and their lots. In furtherance of this grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation of and the management of the association and for the enforcement of these covenants, following shall be operative and binding upon the owners of all lots:

(a) The owner of any lot subject hereto, with the exception of the Owner, by acceptance of a Deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (1) annual assessments or charges;
- (2) special assessments for capital improvements or special assessments as established by the Board of Directors of the Association, such assessments to be established and collected as hereinafter provided;
- (3) a nonrefundable working capital assessment in the amount of three months of the annual assessment, payable at the time of the purchase of the property.

(b) The annual and special assessments, together with the interest, costs, and reasonable attorney's fees, if any, shall be a charge on the lots and shall be a continual lien upon each lot against which they are levied. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person or entity who is the owner of such lot at the time when the assessment falls due. The personal obligation for delinquent assessments shall not pass to any successor in title unless expressly assumed by him.

(c) The Owner shall not be required to pay regular annual assessments on any lot owned by it prior to its sale.

(d) The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the properties and for the improvement, maintenance, and repair of all easements, including, but not limited to, access easements, landscaping easements and stormwater easements, utilities, irrigation systems, subdivision signs, yard areas, parking areas, roads and walkways as herein provided. The funds arising from said assessments or charges, may be used for any or all of the following purposes: maintenance, repair, and improvement of the irrigation systems, drainage and utility easements, and rights of ways; maintenance of any parking areas, walkways, and yard areas as herein provided, enforcing these restrictions, and, in addition, doing any other things necessary, proper, or desirable in the opinion of the Association to keep the property in neat and good order and to provide for the health, welfare and safety of the owners and residents of the subdivision.

(e) The annual assessments for each calendar year shall be established by the Board of Directors, and may be increased by the Board of Directors for any calendar year without approval by the membership by an amount not to exceed twenty-five percent (25%) of the maximum annual assessment of the previous year. The maximum annual assessment for any calendar year may be increased without limit by a vote of two-thirds (2/3) of the Class A members who are voting in person or by proxy at a meeting called for this purpose.

(f) In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for purpose of defraying in whole or in part, any major expense of the Association, provided that any such assessment shall have the assent of two-thirds (2/3) of the vote of the Class A members who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed to the uniform rate for all lots and may be collected on a monthly basis.

(g) Written notice of any meeting called for the purpose of taking any action authorized under Paragraph 22(e) or Paragraph 22(f) set forth above shall be sent to all members not less than ten (10) days nor more than (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty-one percent (51%) of all votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

(h) The annual assessments provided for herein shall be collected no more frequently than a quarterly basis and shall commence as to all lots in the subdivision on the first day of the month following recordation of the Declaration of Restrictions for the subdivision. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. Upon the closing of a lot subject hereto, there shall be an assessment due for the remainder of the quarter in which the closing occurs, plus the amount of the assessment due for the following quarter.

(i) Any assessment not paid within thirty (30) days after the due date shall bear interest at the highest rate allowed by law from the date due until paid. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the lot and interest, costs, and reasonable attorney's fee of such action or foreclosure shall be added to the amount of such assessment.

(j) The lien herein granted unto the Association shall be enforceable from and after the time of recording a claim of lien in the public records of Pender County, North Carolina, which claim shall state the description of the lot encumbered thereby, the name of the record owner, the amount due and the date when due. The claim of lien shall be recordable any time after default and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, and attorney's fees thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The lien provided for herein shall be subordinated to the lien of any first mortgage or Deed of Trust and any person, firm, corporation or other entity acquiring title to any lot by virtue of any foreclosure, deed in lieu of foreclosure or judicial sale, shall be liable and obligated only for assessments as shall accrue and become due and payable subsequent to the date of acquisition of such title, and it shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a lot by foreclosure, deed in lieu of foreclosure or judicial sale, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all owners of all lots as part of the common expenses, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

(k) The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. The sale or transfer of any lot or unit shall not affect the assessment lien. However, the sale or transfer of any unit pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot or unit from liability for any assessments thereafter becoming due or from the lien thereof.

(l) Mortgagees are not required to collect assessments, and the failure of the owner to pay assessments shall not constitute a default under a mortgage.

(m) Upon the sale of seventy-five percent (75%) of all of lots subject to these covenants, the owner will turn over control of the Association to the Board of Directors to be elected by the membership in accordance with the By-Laws of the Association. Until such time, however, the owner shall elect the Board of Directors of the Association.

(n) In order to enforce the terms of this Declaration, the Association shall provide penalties for failure to obey the duties required by this Declaration, and such penalties shall be assessed against each lot, be payable by the lot owners, and be collected by the Association in the same manner as any other lot assessment provided for by the terms of this Declaration.

23. RIGHTS OF ELIGIBLE MORTGAGE HOLDERS To the extent permitted by law, an Eligible Mortgage Holder, that is, a holder of a first mortgage or lien on a lot or unit who has requested notice of certain matters from the Association, upon written request to the Association, identifying the name and address of the owner and holder, will be entitled to timely written notice of:

(a) Any condemnation, loss, or casualty loss which affects a material portion of the project or any units on which there is a mortgage held by such Eligible Mortgage Holder.

(b) Any delinquency in payment of assessments or charges owed by an owner of the unit subject to a first mortgage held by such Eligible Mortgage Holder which remains uncured for a period of sixty days.

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

(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders.

(e) In addition to the foregoing rights, the Eligible Mortgage Holders shall be afforded the following rights subject to the extent permitted by law and as allowed by the North Carolina General Statutes as they now exist or as they may be amended from time to time.

(1) Any election to terminate the legal status of the project after substantial destruction or substantial taking in condemnation of the project property must require the approval of at least 51% of the votes of the owners of the units or lots subject to Eligible Mortgage Holders.

(2) Unless otherwise provided in the Declaration or Bylaws, no relocation of interest in the common areas resulting from a partial condemnation or partial destruction of the project may be affected without the prior approval of Eligible Mortgage Holders holding mortgages on all remaining units or lots whether existing whole or in part, and which have at least 51% of the votes of such remaining lots or units subject to Eligible Mortgage Holders

24. **INSURANCE** It shall be the individual responsibility of each lot owner to maintain casualty and liability insurance on his lot or unit, including the exterior. It shall be the duty of the Association to maintain in effect casualty and liability insurance as follows:

(a) Amount and scope of Insurance: All insurance policies shall be secured by the Board of Directors or its designee on behalf of the Association with full authority, which shall obtain such insurance against (1) loss or damage by fire or other hazards normally insured against, and (2) public liability insurance. Such liability coverage shall be for at least \$1,000,000.00 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insured for property damage, bodily injuries, and deaths of persons in connection with the operation of the Association and its fulfillment of the duties and responsibilities set forth herein, and legal liability arising out of lawsuits relating to employment contracts of the Association.

(b) Insurance provisions. The Board of Directors shall make diligent effort to ensure that said insurance policies provide for the following:

(1) A waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent, or employee of the Association, the lot owners, and their employees, agents, tenants, and invitees.

(2) A waiver by the insurer of its right to repair and reconstruct instead of paying cash.

- (3) Coverage may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least thirty days prior written notice to the named insured.
- (4) Coverage will not be prejudiced by act or neglect of the lot owners when said act or neglect is not within the control of the Association.
- (5) The policy on the common areas cannot be canceled, invalidated, or suspended on account of the conduct of any one or more individual lot owners.
- (6) The policy on the common areas cannot be canceled, invalidated, or suspended on account of any officer or employee of the Board of Directors without prior demand in writing that the Board of Directors cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association.

(c) Premiums. All insurance premiums for insurance for the benefit of the Association purchased by the Board of Directors or its designee and any deductibles payable by the Association upon loss shall be a common expense and the Association shall levy against the owners equally, as an additional annual assessment, herein called "Insurance Assessment" which shall be in addition to the amounts provided for herein, an amount sufficient to pay the annual cost of all such insurance premiums.

(d) Proceeds. All insurance policies purchased pursuant to these provisions shall provide that all proceeds shall be payable to the Board as insurance trustee or to such attorney at law or institution with trust powers as may be approved by the Board of Directors.

(e) Policies. All insurance policies purchased by the Board of Directors shall with a company or companies permitted to do business in the State of North Carolina and holding a rating of "A" or better by the current issue of Best's Insurance Reports. All insurance policies shall be written for the benefit of the Board of Directors and the lot owners and their mortgagees as their respective interests may appear, and shall provide that all proceeds thereof shall be payable to the Board of Directors and duplicates of said policies and endorsements and all renewals thereof, or certificates thereof, together with proof of payment of premiums, shall be delivered to the owners at least ten (10) days prior to the expiration date with respect to the then current policies.

(f) Distribution of Insurance Proceeds. Proceeds of insurance policies shall be distributed to or for the benefit of the beneficial owners in the following manner:

- (1) Expenses of Trust. All reasonable expenses of the insurance trustee shall be first paid or provisions made therefore.
- (2) Reconstruction or Repair. The remaining proceeds shall be used to defray the cost of repairs for the damage or reconstruction for which the proceeds are paid. Any proceeds remaining after defraying such cost shall be distributed to the beneficial owners, including lienholders of record, or retained by the Association for such common expenses or purposes as the Board shall determine.

25. FIDELITY BONDS

(a) The Association shall maintain blanket fidelity bonds for all those officers, directors, employees, and all other persons handling or responsible for funds of the Association. If the Association shall delegate some or all of the responsibility for the *handling of its funds* to a management agent, such fidelity bonds shall be maintained by such management agent for its officers, employees, and agents handling or responsible for funds of or administered on behalf of the Association.

(b) Amount of Coverage. The total amount of fidelity bond coverage required shall be based upon best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three months aggregate assessments on all units plus reserve funds.

(c) Other requirements. Fidelity bonds required herein must meet the following requirements:

- (1) Fidelity bonds shall name the Association as an obligee.
- (2) The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definitions of "employees", or similar terms of expressions.
- (3) The premiums on all bonds required herein for the Association (except for premiums of fidelity bonds maintained by a management agent for its officers, employees, and agents) shall be paid by the Association as a common expense.
- (4) The bonds shall provide that they may be cancelled or substantially modified (including cancellation for non-payment of premium) without at least *ten (10) days* prior written notice to the Association, to any insurance trustee, and each Eligible Mortgage Holder.

26. STORMWATER MAINTENANCE

(a) The following covenants are intended to ensure ongoing compliance with State Stormwater Management Permit Number SW8 060310 as issued by the Division of Water Quality under NCAC2H.1000.

(b) The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the Stormwater Management Permit.

