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**DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR
PINEVILLE EAST COTTAGES @ THE VILLAGE**

THIS DECLARATION OF COVENANTS, CONDITIONS, and RESTRICTIONS
is made this 8th day of May, 2007, by DWF Development, Inc. (known herein as the
"Declarant").

*This document is being Re-Recorded to correct
the Attached Exhibit A - Legal description*

[Signature], preparing attorney

**PART ONE:
INTRODUCTION TO THE COMMUNITY**

**ARTICLE I
CREATION OF THE COMMUNITY**

1.1. Purpose and Intent. The Declarant, as the owner of the real property described on Exhibit "A" intends by the recording of this Declaration to create a general plan of development for the planned community known as Pineville East Cottages @ the VILLAGE ("Pineville East Cottages"). This Declaration provides a flexible and reasonable procedure for the future expansion of Pineville East Cottages to include additional real property as Declarant deems appropriate and provides for the overall development, administration, maintenance and preservation of the real property now and hereafter comprising Pineville East Cottages, Inc. (the "Association"), an association comprised of all owners of residential property in Pineville East Cottages, to own, operate and/or maintain various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents referred to in this Declaration.

1.2. Binding Effect. All property described on Exhibit "A", and any additional property which is made a part of Pineville East Cottages in the future by filing of one or more Supplemental Declarations in the Public Records, shall be owned, conveyed and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns.

This Declaration shall be enforceable by the Master Declarant, Rebecca D. Flowers, the Declarant, the Association, any Owner and their respective legal representatives, heirs, successors, and assigns, perpetually, from the date this Declaration is recorded in the Public Record; provided, if North Carolina law shall limit the term that covenants or restrictions may encumber real property, this Declaration shall run for such period and shall be extended automatically for successive periods of ten (10) years each, unless amended as specified herein.

Further, this Declaration shall be subject to Flowers Plantation master plan as set forth in that certain Declaration of Easements and Covenant to Share Costs For Flowers Plantation, as amended and as it may be amended from time to time, and recorded in Book 1615, Page 611 of the Johnston County Registry. And this Declaration shall be subject to the Master Plan for the Village at Flowers Plantation, as set forth in that certain Declaration of Covenants, Conditions and Restrictions, as may be amended from time to time, and recorded in Book 3233, Page 495, Johnston County Registry.

1.3 Governing Documents. The Governing Documents create a general plan of development for Pineville East Cottages which may be supplemented by additional

covenants, restrictions and easements. In the event of a conflict between or among the Governing Documents and any such additional covenants or restrictions, and/or the provisions of any other articles of incorporation, bylaws, rules or policies, the Governing Documents shall control. Nothing in this Section shall preclude any Supplemental Declaration or other recorded covenants applicable to any portion of the Properties from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration.

All provisions of the Governing Documents shall apply to all Owners and to all occupants of their Units, as well as their respective tenants, guests and invitees. Any lease on a Unit shall provide that the lessee and all occupants of the leased Unit shall be bound by the terms of the Governing Documents.

If any provision of this Declaration is determined by judgment or court order to be invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications.

ARTICLE II CONCEPTS AND DEFINITIONS

2.1 The terms used in the Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below:

“Additional Association” A condominium association, home owners’ association, if any, having jurisdiction over any property within the Village @ Flowers Plantation concurrent with (but subject to) the jurisdiction of the Association. Nothing in this Declaration shall require the creation of an Additional Association for any property within the Village @ Flowers Plantation.

“Additional Declaration” A declaration of covenants, conditions, restrictions and easements, or condominium declaration or similar declaration, applicable to an area within the Village @ Flowers Plantation and under the jurisdiction of an Additional Association. Any Additional Declaration shall in all respects be subordinate to this Declaration.

“Area of Common Responsibility” The Common Area, together with such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration or other applicable covenants, contracts, or agreements.

“Association” Pineville East Cottages, Inc., a North Carolina nonprofit corporation, its successors or assigns.

“Base Assessment” Assessments levied on all Units subject to assessment under Article VIII to fund Common Expenses for the general benefit of all Units, as determined in accordance with Section 8.1.

“Board of Directors” or *“Board”* The body responsible for administration of the Association, selected as provided in the By-Laws and generally serving the same role as the board of directors under North Carolina corporate law.

“Builder” Any person who purchases one or more Units for the purpose of constructing improvements for later sale to consumers, or who purchases one or more parcels of land within the Properties for further subdivision, development, and/or resale in the ordinary course of such Person's business.

“By-Laws” The Bylaws of Pineville East Cottages, Inc., as amended from time to time.

“Class “B” Control Period” The period of time during which the Class “B” Member is entitled to appoint a majority of the members of the Board as provided in the By-Laws; said period being referred to as the “Declarant Control Period” in the By-Laws.

