

**THIRD AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
PINWILD COUNTRY CLUB OF PINEHURST**

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**THIRD AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF PINEWILD COUNTRY CLUB OF PINEHURST**

THIS THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made effective as of April 1, 2002 pursuant to Section 4.1 of the Declaration of Covenants, Conditions and Restrictions dated December 8, 1987, as amended, and recorded in Book 583 at Page 156 of the Registry of Deeds of Moore County, North Carolina.

WITNESSETH

WHEREAS Pinewild, Inc. (hereinafter the “Declarant”) subjected certain real property situate in the Township of Mineral Springs, County of Moore, State of North Carolina, set forth in a description thereof recorded in Book 583 at Pages 202 to 204 of the Registry of Deeds of Moore County, North Carolina and further described as the Phase One Property and the Phase One-A Property to that certain Declaration of Covenants, Conditions, and Restrictions of Pinewild Country Club of Pinehurst dated December 8, 1987 and recorded in Book 583 at Page 156 of the Registry of Deeds of Moore County, North Carolina (hereinafter the “Original Declaration”);

WHEREAS Pinewild Project Limited Partnership as the successor in interest to Declarant amended the Original Declaration, pursuant to that certain Amendment and Incorporation of Declaration of Covenants, Conditions, and Restrictions dated August 31, 1990 and recorded in Book 742 at Page 35 of the Registry of Deeds of Moore County, North Carolina, *inter alia*, to subject certain additional real property situate in the Township of Mineral Springs, County of Moore, State of North Carolina, set forth in a description thereof recorded in Book 742 at Pages 45 to 46 of the Registry of Deeds of Moore County, North Carolina and further described as the Phase Two Property to the Original Declaration;

WHEREAS Pinewild Project Limited Partnership as successor in interest to Declarant further amended the Original Declaration, pursuant to that certain Second Amendment to Declaration of Covenants, Conditions, and Restrictions dated August 22, 1994 and recorded in Book 1039 at Page 494 of the Registry of Deeds of Moore County, North Carolina, *inter alia*, to subject certain additional real property situate in the Township of Mineral Springs, County of Moore, State of North Carolina, described in plats recorded in Plat Cabinet 5 at Slide 539, Plat Cabinet 5 at Slide 540, Plat Cabinet 5 at Slide 622, Plat Cabinet 5 at Slide 623, Plat Cabinet 5 at Slide 776, Plat Cabinet 5 at Slide 814, Plat Cabinet 5 at Slide 815, Plat Cabinet 5 at Slide 816, and Plat Cabinet 5 at Slide 818 of the Registry of Deeds of Moore County, North Carolina and further described as the Phase Three Property;

WHEREAS Pinewild Project Limited Partnership as successor in interest to Declarant owns certain real property situate in the Township of Mineral Springs, County of Moore, State of North Carolina, described in a map thereof attached hereto as **Schedule A** and incorporated herein by this reference and further described as the Phase Four Property;

WHEREAS Pinewild Project Limited Partnership as successor in interest to Declarant owns certain real property situate in the Township of Mineral Springs, County of Moore, State of

North Carolina, described in plats recorded in Plat Cabinet 5 at Slide 521 of the Registry of Deeds of Moore County, North Carolina and further described as the Phase Five Property;

WHEREAS, for the efficient preservation, protection and enhancement of the community as well as to provide for the maintenance of all Common Elements, the Pinewild Maintenance Corporation d/b/a the Pinewild Property Owners Association (hereinafter the “Association”) was incorporated as a nonprofit corporation on January 19, 1988 for the purpose of exercising and performing the aforesaid functions and to which was delegated and assigned the powers of owning, maintaining, and administering the Common Elements transferred to the Association pursuant to an instrument recorded in Book 1867 at Page 222 of the Registry of Deeds of Moore County, North Carolina, administering and enforcing the covenants, conditions, and restrictions set forth herein, and collecting and disbursing the assessments and charges hereinafter created;

WHEREAS the Owners desire (a) to ensure the continued attractiveness of the Pinewild community, to prevent any future impairment thereof, and to prevent nuisances thereon and thereto and (b) to preserve, protect, and enhance the Common Elements as well as to provide for the maintenance and upkeep of the Common Elements and, therefore, it is desired to subject the Phase One Property, the Phase One-A Property, the Phase Two Property, and the Phase Three Property, together with such additions as may hereafter be made thereto, to the covenants, conditions, restrictions, easements, charges, and liens hereafter set forth, each and all of which is and are for the benefit of the property owner thereof;

WHEREAS, although copies of the Architectural Review Board Policies and Procedures and the Bylaws of the Pinewild Maintenance Corporation—albeit subsequently amended and superceded—were attached for purposes of illustration to the Original Declaration as Schedules C and D thereto, copies of the current Architectural Review Board Policies and Procedures and the Bylaws of the Pinewild Maintenance Corporation shall be available to the Owners in the offices of the Association; and

WHEREAS, pursuant to Section 4.1 of the Original Declaration, the Owners adopted the amendment hereinafter set forth.

NOW, THEREFORE, the Owners did adopt the amendment hereinafter set forth on _____, 2002 to be effective as of April 1, 2002.

A. The (a) Declaration of Covenants, Conditions and Restrictions dated December 8, 1987 and recorded in Book 583 at Page 156 of the Registry of Deeds of Moore County, North Carolina, (b) Amendment and Incorporation of Declaration of Covenants, Conditions and Restrictions dated August 31, 1990 and recorded in Book 742 at Page 35 of the Registry of Deeds of Moore County, North Carolina, and (c) Second Amendment to Declaration of Covenants, Conditions and Restrictions dated August 22, 1994 and recorded in Book 1039 at Page 494 of the Registry of Deeds of Moore County, North Carolina are stricken in their entireties and the following is inserted in lieu thereof.

ARTICLE I DEFINITIONS

- 1.1 Aggregate Votes.** The term “Aggregate Votes” shall mean and refer to all of the Votes entitled to be cast hereunder by the respective Owners of all of the Lots as Members of the Association.
- 1.2 Annual Assessment.** The term “Annual Assessment” shall mean and refer to an assessment levied pursuant to Article 18 hereof and described therein as such.
- 1.3 Architectural Review Board.** The term “Architectural Review Board” shall mean and refer to a committee of not fewer than three (3) and not more than seven (7) individuals—such individuals to be Owners—designated and appointed by the Board to carry out the duties herein assigned to said Architectural Review Board and shall operate according to the policies and procedures established by the Architectural Review Board and approved by the Board. The members of the Architectural Review Board shall serve at the pleasure of the Board, and the chairman of the Architectural Review Board shall be appointed by the Board, and the chairman of the Architectural Review Board shall serve thereas at the pleasure of the Board.
- 1.4 Articles of Incorporation.** The term “Articles of Incorporation” shall mean and refer to the Articles of Incorporation of Pinewild Maintenance Corporation d/b/a the Pinewild Property Owners Association and amendments thereto as filed with the Secretary of State of North Carolina.
- 1.5 Association.** The term “Association” shall mean and refer to Pinewild Maintenance Corporation d/b/a Pinewild Property Owners Association, a North Carolina nonprofit corporation, its successors, and assigns.
- 1.6 Board.** The term “Board” shall mean and refer to a board of directors of natural individuals of the number stated in the Bylaws—all of whom shall be Owners—and that constitutes the Board of Directors of the Association that shall manage and administer the business, operations, and affairs of the Association on behalf of the Owners.
- 1.7 Bylaws.** The term “Bylaws” shall mean and refer to such governing regulations as are adopted for the regulation and management of the Association including such amendments thereof and thereto as may be adopted from time to time.
- 1.8 Common Elements.** The term “Common Elements” shall mean and refer to the common areas and facilities owned by the Association and dedicated to the common use and enjoyment of the Owners including, but not limited to, (a) real property—including, but not limited to, (i) gatehouses and entrances described in instruments recorded in Plat Cabinet 9 at Slide 35, Plat Cabinet 9 at Slide 37, and Plat Cabinet 9 at Slide 41 of the Registry of Deeds of Moore County, North Carolina, (ii) roads, streets, and railroad crossings, (iii) the maintenance area

described in instrument recorded in Plat Cabinet 9 at Slide 39 of the Registry of Deeds of Moore County, North Carolina, (iv) the mail box area described in instrument recorded in Plat Cabinet 9 at Slide 43 of the Registry of Deeds of Moore County, North Carolina, (v) the existing cemetery described in instrument recorded in Plat Cabinet 3 at Slide 388 of the Registry of Deeds of Moore County, North Carolina, (vi) the recreation area described in instrument recorded in Plat Cabinet 4 at Slide 136 of the Registry of Deeds of Moore County, North Carolina, (vii) the pond located on Lot 2364 and further described in instrument recorded in Plat Cabinet 5 at Slide 765 of the Registry of Deeds of Moore County, North Carolina, (viii) the pond located on Lot 2191 and Lot 3791 and further described in instrument recorded in Plat Cabinet 5 at Slide 547 of the Registry of Deeds of Moore County, North Carolina, (ix) the pond located between Lot 2424 and 2425 and further described in instrument recorded in Plat Cabinet 5 at Slide 321 of the Registry of Deeds of Moore County, North Carolina, and (x) the perimeter fence—situate in the Township of Mineral Springs, County of Moore, State of North Carolina, described in instrument recorded in Book 1867 at Page 222 of the Registry of Deeds of Moore County, North Carolina, (b) vehicles, (c) equipment, and (d) its ownership rights in and maintenance obligations for, as applicable and to the extent applicable, the roadsides, shoulders, drainage areas, landscaping, signs, piers, recreational sites (excluding the Golf Course Property and real property owned or retained by Declarant and his successors and assigns), maintenance buildings and equipment, storm sewer drains, and railroad crossings, and (e) comparable real property and personal property, tangible and intangible, related to real property annexed to the Existing Property—and thus brought within the jurisdiction of the Association—pursuant to the terms hereof.

- 1.9 Common Expenses.** The term “Common Expenses” shall mean and refer to the actual and estimated expenses of the Association incurred or anticipated to be incurred in providing for the acquisition, construction, management, maintenance, and care of the Common Elements and the Association’s obligations recited herein and further defined in Section 17.2 hereof.
- 1.10 Days.** The term “Days” shall mean and refer to a single solar day of twenty-four (24) hours; provided, however, that, if the time period by which any action required hereunder must be performed expires on a Saturday, Sunday, or legal holiday, then such time period shall be automatically extended to the close of business of the next regular business day.
- 1.11 Declarant.** The term “Declarant” shall mean and refer to Pinewild Project Limited Partnership, a Texas limited partnership, its successors and assigns in Pinewild Country Club of Pinehurst as shown on the filed plat and any Lots not sold or conveyed to Owners that are owned by Pinewild Project Limited Partnership if such successor or assign should acquire more than one undeveloped Lot from Declarant for the purpose of development.

- 1.12 Declaration.** The term “Declaration” shall mean and refer to the Declaration of Covenants, Conditions and Restrictions, as amended from time to time, as well as the amendments thereto set forth herein and any subsequent amendments thereto.
- 1.13 Declaration Plan.** The term “Declaration Plan” shall mean and refer to surveys and amendments thereto of (a) the Property showing the improvements erected on or to be erected thereon and (b) the Lots within or contiguous to the Property showing only the improvements erected, if any, at the time that the Original Declaration was recorded the Registry of Deeds of Moore County, North Carolina.
- 1.14 Existing Property.** The term “Existing Property” shall mean and refer to the Phase One Property, the Phase One-A Property, the Phase Two Property, and the Phase Three Property.
- 1.15 Foreclosure.** The term “Foreclosure” shall mean and refer to the exercise of the rights of the holder of any mortgage or other instrument creating a security interest in a Lot or Residence.
- 1.16 Golf Course Property.** The term “Golf Course Property” shall mean and refer to the real property owned by Declarant or his successors and assigns described in (a) instrument recorded in Book 1039 at Page 314 of the Registry of Deeds of Moore County, North Carolina and (b) other instruments recorded in the Registry of Deeds of Moore County, North Carolina in which such real property is so identified including, but not limited to, two (2) eighteen (18)-hole golf courses further described as the Holly Course and the Magnolia Course, one (1) nine (9)-hole golf course further described as the Azalea Course, and one (1) three (3)-hole golf course further described as the Challenge Course as well as all buildings, parking areas, driving ranges, and any other property related to or used by the golf course operations and the owner thereof.
- 1.17 Governing Documents.** The term “Governing Documents” shall mean and refer to the Declaration, the Bylaws, the Articles of Incorporation, all Supplemental Declarations, the Policies and Procedures, the Rules and Regulations, and any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement, and any of the above as may be amended from time to time.
- 1.18 Lease.** The term “Lease” shall mean and refer to all leases, subleases, and rental contracts.
- 1.19 Lot.** The term “Lot” shall mean and refer to any individual plot of land shown upon a recorded subdivision map of a portion of the Property, as recorded by Declarant, on file with the Registry of Deeds of Moore County, North Carolina. A Lot shall be intended for use as the site for not more than one (1) Residence. The term “Lot” as used herein also includes the Residence, if any, constructed thereon.