(c) These covenant are to run with the land and be binding on all persons and parties claiming under them.

(d) The covenants pertaining to stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality.

(e) Alteration of the drainage as shown on the approved plan may not take place without the concurrence of the Division of Water Quality.

(f) The maximum allowable built-upon area per lot in square feet is listed on Attachment A hereto. This allotted amount includes any built-upon area constructed within the lot property boundaries, and that portion of the right-of-way between the front line and the edge of the pavement. Built-upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, and coquina, but does not include raised, open wood decking, or the water surface of swimming pools.

(g) Filling in or piping of any vegetative conveyances (ditches, swales) associated with the development except for average driveway crossings, is strictly prohibited by any persons.

(h) Each lot will maintain a 30' wide vegetated buffer between impervious areas and surface waters.

(i) All roof drains shall terminate at least 30' from the mean high water mark of surface waters.

27. DEVELOPER'S RIGHTS

(a) The Developer hereby reserves the right to annex additional land within an area of three miles from the property described without the consent of the Class A members within ten (10) years of the date of this instrument provided that HUD, the FHA, or VA determines that the annexation is in accord with the general plan hereto approved by them. Any property annexed for such purpose will be subject to and under the jurisdiction of the Association and shall be designated as consecutively numbered phases or such other similar designations for any additional phase added.

(b) The rights reserved by the developer also include the power to amend this Declaration of Restrictions to subject any property described above to the jurisdiction of the Association and to the rights and obligations of this Declaration of Restrictions without the consent of Class A members, subject, however, to approval by the Department of HUD or the Veterans Administration.

28. **VA/HUD APPROVAL** So long as there is a Class B Membership, annexation of additional of additional properties, dedication of common areas, and the amendment of this Declaration of Covenants, Conditions, and Restrictions shall require the approval of the Veterans Administration or the Department of Housing and Urban Development.

29. **AMENDMENT** Except as otherwise provided herein, these restrictions may be altered, modified, canceled, or changed at any time as to said subdivision as a whole or as to any subdivided lot or part thereof by a written document, recorded in the Pender County Registry, executed by the owners (not including mortgagees, trustees, or other lienholders) of not less than two-thirds (2/3) of the subdivided lots to which these restrictions apply. Developer's power to amend this Declaration as provided herein shall not require the consent of the Class A members and shall be valid when signed by the Owner and recorded in the Pender County Register of Deeds. Notwithstanding the foregoing, the Declarant may unilaterally amend these restrictions at any time to ensure ongoing compliance with the State Stormwater Management Permit

referenced in paragraph 26 hereof.

30. **VIOLATIONS** If the parties hereto, or any of them or their heirs or assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for the Association or any other person or persons owning any real property situated in said subdivision to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate such covenants and either prevent him or them from so doing or recover damages or other dues for such violations.

31. **INVALIDATION** Invalidation of any one of these covenants by judgment or court order shall in no way effect any of the other covenants herein, which shall remain in full force and effect.

32. **TERM** All covenants, restrictions, and affirmative obligations set forth in these Restrictions shall run with the land and shall be binding on all parties claiming under them to specifically include, but not be limited to the successors and assigns, if any, of Owner, for a period of twenty (20) years from the date hereof after which time all said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the owners of two-thirds (2/3) of the lots (not including mortgagees or trustees under deeds of trust) has been recorded, agreeing to change said covenants in whole or in part.

33. **LOTS AND UNITS SUBJECT TO DECLARATION** All present and future owners, tenants, and occupants of lots or units and their guests and invitees shall be subject to and shall comply with the provisions of this Declaration, as the Declaration may be amended from time to time. The acceptance of a deed of conveyance or the entering of a lease or the entering into occupancy of any lot shall constitute an agreement that the provisions of the Declaration are accepted and ratified by such owner, tenant, or occupant. The covenants and restrictions of this Declaration shall inure to the benefit of and be enforceable by the Association, or the owner of any lot or unit, their respective legal representative, heirs, successors, and assigns, and shall run with and bind the land and shall bind any person having at any time any interest or estate in any lot as though such provisions were made a part of each and every deed of conveyance or lease.

34. **APPLICABILITY TO OTHER PROPERTIES** These restrictions shall apply only to the lots specifically subjected to these restrictions by the Declarant and shall not be applicable to any other properties owned by the Declarant. Declarant specifically reserves the right to develop adjacent or nearby properties in any manner whatsoever without regard to the development scheme contemplated herein, including the right to construct apartments, condominiums, townhouses, duplexes, triplexes, or any other form of multifamily housing or other form of housing allowed by the applicable zoning ordinances and regulations.

IN TESTIMONY WHEREOF, the Owner has caused this instrument to be executed in its company name by its duly authorize Member/Manager, the day and year first above written.

DOGWOOD LAKES, LLC

By: 

C. Richard Vaughn, Jr., Member/Manager

STATE OF NORTH CAROLINA
COUNTY OF Surry

I, Chastiny H. Sizemore, a Notary Public of the County and State aforesaid, certify that C. Richard Vaughn, Jr., personally appeared before me this day and acknowledged that he is Member/Manager of DOGWOOD LAKES, LLC, a North Carolina Limited Liability Company, and that by authority duly given and as the act of the Limited Liability Company, he signed the foregoing instrument in its name as its Member/Manager.

Witness my hand and notarial stamp or seal, this 30th day of November, 2007.

My Commission Expires:
10-28-2009

Chastiny H. Sizemore
Notary Public Chastiny H. Sizemore

CHASTINY H. SIZEMORE
NOTARY PUBLIC
SURRY COUNTY, NC

Project: 11.05.024 Dogwood Lakes
 Date: 2/20/2006
 Sheet: Lot BUA Addendum

CAVANAUGH

Lot #	Allowable BUA (SF)	Lot #	Allowable BUA (SF)	Lot #	Allowable BUA (SF)
1	3,751	51	4,558	101	4,212
2	3,757	52	4,505	102	4,172
3	3,764	53	3,995	103	4,802
4	3,751	54	3,976	104	4,802
5	3,751	55	4,802	105	4,802
6	3,751	56	4,802	106	4,802
7	3,751	57	4,802	107	4,148
8	3,751	58	4,802	108	4,453
9	3,751	59	4,802	109	4,802
10	4,259	60	4,802	110	4,655
11	3,914	61	4,802	111	3,905
12	3,752	62	4,802	112	3,966
13	3,752	63	4,802	113	4,197
14	3,752	64	4,601	114	4,688
15	3,752	65	4,357	115	4,685
16	3,752	66	4,176	116	4,734
17	4,802	67	4,249	117	4,802
18	4,802	68	4,016	118	4,802
19	4,491	69	4,802	119	4,802
20	4,224	70	4,802	120	4,463
21	4,802	71	4,494	121	4,394
22	4,802	72	4,802	122	3,857
23	4,802	73	4,802	123	4,802
24	4,802	74	4,802	124	4,802
25	4,802	75	4,802	125	3,977
26	4,802	76	4,802	126	3,995
27	4,802	77	4,802	127	3,768
28	4,802	78	4,802	128	4,802
29	4,802	79	4,802	129	3,752
30	4,802	80	4,802	130	3,752
31	4,802	81	4,467	131	3,752
32	4,802	82	4,294	132	3,752
33	4,802	83	4,245	133	3,752
34	4,802	84	4,802	134	3,751
35	4,802	85	4,802	135	3,751
36	4,249	86	4,228	136	3,753
37	4,802	87	3,875	137	3,968
38	4,802	88	3,980	138	4,347
39	4,802	89	3,841	139	4,254
40	3,826	90	4,802	140	4,171
41	3,795	91	4,802	141	4,802
42	4,202	92	4,802		
43	4,323	93	4,802		
44	4,138	94	4,802		
45	4,802	95	4,802		
46	4,802	96	4,802		
47	4,733	97	3,821		
48	4,802	98	4,802		
49	4,802	99	4,802		
50	3,843	100	4,802		
				Total(SF):	623,760
				Average(SF):	4,424



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NORTH CAROLINA

Department of The Secretary of State

To all whom these presents shall come, Greetings:

I, **ELAINE F. MARSHALL**, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION

OF

DOGWOOD LAKES OWNERS ASSOCIATION, INC.

the original of which was filed in this office on the 24th day of October, 2007.



IN WITNESS WHEREOF, I have hereunto
set my hand and affixed my official seal at the
City of Raleigh, this 24th day of October, 2007

Elaine F. Marshall
Secretary of State

SOSID: 1008672
Date Filed: 10/24/2007 2:29:00 PM
Elaine F. Marshall
North Carolina Secretary of State
C200729600148

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ARTICLES OF INCORPORATION
OF
DOGWOOD LAKES OWNERS ASSOCIATION, INC.

In compliance with the requirements of Chapter 55A of the North Carolina General Statutes, the undersigned, a natural person of full age, has this day executed these Articles of Incorporation for the purpose of forming a non-profit corporation and hereby certifies:

ARTICLE I

Name

The name of the corporation is Dogwood Lakes Owners Association, Inc., hereinafter referred to as the "Association".

ARTICLE II

Registered Office

The principal and registered office of the Association is located at 210 Airport Road, Mount Airy, Surry County, North Carolina 27030.

ARTICLE III

Registered Agent

C. Richard Vaughn, Jr. whose address is 210 Airport Road, Mount Airy, North Carolina 27030 is hereby appointed the initial Registered Agent of this Association.

ARTICLE IV

No Pecuniary Gain

This Association does not contemplate pecuniary gain or profit to the members thereof, and no part of the Association's net income shall inure to the benefit of any of its officers, directors or members or any other private individual.

ARTICLE V

Purpose

The purpose and objects of the corporation shall be: (1) to participate in the administration, operation and management of

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Dogwood Lakes Subdivision to be established in accordance with the laws of the State of North Carolina upon property situate, lying and being in Pender County, North Carolina; and (2) to undertake the performance of certain acts and duties incident to the administration of the operation and management of said Dogwood Lakes Owners Association, Inc. in accordance with the terms, provisions, conditions and authorizations contained in these Articles of Incorporation and which may be contained in the formal Declaration of Covenants, Conditions and Restrictions for Dogwood Lakes Subdivision to be recorded in the Pender County Registry at the time said property, and the improvements now or hereinafter situate hereon, are subdivided; and (3) to operate, lease, and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of Dogwood Lakes Owners Association, Inc.