“Common Area” All real and personal property, including easements, exterior walls, roofs and other improvements, and private roads, which the Association owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners.

“Common Expenses” The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents. Common expenses shall include those expenses assessed for the Pineville Club, a private club anticipated to be owned initially by River Dell Investments, LLC which shall inure to the benefit of the Members for their common use and enjoyment.

“Community-Wide Standard” The standard of conduct, maintenance, or other activity generally prevailing throughout Pineville East Cottages. Such standard shall be established initially by the Declarant and may be more specifically defined in the Design Guidelines, the Use Restrictions and Rules, as attached to the Master Covenants for the Village @ Flowers Plantation, and as attached to this Declaration as Exhibit “C” and incorporated herein by reference, and in Board resolutions.

“Covenant to Share Costs” That certain Declaration of Easements and Covenant to Share Costs For Flowers Plantation, as amended and as it may be amended from time to time, and recorded in Book 1615, Page 611 of the Johnston County Registry.

“Declarant” DWF Development, Inc., or any successor or assign who takes title to any portion of the property described on Exhibits “A” and “B” for the purpose of

development and/or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant.

“Flowers” Rebecca D. Flowers, Master Developer of Flowers Plantation Subdivision, or her successors and assigns, as applicable, who has separate architectural approval of improvements in all of Flowers Plantation, including Pineville East Cottages, as well as approval of Amendments to these Covenants or Additional Covenants.

“Foundation” Flowers Plantation Foundation, a North Carolina nonprofit corporation, which has certain rights and obligations relating to Flowers Plantation, as set forth in the Development Agreement and the Covenant to Share Costs.

“Governing Documents” A collective term referring to this Declaration and any applicable Supplemental Declaration, the By-Laws, the Articles, the Design Guidelines, the Use Restrictions and Rules, the Covenant to Share Costs, as they may be amended.

“Master Plan” The land use plan for the development of Pineville East Cottages approved by Johnston County, North Carolina, as it may be amended from time to time, which includes all of the property described on Exhibit “A” and all or a portion of the property described on Exhibit “B”. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the omission of property described on Exhibit “B” from the Master Plan bar its later submission to this Declaration.

“Member” A Person subject to membership in the Association pursuant to Section 6.2

“Mortgage” A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Unit. A *“Mortgagee”* shall refer to a beneficiary or holder of a Mortgage.

“Owner” One or more Persons who hold the record title to any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

“Person” A natural person, a corporation, a partnership, a trustee, or any other legal entity.

“Pineville Club” or “Club” The recreational facilities, which may or may not contain a bed and breakfast, which Declarant currently contemplates will be located as shown on the Village Development Plan, which shall initially be a privately owned and operated Club.

“Properties” or *“Pineville East Cottages”* The real property described on Exhibit “A”, together with such additional property as is subject to this Declaration in accordance with Article IX.

“Public Records” The Office of the Register of Deeds of Johnston County, North Carolina.

“Specific Assessment” Assessments levied in accordance with Section 8.4.

“Supplemental Declaration” An instrument filed in the Public Records pursuant to Article IX which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

“Unit” A portion of the Properties, whether improved or unimproved, which may be independently owned and is intended for development, use, and occupancy as a detached residence for a single family. The term shall refer to the land, if any, which is part of the Unit as well as any improvements thereon.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain a single unit until such time as a subdivision plat is filed of record on all or a portion of the parcel. Thereafter, the portion encompassed by such plat shall contain the number of Units determined as set forth in the preceding paragraph of any portion not encompassed by such plat shall continue to be treated in accordance with this paragraph.

“Use Restrictions and Rules” The initial use restrictions and rules set forth as an Exhibit or Exhibits to the Master Covenants for the Village @ Flowers Plantation, as they may be supplemented, modified and repealed pursuant to in Article III.

“The Village @ Flowers Plantation, Inc” The Master Association for the Village Master Development, which includes the right and use of the Pineville Club and its facilities upon completion of construction of same.

“Yard Improvements” shall have the meaning ascribed to it in Section 5.4.

**PART TWO:
CREATION AND MAINTENANCE OF COMMUNITY STANDARDS**

ARTICLE III
USE AND CONDUCT

3.1. Framework for Regulation. The Governing Documents establish, as part of the general plan of development for the Properties, a framework of affirmative and negative covenants, easements and restrictions which govern the Properties. However, within that framework, the Declarant, Board and Members must have the ability to respond to unforeseen problems and changes in circumstances, desires, trends and technology which inevitably will affect Pineville East Cottages, its Owners and residents. Toward that end, this Article establishes procedures for modifying and expanding the initial Use Restrictions and Rules set forth on Exhibits to the Master Covenants to the Village @ Flowers Plantation.