- 1.20 Majority.** The term “Majority” shall mean and refer to any number of Votes that is greater than fifty percent (50%) of the applicable votes.
- 1.21 Member.** The term “Member” shall mean and refer to every person or entity who holds membership in the Association. The ownership of each Lot shall entitle the Owner thereof to one (1) Vote in the Association. If more than one (1) Person owns an interest (other than a leaseholder or security interest) in a Lot, all such persons shall be Members; provided, however, that the voting rights appurtenant to a Lot shall be exercised as the Owners among themselves determine but in no event shall there be more than one (1) Vote with respect to a Lot.
- 1.22 Mortgage.** The term “Mortgage” shall mean and refer to a mortgage, a deed of trust, a deed to secure debt or any other form of instrument creating a security interest in a Lot or Residence.
- 1.23 Mortgagee.** The term “Mortgagee” shall mean and refer to any grantee in or holder of a Mortgage.
- 1.24 Non-Permanent Common Elements.** The term “Non Permanent Common Elements” shall mean and refer to passive recreational lands, such as natural areas, lands used for agriculture pasture or forestry lands reserved for the operation of water and waste water systems, and all lands retained for future dedication either as Lots or Common Elements or for water or sewer system usage. Declarant reserves the right to own and control the use of all Non-Permanent Common Elements including the right to lease or to convey such to the Association and to convey such to other Persons subject to this Declaration.
- 1.25 Owner.** The term “Owner” shall mean and refer to the one or more persons who hold the recorded title to any Lot but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is owned by more than one Person, however, all such Persons shall be jointly and severally obligated to perform the responsibilities of the Owner. The term “Owner,” if the singular form is used herein, shall include all Persons who hold the recorded title to any Lot.
- 1.26 Person.** The term “Person” shall mean and refer to natural person, a corporation, a partnership, a limited liability company, a fiduciary acting on behalf of another person or any other legal entity.
- 1.27 Policies and Procedures.** The term “Policies and Procedures” shall mean and refer to the design and construction guidelines and the application and review procedures applicable to the Property promulgated and administered by the Architectural Review Board as amended thereby—subject to the approval of the Board—from time to time.
- 1.28 Private Amenity.** The term “Private Amenity” shall mean and refer to certain real property and any improvements and facilities thereon located adjacent to, in

the vicinity of or within the Property and that is owned and operated, in whole or in part, by Persons other than the Association for recreational or other purposes. The use of the term “Private Amenity” shall not be construed to imply or to require a private club. Private Amenities may be operated on a daily fee, use fee, public, or private basis or otherwise, and may include, without limitation, any golf courses, so located and all related and supporting facilities and improvements. The Pinewild Country Club, which operates the Golf Course Property, is hereby designated as a Private Amenity.

- 1.29 Property.** The term “Property” shall mean and refer to the Phase One Property, the Phase One-A Property, the Phase Two Property, the Phase Three Property and any additions or replacements that may be brought within the scheme and jurisdiction of this Declaration and the Association pursuant to Section 2.2 hereof including, but not limited to, the Lots and Common Elements together with the buildings and all other improvements thereon and all easements and rights appurtenant thereto that are now or hereafter used in connection with the ownership and use of said real property and the improvements thereon.
- 1.30 Public Records.** The term “Public Records” shall mean and refer to the records available to the public in the respective offices of the Registry of Deeds and the Clerk of Superior Court of Moore County, North Carolina.
- 1.31 Regime.** The term “Regime” shall mean and refer to a section or portion of the Property—as designated by Declarant and determined by reference to plat maps filed by Declarant and recorded in the Registry of Deeds of Moore County, North Carolina—brought within the scheme of this Declaration as such for, *inter alia*, the levy of assessments upon the Owners of the Lots therein. The section or portion of the Property within a Regime shall consist of the Lots and the Common Elements therein that share similar characteristics and maintenance and operation expenses. The Annual Assessment for all unimproved Lots within a single Regime shall be in an identical amount and the Annual Assessment for all Lots upon which a completed Residence was erected within a single Regime shall be in an identical amount; provided, however, that different Regimes may, in the sole discretion of Declarant, maintain different levels of assessment due to the location of the Common Elements within the Regime or the usage thereof by the Owners of Lots within the Regime. Upon the transfer of the Common Elements associated with such Regime to the Association, however, the Association shall not be bound to the amount of the Annual Assessment levied thereon by Declarant and shall be entitled to adjust, restate, and recalculate the assessment applicable to the Regime to reflect the financial obligations of the Association.
- 1.32 Residence.** The term “Residence” shall mean and refer to a building erected on a Lot for use as a dwelling and any exterior steps, garage, parking space, patio, deck, driveway, balcony, storage facilities, terraces, verandas, and landscaping located on the Lot and the Lot upon which said building and improvements are located.

- 1.33 Rules and Regulations.** The term “Rules and Regulations” shall mean and refer to those reasonable rules and regulations governing the use of the Property adopted by the Association and amended and revised thereby from time to time and at any time.
- 1.34 Special Assessment.** The term “Special Assessment” shall mean and refer to an assessment levied pursuant to Article 18 hereof and described therein as such.
- 1.35 Utility Area.** The term “Utility Area” shall mean and refer to those tracts or parcels of the Property set aside by Declarant, at its sole option, for fire stations, maintenance buildings, and the installation of utility systems to serve the remainder of the Property. The utility systems shall include, but not be limited to, water, sewer, telephone, electricity and gas. The Utility Areas may be conveyed by Declarant to a municipality or to public utility companies that operate and maintain such systems. The Utility Areas shall be accessible by easements of ingress and egress reserved herein over the Property if not located on a public or private road.
- 1.36 Vote.** The term “Vote” shall mean and refer to the single vote entitled to be cast hereunder by the Owner of a Lot as a Member of the Association. Except for multiple Lots recombined in order to create a single tract and of which single tract a plat map was recorded the Registry of Deeds of Moore County prior to March 31, 2002, if multiple Lots are recombined in order to create a single tract in the records of the Registry of Deeds of Moore County, the Owner of the resultant tract shall be entitled to a Vote for each of the Lots so recombined.

ARTICLE II PROPERTY SUBJECT TO DECLARATION

- 2.1 Existing Property.** The Existing Property is and shall be held, transferred, sold, conveyed, and occupied under this Declaration and within the jurisdiction of the Association.
- 2.2 Additions to Existing Property.** Additional real property may be brought within the scheme of this Declaration and the jurisdiction of the Association in the following manner.

2.2.1 Annexation.

2.2.1.1 The annexation of any additional real property to the Property shall require the affirmative vote of at least sixty-seven percent (67%) of the Aggregate Votes at a meeting duly called and constituted for, *inter alia*, this purpose and of which written notice was sent to all Members not fewer than thirty (30) Days nor more than sixty (60) Days in advance of the meeting setting forth the purpose of the meeting. The presence of Members or of proxies entitled to cast ten percent (10%) of the Aggregate Votes shall constitute a quorum for such a meeting for purposes of the adjournment thereof. In the event that a quorum is present and adopts an annexation resolution, but said resolution fails to receive the sixty-seven percent (67%) vote required, then additional Members not present may give their written assent to the action taken at said meeting. In such event, sixty-seven percent (67%) requirement may consist of those who voted favorably at a meeting in person and by proxy and of those Members who give written assent to the annexation resolution within sixty (60) Days thereof.

2.2.1.2 Any and all portions of the Phase Four Property and/or the Phase Five Property may be subjected to this Declaration by a declaration of such annexation that incorporates this Declaration—and the application hereof to Phase Four and/or Phase Five—by reference. The Lots in any and all portions of the Phase Four Property and/or the Phase Five Property subjected to this Declaration shall be deemed part of Pinewild Country Club of Pinehurst although the Lots thereon will appear on later phases or plats of the Property. The consent of the Association shall not be necessary for annexation of all Lots within such Phase Four Property and/or Phase Five Property so long as such annexation incorporates this Declaration—and the application hereof to Phase Four Property and/or Phase Five Property—by reference; provided, however, that Declarant reserves the right to subject any and all portions of the Phase Four Property and/or the Phase Five Property to separate and distinct covenants, conditions, and restrictions so long as, in order to maintain the harmony of the Existing Property, (a) the owners of such lots created in such portions of the Phase Four Property and/or the Phase Five Property under separate and distinct covenants, conditions, and restrictions are not and shall not be subject to the jurisdiction of the Association or entitled to use of the Common Elements except that the use of the streets and roads for ingress to and egress from the Golf Course Property shall be available to owners of such lots in the manner available to members of the general public for such purposes

and (b) such lots created in such portions of the Phase Four Property and/or the Phase Five Property under separate and distinct covenants, conditions, and restrictions do not and shall not create or impose financial obligations, burdens or responsibilities upon the Association.

2.2.1.3 Upon the annexation of any additional real property to the Property, the Association shall be entitled, in its discretion from time to time and at any time, to receive record title to all streets and roads and other Common Elements therein upon the completion thereof.

2.2.1.4 Recordation. The additions authorized above shall be made by filing of record a plat of the next phase or portion of a phase of the Pinewild Country Club of Pinehurst in the Registry of Deeds of Moore County, North Carolina with respect to the additional real properties that shall extend the scheme of this Declaration and the jurisdiction of the Association for such additional real properties and thereby subject such additions to the benefits, agreements, restrictions and obligations set forth herein, including, but not limited to, assessments as herein determined to pay for Association expenses.

2.2.1.5 Golf Course Excepted. No part of any Golf Course Property shall be brought within the scheme of this Declaration or within the jurisdiction of the Association.

2.2.1.6 No Effect on Regimes. The recordation of plats in the Moore County Registry of Deeds in order to effect the annexation of real property as set forth herein shall neither affect nor be construed to affect the imposition of Regimes by Declarant pursuant to the terms hereof as such Regimes shall be independent of and unrelated to such recorded plats.

2.2.1.7 No Subdivision. No Lot—as set forth on a subdivision map, as recorded by Declarant in the Moore County Registry of Deeds, of a portion of Pinewild Country Club of Pinehurst—shall be subdivided so as to create a greater number of smaller Lots. Further, although multiple Lots may be combined into a single Lot, such recombined Lot shall not be subject to subdivision after such recombination. The assessments applicable to such recombined Lots—except those Lots recombined pursuant to prior rules of Declarant and the Association—shall be unaffected by the recombination and the assessments applicable to such recombined Lots shall remain due pursuant to the status of the Lots as set forth on a subdivision map, as recorded by Declarant

in the Moore County Registry of Deeds, of a portion of Pinewild Country Club of Pinehurst.

ARTICLE III COMMON ELEMENTS

3.1 Common Elements; Owner's Easements of Enjoyment. The Common Elements shall consist of the remaining portion of the Property after deleting the (a) Lots, (b) Residences, (c) Utility Areas, (d) lakes (unless Declarant elects to include a portion or all of same and the Association approves the transfer and receipt of same), (e) the Golf Course Property, and such other areas, if any, designated to be excluded by Declarant in an instrument recorded in the Registry of Deeds of Moore County, North Carolina. Each Owner shall have a right and easement of enjoyment in and to the Common Elements owned by the Association, which shall be appurtenant to and shall pass with the title to every Lot subject to the provisions of this Article III.

3.1.1 Suspension of Use Rights. The Association shall be entitled to suspend the voting rights of and the right to use recreational facilities of the Common Elements by an Owner—and his immediate family, guests, invitees, visitors, lessees, tenants, servants, employees, and agents—for any period during which any assessment against said Owner's Residence or Lot remains unpaid.