ARTICLE VI

Powers and Privileges

The Corporation shall have: (1) all the powers and privileges granted to non-profit corporations under the law pursuant to which this Corporation is chartered; and (2) all of the powers and privileges which may be granted to said Corporation under any other applicable laws of the State of North Carolina; and (3) all of the powers reasonably necessary to implement and effectuate the purposes of the Corporation, including the power to exercise, undertake and accomplish all of the rights, duties, and obligations which may be granted to or imposed upon the Corporation pursuant to the aforementioned Declaration of Covenants, Conditions and Restrictions for Dogwood lakes Subdivision.

ARTICLE VII

Duration

The Corporation shall have perpetual existence.

ARTICLE VIII

Members

The qualifications of the members, the manner of their admission to membership and termination of such membership, and voting by members shall be as follows:

1. Qualification. The owners of each lot in Dogwood Lakes

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Subdivision shall be members of the Corporation, and no other person or entity shall be entitled to membership.

2. Creation and Termination of Membership. Membership shall be established by the acquisition of fee title to, or a fee ownership interest in, a Lot in Dogwood Lakes Subdivision whether by conveyance, devise, judicial decree or otherwise. The membership of any party shall be automatically terminated upon the divestiture of said party's fee title too, or fee ownership interest in, a Lot in Dogwood Lakes Subdivision.

ARTICLE IX

Board of Directors

The number of members of the initial Board of Directors of the corporation shall be one (1). The number of members of succeeding Boards of Directors shall be as provided from time to time by the By-Laws. The members of the Board of Directors shall be elected by the members of the corporation at the annual meeting of the membership as provided by the By-Laws, and at least a majority of the Board of Directors shall be members of the corporation or shall be authorized representatives, officers, or employees of a corporate member of the corporation.

The names and addresses of the initial Board of Directors, who, subject to the provisions of these Articles of Incorporation, the By-Laws, and the laws of the State of North Carolina, shall hold office until the first annual meeting of the membership or until their successors are elected and have qualified, are as follows:

C. Richard Vaughn, Jr.
210 Airport Road
Mount Airy, NC 27030

ARTICLE X

By-Laws

The original By-Laws of the corporation shall be adopted by a majority vote of the initial Board of Directors, and thereafter such By-Laws may be altered or rescinded only in such manner as said By-Laws may provide.

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ARTICLE XI

Indemnification

Every director and every officer of the corporation shall be indemnified by the corporation against all the expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the corporation, whether or not he is a director or officer at the time such expenses or liabilities are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interest of the corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE XII

Amendment to Articles

Any amendment to these Articles of Incorporation shall require the assent of seventy-five percent (75%) of the membership.

ARTICLE XIII

Incorporator

The name and address of the incorporator is as follows: C. Richard Vaughn, Jr. of 210 Airport Road, Mount Airy, North Carolina 27030.

ARTICLE XIV

Qualification for Tax Exemption

No part of the net income, if any, or earnings of this Association shall inure to the benefit of any officer, member or director of the Association, or any other private individual either during the Association's existence or in the event of its dissolution. In the event of the dissolution of the Association

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for any cause or reason, any assets remaining after the payment of creditors, debts and other costs and expenses incident to the dissolution, shall be distributed, transferred, and paid over to such qualified association or organizations having purposes similar to those set for in Article V hereof as shall be selected by the Board of Directors of the Association.

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal this the 17th day of October, 2007.

C. Richard Vaughn, Jr.
C. Richard Vaughn, Jr., Incorporator

STATE OF NORTH CAROLINA

COUNTY OF Surry

This is to certify that on this 17th day of October, 2007, before me, C. Richard Vaughn, Jr. a Notary Public of the County and State aforesaid, personally appeared C. Richard Vaughn, Jr., who I am satisfied is the person named in and who executed the foregoing Articles of Incorporation of Dogwood Lakes Owners Association, Inc., and, I having first made known to him the contents hereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this the 17th day of October, 2007.

Farah S. Davis
Notary Public

My Commission Expires:

10-04-2012
(AFFIX NOTARIAL SEAL)

FARAH S. DAVIS
NOTARY PUBLIC
SURRY COUNTY, NC

BY-LAWS
OF
DOGWOOD LAKES OWNERS ASSOCIATION, INC.

ARTICLE I

General

A. Principal Office: The principal office of DOGWOOD LAKES OWNERS ASSOCIATION, INC. shall be located at 210 Airport Road, Mount Airy, North Carolina 27030.

B. Registered Office: The registered office of the association, which by law is required to be maintained in the State of North Carolina, shall be located at 210 Airport Road, Mount Airy, North Carolina 27030, or at such other place within the State of North Carolina as may, from time to time, be fixed and determined by the Board of Directors.

C. Other Offices: The association may have offices at such other places, either within or outside the State of North Carolina, as the Board of Directors may from time to time determine.

D. Definitions: As used herein, the term "Association" is as defined in the Declaration of Covenants, Conditions and Restrictions for Dogwood Lakes (hereafter "Declaration of Restrictions"), recorded in the Pender County Registry; all definitions set forth in that Declaration, to which these By-Laws are attached, shall be applicable herein, unless otherwise defined.

As used in these By-Laws, "common areas and facilities" shall include the portion of the Property owned, in undivided interest, by all the Owners, as set forth in the Declaration of Restrictions and map of the project referred to herein below, and any and all real property, together with improvements, fixtures and appurtenances thereto, all fixtures and personal property, all rights and privileges, and such other possessory or use interests in land or facilities owned by or available for use by the Association.

ARTICLE II

Members

A. General: The membership shall mean and refer to every person or entity who is an owner of a lot in Dogwood Lakes as shown on Map recorded in Map Book 46, at Page 61 of the Pender County

Registry, and all successive phases as defined in the Declaration of Restrictions recorded in the Office of the Register of Deeds of Pender County North Carolina, and membership in the Association shall be limited to the owners of those lots.

B. Class: There shall be two classes of members, Class A and Class B. The voting rights of the members shall be as set forth in Article III of these By-Laws.

C. Transfer of Membership and Ownership: Membership in the Association may be transferred only as an incident to the transfer of the transferor's lot, and such transfer shall be subject to the procedures set forth in the Declaration of Restrictions.

ARTICLE III

Meeting of Members

A. First Annual Meeting: The first annual meeting of the members shall not take place until the earlier of (1) the transfer by Declarant of all lots, or (2) notice by Declarant of the annual meeting, or (3) the last Saturday in June, 2010.

B. Annual Meeting: The annual meeting of the members subsequent to the first annual meeting shall be held on the first Saturday in June of each year at 9:30 a.m. for the purpose of transacting business as may be necessary or appropriate at the principal office of the Association. If the date of the annual meeting is a legal holiday, the meeting shall be held at the same hour on the first day following which is not a legal holiday.

C. Substitute Annual Meeting: If the annual meeting shall not be held on the day designated by these By-Laws, a substitute annual meeting may be called in the manner provided for in the call of the special meeting in accordance with the provisions of Section D of this Article III and substitute meetings so called shall be designated as and shall be treated, for all purposes, as the annual meeting.

D. Special Meetings: Special meeting of the members may be called at any time by the President or by a majority of the Board of Directors.

E. Place of Meetings: All meetings of members shall be held at the principal office of the Association except that a meeting may be held at a place, within or outside the State of North Carolina, as may be designated in a duly executed waiver of

notice of such meeting or as may be otherwise agreed upon in advance by a majority of the members entitled to vote at such a meeting.

F. Notice of Meetings: Written or printed notice stating the time and place of the meeting shall be delivered no less than fourteen nor more than thirty days before the date of any members' meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officers or persons calling the meeting, to each member entitled to vote at such meeting; provided that such notice must be given not less than twenty days before the date of any meeting at which a merger or consolidation is to be considered. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at his address as it appears on the record of members of the Association, with postage thereon prepaid.

In the case of a special meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called; but, in the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the subject matter of the business to be conducted.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

G. Voting Lists: At least ten days before each meeting of the members the Secretary of the Association shall prepare an alphabetical list of the members entitled to vote at such meeting, with the address of each member, which list shall be kept on file at the registered office of the Association for a period of ten days prior to such meeting, and shall be subject to inspection by any member. The aforementioned list shall also be produced and kept open at the time and place of the meeting and shall be subject to inspection by any member during the whole time of the meeting.

H. Quorum: Except as otherwise provided by statute, or by the Charter of the Corporation, or by these By-Laws the presence in person or by proxy of a majority of the members entitled to vote at the meeting shall be necessary to constitute a quorum for the transaction of business. In the absence of a quorum, a majority in interest of the members entitled to vote, present in person or by proxy, may adjourn the meeting from time to time. At any such adjourned meeting, at which a quorum shall be present, any business

may be transacted which might have been transacted at the meeting as originally called if a quorum had been there present. The members present in person or by proxy at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

I. Voting: There shall be appurtenant to each lot a total of one vote for the members who are Owners of that lot. It is the intent that each lot will have only one vote regardless of the number of members who may claim an ownership interest in that lot. If more than one person or entirety owns a lot, they shall file a certificate with the Secretary naming the person authorized to cast votes for that lot. If the same is not on file with the Secretary, the vote of any co-owner present at the meeting shall be accepted as the vote of all co-owners of each lot.

At any meeting of the members, every member having the right to vote shall be entitled to vote in person or by proxy. A proxy must be in writing and filed with the Secretary not later than the time that meeting is called to order. Every proxy shall be revocable and shall automatically be revoked when the person who appointed the proxy attends the meeting or ceases to have voting privileges in the corporation. Votes represented by proxy shall be counted in determining the presence or absence of a quorum at any meeting.

J. Informal Action by Members: Any action that may be taken by the members of a meeting thereof may be taken without a meeting of the members if a consent in writing, setting forth the action taken, shall be signed by all of the persons who would be entitled to vote such action at a meeting and filed with the Secretary of the Association. Any consent so filed with the Secretary of the Association shall be filed in the corporate minute book in like manner as minutes of a meeting. Any such consent shall have the same force and effect as a unanimous vote of members.

K. Order of Business: The order of meetings of the members, as far as practical, will be:

1. Roll call and certification of proxies;
2. Proof of Notice of Meeting or Waivers of Notice;
3. Reading of Minutes of prior Meeting;
4. Officers' Reports;
5. Committee Reports;
6. Approval of Budget;
7. Election of Directors;

8. Unfinished Business;
9. New Business; and
10. Adjournment.

ARTICLE IV

Organization

The property, affairs and business of the Association shall be managed by a Board of Directors, which Board, other than the first Board of Directors, shall be elected by the members of the Association. The board shall elect officers of the Association, including a President, Secretary, and Treasurer, and such other officers and assistant officers as, from time to time, may be deemed necessary, who shall carry out such functions and duties as are prescribed by these By-Laws and the Board.