3.2. Rule Making Authority.

(a) Subject to the terms of this Article and the Declarant's duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Declarant may modify, cancel, limit, create exceptions to, or expand the Use Restrictions and Rules.

(b) Nothing in this Article shall authorize the Board or the Members to modify, repeal or expand the Design Guidelines. In the event of a conflict between the Design Guidelines and the Use Restrictions and Rules, the Design Guidelines shall control.

3.3. Owners' Acknowledgment and Notice to Purchases. All Owners are given notice that use of their Units and the Common Area is limited by the Use Restrictions and Rules as they may be amended, expanded and otherwise modified hereunder. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her Unit can be affected by this provision and the Use Restrictions and Rules may change from time to time. All purchasers of Units are on notice that changes may have been adopted by the Association. Copies of the current Use Restrictions and Rules may be obtained from the Association.

3.4. Protection of Owners and Others. No rule shall be adopted in violation of the following provisions, except as may be specifically set forth in this Declaration (either initially or by amendment) or Use Restrictions and Rules set forth as Exhibits to the Covenants for the Village @ Flowers Plantation.

(a) Equal Treatment. Similarly situated Owners shall be treated similarly.

(b) Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures on their Units of the kinds normally displayed in dwellings located in single family residential neighborhoods shall not be abridged, except that the Association may adopt time, place, and manner restrictions with respect to displays visible from outside the dwelling.

No rules shall regulate the content of political signs; however, rules may regulate the time, place and manner of posting such signs (including design criteria).

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

(d) Allocation of Burdens and Benefits. No rule shall alter the allocation of financial burdens among the various Units or rights to use the Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Area available, from adopting generally applicable rules for use of Common Area, from denying use privileges to those who abuse the Common Area or violate the Governing Documents, or from enforcing the various insurance requirements specified herein. This provision does not affect the right to increase the amount of assessments as provided in Article VIII.

(e) Alienation. No rule shall prohibit leasing or transfer of any Unit by an individual property owner; however, purchase of a Unit for the sole purpose of leasing same, without the prior written consent of the Declarant, shall be prohibited.

(f) Abridging Existing Rights. If any rule would otherwise require Owners to dispose of personal property which they maintained in or on the Unit prior to the effective date of such rule, or to vacate a Unit in which they resided prior to the effective date of such rule, and such property was maintained or such occupancy was in compliance with this Declaration and all rules previously in force, such rule shall not apply to any such Owners without their written consent.

(g) Reasonable Rights to Develop. No rule or action by the Association or Board shall unreasonably impede the Declarant's right to develop the Properties.

The limitations in subsections (a) through (f) of this Section 3.4 shall only limit rule making authority exercised under Section 3.2; they shall not apply to amendments to this Declaration adopted in accordance with Article XVI.

ARTICLE IV ARCHITECTURE AND LANDSCAPING

4.1. General. No structure or thing shall be placed, erected, installed or posted on the Properties and no improvements or other work (including staking, clearing, excavation, grading and other site work, exterior alterations of existing improvements, or planting or

removal of landscaping) shall take place within the Properties, except in compliance with this Article and the Design Guidelines. All such guidelines and procedures set forth in this Article and the Design Guidelines shall be in accordance with the master plan for Flowers Plantation and the Village @ Flowers Plantation to which reference is hereby made.

4.2. Architectural Review.

(a) By Declarant. Until one hundred percent (100%) of the property described on Exhibits "A" and "B" have been developed and conveyed to Owners other than Builders, the Declarant, together with Flowers, as set forth in paragraph (b) below, shall have sole authority to review and approve activity within the scope of this Article. Each Owner, by accepting a deed or other instrument conveying any interest in any portion of the Properties, acknowledges that, as the developer of the Properties, Declarant has a substantial interest in ensuring that the improvements within the Properties preserve and promote the desirability of Pineville East Cottages and do not impair the Declarant's ability to market, sell, or lease its property. Therefore, each Owner agrees that no activity within the scope of this Article ("Work") shall be commenced on such Owner's Unit unless and until the Declarant or its designee has given her prior written approval for such Work, which approval may be granted or withheld in the sole discretion of Declarant or her designee.

In reviewing and acting upon any request for approval, Declarant or its designee, shall be acting in the interest of Declarant and shall owe no duty to any Person other than Flowers. The rights reserved to Declarant under this Article shall continue so long as Declarant owns any portion of the property described on Exhibits "A" and "B", unless earlier terminated in a written instrument executed by Declarant and recorded in the Public Records. The Declarant may, in its sole discretion, designate one or more Persons from time to time to act on its behalf in reviewing applications hereunder.