3.1.2 Dedication. The Association shall be entitled to dedicate, transfer or to grant an easement in or to all or any part of the Common Elements to Declarant, any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Association and the grantee expressed in an instrument agreeing to such dedication, transfer or grant that is signed by the Association and placed upon the records of the Registry of Deeds of Moore County, North Carolina.

3.1.3 Limitations. The Association shall be entitled to provide for the exclusive use by an Owner—and the occupants of such Owner's Residence and guests—of certain portions of the Common Elements at certain designated times and for such functions as may be from time to time permitted subject to the payment of an appropriate fee for such exclusive use.

3.1.4 Reservation of Easements. Declarant reserves all reasonable easements required for (a) the benefit of the owner of the Golf Course Property, its successors, and assigns over the Common Elements for use, maintenance, and operation of the Golf Course Property and (b) the development of the Property by Declarant.

- 3.1.5 Fees.** The Association shall be entitled to charge reasonable admissions and other fees for the use of any facility situated in the Common Elements.
- 3.1.6 Loans.** The Association shall be entitled, in accordance with its Articles and Bylaws, to borrow money for the purpose of repairing or improving the Common Elements and, in aid thereof, to mortgage and encumber the Common Elements; provided, however, that the rights of such mortgagees in said real properties shall be subordinate to the rights of the homeowners hereunder.
- 3.2 Usage Rights.** The Common Elements shall be used only for the purposes for which they are intended in providing services and facilities for the common use and enjoyment of the Owners. There shall be no obstruction of the Common Elements, nor shall anything be kept or stored on any part of the Common Elements without the prior written consent of the Association, except as specifically provided herein. Nothing shall be altered on, constructed in or removed from the Common Elements except upon the prior written consent of the Association.
- 3.3 Area Boundaries and Conveyance of Common Elements.** Each Lot shall have the boundaries set forth in the plats filed in the Registry of Deeds of Moore County, North Carolina by Declarant for the real property made subject to this Declaration. The Common Elements owned by the Association shall remain undivided, and no right shall exist to partition or divide said Common Elements except as provided herein. The Association shall retain the right to subject the Common Elements to any type of easements for utilities, roads, and other necessary purposes as determined and approved by the Board.
- 3.4 Delegation of Use.** Any Owner may delegate, in accordance with the Bylaws and subject to the terms and conditions recited herein, his right of enjoyment to the Common Elements to and his immediate family, guests, invitees, visitors, lessees, tenants, servants, and employees.

ARTICLE IV TERM

- 4.1 Term.** This Declaration, as amended from time to time, shall run with the land and shall be binding on all parties and all persons claiming hereunder until April 1, 2012, at which time—and decennially thereafter—this Declaration shall be automatically extended for successive periods of ten (10) years unless, by a Majority of the Aggregate Votes, it is agreed to change—in whole or in part—this Declaration. Therefore, notwithstanding Section 21.2 hereof, the Members shall be afforded a decennial opportunity—to be exercised on April 1, 2012 and every ten (10) years thereafter—to amend this Declaration by vote of a Majority—rather than by sixty-seven percent (67%)—of the Aggregate Votes.

- 4.2 Application.** All of the provisions, restrictions, conditions, easements, covenants, agreements, liens, and charges set forth herein shall affect each and all of the Lots, shall run with the land, and shall exist and be binding upon all parties and all persons claiming under them after the date of recordation hereof unless sooner annulled, amended or modified pursuant to the provisions hereof.

ARTICLE V CONSTRUCTION ON LOTS/RESIDENCES

- 5.1 Minimum Requirements.** The Owner of a Lot may build, reconstruct or renovate a Residence thereon subject to the terms, conditions, and restrictions set forth herein as well as subject to the additional terms, conditions, and restrictions set forth by the Architectural Review Board in its Policies and Procedures.

5.1.1 Lot Configuration. No residential or other structure shall be constructed, altered, placed or permitted to remain on any Lot or part of the Property unless the same is constructed upon a defined Lot. The lay of the Lots as shown on the plats recorded in the Registry of Deeds of Moore County, North Carolina shall be adhered to; provided, however, that Declarant may revise and alter (a) the configuration of Lots owned by Declarant so that additional streets, roadways or driveways, either public or private, may be opened through any Lot and (b) the size and shape of any Lot owned by Declarant provided that no remaining or resulting Lot shall vary from the size of such Lot as shown on the recorded plat by more than twenty percent (20%) as to the width at street frontage or by more than fifteen percent (15%) as to the aggregate square footage of the Lot. More than one Lot may be used for the erection or placement of a Residence provided that the location of such structure on said Lot is subject to and conditioned upon the prior written approval of the Architectural Review Board. Subject to the terms and restrictions provided herein as well as to the Policies and Procedures, only the following structures shall be erected, altered, placed or permitted to remain on the Lots herein described: (c) one detached Residence not to exceed two stories in height exclusive of basement and (d) garage structure attached to the Residence that shall not open to the front street, golf course or lake unless so approved by the Architectural Review Board.

5.1.2 Building Contractors for Residences. The Association reserves the right, at its sole option, for the Architectural Review Board to designate the criteria for building contractors who may be employed by Owners to construct homes on a Lot that is the subject of these restrictions. The Architectural Review Board, at their election, may establish specific criteria for the building contractors to satisfy construction of homes on the Property. Neither Declarant for the purposes of the Phase Four Property and the Phase Five Property, the Association nor the Architectural Review Board have any obligation to establish the criteria

for the building contractors and do not in any manner have any obligation concerning their performance.

5.1.3 Applicable Laws and Architectural Review Board Policies. A Lot is subject to having constructed on it by its Owner a Residence that meets the requirements of (a) the Governing Documents and (b) any applicable Federal, state, county or municipal statute, regulation, law or code. The Architectural Review Board, a standing committee of the Association, shall have the power to enforce the terms of the Governing Documents—including, but not limited to, the Policies and Procedures—related to matters within its jurisdiction by any action including any type of action in a court of law or equity.

5.1.4 Plans and Specifications. No building of any type, outside lighting, outside trash receptacle, berm, fence, wall, hedge or screen planting shall be erected, placed or altered on the Property until the building plans, specifications, and plat maps showing the location of such building, outside lighting, outside trash receptacle, berm, wall, hedge, fence or screen planting have been approved in writing (a) as to conformity and harmony of external design and external materials with existing structures in the area and (b) as to location with respect to topography, ponds, lakes, golf courses, and finished ground elevation by the Architectural Review Board. No exposed concrete blocks shall be used above finished ground elevations unless said blocks are covered with brick veneer, stone or stucco. No asbestos shingles or asbestos siding of any type or asphalt covering shall be used on vertical exterior walls unless approved by the Architectural Review Board. In the event that the Architectural Review Board fails to approve or disapprove such design or location within forty-five (45) Days after such plans and specifications have been submitted to the Architectural Review Board, the Board shall assume approval authority—after the receipts of sufficient assurances from the Architectural Review Board that the Architectural Review Board had sufficient time for review—and shall approve or disapprove such plans within thirty (30) Days of assuming such authority.

5.1.5 Site Plans. The Architectural Review Board shall approve the location of buildings and other improvements on all building sites in the subdivision. Except with the prior written approval of the Architectural Review Board, no building shall be located on any building site outside the minimum building setback lines shown on the map to the Lots herein above referred to which said setback line in general shall be sixty (60) feet from the property line of the Golf Course Property, fifty (50) feet from the water line of any lake or from the rear property line of forest lots, thirty (30) feet from the rear property line in Phase III, forty (40) feet from any front street and thirty (30) feet—except in Phase III, which will be twenty (20) feet—from any side Lot or side street line; provided,

however, that, these requirements shall not be deemed to supplant or supercede setback lines established pursuant to plat maps duly recorded by Declarant prior to the date hereof in the Registry of Deeds of Moore County, North Carolina. The measurements for side Lot setbacks referred to herein shall be from the base of the building foundation; provided, however, that those reasonable eaves or overhangs or decks—those not in excess of ten (10) feet from the exterior wall of the Residence structure—shall not be considered. Side street setbacks and other measurements for setbacks are to be from the outer edge of eaves, overhangs, and decks.

5.1.6 Square Footage of Residences. No residential structure exceeding a total height of thirty-five (35) feet nor with an aggregate area of less than two thousand (2,000) square feet of heated living space—exclusive of porches and garage—shall be erected or placed on any Lot. Two-story dwellings shall contain not less than sixteen hundred (1,600) square feet of heated living space on the first or ground floor. A second story shall be defined as any floor level that lies at an elevation of more than five (5) feet—but fewer than twelve (12) feet—above any other floor level within the same Residence structure. The total Lot coverage by structures and impermeable surfaces, excluding walkways and driveways, shall not exceed a reasonable percentage as determined by the Architectural Review Board—of the total square footage of the Lot.

5.1.7 Approvals. The Architectural Review Board shall have the right to disapprove any plans, specifications or details submitted thereto if (a) the Architectural Review Board deems such plans, specifications, and details not to be in accordance with all of the provisions established in this Declaration and the Policies and Procedures, (b) the Architectural Review Board deems the design or color schemes of the proposed building or other structure not to be in harmony with the general surroundings of such Lot or the adjacent buildings or structures, (c) the plans and specifications submitted are incomplete or (d) the Architectural Review Board deems the plans, specifications or details, or any part thereof, to be contrary to the interests, welfare or rights of all or any part of the Property or the owners thereof. The aforesaid conclusions of the Architectural Review Board shall be in the sole and exclusive discretion of the Architectural Review Board, and the decisions of the Architectural Review Board shall be final, subject to the right of the Owner to appeal to the Board pursuant to the Policies and Procedures. Neither Declarant for the purposes of the Phase Four Property and the Phase Five Property, the Association, the Architectural Review Board nor any agent or member thereof shall be responsible in any manner for (e) any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing, (f) any structural or other defects in any work done according to such plans and specifications or (g) the enforcement of any applicable Federal, state,

county or municipal statute, regulation, law, code or ordinance or other governmental requirement.

5.1.8 Building Permit. No Owner shall obtain a building permit from the applicable municipal agencies without first obtaining all necessary approvals from the Architectural Review Board as set forth in the Policies and Procedures. The Association shall have the right to charge reasonable permit and impact fees upon the submission of applications to the Architectural Review Board for approval of matters within its jurisdiction, and such fees shall be payable by the Owner prior to commencement of any clearing or construction on his Lot.

5.1.9 Certificate of Occupancy. The Planning and Inspections Department of the Village of Pinehurst shall not issue a Certificate of Occupancy for a Residence unless and until the Planning and Inspections Department of the Village of Pinehurst receives written confirmation from the Architectural Review Board that the Residence complies with all applicable provisions of this Declaration, the Policies and Procedures, and the Rules and Regulations.

5.2 Revisions to Policies and Procedures. The Architectural Review Board, subject to the approval of the Board, shall adopt—and, from time to time and at any time, may amend and revise—such Policies and Procedures as reasonably necessary (a) to establish, preserve, and promote the highest aesthetic and architectural standards of the Property and (b) to maintain the financial value of Lots and Residences thereat and thereon.

ARTICLE VI CONSTRUCTION POLICIES

6.1 Time Period. The work of constructing, altering or remodeling any building on any Lot or Lots shall be pursued diligently from the commencement until the completion thereof and shall be completed within twelve (12) months from the date of approval by the Architectural Review Board; provided, however, that the Architectural Review Board may grant an extension on a case-by-case basis but is under no obligation to do so.

6.2 Grading. All planned Lot grading and filling shall be approved in advance by the Architectural Review Board. No Lot may be filled to a point higher than the highest point on the Lot in its natural state.