ARTICLE V

Board of Directors

A. First Board: The first Board of Directors shall consist of one Director, who shall be C. Richard Vaughn, Jr., who shall hold office and exercise all powers of the Board.

B. Number: Not later than the termination of any period of Declarant control, the lot owners shall elect an Executive Board of at least three members, all of whom must be lot owners.

C. Term: The first Board of Directors elected by the members shall be elected to serve until such time as the annual meeting is held, and thereafter, for one year terms, being elected at the annual meeting of the members.

D. Election of Directors: Except as provided in this Article, the Directors shall be elected at the annual meeting of members and the persons who shall receive the highest number of votes be elected Directors.

E. Cumulative Voting: There shall be no right of cumulative voting for the election of Directors.

F. Removal of Directors: The Board of Directors or any individual Director may be removed from office with or without cause at any meeting, at which a quorum is present, by a vote of a majority of the members entitled to vote at an election of Directors. If any or all Directors are so removed, new Directors may be elected at the same meeting.

G. Vacancies: A vacancy in the Board of Directors created by an increase in the authorized number of Directors or in the required number of Directors shall be filled only by election at an annual meeting of members or at a special meeting of members called for that purpose. Any vacancy in the Board of Directors created other than by an increase in the number of Directors may be filled by a majority of the remaining Directors, though less than a quorum, or by the sole remaining Director. The members may elect a Director at any time to fill any vacancy not filled by the Directors. In the event of the resignation of a Director to take effect at a future date either the Board of Directors or the members, at any time after tender of such resignation, may elect a successor to such Director to take office as of the effective date of such resignation.

H. Compensation: No compensation shall be paid to members of the board for services. However any Director may be reimbursed for his actual expenses incurred in the performance of his duties as long as such expense receives approval of the Board and is within the approved Association budget.

I. Resignations: Any Director may resign at any time by giving written notice to the President or the Secretary of the Association. Such resignation shall take effect at the time specified therein, or if no time is specified therein, at the time such resignation is received by the President or the Secretary of the Association.

J. Actions of First Board: The undertakings and contracts authorized by, and all acts taken by, the first Board of Directors shall be binding upon the Association in the same manner as though such undertakings, contracts and motions had been authorized by a Board of Directors duly elected by the membership, so long as such undertakings may be exercised by the Board of Directors of the Association in accordance with all applicable documents and these By-Laws.

K. Powers and Duties: All of the powers and duties of the Association shall be exercised by the Board of Directors, including those existing under the common laws and statutes, these By-Laws and the Declaration of Restrictions. Such powers and duties shall be exercised in accordance with said By-Laws and the Declaration of Restrictions, and shall include, without limiting the generality of the foregoing, the following powers:

- (1) To make, levy and collect, regular and special assessments against the members and members' lots to defray the costs of the association and its facilities

and to use said proceeds in the exercise of the powers and duties of the Association;

- (2) To establish the time within which payment of assessments are due;
- (3) To use and expend the assessments collected to manage, replace, operate, maintain, care for and preserve the lot improvements, and common areas and facilities, except those portions thereof which are required to be managed, repaired, replaced, operated, maintained, cared for and preserved by the owners;
- (4) To maintain, care for, preserve, repair, replace, operate and manage the common areas and facilities, whenever the same is required to be done and accomplished by the Association for the benefit of its members, and further to approve any expenditures made or to be made for the same;
- (5) To purchase the necessary equipment and tools required in the maintenance, repair, replacement, management, operation, care and preservation referred to herein;
- (6) To enter into and upon the lots when necessary and at as little inconvenience to the owner as possible in connection with such maintenance, care, preservation, repair, replacement, management and operation;
- (7) To insure and keep insured the common areas and facilities against loss from fire and/or other casualty, and the lot owners against public liability, and to purchase such other insurance as the Board may deem advisable including insurance against Director's liability;
- (8) To collect delinquent assessments by suit or otherwise, abate nuisances and enjoin or seek damages from owners for violations of these By-Laws, the terms and conditions of the Declaration of Restrictions, and the Rules and Regulations of the Association;
- (9) To carry out the obligations of the Association under and restrictions and/or covenants running with the land submitted to ownership of this Association or its members;
- (10) To designate, as the Board deems appropriate, assigned

parking spaces for each lot, visitors, service vehicles, and other vehicles;

- (11) To compensate, employ, designate and remove personnel necessary for the maintenance, repair, management, operation, care, preservation and replacement of the common areas and facilities;
- (12) To make, amend, and enforce Rules and Regulations governing the use of the common areas and facilities and lots provided that such Rules and Regulations and amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Declaration of Restrictions, to enforce by legal means or proceedings, the provisions of the Rules and Regulations so promulgated and to establish, levy, and collect fines, assessments, and penalties for violations of such Rules and Regulations;
- (13) To impose a special assessment (against any owner), not to exceed \$50.00 for each occurrence, or the violation by the owner or his guests of any Rules or Regulations adopted by the Board or the breach of any By-Law contained herein, or the breach of any provision of the Declaration of Restrictions. (Such assessment shall be in addition to any costs incurred or to be incurred by the Association as a result of the violation of the rule, regulation, By-Law or provision;)
- (14) If any lessee, renter or guest fails to comply with the terms of the Declaration of Restrictions, Rules and Regulations, or these By-Laws, any written or oral lease or rental agreement may be terminated and such lessee, renter or guest may be removed from a lot;
- (15) To propose and adopt an annual budget for the Association;
- (16) To reconstruct any part of the common areas and facilities after casualty and to make further improvement to the common areas and facilities, real or personal, and to make and to enter into any and all contracts, necessary or desirable, to accomplish said purposes;
- (17) To acquire, purchase, operate, rent, lease, manage, and otherwise trade and deal with property, real and personal, including lots and improvements (except lots

previously sold and deeded to owners) in the property as may be necessary or convenient;

- (18) To acquire now or at any time hereafter, and to enter into leases and agreements whereby the Association acquires ownership, leaseholds, memberships, and other possessory or use interest in lands or facilities including, but not limited to, swimming pools, tennis courts, decks and other recreational facilities whether or not contiguous to the lands of the project to provide enjoyment, recreation or other use or benefit to the owners of lots;
- (19) To contract for the management of the property and common areas and facilities and to designate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration of Restrictions to have approval of the Board of Directors or membership of this Association; provided, however, that all such contracts shall be terminable by either party without cause upon ninety (90) days written notice;
- (20) To pay all taxes and assessments which are or may become liens against any part of the common areas and facilities, other than lots and the appurtenances thereto, and to assess the same against the members and their respective lots subject to such liens; and
- (21) To grant or withhold approval of any action by one or more lot owners or other persons entitled to the occupancy of any lot which would change the exterior appearance of any building thereon or of any other portion of the project, or elect or provide for the appointment of an Architectural Control Committee, the members of which must have the same qualifications as officers to grant or withhold such approval.

L. Liability: The Directors shall not be liable to the members except for their own individual willful misconduct, bad faith or gross negligence.

ARTICLE VI

Meeting of Directors

A. First Meeting: The first meeting of each Board newly elected by the members shall be held immediately upon adjournment

of the annual meeting at which they were elected, provided a quorum shall be there present, or as soon thereafter as may be practicable.

B. Annual Meetings: An annual meeting of the Board of Directors may be held immediately before the annual meeting of members.

C. Special Meetings: Special meetings of the Board of Directors may be called by or at the request of the President or any Director.

D. Place of Meetings: All meetings of the Board of Directors shall be held at the principal office of the Association except that such meetings may be held at such other place, within or without the State of North Carolina, as may be designated in a duly executed Waiver of Notice of such meeting or as may be otherwise agreed upon in advance of the meeting by a majority of the Directors.

E. Notice of Meetings: The first meeting of the new Board of Directors may be held without notice. Other meetings shall be called on not less than seven days prior notice. Notice of a special meeting need not state the purpose thereof and such notice shall be directed to each Director at his residence or usual place of business by mail, cable, telegram or may be delivered personally. The presence of a Director at a meeting shall constitute Waiver of Notice of that meeting except only when such Director attends the meeting solely for the purpose of objecting to the transaction of any business thereat, on the grounds that the meeting has not been lawfully called, and does not otherwise participate in such meeting.

F. Quorum and Manner of Acting: A majority of the number of Directors fixed by these By-Laws as the number of Directors of the Association shall constitute a quorum for the transaction of any business at any meeting of the Board of Directors. Except as otherwise expressly provided in this Article, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

G. Informal Action of Directors: Action taken by a majority of the Directors without a meeting shall constitute Board action if written consent to the action in question is signed by all the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

H. Order of Business: The order of business at all

meetings of the Board shall if practical be as follows:

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1. Roll call;
2. Proof of Notice of Meeting or Waiver of Notice;
3. Reading of Minutes of last meeting;
4. Consideration of communications;
5. Election of necessary Directors and Officers;
6. Reports of Officers and Employees;
7. Report of Committees;
8. Unfinished business;
9. Original resolutions and new business; and
10. Adjournment.

ARTICLE VII

Officers

A. Election: The Board of Directors shall elect the following officers of the Association: President, Secretary and Treasurer. The election of officers shall take place at the first meeting of the Board of Directors following the annual meeting of the members.

B. Term: Each Officer, except such officers as may be appointed in accordance with the provisions of this Article, shall hold office until the first meeting of the Board of Directors held after the annual meeting held next after his election or until his successor shall have been duly chosen and qualified or until his death or until he shall resign or shall have been disqualified or shall have been removed from office.

C. Removal and Resignation: Any Officer elected or appointed may be removed by the person or persons authorized to elect or appoint such Officer whenever in their judgment the best interests of the Association will be served thereby. Any Officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

D. Subordinate Officers and Agents: The Board of Directors, from time to time, may appoint other officers or agents, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors from time to time may determine. The Board of Directors may delegate to any officer or agent the power to appoint any subordinate officer or agent and to prescribe his respective authority and duties.

E. Vacancies: A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

F. Duties: The duties of the officers are as follows:

(1) President: The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the members and the Board of Directors; he shall sign, with the Secretary, or any other proper officer of the Association thereunto authorized by the Board of Directors any deeds of trust, mortgages, bonds, contracts, and other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; he shall see that all orders and resolutions of the Board are carried out; he shall have general supervision and direction of the other officers and agents of the Association and shall see that their duties are properly performed; he shall submit a report of the operations of the Association for the fiscal year to the Directors whenever called for by them, and to the members at the annual meeting, and from time to time shall report to the Board all matters within his knowledge which the interest of the Association shall require to be brought to their notice; and, in general, he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

(2) Secretary: The Secretary shall: keep the minutes of the meetings of the members and the Board of Directors; see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; be custodian of the corporate records and seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; keep a register of the post office addresses of each member which shall be furnished to the Secretary by such member; have general charge of the membership list of the Association; keep or cause to be kept in the State of North Carolina at the Association's registered office or principal place of business a record of the Association's members, giving the names and addresses of all members and prepare and cause to be prepared voting lists prior to each meeting of members as required by law; and in general perform all duties incident to the office of Secretary and such other

duties as from time to time may be assigned to him by the President or by the Board of Directors.

(3) Treasurer: The Treasurer shall: keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board; shall disburse the funds of the Association as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the meetings of the Board, or whenever they may require it, and account of all his transactions as Treasurer and of the financial condition of the Association, such records to be open to inspection by members at reasonable times; may, at the election of the Board, be required to give the Association, at the Association's cost, a bond in a sum and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office, and the restoration to the Association, in case of his death, resignation or removal from whatever kind in his possession belonging to the Association; shall, with approval of the Board, be authorized to delegate all or part of his responsibilities to competent accounting, collection or management personnel, pursuant to written definition of the responsibilities delegated to, and the condition of performance imposed upon, such personnel, but, in such event, the Treasurer shall retain supervisory responsibilities; shall co-sign all promissory notes with the President; shall prepare the annual budget and statement of income and expenditures which shall be approved by the Board before all duties incident to the office of Treasurer and such other duties as may be prescribed by the Board of Directors or President.

G. Compensation: No compensation shall be paid to any officer for his services. However, any officer may be reimbursed for his actual expense in the performance of his duties, as long as such expense receives approval of the Board and is within the approved budget.

H. Duties of Officers May be Delegated: In case of the absence of any officer of the Association or for any other reason that the Board may deem sufficient, the Board may delegate the powers or duties of such officer to any other officer or a Director for the time being, provided a majority of the entire Board of Directors concurs therein.

ARTICLE VIII

Finances and Fiscal Management

A. Fiscal Year: The fiscal year of the Association shall be from January 1st through December 31st.

B. Assessments:

(1) The Board shall determine from time to time the sum or sums necessary and adequate for the costs of performing the functions, objects and purposes of the Association and the common expense of the Association properties and shall adopt a budget for each calendar year. At the annual meeting of the members, such budget shall be submitted to the members for approval provided that a summary of the budget shall be mailed to the lot owners at such addresses as will be provided by said owners no more than thirty (30) days prior to nor less than fourteen (14) days prior to the annual meeting. As approved, the budget shall constitute the basis for all regular assessments against lot owners, which assessments shall be due and payable periodically as determined by the Board. Common expenses shall include, but are not limited to, expenses for the operation, care, preservation, management, maintenance, repair or replacement of the common areas and facilities and Association property, costs of carrying out the purposes, powers and duties of the Association, insurance premiums and expenses, office expense, utility services, management fees, costs of maintaining, repair, replacing, operating managing and caring for properties owned or available for use by the Association and all other rights, privileges, and other possessory or use interests in lands or facilities whether or not contiguous to the lands of the project which are owned, held available for use by the Association, and any other expenses designated as common expenses from time to time by the Board of Directors of the Association. Provided, however, the annual assessment may not be increased more than five percent (5%) above the maximum assessment for the previous year without an affirmative vote of a majority of the membership.

(2) The Board is specifically empowered on behalf of the Association to make and collect assessments and to care for, preserve, manage, operate, maintain, repair and replace the common areas and facilities and Association property. Funds for the payment of common expenses shall be assessed against the lot owners in the proportions or percentages of sharing common expenses provided in the Declaration. Assessments shall be payable periodically as determined by the Board.

(3) Special assessments for common expenses not adequately funded through the regular assessments may be required by the Board and shall be levied and paid in the same manner as hereinbefore provided for regular assessments. Notwithstanding any of the foregoing, no special assessment of any nature may be levied by the

Board without the assent of two-thirds (2/3) of the Association members who are voting in person or by proxy, at a meeting duly called for the purpose of voting on any such assessment.

(4) Special assessments against any owner for any purpose authorized by the Declaration, shall be levied at such time as is determined by the Board.

(5) When the Board has determined the amount of any assessment, the President or Treasurer of the Association (or the personnel to whom such authority has been delegated) shall mail or present a statement of assessment to each of the assessed owners. All assessments shall be payable to the Association, and upon request, the President or Treasurer or their designated agent shall give a receipt for each payment made.

(6) The Board may enter into a management contract with third parties to whom the Board may delegate the power to levy and collect assessments approved by the Board or required by the Declaration of Restrictions.

(7) All assessments not paid within thirty (30) days after the same shall be due shall bear interest at the rate of eight percent (8%) per annum until paid.

C. Expenses of Assessments: In any year in which there is an excess of assessments received over amounts actually used or payable for the purposes described in these By-Laws and in the Declaration, such excess shall, unless otherwise determined by the Board of Directors of the Association, be deposited in a capital reserve account for use in replacement, repair or maintenance of the common areas and facilities of the Association or Association property.

ARTICLE IX

Committees

A. Committees: The Board may establish by resolution adopted by a majority of Directors, such committees which it deems necessary or desirable to carry out the purposes of the Association.

B. Committee Chairman and Members: The Chairman of all committees shall be appointed by and serve at the pleasure of the Board. Each committee shall contain one or more members of the Board.

C. Committee Reports: The Chairman of each committee shall make a report to the President in writing of committee meetings and activities.

D. Authority: Unless specifically authorized in writing by the Board of Directors or the President, a committee Chairman or a committee shall have no authority to legally obligate the Association or incur any expenditure on behalf of the Association.

ARTICLE X

Easements

In the event that any part of the buildings or improvements as presently constructed which are intended to be a part of the project shall encroach upon any common property, common areas or facilities, or property owned, held or used by the Association, then an easement appurtenant to such lot, building or improvement shall exist for the continuation of such encroachment for so long as such encroachment shall naturally exist.

ARTICLE XI

Notices

A. Definition: Whenever by statutory law, the Declaration or these By-Laws, notice is required to be given to any officer, director, or member, it shall be given in writing by mail, by depositing the same in a post office or letter box in a post-paid, sealed envelope, addressed as appears on the books of the Association, unless otherwise specifically stated herein.

B. Service of Notice-Waiver: Whenever any notice is required to be given by statutory law, the Declaration or these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent to the giving of such notice.

C. Address: The address for notice to the Association shall be that of the Registered Agent for service of process of the Association.

ARTICLE XII

Suspension of Rights

The Board may suspend, by a majority vote of the Board, the

voting rights and right to hold office of a member during any period in which the member shall be in default in the payment of any dues, assessments, penalties or fines, imposed by the Association. Such rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days for a violation of the Association's Rules and Regulations, these By-Laws or the Declaration.

ARTICLE XIII

Books and Records

The books, records and papers of the Association shall, at any reasonable time, be subject to inspection by any member, or his agent or attorney, for any purpose.

ARTICLE XIV

Rules of Order

All meetings of the members and Board of Directors shall be governed procedurally by Roberts Rules of Order, Revised, unless suspended by two-third vote of the members present and entitled to vote.

ARTICLE XV

Assets of the Association

The Association shall hold, own, maintain, manage, control, repair, preserve, replace, care for and operate any and all real property, together with appurtenances, fixtures, all rights and privileges, and other possessory or use interest in land, facilities, and roads and streets which may be conveyed to, or made available for use by the Association, the Declarant of the project, or by any other person, firm, corporation or entity, or belonging to, or made available for, the Association, for the use, enjoyment, health, safety and welfare of the owners of said lots and the residents within said project.

All such real property together with appurtenances, fixtures and improvements thereto, personal property, fixtures, rights and privileges, including riparian rights, and other possessory or use interests in land or facilities owned by, belonging to, or made available for, the Association shall be treated, except as otherwise specifically in the By-Laws provided, as common areas and facilities of Dogwood Lakes project for purposes of managing, controlling, repairing, replacing, preserving, caring for,

operating and otherwise dealing with for the use, health, safety, and welfare of the owners of those lots and the residents within the project as herein provided.

The costs and expenses of holding, owning, maintaining, managing, controlling, repairing, replacing, preserving, caring for and operating all common areas of Dogwood Landing Subdivision shall be "common expenses" and included in the budget for each fiscal year for the Association and all provisions of these By-Laws shall apply thereto.

ARTICLE XVI

Qualifications for Tax Exemption

No part of the net income, if any, or earnings of this Association shall inure to the benefit of any officer, member or director of the Association, or any other private individual either during the Association's existence or in the event of its dissolution. In the event of the dissolution of the Association for any cause or reason, any assets remaining after the payment of creditors, debts and other costs and expenses incident to the dissolution, shall be distributed, transferred, and paid over to such qualified association or organizations having purposes similar to those set forth in Article V of the Articles of Incorporation as shall be selected by the Board of Directors of the Association.

ARTICLE XVII

Contracts, Loans, Checks, Drafts and Deposits

A. Contracts: The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Association, and such authority may be general or confined to specific instances.

B. Loans: No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

C. Checks and Drafts: All checks, drafts or other orders for the payment of money, issued in the name of the Association, shall be signed by the President, and Secretary or Treasurer of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

D. Deposits: All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Board of Directors may select.

ARTICLE XVIII

Default

A. Enforcement of Lien for Assessments: In the event an owner does not pay any sums, charges, or assessments required to be paid to the Association by the due date, the Association, acting on its own behalf or through the Board, may enforce its lien for assessments, or take such other action to recover the sums, charges or assessments to which it is entitled, in accordance with the Declaration and the statutes made and provided or both.

B. Governmental Liens and Assessments: In the event that an owner fails to pay any tax or assessment lawfully assessed by any governmental subdivision within which the property is situated, by the date such tax or assessment is due, the Board may pay the same from the funds of the Association and specifically assess such owner for the amount paid.

C. Foreclosure: If the Association becomes the owner of a lot by reason of foreclosure, it shall offer said lot for sale and at such time as a sale is consummated, it shall deduct from the proceeds of said sale all sums of money due it for assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, funds necessary to discharge any liens or mortgages of record, and any and all expenses incurred in the resale of the lot, which shall include, but not be limited to advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the lot in question. All monies remaining after deducting the foregoing items of expenses, costs and other deductions shall be returned to the former owner of the lot.