**ARTICLE VII
SEWAGE DISPOSAL AND WATER SYSTEM**

- 7.1 Charges.** Owners of Residences must make connection to the central sewage disposal and water supply systems operated by the Moore County Department of Public Utilities or its successors and assigns. Such Owners agree to pay any availability, connection or surcharge fee for water or sewer that may be approved by the North Carolina Utilities Commission prior to connection to such system. All usage charges of any nature for the utilities shall be paid by the Owner.
- 7.2 Connection Procedure.** No permits or approvals for the construction of improvements on a Lot shall be granted or approved by the Architectural Review Board unless and until the Owner desiring such approval shall have made satisfactory contractual arrangements with a licensed plumber for connection to the central sewage disposal and water supply systems for such Lot.
- 7.3 Private Water Wells.** Private water wells may be constructed and may only be used for irrigation, landscaping, and heating and cooling purposes, and, upon installation of a private water well, the Architectural Review Board may require that the Owner surround, disguise, and screen the installation thereof.

**ARTICLE VIII
USE OF PROPERTY**

- 8.1 Use of Property.** The use of the Property shall be in accordance with the following provisions as long as this Declaration remains in effect.
- 8.1.1 Residences.** Each of the Residences shall be occupied only by the Owner, his immediate family, guests, invitees, visitors, lessees, tenants, servants, and employees—and, subject to Section 8.1.10 hereof, shall be used only as a residence and for no other purpose. No Residence may be divided or subdivided into a smaller unit nor any portion thereof separately sold or otherwise transferred. The lease or rental of a Residence to one or more tenants or lessees for purposes limited to residential purposes, subject to the other provisions of this Declaration, shall not be considered to be a violation of this covenant.
- 8.1.2 Nuisances.** No nuisances shall be allowed upon the Property nor any use or practice that is the source of annoyance to residents or that interferes with the peaceful possession and proper use of the Property by its residents.
- 8.1.2.1 Owner's Obligations.** The Owners shall thus be responsible for the following maintenance obligations: (a) all Residences and Lots shall be kept in a clean and sanitary condition, (b) all Residences and Lots shall be maintained to the highest aesthetic standards, (c) no rubbish, refuse or garbage shall be

allowed to accumulate in any Residence or on any Lot, (d) no fire hazard shall be allowed to exist in any Residence or on any Lot, and (e) Lots must be maintained in a neat and orderly manner and cleared and maintained clear of all dead, diseased, and broken trees, tree limbs, vegetation, and debris.

8.1.2.2 Common Elements. No damage to or waste of the Common Elements or any part thereof shall be committed by any Owner—or his immediate family, guests, invitees, visitors, lessees, tenants, servants, employees, and agents—and each Owner shall indemnify and hold the Association and the other Owners harmless against all losses resulting from any such damage or waste.

8.1.2.3 Violations. No Owner shall make or permit any use of his Lot or Residence—or make any use of the Common Elements—that will violate the provisions of the Governing Documents or any policies of insurance covering the Property.

8.1.3 Failure to Maintain. In the event that an Owner fails to meet his obligations pursuant to Section 8.1.2.1 hereof, the Association, after notice to the Owner, shall have the right, privilege, and license to enter upon the Lot and to undertake and make any and all corrective action and remediation that may be necessary to meet the obligations of the Owner thereunder. The cost of such corrective action and remediation of such conditions shall be charged to the Owner and shall be due and payable as provided in Article XVIII hereof.

8.1.4 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of any part of the Property, and any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement shall be observed. The expense of complying with any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement—and the costs of maintenance, modification or repair of the Common Elements if necessitated thereby—shall be borne by the Association unless resultant from the misuse, misconduct or neglect of an Owner—or his immediate family, guests, invitees, visitors, lessees, tenants, servants, employees, and agents—in which case such expenses shall be assessed against such Owner.

8.1.5 Rules and Regulations. The Rules and Regulations shall be binding upon the Owners and their immediate family, guests, invitees, visitors, lessees, tenants, servants, employees, and agents.

8.1.6 Prior Approval Necessary. No building of any type, outside lighting, outside trash receptacle, berm, fence, wall, hedge or screen planting shall

at any time be erected or maintained upon the Property unless specifically approved by the Architectural Review Board prior to the erection thereof. The initial landscaping for each Lot must be approved by the Architectural Review Board. Any annual plants approved for landscaping by the Architectural Review Board must be cared for by the Owner and promptly replaced—to the extent that such replacement is seasonally practicable—as necessary and appropriate in order to maintain conformity with the original landscaping approved by the Architectural Review Board. It is expressly acknowledged by all parties concerned that this Article VIII is for the mutual benefit of all Owners and is necessary for the protection of said Owners.

- 8.1.7 Parking Areas.** No motor vehicle, boat, trailer, recreational vehicle or other vehicle may be parked, stored or kept upon the Property except in accordance with Rules and Regulations. The parking spaces located within the Common Elements shall be for the sole and exclusive use of the Owners. No person shall repair or restore any motor vehicle, boat, trailer, recreational vehicle or other vehicle upon any portion of the Common Elements except for emergency repairs thereto and, in such cases, only to the extent necessary to enable movement thereof to a proper facility.
- 8.1.8 Waste Material Containers.** No rubbish, trash, garbage or other waste material shall be kept or permitted upon the Common Elements except in sanitary containers located in appropriate areas and otherwise in accordance with rules and regulations adopted by the Association from time to time. No “toxic materials,” “hazardous substances” or “hazardous waste” as defined in any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement shall be released, kept or maintained on any Lot or portion of the Common Elements.
- 8.1.9 Signs.** Unless prior written approval is obtained from the Architectural Review Board, no sign shall be posted on the Common Elements or on any Residence or Lot. No sign shall be posted in any Residence that will be visible from the exterior of such Residence.
- 8.1.10 Offensive Trade or Activity.** No noxious or offensive trade or activity shall be carried on upon the Property nor shall anything be done thereon that may be or become an annoyance or nuisance to the neighborhood. No trade materials or inventories may be stored upon the Property and no campers, recreational vehicle, motor homes, trucks or trailers, boats (other than boats that are permitted on the Pinewild lakes) or boat trailers may be stored or regularly parked on the Property unless garaged and out of view without prior written approval of the Architectural Review Board. Without prior written approval of the Architectural Review Board, no business activity or trade of any kind whatsoever including,

but not limited to, the use of any Residence as a medical or professional office of any kind, a fraternity house, a boarding house or an antique or gift shop shall be carried on upon the Property.

8.1.11 No Temporary Structures. No structure of temporary character, tent, shack, trailer, camper, garage or any other outbuilding shall be used on any Lot at any time as permanent or temporary residence or dwelling except under a temporary written permit issued in the discretion of the Architectural Review Board and subject to specific limitations of such use including, but not limited to, the duration of such use; provided, however, the Architectural Review Board may grant permission—under a temporary written permit issued in the discretion of the Architectural Review Board and subject to specific limitations of such use including, but not limited to, the duration of such use—for temporary buildings or structures for the storage of materials during construction by the parties doing such work.

8.1.12 No Livestock. No livestock of any description may be permitted—except, subject to Section 24.11 hereof, for naturally visting or naturally resident animals—or kept on the Property with the exception of dogs, cats, and other animals that are bona fide household pets and that do not make objectionable noise or constitute a nuisance or inconvenience to Owners of other Lots. Dogs, cats, and other animals must be leashed when off of their respective master’s Lot. Upon receipt of a written complaint regarding any dog or animal, the Association may notify the master of such animal of the complaint and, after affording the master an opportunity to be heard, impose such restriction upon the master regarding such animal as may be reasonably necessary to satisfy said complaint and ensure compliance herewith. No raising, breeding, training or dealing in dogs, cats or any other animals shall be permitted on or from the Property.

8.1.13 Leasing. The Lots and Residences thereon shall not be leased or rented on a short-term basis for any period of less than six (6) consecutive months duration without the prior written consent of the Association. Nothing contained in this Section, however, shall be deemed to require the approval of the Association to the renting by Declarant of elements of its Property for short-term periods to its bona fide guests for sales and promotional purposes.

8.1.14 Off-Street Parking. Adequate off-street parking shall be provided by the Owner of each Residence for the parking of automobiles owned by such Owner and his immediate family, guests, invitees, visitors, lessees, and tenants, servants, and employees. The Owners—and their respective immediate family, guests, invitees, visitors, lessees, tenants, servants, employees, and agents—of Residences or of other improvements under construction shall park their automobiles or other vehicles on the Lot on

which construction is or shall be underway rather than on the roads and streets on the Property.

- 8.1.15 Golfers Privileges.** All Owners—and their respective immediate family, guests, invitees, visitors, lessees, tenants, servants, employees, and agents—shall extend to any and all golfers lawfully using the Golf Course Property the courtesy of allowing such golfers to retrieve any and all errant golf balls on any Lot.
- 8.1.16 Boathouses.** No boathouses or bathhouse shall be permitted on the Property. A private dock, pier, raft, landing stage or other structure may be erected or maintained at or upon the shoreline of any Lot having direct water frontage or upon land under water in front of such Lot with the prior written approval of the Architectural Review Board.
- 8.1.17 Usage Rights.** No Owner shall have any right to use the Common Elements unless the Owner has paid all applicable fees and assessments established by the Association.
- 8.1.18 Refuse.** No Lot shall be used or maintained as a dumping ground for rubbish, refuse, yard waste or garbage. Garbage or other waste shall be kept in sanitary containers. All incinerators or other equipment for the disposal or storage of such matter shall be kept in a clean and sanitary condition, and all incinerators shall be approved by the Architectural Review Board before installation or use. Burning of trash or refuse is prohibited without prior approval of fire department authorized to serve the Property. No hazardous substance, waste or other toxic material shall be dumped, buried, injected, treated or disposed of on any Lot or any portion of the Common Elements.
- 8.1.19 Laundry.** All drying of laundry must be done indoors or in an area screened from view from any other Lot, street or road or the Golf Course Property.
- 8.1.20 Delegation of Use.** Any Owner may delegate, in accordance with the Governing Documents, his right of enjoyment to the Common Elements to his immediate family, guests, invitees, visitors, lessees, and tenants, servants, and employees.

**ARTICLE IX
EASEMENTS**

9.1 Utility and Drainage Easement. Declarant and the Association, as applicable, reserve the right (a) to construct and maintain utilities on the streets and roads on the Property either above or below ground and to make all reasonable slopes for cuts or fills upon the Lots shown on the survey map in the original grading of said streets and roads and (b) to construct, dredge or do any reasonable work required for the lakes, ponds, and the Golf Course Property irrigation system; provided, however, that, upon completion of such activities pursuant hereto, Declarant or the Association, as applicable, shall use reasonable efforts to restore the surface area of the Lot or other property that was disturbed pursuant hereto to the condition in which it existed prior to the disturbance thereto.

9.1.1 Reservation of Easements. Declarant reserves perpetual utility easements under, over, and across a strip five (5) feet—unless otherwise noted on the survey map herein referenced, and, in such case, said survey map shall govern—in width adjacent to and along the side yard lines of each Lot for the purpose of placing, laying, erecting, constructing, maintaining, and operating as well as of authorizing the placement, laying, erection, construction, maintenance and operation of utilities. Said utilities shall include, without limitation, sewage, water (including irrigation), electricity, gas, cable television, telephone, and telegraph.

9.1.2 Utilities Easements. Declarant further reserves perpetual easements under, over, and across a strip ten (10) feet—unless otherwise noted on the survey map herein referenced, and, in such case, said survey map shall govern—in width adjacent to and along the front and back yard lines of each Lot for the purpose of placing, laying, erecting, constructing, maintaining and operating utilities and drainage systems. Said utilities shall include, without limitation, sewage, water (including irrigation), electricity, gas, cable television, telephone, and telegraph.

9.1.3 Drainage. No change in the natural drainage of a Lot shall be made by any Owner without the prior written approval of the Architectural Review Board.

9.1.4 Perimeter Fence. The Association may, at its sole election, erect perimeter fencing for security purposes around the outside boundaries of the Property.

9.2 No Interest in Utilities. The interest conveyed by Declarant to any of the Lots by contract, deed or other conveyance shall not in any event be held or construed to include title—to the extent that Declarant retains such title—to the water, gas, cable television, sewer, storm sewer, electric light, power, telegraph and telephone lines, poles, conduits or any other utility or appurtenances thereto constructed by Declarant, its agents or by any utility company along or upon said Lots—or any

part thereof—to serve said Lots. The right to sell, convey or lease water and sewer lines and their appurtenances erected by or on behalf of Declarant—to the extent that Declarant retains such title—is hereby expressly reserved to Declarant.