D. Other Remedies: In the event of violation of the provisions of the Declaration, as the same are defined in the Declaration, for thirty (30) days after notice from the Association to the lot owner to correct such violation, the Association, on its own behalf or by and through its Board of Directors, may bring appropriate action to enjoin such violation or may enforce the provisions of the Declaration, or may sue for damages, or take such other course of action, or other legal remedy as it or they may deem appropriate.

E. Legal Costs: In the event any legal action is brought against an owner and results in a judgment for the Association, the owner shall pay the Association's reasonable attorney fees, costs of collection, and court costs.

F. Intent: Each owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and other violations regardless of the harshness of the remedy available to the Association and regardless of the availability of the other equally adequate legal procedures. It is the intent of all owners of lots to give to the Association a method and procedure which will enable it at all times to operate on a business-like basis, to collect these monies due and owing it, and to preserve each owner's right to enjoy his lot, free from unreasonable restraint and nuisance.

ARTICLE XIX

Rules and Regulations

In addition to the other provisions of these By-Laws, any Rules and Regulations adopted by the Board, together with any subsequent changes, shall govern, to the extent not inconsistent with these By-Laws and the Declaration, the use of the lots and the common areas and facilities and the conduct of all owners, residents and guests. Such Rules and Regulations shall be subject to such changes, additions, or amendments as may be deemed appropriate by the Board.

ARTICLE XX

Joint Ownership

Membership may be held in the name of more than one owner. In the event ownership is in more than one person, all of the joint owners shall be entitled collectively to only one vote, voice or ballot in the management of the affairs of the Association, and the vote may not be divided between plural owners. The manner of determining who shall cast such vote shall be as set forth in Article III, Section I.

ARTICLE XXI

Indemnification

The Association may indemnify any person made a party to an action, by or in the right of the Association to procure a judgment

in its favor by reason of his being or having been a director or officer of the Association, against the reasonable expenses including attorney's fees actually and necessarily incurred by him in connection with an appeal therein, except in relation to such matters as to which such director or officer is adjudged to have been guilty of gross negligence or misconduct in the performance of his duty to the Association.

ARTICLE XXII

Amendments

These By-Laws may be amended in the following manner: An amendment or amendments may be proposed by the Board of Directors of the Association acting upon a vote of a majority of the directors or by a majority of the members of the Association entitled to vote, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to these By-Laws being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a Special Meeting of the members of the Association for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt by him of the proposed amendment or amendments. It shall be the duty of the Secretary to give each member written or printed notice of such Special Meeting, stating the time and place thereof, and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed not less than fourteen (14) days nor more than thirty (30) days before the date set for such Special Meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail addressed to the member at his Post Office address as it appears on the records of the Association, the postage thereupon prepaid. Any member may by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of notice to such member. At the meeting, the amendment or amendments proposed must be approved by an affirmative vote, in person or by proxy, of a majority of the members having voting rights in order for such amendment or amendments to become adopted. Any such amendment or amendments so passed shall not become operative unless set forth in an Amended Declaration duly recorded in the Office of the Registry of Deeds for Pender County. All owners shall be bound to abide by any such amendment or amendments when the adopted amendment or amendments are duly recorded in the form of an Amended Declaration.

Notwithstanding any other provision of this Article XXII, no amendment or amendments may be adopted which would in any way alter, amend or effect Articles XV and X of these By-Laws without unanimous approval and vote of all members entitled to vote, and no amendment or amendments shall be adopted which would operate to impair or prejudice the rights and/or liabilities of any mortgagee or lender secured by an lot.

ARTICLE XXIII

Construction

Should any of the covenants or provisions herein contained or imposed be void or be in conflict with the requirements of the General Statutes of the State of North Carolina, or be or become unenforceable at law or in equity, the remaining provisions of this instrument shall, nevertheless, be and remain in full force and effect.

Wherever the masculine, singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the text so require.

The foregoing were adopted as the By-Laws of Dogwood Lakes Owners Association at an annual meeting of the membership held on November 30, 2007.

DOGWOOD LAKES OWNERS ASSOCIATION, INC.

ARCHITECTURAL DESIGN GUIDELINES
PACKAGE & APPLICATION

Revised November 20, 2007
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I. Preface

A. Purpose of Design Guidelines

The objectives of these Design Guidelines is to create a comprehensive set of standards which will allow for the orderly and cohesive development of Dogwood Lakes and are in addition to the Dogwood Lakes Owners Association, Inc. Protective Covenants. These Guidelines are to be used by a property owner, builder or developer as a tool to build a community that is consistent with the stated goals. These Guidelines will help insure the community will mature into one which provides for a high quality of living as well as one in which property values are protected.

The Guidelines establish criteria for architectural design, site improvements, and landscaping. They establish the process for review of proposed construction and modification of existing structures. The intent is to allow the owner flexibility in expressing individual taste within the framework of community standards.

Dogwood Lakes is a single-family residential neighborhood.

B. Architectural Review Committee

The Architectural Review Committee (ARC) has been established to administer the Design Guidelines. It is comprised of three members appointed by the Board of Directors of Dogwood Lakes.

II. THE FEE SCHEDULE

A. Construction Bond

A refundable construction bond in the amount of \$2,000.00 made payable to Dogwood Lakes Owners Association, Inc. by the general contractor is required prior to the start of any residential construction. This bond is placed in a non-interest bearing account and refunded, without interest, within five business days of final inspection and approval of construction by the ARC. All or part of the bond may be retained as determined by the ARC representative, to rectify non-compliance.

B. Architectural Review Fee

A \$300 review fee must be submitted to the Dogwood Lakes Owners Association, Inc. at the time construction documents are submitted for review. This fee will be refunded if plan is not approved.

III. APPROVAL OF BUILDERS

Builders building homes in Dogwood Lakes must be licensed North Carolina contractors and approved by the Dogwood Lakes Architectural Review Committee.

IV. THE DESIGN PROCESS

To meet the development objectives of Dogwood Lakes, owners must follow a comprehensive design process. This process began with the development of the community's plan concept, and continues with development improvements.

The property owner must thoughtfully consider the integration of each site and house design. The sum of the site and house (the parts) will help to shape the image and characters of the community.

A. Site Visit, Analysis and Survey

1. Following a complete tour and orientation of the property, each owner must visit the site and conduct a visual survey of the setting, the immediate surroundings, and the broader environment. If design professions are involved, they should also be participants in this orientation process. It is imperative that all designers fully understand the particulars existing at each site and its context.
2. A site analysis is required for each lot. This must include parts of the surrounding areas and take into account the potential impact of building site from key advantage points, including neighboring lots. Elements of the site analysis are to be incorporated into the site plan and should include the following:
 - 1 A tree survey indicating the location of existing 6" or larger caliper pine trees and 3" and larger caliper hardwoods, indicating species. **(Home sites are not to be clear cut.)**
 - 2 Descriptions of special or unusual features on or adjacent to the site, e.g., ponds, trails and buffers.
 - 3 To assist with the site analysis, it is recommended that a thorough survey of land form (topography) and vegetation be prepared. The survey should provide sufficient detail to allow careful attention to all environmental issues.

Refer to Appendix A, Required Construction Documents, for other required site analysis requirements.

B. Building Design Guidelines

Creative and sensitive architectural solutions are encouraged to complement each site, to express the design concept of individual property owners, and to contribute to the property as a whole.

1. Forms

Steeply pitched roofs and generous overhangs are recommended. Height and profile should be determined by a particular lot setting (open fields- low profile; heavily wooded lots- high profile.) Massing should be scaled to the site again recognizing the surroundings.

2. Space

High ceilings are desirable with well developed inside-outside relationships.

3. Siting

Integration of grounds, drives, parking and gardens is essential. House, courtyards, porches, greenhouses, service yards and support buildings should create a unified design solution. Refer to the protective Covenants or appropriate amendment for the specific impervious surface limitation for each lot.

4. Detailing

Detailing of structures in Dogwood Lakes must give proper consideration to the architectural style being used, the construction technology available and the environment of the Carolina coastal plain. The environmental considerations would include the hot summer sun, heavy seasonal rains, high humidity and salt content in air, prevailing seasonal breezes, cold winter winds off open areas, soil characteristics, and the occasional tropical storm or hurricane.

5. Building Size

For information regarding building size, refer to Dogwood Lakes Owners Association, Inc. Protective Covenants.

6. Exterior Elevations

Materials used and construction techniques employed shall be primarily those that are typical to the Carolina Coastal plain. Low maintenance materials are encouraged. Roof colors and textures and exterior wall materials should be compatible with the setting and elevations materials.

Approved Siding Materials	Approved Window and Trim Materials
Brick	Wood, Painted or Stained
Stone	Aluminum Clad Wood Windows
Hardiplank	Vinyl Clad Wood Windows
Wood Siding	Vinyl Windows
Alternative Siding approved by ARC	Vinyl Trim

Vinyl and or aluminum boxing will be considered on a case by case basis.

shall determine the appropriateness of exterior materials and colors for all construction.

7. Roofs, Gutters and Downspout

Roof material may include cedar shakes, asphalt shingles (25-year architectural is the minimum), tile, simulated slate, slate or standing seam metal. Standard three-tab asphalt singles are not permitted. Colors that are compatible with the elevations and surroundings should be used. Roof vents and accessories should be located on the part of the roof unseen from the right-of-way, and must be painted to match the roof color. Gutters shall match the exterior wall trim or be copper. Gutters are required on all homes. Flue pipes shall be cased in a chimney enclosure that matches exterior materials.

8. Porches

Common use of porches is encouraged. They can be screened or glassed, providing inside and outside transitions.

9. Patios, Terraces and Decks

Outdoor, uncovered living areas should be constructed with materials and colors that are compatible with the exterior materials and detailing of the house. Railings should be consistent with the architectural character of the house. Patio and terrace surfacing materials should be concrete, stone, or pavers.

10. Garages

Side loaded or rear loaded attached garages are preferred. Front loaded garages will be considered on a case by case basis. Their presence on the front facade must be minimized. For example, the front plane of the front loaded garage can be set back from the plane of the main house front elevation. Garage doors on front loaded garages should include panels, trim, ect., to enhance their appearance from the right-of-way. Carriage style garage doors are preferred.

11. Entry

The primary front entrance should be emphasized with a sense of prominence that distinguishes it from other entrances. It should be sheltered on the exterior and have prominent single or double doors and detailing that is consistent with the house style.

12. Floor Level

The ground elevation should be sufficient to accentuate design, accommodate raised foundation and plant beds while providing positive drainage away from structure.

13. Lighting

Illumination of surfaces such as walls, walkways, and decks is permissible; however, lighting sources shall not be directly seen. Flood lights are restricted to the rear of the house.

14. Fences and Walls

Fences and walls should be compatible with the architectural style of the house and should be used primarily for screening and defining outdoor space. Walls, fencing or landscape materials are required to screen HVAC equipment and trash receptacles. Perimeter fencing around the entire lot is not permitted. Walls and fences should maintain a reasonable scale to the house and not block desirable views and vistas or negatively impact adjacent lots. Walls should be built of the same material and color as the house exterior. Chain link or welded wire fencing are not allowed. Pet pens, dog runs, ect. must be opaquely screened from adjacent right-of-way and lots and are subject to approval by the ARC prior to construction. **All fencing must be approved by the ARC prior to construction.**

15. Additional Special Requirements

The open storage of boats, trailers, campers, RVs and other vehicular-type equipment is prohibited in Dogwood Lakes.

Site Design Guidelines**1. Setback Requirements**

Side setbacks - minimum 10' between structures. The front and side setbacks are flexible and will be considered in relationship to surrounding houses and subject to the approval by the ARC prior to construction.

2. Clearing and Grading

Removal and /or damage to existing trees should be minimized.

Site grading of a specific lot shall be kept to a minimum and alterations to existing drainage systems shall be avoided. If erosion control cannot be managed, silt fencing will be required. Any necessary grading shall maintain a natural appearance. Drainage away from structure must be provided.

3. Utilities

All utility services at Dogwood Lakes have been placed underground. Above ground transformers, junction boxes, HVAC and electric meters should be screened with fencing or plantings as needed. Exterior television and radio

antennas are not permitted. Satellite dishes, solar collectors or other utility structures must be approved by the ARC on an individual basis and in all approved cases must be screened.

4. Driveways

All lots, including corner lots, on or contiguous with a cul-de-sac street must connect a driveway with the cul-de-sac. Any exception to this must be approved, in writing, by the DECLARANT.

No driveway can be closer than 30 feet to a street intersection as measured from the right-of-way line to the edge of the driveway. A minimum of 3 feet should be provided between the property line and edge of pavement for plantings or fencing. Driveway materials may consist of concrete, stamped concrete, colored concrete in the earth tone colors, pea gravel concrete, oyster shell concrete, brick pavers, exposed aggregate. Reinforced poured concrete drive should have a maximum thickness of 4 inches.

5. Fences

Privacy fences and fencing used for screening is allowed. The finished side of fences must always face out from the lot. Maximum height for any fence is six feet. Wood, wrought iron or anodized aluminum are allowable materials. Dark colors are preferred for fences made out of metal. **Chain-link or welded wire fencing is not allowed on residential lots. All fencing must be approved by the ARC prior to construction.**

6. Walls

Walls may be constructed of brick or stucco over concrete block. If the house is brick, the bricks in the wall should match. The maximum height of all walls is six feet. Retaining walls may be constructed of brick, stucco over block, and pressure treated timber. All walls must be approved by the ARC prior to construction.

7. Mailboxes

All neighborhood mailboxes and paper boxes will be determined by the Architectural Review Committee. No individually designed boxes are allowed. Mailboxes to be provided by the builder.

8. Pools

The ARC will review all pools on an individual basis. Pool and equipment enclosures must relate architecturally to the house and other structures in its placement, materials and detailing. No above ground pools or inflatable bubble covers will be allowed.

9. Recreational Vehicles

No truck or other vehicles in excess of a one (1) ton load capacity, boat, vessel, motorboat, recreational vehicle, camper, trailer, habitable vehicle, motor or mobile home, or similar type vehicle or apparatus shall be parked or kept overnight or longer, on any street or on any lot unless it is stored in an enclosed garage and is not visible to persons on other lots, street, or recreational area.

10. Site Lighting

All proposed site lighting shall be detailed on the landscape Plans. Exterior lighting including security lighting will not be permitted when it would create nuisance to the adjoining property owner. Colored lights are prohibited. Low voltage and 120 volt systems are permitted.

11. Construction Signs

Size and placement of signs are regulated by the Dogwood Lakes Homeowners' Association Protective Covenants.

12. Irrigation

The design for irrigation systems must be approved by the ARC. The irrigation system must be tied into the community water system, shallow irrigation wells are prohibited. Irrigation systems are recommended for maintaining lawn and landscaped areas, and promoting a healthy, green appearance throughout the neighborhood. Irrigation systems should be zoned according to available water pressure. Irrigation heads should be designed to direct water away from houses, walls, fences, sidewalks, driveways, and public roads. In order to prevent payment of sewer charges on municipal water used for irrigation, an additional meter can be placed on each home site's water service line. Contact the water department to have a separate meter installed. Drip and soaker line irrigation around the house is required to prevent staining on structure.

13. Plantings

Imaginative landscape design that solves the functions of screening, color, textures, and the enhancement of architecture sets the standard for a high quality community. Plantings should sufficiently screen utility areas, break up the foundation of the building, buffer driveways and parking areas adjacent to property lines and provide cover for areas disturbed during construction. Plants for screening should be appropriate and of sufficient size and spacing to ensure and adequate buffer within a year or two. Foundation planting should screen any foundation or crawl space under house or decks.

Turf or Grass Sod

- 1 Required for all home sites to the back corners of the home, as well as the area between side walks and curbs.
- 2 Home sites with a sidewalk along the street must place 419 Bermuda or Centipede or St. Augustine in the area between the sidewalk and the curb at the time the landscape installation is performed.

419 Bermuda - Recommended
 Centipede – Recommended
 St. Augustine – Recommended

V. THE REVIEW PROCESS

All plans for new residential construction, and for additions, alterations and renovations to existing houses and lots must be reviewed by the Dogwood Lakes Architectural Review Committee (ARC). Refer to the Design Review Process Flow Chart, included at the end of this section, for a graphical synopsis of the steps described below. Forms listed below, to assist with submittals and reviews, can be found in Section VII.

A. Conceptual Review/Preliminary Conference

Before submitting plans to the ARC it is recommended that the property owners, builders, and architects request a preliminary conference. During this conference, which is optional, applicants may present design ideas, as well as special conditions or hardships. The purpose of this conference is to communicate the applicant's intent to build or alter, as well as to provide a forum for answering any questions the applicant may have concerning these guidelines.

B Plan Submittal and Review

Two sets of construction documents, a completed **Form One** (review/Construction Application), **Form Two** (Architectural Detail Sheet) and \$300.00 review fee made payable to Dogwood Lakes, LLC, and a \$2,000.00 Construction Deposit, a \$3,500.00 Surf City water impact fee and a \$3,500.00 Surf City sewer impact fee should be made payable to Dogwood Lakes Owners Association, Inc., and should be submitted at the time of review. In order to allow an adequate review period, applications must be received by 5:00 p.m. on the Friday prior to the next scheduled ARC meeting.

NOTE: Plans received after this time will be deferred to the next meeting cycle.

Required construction documents are listed in Appendix A.

Applicants will receive written notification of the ARC's decision within

seven working days of the ARC meeting. If approved, the applicant will receive notification of the approval with a set of plans bearing the ARC's approval. If the plans are not approved or are approved with conditions, the applicant will be notified as to the reason or denial or conditions. Applicants are invited to contact the ARC Chairman to discuss plan changes necessary to gain ARC approval. ARC approval is valid for twelve months from the date of applicant notification.

C. Site Inspection and Preliminary Stakeout

A site inspection of the house corner stakeout by the ARC is required before clearing. The purpose of this inspection is to ensure compliance with the approved plans, as well as to evaluate impact on adjacent lots, common areas, golf courses, tree preservation, wetlands, drainage, ect. The owner shall clearly stake the property corners and proposed house corners. **All trees to be saved shall be flagged individually or in groups. No site work, tree removal, plant removal, clearing, or excavating shall be permitted on any Doogwood Lakes lot prior to Lot Owner receiving written approval for this work by the Dogwood Lakes ARC Committee. If this requirement is violated, the Lot Owner may be fined up to \$5000.00. The property owner is responsible for any violation by his builder or other party.**

D Changes During Construction

If changes to an approved plan become necessary during construction, **Form Three** (Application to make construction or design change) should be submitted to the ARC. The review process for these requests will be the same as that for new construction. However, minor changes to an approved plan may be approved by the ARC Chairperson in lieu of a full ARC review. The committee chairperson will determine if the change warrants full ARC attention, if the change is not deemed of a minor nature. The applicant will be notified within three working days of meeting with the ARC chairperson as to approval, disapproval, or deferral. **Unauthorized exterior change is automatic forfeiture of architectural deposit and fines will be levied.**

E. Final Inspection

To confirm plan compliance, a final inspection will be conducted by an ARC representative following completion of all planned construction and landscaping. Submit a completed **Form Four** (Request for Final Inspection/Deposit Refund).

Landscaping must be completed at the time of certificate of occupancy issuance.

VI. THE CONSTRUCTION PHASE

In order to maintain attractive surroundings and to promote a safe environment for residents and guests, the following guidelines have been developed for Dogwood Lakes to control contractor activities during the construction phase.

A. General Regulations

1. Time Limit of the Construction Phase

All construction on a particular property must be completed within a twelve-month period, commencing with the initial clearing of the lot. Approved landscaping construction must be completed at the time of issuance of a certificate of occupancy.

2. Builder Requirements

All builders of residences in Dogwood Lakes must be licensed by the State of North Carolina. A North Carolina Residential Builders License is the Minimum licensing requirement.

3. State and Local Code Compliance

All construction must comply with Federal, State, and local laws, codes, and ordinances.

4. Construction Entrance

A gravel construction entrance must be provided and maintained in each lot during the construction period accompanied by any other necessary erosion protection in order to keep erosion material from entering the street.

5. Signage

The general contractor may post the standard identification sign and permit sign on lots during the construction phase. **Signs shall not be attached to any tree.**

6. Construction Parking

Parking on sidewalk or landscaped right-of-way is not allowed. Parking is allowed on the lot or on the street pavement in front of lot.

7. Working Hours

Working hours for all construction hours shall be restricted to the following hours:

Monday through Saturday:	7:00a.m. until dark
Sunday:	noon until dark
Holidays:	Only quiet work inside of house

8. Conduct of Workers

The conduct of workers is the ultimate responsibility of the general contractor. Loud vehicles, radios, ect., or any other machine that is not directly related to construction activities that can disturb residents, will not be tolerated. The posted speed limits must be observed by all workers, including subcontractors and vendors.