9.3 Easement for Use of Streets. The Association hereby grants, conveys, assigns, and sets over to every Owner—and his immediate family, guests, invitees, visitors, lessees, tenants, servants, employees, and agents—the right of ingress and egress over, upon, and across the private roads within the Property and they shall have the use of said roads for access to and from public highways adjoining the Property. The Association reserves the right at any time hereafter to dedicate and to convey said roads to any appropriate governmental authority or to the public upon the affirmative vote of sixty-seven percent (67%) of the Aggregate Votes in a regular or special meeting of the Association duly called and constituted. The presence of Members or of proxies entitled to cast ten percent (10%) of the Aggregate Votes shall constitute a quorum for such a meeting for purposes of the adjournment thereof.

9.4 Antennas and Flagpoles.

9.4.1 Master Antennas. The Association may locate master antennas or cable television facilities upon certain portions of the Property. Any such antennas and connections shall be maintained in good order and repair by the Association. To the extent required to effectuate the foregoing plan, there shall be an easement in favor of each Lot for the purpose of providing connection of that Lot with the cable television facility or the master antenna most convenient thereto. Each Lot shall be subject to easements thereto and therefor. The Common Elements shall be subject to a further easement for the placement thereon by the Association of such master antennas, cable television facilities, and appurtenances as well as for the installation and maintenance thereon of connections to serve any Lot. All of the foregoing easements are granted and reserved subject to the condition that their use and enjoyment shall not materially interfere with the use, occupancy or enjoyment of all or any part of the Lot and the Common Elements servient to such easements or to which such easements are appurtenant.

9.4.2 Private Antennas, etc. Subject to any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement, no mast, tower, pole, antenna, or aerial shall be permanently erected, constructed or maintained on any Residence or Lot in such a manner and location as to be visible from the outside of such Lot. However, upon the installation of a permitted reception device, the Architectural Review Board may require that the Owner surround, disguise, and screen the installation to the maximum extent permitted pursuant to any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement.

- 9.4.3 Flagpoles.** The erection, construction, and maintenance of residential-scale flagpoles shall be permitted subject to the approval of the Architectural Review Board for location and size.
- 9.5 Owner's Right to Ingress and Egress.** Each Owner shall have the right to ingress and egress over, upon, and across the Common Elements necessary for access to his Lot, and such right shall be appurtenant to and pass with the title to each Lot.
- 9.6 Inspection and Maintenance.** The Board and any other person so authorized by the Board shall have an access easement across, over, and under the Property for ingress, egress, and access to the Common Elements for the purposes of inspection, maintenance, repair or replacement thereof.
- 9.7 Other Easements.** In addition to the easements reserved herein, Declarant and the Association hereby reserve a ten (10) foot easement across the backyard lines of all Lots located on the Golf Course Property and along the railroad right-of-way for a jogging, walking, and exercise trail.

ARTICLE X TRAFFIC REGULATION

- 10.1 Automobiles.** The Association shall establish provisions of the Rules and Regulations governing the operation of vehicles of any sort used by any person on any portion of the Common Elements. The Association shall establish and maintain traffic control and safety equipment, markings, and signage consistent with such regulations. The Association shall enforce such regulations and shall thus establish and impose reasonable remedies for violations together with an appeal procedure therefor. The Association may assign some or all of the authority granted by this Article to any appropriate governmental authority.
- 10.2 Boats.** Declarant may establish rules and regulations governing the operation of vehicles of any sort used by any person on any portion of the lakes and ponds to which Declarant holds record title. Declarant may establish and maintain traffic control and safety equipment, markings, and signage consistent with such regulations. Declarant may enforce such regulations and may thus establish and impose reasonable remedies for violations together with an appeal procedure therefor. Declarant may assign some or all of the authority granted by this Article to any appropriate governmental authority.

ARTICLE XI ENFORCEMENT

11.1 Violation of Declaration.

11.1.1 Compliance Obligation. Each Owner—and his immediate family, guests, invitees, visitors, lessees, tenants, servants, employees, and agents—shall be bound to comply with the Governing Documents. The failure to do so shall be grounds for an action to recover damages and to obtain injunctive and other equitable relief as hereinafter set forth.

11.1.2 Violations. If the parties hereto, the Owners, or any subsequent third parties or their successors or assigns shall violate or attempt to violate any of the provisions of the Governing Documents, it shall be lawful for Declarant, the Association or any Owner to enforce the provisions of this Declaration and thus to prosecute proceedings at law or in equity against the Person violating or attempting to violate any such provision in order to prevent the Person from so doing as well as to recover damages or other expenses arising from said violation.

11.1.3 Enforcement. The Association has the authority, at its sole option and discretion, to enforce the provisions of the Governing Documents pursuant to the exercise of its business judgment—including, but not limited to, (a) its determination that such term, condition or covenant recited herein is likely to be construed as inconsistent with any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement and (b) cases in which the Board reasonably determines that the position of the Association is not of sufficient strength to justify enforcement action—provided, however, that neither the Association nor its designees including, but not limited to, the Architectural Review Board shall have the specific obligation to enforce the covenants, conditions, and restrictions set forth herein and the regulations adopted pursuant hereto nor shall the Association nor its designees be liable for any failure to enforce the covenants, conditions, and restrictions set forth herein and the regulations adopted pursuant hereto. Any such determination shall not be construed a waiver of the right of the Association to enforce such provision under any circumstances or prevent the Association from enforcing any other covenant, restriction or rule.

11.1.4 Sanctions for Violations. The Board and its designees including, but not limited to, the Architectural Review Board may impose sanctions for violations of the provisions of the Governing Documents after compliance with the notice and hearing procedures set forth in Article XXII of this Declaration. The sanctions include, but are not limited to, the remedies hereinafter set forth.

11.1.4.1 Fine. If any Person other than an Owner—including, but not limited to, his immediate family, guests, invitees, visitors, lessees, tenants, servants, employees, and agents—violates the provisions of the Governing Documents and the Board imposes a fine resultant therefrom, the fine shall be assessed against the violator—except in the event of a builder or contractor that submitted a construction deposit to the Architectural Review Board, if such a program be in effect, from which such fine shall be deducted—provided, however, if the fine is not paid by the violator within the time period set by the Board, the fine shall be charged to the Owner and shall be due and payable as provided in Article XVIII hereof.

11.1.4.2 Liens. The Board may file liens in the Registry of Deeds of Moore County, North Carolina for nonpayment of any assessments or fees as well as to recoup costs incurred in actions undertaken pursuant to Section 8.1.3.

11.1.4.3 Suspension of Voting Rights. The Board may suspend an Owner's right to vote in the proceedings of the Association.

11.1.4.4 Usage Rights. The Board may suspend any Person's right to use any recreational facilities within the Common Elements; provided, however, that nothing herein shall authorize the Board to limit the rights of an Owner to ingress or egress to and from his Lot.

11.1.4.5 Suspension of Services. The Board may suspend any services provided by the Association to an Owner or the Owner's Residence or Lot if the Owner is more than thirty (30) Days delinquent in paying any assessment or any other fine or charge due to the Association.

11.2 Invalidity. If any provision of this Declaration is declared invalid by any tribunal, then such provision shall be deemed automatically modified to conform to the requirements for validity as declared at such time and, as so modified, shall be deemed a provision of this Agreement as though originally included herein. In the event that the provision invalidated is of such a nature that it cannot be so modified, the provision shall be deemed deleted from this Declaration as though the provision had never been included herein. In either case, however, the remaining provisions of this Declaration shall remain in effect.

11.3 Laws and Ordinances. This Declaration shall be in addition to any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement that may be applicable to the Property. In the event that such applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement may be more restrictive

than the terms of this Declaration, said applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement shall control.

- 11.4 Cumulative Remedies.** All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the provisions of the Governing Documents, the Association shall, if it shall substantially prevail therein, be entitled to recover all costs and expenses including, but not limited to, reasonable attorney's fees, reasonable expenses, and court costs related to said action.
- 11.5 Other Enforcement.** The Association, by contract or other agreement, may enforce any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement, if applicable, and may further permit Federal, state, county or municipal governmental authorities to enforce any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement on the Property for the benefit of the Association and its Members.
- 11.6 Waiver.** The failure of the Association, the Declarant or any Owner to enforce any covenant, restriction or other provision of the Governing Documents shall not constitute a waiver of the right to do so thereafter.

ARTICLE XII VARIANCES

- 12.1 Variances.** The Board shall be entitled to allow reasonable variances and adjustments of the terms of this Declaration—including, but not limited to, height, size, and setback requirements—in order to overcome practical difficulties and prevent unnecessary hardships in the application of the regulations contained herein; provided, however, that the approval of such variances conform to the intent and purposes hereof and further provided that, in every instance, such variance or adjustment shall not be materially detrimental or injurious to other property or improvements located on the Property.

ARTICLE XIII INSURANCE AND CASUALTY LOSSES

- 13.1 Insurance.** The Board shall maintain such policies of insurance in such coverages as the Board, in its sole and exclusive discretion, shall determine; provided, however, that the Board shall maintain policies of insurance against, *inter alia*, (a) loss or damage to the Common Elements, (b) liability for injuries to others resultant from use of the Common Elements, (c) liability that may be incurred in service to the Association, and (d) such other coverages required by the General Statutes of the State of North Carolina. The Board, if possible, shall appoint an Insurance Committee consisting of not fewer than two (2) Owners, each of whom shall possess significant prior experience in the insurance industry,

to advise the Board on matters related to insurance as the Board deems appropriate; provided, however, that if the Board is unable to find two (2) suitable Owners for appointment to an Insurance Committee, the Board shall retain insurance consultants to advise the Board in the manner hereinafter set forth for the Insurance Committee. The Insurance Committee shall advise the Board on, *inter alia*, the appropriate types and amounts of insurance coverages and the company or companies from which to purchase the policies of insurance.

13.2 Review of Coverage. The Board shall conduct an insurance review from time to time and at any time but in no case less frequently than decennially.

13.3 Owner's Insurance. It shall be the individual responsibility of each Owner, at his own expense, to provide insurance in those coverages as he determines to be appropriate on his Lot and Residence.

13.4 Use of Proceeds. Any loss recovery amounts paid to the Association shall be used to defray the cost of repairs or replacements to the Common Elements so insured; provided, however, that, if the cost of repairs or replacements exceeds the amount of loss recovery, such excess costs may be raised pursuant to (a) a Special Assessment or (b) an appropriation from a reserve fund—or any other fund that may be established for the purpose of providing for the maintenance, repair or replacement of any of the Common Elements—as the Board, in its sole and exclusive discretion, shall determine.

ARTICLE XIV

MAINTENANCE/REPAIR

14.1 Lots and Residences.

14.1.1 Maintenance Obligations. Each Owner, at his own expense, shall keep all of his Lot and Residence—including, but not limited to, all exterior walls, roofs, equipment and fixtures therein and thereon, landscaping, water, storm sewer, and sanitary sewer and other utility lines serving his Lot—in good order, sanitary condition, and good state of repair and in a clean, attractive, orderly, and safe state of appearance.

14.1.2 Responsibility. Each Owner, at his own expense, shall be responsible for all redecorating and painting necessary to preserve or maintain the good condition and appearance of the Residence, the patios, terraces, balconies, verandas, and all other improvements and landscaping located on the Lot or appurtenant to the Residence.

14.1.3 Damages to Common Elements. Each Owner shall be responsible for all damages to any of the Common Elements that may result from the neglect, negligence, misuse or misconduct of such Owner—and that of his immediate family, guests, invitees, visitors, lessees, tenants, servants, employees, and agents—and the cost of repair of any

such damage shall be charged to the Owner and shall be due and payable as provided in Article XVIII hereof.

14.2 Association Responsibilities for Maintenance.

14.2.1 Common Elements. The Association shall maintain and keep in good condition, order and repair the Common Elements.

14.2.2 Common Expenses. The Association may, as a Common Expense, (a) maintain other property and improvements that it does not own including, but not limited to, property dedicated to the public as well as fences, walls, entry features or signs that designate the entrance to Pinewild Country Club of Pinehurst and (b) provide maintenance or services related to such property over and above the level provided by the owner thereof if the Board of Directors determines that such maintenance is necessary or desirable to maintain the general appearance of Pinewild Country Club of Pinehurst and serves to maintain or increase the property values thereof and thereat.

14.2.3 Continuous Operation. The Association shall maintain the facilities and equipment within the Common Elements in continuous operation—except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs—unless at least sixty-seven percent (67%) of the Aggregate Votes are cast in favor of the discontinuation of the operation of such facilities and equipment at a regular or special meeting of the Association duly called and constituted. The presence of Members or of proxies entitled to cast ten percent (10%) of the Aggregate Votes shall constitute a quorum for such a meeting for purposes of the adjournment thereof.

14.2.4 Allocation. Except as otherwise specifically provided herein, all costs associated with maintenance, repair, and replacement of the Common Elements and those items set forth in Section 14.2.2 hereof shall be a Common Expense to be allocated amongst all Owners as part of the General Assessment without prejudice to the right of the Association to seek reimbursement from the owners of or other parties responsible for all costs associated with (a) those items set forth in Section 18.2 hereof and (b) any contract, lease or agreement for maintenance thereof duly entered into by the Association.

ARTICLE XV CONDEMNATION

15.1 General. Whenever all or any part of the Common Elements shall be taken by any authority having the power of condemnation or eminent domain, each Owner of a Lot affected thereby shall be entitled to notice thereof, and the Owners of

those Lots wholly or partially proposed to be taken thereby shall be entitled to participate in the proceedings incident thereto unless otherwise prohibited by law. The award made for such taking shall be payable to the affected Owners and to the Association in proportion to the reduction in value of the property as determined by the condemning authority or, if such allocation is not made, by a certified real estate appraiser mutually selected by the affected Owners and the Association. The Common Expenses shall be reallocated to the remaining Lots based on their respective interests in the Common Elements.

- 15.2 Common Elements.** If the aforesaid taking includes any part of the Common Elements on which improvements were constructed, the Board of Directors shall, if reasonably practical, replace such improvements on remaining real property available in the Common Elements or on real property purchased for such purposes in the discretion of the Board unless at least sixty-seven percent (67%) of the Aggregate Votes shall be cast otherwise in a regular or special meeting of the Association duly called within thirty (30) Days of the decision of the Board related thereto. The presence of Members or of proxies entitled to cast ten percent (10%) of the Aggregate Votes shall constitute a quorum for such a meeting for purposes of the adjournment thereof. The Association shall alternatively treat the funds as a surplus pursuant to Section 18.2 hereof.

ARTICLE XVI THE ASSOCIATION AND OWNERS

- 16.1 Association.** The Pinewild Maintenance Corporation d/b/a the Pinewild Property Owners Association is—and shall remain—a nonprofit corporation organized and operated pursuant to the North Carolina Nonprofit Corporation Act codified in Chapter 55A of the General Statutes of North Carolina as amended.
- 16.2 Membership.** Each Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from any Lot that is subject to assessment.
- 16.3 Classes of Membership.** The Association shall have one (1) class of membership.
- 16.4 Responsibilities of Association.** The Association, subject to the rights and obligations of the Owners set forth herein and further subject to the rights and obligations of Declarant set forth herein, shall be responsible for the management, maintenance, operation, and control of the Common Elements and thus shall be charged with (a) the exclusive management and control of the Common Elements and all improvements thereon (including furnishings and equipment related thereto) and (b) the maintenance, preservation, operation, replacement and repair of all streets, common parking areas, and water, storm sewer drains, sanitary sewer and other utility lines, walks and all other portions of the Common Elements except those areas the Owners are required to maintain pursuant to the terms recited herein. The Association shall be the primary entity—but not the

exclusive entity and nothing herein shall be construed to abridge the rights of the Owners to enforce the provisions of this Declaration in any court of law or equity having jurisdiction thereof—responsible for enforcement of this Declaration, the Rules and Regulations, and the Policies and Procedures; provided, however, that neither the Association nor its designees including, but not limited to, the Architectural Review Board shall have the specific obligation to enforce the covenants, conditions, and restrictions set forth herein and the regulations adopted pursuant hereto nor shall the Association nor its designees be liable for any failure to enforce the covenants, conditions, and restrictions set forth herein recited herein and the regulations adopted pursuant hereto. The Association shall perform its functions in accordance with the Governing Documents and any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement.

- 16.5 Services.** The Association may obtain and pay for the services of (a) any person or entity to manage its affairs or any part thereof to the extent that it deems advisable and (b) such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Common Elements whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the discharge of its rights and obligations pursuant to this Declaration. The Association may arrange with others to furnish water, trash collection, snow removal, sewer service, and other common services to each Lot or Residence.
- 16.7 Personal Property for Common Use.** The Association may from time to time acquire and hold tangible and intangible personal property and may dispose of the same by sale or otherwise.
- 16.8 Rules and Regulations.** The Association may adopt—and, from time to time and at any time, may amend and revise—reasonable rules and regulations governing the use of the Existing Property (hereinafter the “Rules and Regulations”); provided, however, that the Rules and Regulations shall be consistent with the rights and duties established by this Declaration. The Rules and Regulations shall be maintained by the Secretary of the Association and copies thereof shall be furnished to all Owners upon request. The Rules and Regulations shall be binding upon the Owners—and their immediate family, guests, invitees, visitors, lessees, tenants, servants, employees, and agents—until and unless such Rules and Regulations are specifically amended, overruled or cancelled in a regular or special meeting of the Association duly called and constituted by the affirmative vote of sixty-seven percent (67%) of the Aggregate Votes. The presence of Members or of proxies entitled to cast ten percent (10%) of the Aggregate Votes shall constitute a quorum for such a meeting for purposes of the adjournment thereof.
- 16.9 Implied Rights.** The Association may exercise any other right, power, and privilege expressly granted by this Declaration or by any applicable Federal, state,

county or municipal statute, regulation, law, code or ordinance or other governmental requirement as well as every other right, power or privilege (a) reasonably implicit in the rights, powers, and privileges expressly granted by this Declaration or by any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement and (b) reasonably implicit in the existence of any right, power or privilege expressly granted by this Declaration or by law, and (c) reasonably necessary to effectuate any right, power or privilege expressly granted by this Declaration or by law. Except as otherwise specifically provided in this Declaration, all rights, powers, and privileges of the Association may be exercised by the Board without a notice to or vote of the Members.

16.10 Proxies. The use of proxies for all meetings and matters related to the business of the Association shall be permitted to the maximum extent allowed under any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement. Every proxy shall be in writing and shall specify Lot number and shall be signed by the Member or his authorized agent.

16.11 Records. The Members shall be entitled to all those rights, subject to the applicable provisions of the Rules and Regulations, to inspect the records of the Association as provided for pursuant to any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement.

ARTICLE XVII COMMON EXPENSES

17.1 Budget. Not later than the first day of November of each succeeding year, the Board shall prepare a proposed budget for the maintenance and operation of the Common Elements for the succeeding calendar year (hereinafter the "Budget") and shall therein estimate the amount of Common Expenses to be paid for such year. The amount of Common Expenses so determined shall be allocated and assessed by the Board among the Owners according to the Regime in which the Owner's Lot is located. The Regime in which a Lot is located shall be determined by reference to plat maps filed by Declarant and recorded in the Registry of Deeds of Moore County, North Carolina. The Annual Assessment for all unimproved Lots within a single Regime shall be in an identical amount and the Annual Assessment for all Lots upon which a completed Residence was erected within a single Regime shall be in an identical amount; provided, however, that (a) the Annual Assessment for unimproved Lots and the Annual Assessment for Lots upon which a completed Residence was erected may be a different amount and (b) different Regimes may, in the sole discretion of Declarant, maintain different levels of assessment due to the location of the Common Elements within the Regime or the usage thereof by the Owners of Lots within the Regime. Upon the transfer of the Common Elements associated with such Regime to the Association, however, the Association shall not be bound to the amount of the

Annual Assessment levied thereon by Declarant and shall be entitled to adjust, restate, and recalculate the assessment applicable to the Regime to reflect the financial obligations of the Association.

17.2 Common Expenses. The Common Expenses shall include, but not be limited to, the following (hereinafter the “Common Expenses”):

17.2.1 General Obligations. Fees and expenses of managing and administering the Association and maintaining the Common Elements;

17.2.2 Utilities. Expenses of utility services for the Common Elements, including water, gas, electricity, and sewer;

17.2.3 Insurance. The costs of all insurance premiums on all policies of insurance obtained by the Board pursuant to this Declaration;

17.2.4 Rent. All rental and other payments required to be made for any real property or equipment that is hereafter leased or rented for the use and benefit of the Association;

17.2.5 Working Capital. Amounts determined by the Board to be reasonably required as working capital of the Association, for a general operation reserve, for a reserve fund for replacements, for deficiencies arising from unpaid assessments, and such amounts as may be required for the purchase or lease by the Board or its designee, corporate or otherwise, on behalf of all Owners of any Lot that is to be sold at a foreclosure or other judicial sale;

17.2.6 Special Assessments. Special Assessments for capital improvements as provided for hereinafter;

17.2.7 Taxes. Any ad valorem real property taxes and Special Assessments affecting the Common Elements and Non-Permanent Common Elements that are not assessed upon the Owners separately;

17.2.8 General Welfare. Fees and expenses for the promotion of the health, safety, and welfare of the residents of the Property;

17.2.9 Maintenance. Maintenance and operation expenses related to the Common Elements; provided, however, the Association may contract—upon terms and conditions acceptable to the Association—with an Owner for the assumption by an Owner of the maintenance of the road or street frontage adjacent to the Owner’s Lot.

17.2.10 Facilities. Costs and expenses for the acquisition, improvement, repair, and maintenance of the real property, services, and facilities owned or acquired by the Association;

17.2.11 Managers. Costs and expenses for the employment of third party managers for the Common Elements, accountants, attorneys and other professionals to represent the Association when necessary;

17.2.12 Bonds. Costs and expenses for the procurement and maintenance of fidelity and performance bonds for its officers, agents and employees; and

17.2.13 Other. All other amounts necessary to carry out the responsibilities of the Association under the terms of this Declaration.

ARTICLE XVIII ASSESSMENT

18.1 Notification of Assessments. The Board shall, based on the Budget, fix the amount of the Annual Assessment against each Lot and its respective Owner at least thirty (30) Days in advance of each Annual Assessment period. Written notice of the Annual Assessment, along with a copy of the Budget, shall be sent to every Owner subject thereto. Annual Assessments are due with payment in full on the first day of each calendar year. The Association shall, upon request and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a Lot have been paid. Notwithstanding the foregoing, however, in the event the Board fails for any reason so to fix the amount of the Annual Assessment, then, and until such time as the Annual Assessment for such year shall have been fixed, an Annual Assessment equal to the amount of the last such Annual Assessment against each Lot shall be deemed to have been imposed as of the first day of such calendar year and shall be payable in full.

18.2 Liens and Obligations. Each Owner of a Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association, pursuant to the terms recited herein, the (a) Annual Assessments or charges (hereinafter the "Annual Assessment") and (b) such additional assessments to be established and collected as hereinafter provided (hereinafter the "Special Assessment"). The Annual Assessments and Special Assessments together with any charges assessed for late payments—including, but not limited to, interest, fees, reasonable attorney's fees, reasonable expenses, and court costs related to said action—shall be a charge on the Lot and shall be a continuing lien, as hereinafter provided, upon the Lot against which each such assessment is made; provided, however, that this personal obligation for the delinquent assessments shall not pass to his successors or assigns unless expressly assumed thereby. Each such assessment, together with any charges levied for late payment, shall also be the personal obligation of the Person who was the Owner of such Lot at the time that the assessments fell due. The amount so assessed by the Association against each Lot for each such calendar year shall be a lien, as provided herein, against the Lot owned by such Owner at the time

that the assessments fell due. If said Annual Assessment proves inadequate for any such year for any reason, including nonpayment of any Owner's assessment, the Board may, at any time, levy a Special Assessment that shall be assessed against the Owners in proportion to their Annual Assessments as provided in Articles XVII and XVIII hereof. Any such Special Assessment shall be a lien against the Lot as of the date specified in the notice of such Special Assessment. Each Owner shall pay any assessment against his Lot or Residence to the Association promptly upon the levy thereof. If the aggregate of all assessments made hereunder result in a surplus for any such calendar year, then the Board may credit such surplus to a reserve fund for maintenance of the Common Elements. The Board may take into consideration the existence and amount of such reserve fund when establishing the amount of assessments for succeeding calendar years. Upon the conveyance of a Lot from Declarant to an Owner, or upon the occupancy of a Residence, whichever first occurs, the Owner shall be liable for and be obligated to pay any annual and special assessment, that would otherwise have been payable on said Lot had it not been owned by Declarant; provided, however, that the assessment so payable by the Owner shall not exceed an amount equal to the total annual and special installments assessed against said Lot or Residence multiplied by a fraction of which the denominator is three hundred sixty-five (365) and of which the numerator is the number of Days remaining in the year in which said conveyance takes place.