B. **Before Construction**

1. Plan Approval and Site Inspection.

No lot clearing or other construction activities may begin until the ARC has approved all plans, and a **Form One** (Review/Construction Application) has been approved.

2. Permits, Fees, and Fines

Contractors are responsible for obtaining required building permits and paying associated fees prior to commencing construction.

Violation of the ARC standards will result in the following fines to the property owner.

Violation	Fine
Littered Site	\$50.00
Cleaning paint brushes or dumping of any refuse materials on any lot other than the subject lot.	\$50.00
Construction equipment or material on adjacent property	\$100.00
No temporary sanitary facility	\$50.00
No contained trash receptacle	\$100.00
Non-conforming signs	\$100.00
Damage to natural areas	\$2,500.00
Burning with out a permit	\$500.00
Unauthorized clearing of lot	\$5,000.00
Unauthorized removal of trees	\$1,000.00
Unauthorized plan change (minor)	\$200.00
Unauthorized plan change (major)	\$500.00
Unauthorized exterior finishes (e.g., paint, stain, roofing materials or design)	Forfeit of construction bond plus hold on future permits

Each building site is required to provide at least one toilet for the use of workers. It must be located no closer than 15 feet from any street. The door must face away from the street and any existing residence(s). An enclosed trash receptacle is required for each job site and set back a minimum of 25 feet from any street. Temporary power poles must be installed plumb and shall not be used for posting signage.

Silt fences and other erosion control devices should be installed before initial grading. Pipes shall be installed in road swales to maintain flow at the construction entrance to the lot. Construction office and storage trailers or buildings must be approved by the ARC.

4. Tree Protection

The existing trees on the site are one of the community's most valuable assets. All hardwoods with 4 inch caliper and greater and all pines with a 6 inch caliper and greater are considered protected and must not be damaged during construction.

C. During Construction

1. Site Maintenance

The general contractor must ensure that the job site is maintained in a neat and clean condition at all times. All materials and construction equipment must be stored within the lot boundaries in a contained areas or container. Adjacent lots or common space may not be used for parking. Vehicles parked on the street during construction activities shall not obstruct traffic flow. Washing of vehicles, including concrete trucks shall occur on site, not in the street. Excess concrete and/or paint must not be dumped on adjacent lots, common areas or right-of-ways.

2. Sedimentation and Erosion Control

Streets shall be kept clear of mud, silt and construction debris from construction traffic. Sedimentation and erosion control devices shall be continuously maintained throughout the construction, to ensure its proper function.

D. After Construction

Clean-up

Upon substantial completion of daily construction activities, all debris shall be removed from the site and surrounding areas, and properly disposed. All job sites shall be thoroughly cleaned daily.

FORM ONE

Submit with plans.

DOGWOOD LAKES OWNERS ASSOCIATION, INC.**Review/Construction Application**

Date Prepared: _____ Date Received: _____

Lot: _____ Section: _____

Owner: _____ Telephone: _____

Contractor: (Name, Address, Telephone and License Number): _____

Plan Review Fee: () \$ 300.00

Construction Deposit: () \$ 2,000.00

Surf City water impact fee: () \$ 3,500.00

Surf City sewer impact fee: () \$ 3,500.00

Agreement: I hereby agree that I have read the Design Guidelines for Dogwood Lakes and will fulfill the construction contract in accordance with the final approved construction documents. I will not make unauthorized changes without the approval of the Architectural Review Committee.

I understand that my construction deposit may be used to make corrections for unauthorized work, to move site clutter, or repair streets, trees or road shoulders damaged by my personnel.

Signed: Contractor_____
Date_____
Approved: Architectural Review Committee Date
Representative

Return to: Dogwood Lakes Owners Association, Inc.
PO Box 1928
Mount Airy, NC 27030
336-786-1356
336-786-8398 fax

DOGWOOD LAKES OWNERS ASSOCIATION, INC.
APPROVED BUILDER APPLICATION

Name: _____ Title: _____

Company: _____ Federal ID#: _____

Address: _____ Office Phone: _____

Check One: Corporation ☐ Partnership ☐ Sole Proprietor ☐ Other: _____

Contractor's License #: _____ State: _____ County: _____

Superintendent's Name: _____ Phone: _____

PLEASE LIST ALL CORPORATION OFFICERS

Name

Chairman: _____

President: _____

Vice President: _____

Secretary: _____

Treasurer: _____

Other: _____

PLEASE LIST THREE SUPPLIER/SUBCONTRACTOR REFERENCES

Company	Contact	Phone #
_____	_____	_____
_____	_____	_____
_____	_____	_____

PLEASE LIST CURRENT FINANCIAL REFERENCES
(Bank Accounts and Construction Loans)

Lender	Contact	Phone #
_____	_____	_____
_____	_____	_____

PLEASE LIST SUBDIVISIONS WHERE YOU ARE PRESENTLY BUILDING OR HAVE
BUILT
(Attach photographs if available)

Subdivision	Model (attach brochure)	Price
_____	_____	_____
_____	_____	_____
_____	_____	_____

By signing below the authorized agent authorizes Dogwood Lakes Owners Association, Inc. to use the above information and investigate the firm or individuals as necessary and prudent.

Signature: _____ Title: _____ Date: _____

FORM TWO**DOGWOOD LAKES OWNERS ASSOCIATION, INC.****Architectural Detail Sheet**

Lot# _____ Section# _____ Initial Submittal Date _____
 Owner _____ Re-submittal Date _____
 Telephone# _____ Building Permit # _____
 Deposit received/date _____ Deposit _____
 refund/date _____

GENERAL INFORMATION

Heated _____ sq.ft. Porches _____ sq. ft.
 Garage _____
 Decks _____ sq. ft. Impervious Surface _____ sq. ft.
 Other _____ sq. ft. Specify area(s) _____
 Architect: _____ Phone # _____
 General Contractor _____ Phone # _____

SPECIFICATIONS:

<u>ITEM:</u>	<u>MATERIAL</u>	<u>COLOR</u>	<u>MANUFACTURER</u>
Roof	_____	_____	_____
Siding	_____	_____	_____
Trim	_____	_____	_____
Shutters	_____	_____	_____
Windows	_____	_____	_____
Front Door	_____	_____	_____
Garage Door	_____	_____	_____
Chimney	_____	_____	_____
Driveway	_____	_____	_____
Foundation	_____	_____	_____
Other	_____	_____	_____

DECLARATION: By signing and submitting this application, the owner agrees that he has read the Dogwood Lakes Owners Association, Inc. Protective Covenants, the Dogwood Lakes Design Guidelines and agrees to conform with all provisions contained therein as they pertain to this application.

Owner further stipulates and agrees that the terms of this application and agreement shall be binding upon the owner(s), their heirs, successors and assigns, agents, employees, including but not limited to, contractors, subcontractors, and vendors.

Owner has been informed that the Architectural Review Deposit will be held in the Dogwood Lakes Owners Association, Inc. general operating account.

Owner's Signature _____

Date _____

(for Architectural Committee use only)

PLANS SUBMITTED:

- | | |
|-----------|-----------|
| 1.) _____ | 2.) _____ |
| 3.) _____ | 4.) _____ |

FORM THREE

DOGWOOD LAKES OWNERS ASSOCIATION, INC.

Application To Make Construction or Design Change

Date Submitted: _____ Date Received: _____

Lot #: _____ Section: _____

Owner: _____ Telephone #: _____

Signed: _____

For use by ARC:

Change Approval Date: _____

Comments: _____

Signed: _____ Date: _____
Architectural Review Committee Representative

Return to: Dogwood Lakes Owners Association, Inc.
PO Box 1928
Mount Airy, NC 27030
336-786-1356
336-786-8398 fax

FORM FOUR**DOGWOOD LAKES OWNERS ASSOCIATION, INC.****Request for Final Inspection/Deposit Refund**

Date Prepared: _____ Date Received: _____
Lot: _____ Section: _____
Owner: _____ Telephone: _____
Requested Date for Inspection: _____

I certify that construction has been completed and that all work done conforms to State, County, and local codes, and meets DOGWOOD LAKES standards as approved.

Signed: Contractor _____ Date _____

Deposit Returned { } Amount: _____

Deposit Withheld { } Amount: _____

Comments: _____

Signed: _____ Date: _____
Architectural Review Committee Representative

Return to: Dogwood Lakes Owners Association, Inc.
PO Box 1928
Mount Airy, NC 27030

336-786-1356
336-786-8398 fax

APPENDIX A Required Construction Documents

Site Plan to Scale 1"=20'- to include:

- 1 Footprint of structure, setbacks, driveway, sidewalks, decks, patios and any other permanent improvements including driveway swale crossings to be 12" reinforced concrete pipe
- 2 Drainage concept- flow direction including existing and proposed finish grades
- 3 Minimum setbacks: Front 15', Side 10', Back 20'
- 4 Calculate the impervious surface coverage

Floor Plan to Scale 1/4"=1'

Building Elevation to Scale of 1/4" =1'- 0" or Greater Showing:

- 1 Front, rear, right and elevation with compass orientation indicated
- 2 Terraces, walls, decks, vents, (roof and foundation), screens for trash and HVAC compressors
- 3 Any hidden elevation not shown in other drawings
- 4 Finish floor elevation on each drawing with proposed finish grade line against elevation
- 5 Fascia, trim, and handrail details, window and door types
- 6 Materials and finishes for all surfaces

Landscape Plan at a Scale of 1"=20' Showing:

Preliminary landscape plans must be submitted at the initial ARC review.
(Minimum size of plantings shall be three gallons.)

- 1 Outline of all structures and site elements shown on the Site Plan
- 2 Existing trees and vegetation to be preserved
- 3 Outline of proposed tree and shrub locations showing circular symbols indicating mature spreads, lawn areas, ground cover and seasonal color areas with quantities and names indicated
- 4 Plant list showing quantity common name, root (B & B or container), tree caliper and height, shrub container size, ground cover container size and spacing, turf (sod, seed, plug) (minimum plant size shall be three gallon)
- 5 Natural or mulched areas and any hardscaped elements (arbors, trellis, fences, walls, stepping stones, ect.)
- 6 Location of any proposed landscaped lighting indicating fixture type, bulb type and bulb wattage
- 7 Irrigation plan showing head types and layout, piping, valves and controllers
- 8 Show drainage plan
- 9 Final landscape plans must be submitted to the ARC by the time the house is dried in