18.3 Limitation on Assessments. The Annual Assessment shall not be increased over the Annual Assessment levied in the prior calendar year by more than the lesser of (a) five percent (5%) of the Annual Assessment of the prior calendar year or (b) the increase, if any, as expressed in percentage terms, in the Consumer Price Index, U.S. City Average, All Items, Seasonally Adjusted (Base Period 1982-84=100) as published by the Bureau of Labor Statistics of the United States Department of Labor—or, if such index is discontinued, the replacement therefor as designated thereby—for the twelve-month period precedent to June 30 of the prior year; provided, however, that (a) the Annual Assessment can be increased in excess of the limitations set forth herein upon the affirmative vote at least sixty-seven (67%) percent of the Aggregate Votes at a regular or special meeting duly called and constituted—the presence of Members or of proxies entitled to cast ten percent (10%) of the Aggregate Votes shall constitute a quorum for such a meeting for purposes of the adjournment thereof—and (b) this limitation upon the increase in the Annual Assessment shall not in any manner restrict, limit, modify or amend or be construed to restrict, limit, modify or amend the amount of a Special Assessment that may be levied by the Board as provided hereinafter.

18.4 Special Assessments for Capital Improvements. In addition to the Annual Assessments, the Association may levy Special Assessments for the purpose of paying, in whole or in part, the cost of construction of any new improvement or reconstruction or replacement of any existing improvement within the Common Elements and the cost of any fixtures or personal property relating thereto; provided, however, that such Special Assessment shall be subject to the prior approval of a Majority of the Aggregate Votes at a regular or special meeting duly

called and constituted. Written notice of any meeting called to authorize a Special Assessment shall be sent to all Members not fewer than thirty (30) Days nor more than sixty (60) Days in advance of the meeting. At the meeting, the presence of Members or of proxies entitled to cast ten percent (10%) of the Aggregate Votes shall constitute a quorum for purposes of adjournment thereof. 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 (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) Days following the preceding meeting.

18.5 Collection. The Board shall take prompt action to collect the full amount of all fees, charges, assessments and other amounts including any installment related thereto due from any Owner that remain unpaid for more than ten (10) Days from the respective due date thereof. Each Owner failing to pay any amounts due and payable hereunder shall be obligated to pay interest thereon and applicable late fees, from the due date thereof, at the highest rate that may lawfully be contracted for under any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement together with all costs and expenses including, but not limited to, reasonable attorney's fees, reasonable expenses, and court costs related to said action incurred by the Association in any proceeding brought to collect such unpaid amounts. Notwithstanding the foregoing, however, nothing herein shall be construed to obligate the Board to bring any legal action or to prosecute any such action to a final conclusion if it is determined by the Board, in its sole discretion, that it would be in the best interest of the Association to forego, delay or discontinue any such legal proceeding. No such Owner may avoid liability for the assessments provided for in this Declaration by reason of nonuse of the Common Elements or abandonment of his Lot.

18.6 Lien for Assessments.

18.6.1 Lien. All sums assessed to any Lot pursuant to this Article XVIII or any other provision of this Declaration as well as all fees, charges, and amounts payable by the Owner of said Lot—together with interest thereon as provided herein—shall be secured by a lien on said Lot and the Residence located thereon in favor of the Association. Such lien shall be superior to all other liens and encumbrances on the Lot, except for (a) liens of ad valorem taxes and (b) liens for all sums unpaid on a first mortgage or on any mortgage to Declarant duly recorded in the office of the Registry of Deeds of Moore County, North Carolina. All other persons acquiring liens or encumbrances on any Lot after the recordation of this Declaration shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments as provided herein whether or not such consent be specifically set forth in the instruments creating such lien or encumbrance.

18.6.2 Notice of Lien. To evidence a lien for sums assessed pursuant to this Article XVIII, the Association may, not fewer than thirty (30) Days after the due date thereof, prepare a written notice of lien setting forth the amount of the assessment, fee, charge or other amount secured thereby, the date or dates due, the amount remaining unpaid, the name of the Owner of the Lot, and a description of the Lot. Such a notice shall be signed by any officer or manager of the Association and may be recorded as provided by any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement in the Registry of Deeds of Moore County, North Carolina. No notice of lien shall be recorded until there is a delinquency in payment of such assessment, fee, charge or other amount.

18.6.3 Foreclosure. Such lien may be foreclosed by the Association in the same manner as a lien for the improvement of real property may be foreclosed in the State of North Carolina pursuant to a power of sale. In any such foreclosure, the Owner shall be required to pay the costs and expenses of filing the notice of lien and all costs and expenses including, but not limited to, reasonable attorney's fees, reasonable expenses, and court costs related to said action of the Association incurred in filing such notice and prosecuting such foreclosure. All such costs and expenses shall be secured by the lien being foreclosed. In addition, as a condition of discharging such lien, the Owner shall also be required to pay to the Association any assessments, fees, charges or other amounts payable by such Owner that shall become due prior to such discharge. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use, and otherwise deal with the Lot or Residence as the Owner thereof.

18.6.4 Release of Lien. A release of notice of lien shall be executed by the Association and recorded in the Registry of Deeds of Moore County, North Carolina upon payment of all sums secured by a lien that has been made the subject of a recorded notice of lien. Any encumbrancer holding a lien or other encumbrance on a Lot may pay, but shall not be required to pay, any amounts secured by the lien created pursuant to this Article XVIII, and, upon such payment, such encumbrancer shall be subrogated to all rights of the Association with respect to such lien or encumbrance including priority. The Association shall, upon written request, report to any encumbrancer of a Lot any unpaid assessments remaining unpaid for longer than sixty (60) Days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the Association written notice of its encumbrance.

18.6.5 Relief. No sale, conveyance or transfer of any Lot pursuant to foreclosure or any sale under power of sale—by a mortgagee or otherwise—shall relieve such Owner from personal liability for any assessments, fees, charges or other amounts due pursuant to the lien.

18.7 Subordination of the Lien to Mortgages. The lien or liens provided for herein shall be subordinate to the security title or lien of any first mortgage. The sale, conveyance or transfer of any Lot shall not affect any such lien. However, the sale, conveyance or transfer of any Lot pursuant to foreclosure or any sale under power of sale by the holder of a first mortgage shall extinguish such liens as to payments that become due prior to such sale or transfer. However, any delinquent uncollected assessments that were extinguished pursuant to foreclosure or any sale under power of sale may be reallocated by the Board and assessed to all Owners of Lots as a Common Expense. No sale, conveyance or transfer shall relieve such Lot or subsequent Owner from liability for any assessments, fees, charges or other amounts thereafter becoming due.

18.8 Exempt Property. The property, individuals, and entities hereinafter set forth and subject to this Declaration shall be exempted from the assessment charge and lien created herein.

18.8.1 Utilities. The grantee of conveyances made to utility companies for wells, tanks, pipelines, treatment plants and dispersion fields, liens, pumping stations, and maintenance facilities or for the purpose of creating utility easements therefor.

18.8.2 Common Elements. All Common Elements as herein defined.

18.8.3 Exempt Property. All parts of the Property exempted from taxation by any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement upon the terms and to the extent of such exemptions.

18.8.4 Declarant. All vacant Lots owned by Declarant shall be exempt so long as Declarant owns more than twenty-five percent (25%) of the aggregate number of Lots in the Phase One Property, the Phase One-A Property, the Phase Two Property, the Phase Three Property, and, if subsequently annexed pursuant to the terms hereof, the Phase Four Property and the Phase Five Property. After its Lot ownership drops below twenty-five percent (25%) of the aggregate number of aforesaid Lots, the Lots owned by Declarant will be subject to assessment on the same basis as Lots owned by other Owners.

18.9 Failure to Assess. The failure of the Board to fix assessment amount or rates or to deliver or mail to each Owner a notice of applicable assessments (hereinafter the "Assessment Notice") shall not be deemed to be a waiver, modification or release of any Owner from the obligation to pay applicable assessments. In such event, each Owner shall continue to pay Annual Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at, and, at such time, the Association may assess any shortfalls in collections on a retroactive basis.

**ARTICLE XIX
NOTICES**

19.1 Notices. Any notice required pursuant to the Governing Documents shall be, unless otherwise required, a written notice delivered to the recipient or mailed to him by the United States Postal Service, postage prepaid, at (a) his last known address if the recipient is an individual, (b) addressed to the senior executive of the business entity if the recipient is a business entity or (c) to the President of the Association if the recipient is the Association or the Board. All notices so delivered by mail shall be deemed to have been given as of the date and hour of the postmark thereon or, in the absence of such postmark, as of the date and time of mailing. The address of an Owner shown on the records maintained by the Secretary of the Association shall be the address of each Owner for making of all notices required from the Board or the Association. It shall be the responsibility and obligation of each Owner to furnish the Secretary with written notice of any error in such records and of any change of address.

19.2 Agent to Receive Service of Process. All notices, stipulations, writings or processes to be served upon the Association or upon the Board shall be delivered to the registered agent of the Association and to the incumbent president of the Association.

**ARTICLE XX
RENEWAL OF COVENANTS, CONDITIONS, AND RESTRICTIONS**

20.1 Application. The provisions of this Declaration and related documents shall constitute covenants running with the land that are binding on Declarant, the Association, and all Owners of any part of the Property, their grantees, successors, assigns, heirs, personal representatives, administrators, and devisees as well as their immediate family, guests, invitees, visitors, lessees, tenants, servants, employees, and agents. By the acceptance of any deed or other document conveying or transferring any interest in a Lot or Residence, the recipient thereof accepts and ratifies all covenants, conditions, and restrictions set forth in the Governing Documents.

20.2 Acceptance. Each Owner of a Lot, by the acceptance of a deed therefor, covenants and agrees each with the other that (a) he will join in the execution of any and all documents that are deemed necessary by the Board to renew or extend this Declaration from time to time and (b) that any provision of any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement removing any limitation of time that would apply to this Declaration if this Declaration were made after such provision of any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement becomes of effect shall be deemed automatically to apply to this Declaration retroactively.

ARTICLE XXI AMENDMENTS

21.1 Amendments by Declarant.

21.1.1 No Material Effect. Amendments that (a) do not materially affect any rights of any then-Owners or their respective mortgagee or (b) are reasonably necessary to effect compliance with any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement may be made by Declarant by recording the same in the foregoing manner at any time prior to the earlier of (c) the date on which Declarant certifies to the Association that all of the Lots have been conveyed to respective purchasers or (d) January 1, 2010.

21.1.2 Material Effect. In the event that any such amendment does materially affect any rights of any then-Owners or their respective mortgagees, such amendment shall be valid only upon the written consent thereto of fifty percent (50%) of the Owners of Lots affected thereby and theretofore conveyed by Declarant. Any such amendment shall be certified by Declarant as having been duly approved—copies of the records of such approval to be submitted to the Association prior to the recordation of such amendment—and shall be effective upon recordation in the Registry of Deeds of Moore County, North Carolina.

21.2 Amendments by Members.

21.2.1 Members. Any Member of the Association may propose an amendment to this Declaration upon submission of the amendment, a supporting statement as hereinafter set forth, and a petition for consideration of such amendment pursuant hereto signed by the Owners of five percent (5%) of the Lots and on which the names, signatures, and lot numbers of the Owners shall be set forth. The proposed amendment must be submitted in writing to the Secretary of the Association at least one hundred and twenty (120) Days prior to the date of the special or regular meeting of the Association at which the proposal is to be considered. The Member submitting the proposed amendment shall include with the proposed amendment a supporting statement for the adoption of the proposed amendment that shall not exceed three hundred (300) words. The Board may include a statement in support of or in opposition to the proposed amendment. If the Board elects to include a statement, however, the Board shall send a copy of its proposed statement to the Member for review within thirty (30) Days of receipt of the Member's proposed statement. The proposed amendment and supporting statement shall be included in the Association's notice of annual meeting or special meeting. The proxy that accompanies the notice shall provide an appropriate means for the Members to approve, disapprove or abstain

from the vote upon such proposed amendment. If a special meeting of the Association is called, the proposed amendment shall be presented to that meeting if such proposed amendment was received within a reasonable time prior to the mailing of the notice of the special meeting to the Members.

21.2.2 Statement. A statement of the subject matter of any proposed amendment or amendments shall be included in the notice of any Association meeting at which the proposed amendments are to be considered.

21.2.3 Resolution. A resolution for the adoption of an amendment to this Declaration may be proposed, upon compliance with and pursuant to the terms of Section 21.2.1 and 21.2.2 hereof, by any Member of the Association. The resolution for adoption shall be approved only by the affirmative vote of at least sixty-seven (67%) percent of the Aggregate Votes and the presence of Members or of proxies entitled to cast ten percent (10%) of the Aggregate Votes shall constitute a quorum for such a meeting for purposes of the adjournment thereof; provided, however, that, if a specific provision of this Declaration sets forth a number of Votes necessary for the action to be taken pursuant thereto, the number of Votes necessary to amend said specific provision of this Declaration shall not be less than the prescribed number of Votes required for action thereunder.

21.2.4 Requisite Vote. Except as explicitly set forth in this Declaration, this Declaration shall be amended only by the affirmative vote of at least sixty-seven (67%) percent of the Aggregate Votes and the presence of Members or of proxies entitled to cast ten percent (10%) of the Aggregate Votes shall constitute a quorum for such a meeting for purposes of the adjournment thereof; provided, however, that, if a specific provision of this Declaration sets forth a number of Votes necessary for the action to be taken pursuant thereto, the number of Votes necessary to amend said specific provision of this Declaration shall not be less than the prescribed number of Votes required for action thereunder.

21.4 Validity and Effective Date. Any amendment to this Declaration shall become effective, unless a later effective date is therein specified, upon the recordation in the Registry of Deeds of Moore County, North Carolina of (a) said amendment and (b) an affidavit, executed by the president of the Association in recordable form, certifying that the amendment was duly adopted. Any procedural challenge to an amendment must be made within one (1) year of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration. If an Owner consents to any amendment to this Declaration, it will be conclusively presumed that such Owner has the authority to consent, and no

contrary provision in any mortgage or contract between the Owner and a third party will affect the validity of such consent.

- 21.5 Proviso.** Notwithstanding any other provision hereof, no amendment shall change the boundaries of a Lot nor the share in the Common Elements appurtenant to it unless the record Owners of all Lots shall approve the amendment in writing; provided, further, that no amendment to this effect may be made without the written approval of Declarant so long as Declarant owns three or more Lots.

ARTICLE XXII REMEDIES FOR VIOLATIONS

- 22.1 Breach.** This Declaration shall be binding on all of the Lots and the Owners thereof—regardless of the source of title of said Owners and upon their immediate family, guests, invitees, visitors, lessees, tenants, servants, employees, and agents. The continuation of any breach hereof for a period of thirty (30) Days—five (5) Days in the event of an emergency situation—from and the date on which the Board or any Owner shall have notified the Owner (or resident in possession) of the Lot upon which or as to which such breach has been committed to refrain from a continuance of such action and to correct such breach shall warrant the Board or any Owner to apply to any court of law or equity having jurisdiction thereof for an injunction or other proper relief. If such relief be granted, the court may, if it deems the aforesaid violation to be willful or egregious, award to the party that sought to enforce the provisions this Declaration in such action all costs and expenses including, but not limited to, reasonable attorney's fees, reasonable expenses, and court costs related to said action.
- 22.2 Preservation of Lien.** Violations of any of the provisions of this Declaration shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith for value as to any Lot or portion thereof; provided, however, that this Declaration shall remain and be enforceable against any Lot or portion thereof acquired through foreclosure, deed in lieu of foreclosure or any other form of transfer or conveyance of title thereto.

ARTICLE XXIII DECLARANT EXEMPTIONS

- 23.1 Exemption.** Except as specifically set forth herein, Declarant shall be exempt from the covenants, conditions, and restrictions set forth herein so long as Declarant owns one (1) or more Lots. This exemption is granted for the purpose of allowing Declarant to complete improvements and complete the sale (or lease with option to purchase) of all Lots without restriction. Neither the Owners, the Association nor any use of the Property shall interfere with completion of construction of the buildings, the Residences or other improvements or with the sale of the Lots or Residences by Declarant. Declarant may make such reasonable use of the unsold Residences and Common Elements as may facilitate such completion and sale including, but not limited to, maintenance of a sales office,

model units, signs, storage areas, construction facilities and construction offices for the sale of Lots and the sale and construction of the Residences subject to this Declaration.

**ARTICLE XXIV
MISCELLANEOUS**

- 24.1 Multiple Owners.** If any Lot shall be owned as tenants in common by two or more Persons, such Persons shall be jointly and severally liable for the assessments levied against such Lot and for the prompt discharge of each and every obligation or duty imposed on such Owners by the Governing Documents.
- 24.2 Conveyance.** Each Owner of a Lot, by acceptance of a deed therefor, agrees that he has had full opportunity to inspect and examine same and waives any claim or demand that he might otherwise have had against Declarant as a result of any warranty, express or implied, or of any discrepancy between the Lot as it then exists and as it is described in this Declaration, filed plats, supplemental plats, architectural plans and specifications or any other instrument.
- 24.3 Perpetuities.** If any of the covenants, conditions or restrictions set forth herein shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the date of the death of the last survivor of the now-living descendants of George W. Bush, William J. Clinton, George H. W. Bush, Ronald W. Reagan, James E. Carter, and Gerald T. Ford, the incumbent President of the United States of America and former Presidents of the United States of America.
- 24.4 Rights of Mortgagees.** Any mortgagee holding a first mortgage on any Lot may require that the loan documents evidencing and securing such loan contain provisions relating to reserve accounts for repairs and replacements, additional insurance, voting rights, and such other matters as may be acceptable to the mortgagee and the Owner. However, such provisions shall be binding only as between such mortgagee and Owner, and no such provision shall violate, restrict or modify the provisions of the Governing Documents.
- 24.5 Declarant's Facilities.** No Owner or any other person shall have any rights of any nature, express or implied, in any adjacent recreational or other facility owned by Declarant and not included as a part of the Property including, but not limited to, the Golf Course Property. Declarant shall have the unrestricted right at any time, and from time to time, to lease, mortgage or otherwise convey or encumber, modify, close, terminate, limit operations and the membership, expand and otherwise manage and control any such facilities and other property not included as a part of the Property.
- 24.6 No Partition.** Except for Declarant in the case of damage or destruction, there shall be no judicial partition of the Property or any part thereof, and, except for

Declarant in the case of damage or destruction, the Owners thus hereby waive any such right of judicial partition.

24.7 Construction. The section headings throughout this Declaration are for convenience and reference only, and words contained therein shall in no way be held to explain, modify, simplify or aid in the interpretation, construction or meaning of the provisions of this Declaration. Whenever used herein, a pronoun in the neutral gender shall include the masculine and feminine gender, and the singular shall include the plural unless the context clearly indicates otherwise.

24.8 Indemnification. The Association shall, to the maximum extent permitted by law, indemnify any director or officer or former director or officer of the Association or any person who may have served at the request of the Association as a director or officer of a committee thereof or another corporation, whether for profit or not for profit, or a committee thereof against expenses—all costs and expenses including, but not limited to, reasonable attorney's fees, reasonable expenses, and court costs related to said action—or liabilities actually and reasonably incurred by him in connection with the defense of or as a consequence of any threatened, pending or completed action, suit or proceeding (whether civil or criminal) in which he is made a party or was (or is threatened to be made) a party by reason of being or having been such director or officer except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for individual willful misfeasance, malfeasance, misconduct or bad faith in the performance of duty. The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, bylaw, agreement, vote of Members or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person. The Association shall, as a Common Expense, maintain adequate policies of insurance including coverages for general liability and directors and officers liability to fund this obligation if such insurance is reasonably available.

24.9 Security. The Association may, but shall not be obligated to, maintain or support certain activities designed to promote general safety on the Property; provided, however, that the Association shall not in any way be considered an insurer or guarantor of security thereon nor shall the Association be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any security system or measure, including any mechanism or system for limiting access to the Property, can not be compromised or circumvented nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and covenants to inform his immediate family, guests, invitees, visitors, lessees, tenants, servants, employees, and agents—that the Association is not an insurer and that each Person using the

Property assumes all risks including, but not limited to, all risks of personal injury resulting from acts of third parties and of loss or damage to property including Residences and the contents thereof resulting from acts of third parties.

24.10 Golf Courses. By acceptance of a deed to any Lot, each Owner acknowledges and agrees that owning real property adjacent to a golf course has benefits as well as detriments, and that the detriments include, but are not limited to, (a) the risk of damage to property or injury to persons and animals from golf balls that are hit onto a Lot or other portion of the Property, (b) the right of entry by golfers onto a Lot to retrieve golf balls pursuant to Section 8.1.15 hereof, (c) overspray in connection with watering of the roughs, fairways, and greens on the Golf Course Property and Common Elements, (d) noise from maintenance and operation equipment (including, but not limited to, compressors, blowers, mulches, tractors, utility vehicles and pumps) on the Golf Course Property and Common Elements, (e) odors arising from irrigation and fertilization of the turf situated on the Golf Course Property, and (f) disturbance and loss of privacy resulting from golf cart traffic and golfers. Each Owner further acknowledges and agrees that pesticides and chemicals may be applied to the Golf Course Property and Common Elements throughout the year and that reclaimed water, treated wastewater or other sources of non-potable water may be used for irrigation of the Golf Course Property and Common Elements.

24.11 Presence and Management of Wildlife. Each Owner—and his immediate family, guests, invitees, visitors, lessees, tenants, servants, employees, and agents—acknowledges and agrees that the Property is located adjacent to and in the vicinity of wetland, bodies of water, and other natural areas. Such areas may contain wildlife including, without limitation, deer, foxes, and raccoons. The Association shall not be liable or responsible for any personal injury, illness or any other loss or damage caused by the presence of such wildlife on the Property. Each Owner—and his immediate family, guests, invitees, visitors, lessees, tenants, servants, employees, and agents—thus assumes all risk of personal injury, illness or other loss of damage arising from the presence of such wildlife and further acknowledges that the Association has made no representations or warranties nor has any Owner—or his immediate family, guests, invitees, visitors, lessees, tenants, servants, employees, and agents—relied upon any representations or warranties, expressed or implied, relative to the presence of such wildlife. The Association, in its sole and absolute discretion, retains the right, but not the obligation, to adopt and prosecute wildlife and fishery management plans and practices—including, but not limited to, organized hunting, shooting and trapping—on the Property to the extent that such practices are permitted by any applicable Federal, state, county or municipal statute, regulation, law, code or ordinance or other governmental requirement.

24.12 Headings. The headings included herein are for convenience of reference only and shall not constitute a part hereof or define, limit or otherwise affect the meaning of any of the terms or provisions herein.

24.13 Gender. This Declaration shall be construed such that the feminine, masculine or neuter gender shall be deemed to refer to and to include the neuter, feminine, and masculine gender.

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IN WITNESS WHEREOF, Louis Weislogel, president of the Association, executed this Declaration on _____, 2002 pursuant to the action of the Members on _____, 2002.

**PINEWILD MAINTENANCE CORPORATION
D/B/A PINEWILD PROPERTY OWNERS ASSOCIATION**

_____ (SEAL)

Louis Weislogel
President

STATE OF NORTH CAROLINA
COUNTY OF MOORE

I, a Notary Public of the County and State aforesaid, certify that Louis Weislogel personally came before me this day and acknowledged that he is the President of Pinewild Maintenance Corporation d/b/a the Pinewild Property Owners Association, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and sealed with its corporate seal. Witness my hand on this the ____ day of _____, 2002.

Notary Public

My Commission Expires _____

Schedule A

Phase Four Property