The Declarant may from time to time, but shall not be obligated to, delegate all or a portion of its reserved rights under this Article to (i) an architectural review committee appointed by the Association's Board of Directors (the "ARC"), or (ii) a committee comprised of architects, engineers or other persons who may or may not be Members of the Association. Any such delegation shall be in writing, specifying the scope of responsibilities delegated, and shall be subject to (i) the right of Declarant to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated, and (ii) the right of Declarant to veto any decision which Declarant determines, in its sole discretion, to be inappropriate or inadvisable for any reason. So long as the Declarant has any rights under this Article, the jurisdiction of the foregoing entities shall be limited to such matters as are specifically delegated to it by the Declarant.

(b) Architectural Review Committee. Upon delegation by Declarant or upon expiration or termination of the Declarant's rights under this Article, the Association, acting through the ARC, shall assume jurisdiction over architectural matters hereunder, except for those architectural matters reserved by the Declarant. The ARC, when appointed,

shall consist of at least three, but not more than seven, persons who shall serve and may be removed and replaced in the Board's discretion. The members of the ARC need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board.

Unless and until such time as Declarant delegates all or a portion of its reserved rights to the ARC or the Declarant's rights under this Article terminate, the Association shall have no jurisdiction over architectural matters.

(d) Fees; Assistance. For purposes of this Article, the entity having jurisdiction in a particular case shall be referred to as the "Reviewer". The Reviewer may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals. The Declarant and the Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons in the Association's annual operating budget as a Common Expense.

4.3. Guidelines and Procedures.

(a) Design Guidelines. The Declarant may prepare the initial Design Guidelines, which will contain provisions applicable to the entire Properties and may contain specific provisions to certain areas or units within the Properties. The Design Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the Reviewer in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the Reviewer and compliance with the Design Guidelines does not guarantee approval of any application.

The Declarant shall have sole and full authority to amend the Design Guidelines as long as it owns any portion of the Properties or has a right to expand the Properties pursuant to Section 9.1. Upon termination or delegation of the Declarant's right to amend, the ARC shall have the authority to amend the Design Guidelines with the consent of the Board. Any amendments to the Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Design Guidelines less restrictive.

The Reviewer shall make the Design Guidelines available to Owners and Builders who seek to engage in development or construction within the Properties. In the Declarant's discretion, such Design Guidelines may be recorded in the Public Records, in which event the recorded version, as it may unilaterally be amended from time to time, shall

control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

(b) Procedures. Prior to commencing any Work within the scope of this Article, an Owner shall submit to the appropriate Reviewer an application for approval of the proposed Work in such form as the Design Guidelines or the Reviewer may specify. Such application shall include plans and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, and other features of proposed construction, as applicable. The Design Guidelines and the Reviewer may require the submission of such additional information as may be reasonably necessary to consider any application.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements.

The Reviewer shall, within thirty (30) days after receipt of a completed application and all required information, respond in writing to the applicant at the address specified in the application. The response may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application. The Reviewer may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections.

In the event that the Reviewer fails to respond in such thirty (30) day time period after actual receipt of the documentation, approval shall be deemed to have been given, subject to the Declarant's right to veto approval by the ARC pursuant to this Section. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted pursuant to Section 4.5. Notice shall be deemed to have been given at the time the envelope containing the response is deposited with the U.S. Postal Service. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the applicant.

Until expiration of the Declarant's rights under this Article, the ARC shall notify the Declarant in writing within three business days after the ARC has approved any application relating to proposed Work within the scope of matters delegated to the ARC by the Declarant. The notice shall be accompanied by a copy of the application and any additional information which the Declarant may require. The Declarant shall have ten (10) days after receipt of such notice to veto any such action, in its sole discretion, by written notice to the ARC and the applicant.

The Reviewer may, by resolution, exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

4.4. No Waiver of Future Approvals. Each Owner acknowledges that the persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Design Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features of proposed Work until the Work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the Reviewer may refuse to approve similar proposals in the future. Approval of applications or Plans for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar applications, Plans, or other matters subsequently or additionally submitted for approval.

4.5. Variances. The Reviewer may authorize variances from compliance with any of its guidelines and procedures when circumstances require, but only in accordance with duly adopted rules and regulations. The Reviewer may also grant variances for any violation of setbacks contained on the recorded plat or plats for Pineville East Cottages. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the Reviewer from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

4.6. Limitation of Liability. The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Properties but shall not create any duty to any Person. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the Reviewer shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all dwellings are of comparable quality, value or size or of similar design. Neither the Declarant, the Association, the Board, any committee, or member of any of the foregoing shall be held liable for soil conditions, drainage or other general site work, nor for any defects in plans revised or approved hereunder, nor for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Unit. In all matters, the ARC and all persons comprising the ARC shall be defended and indemnified by the Association as provided in Section 7.7.

ARTICLE V MAINTENANCE AND REPAIR

5.1 Maintenance of Units. Subject to Section 5.1 above, every Owner shall perform promptly all maintenance and repair work within or outside his Unit, which, if omitted, would affect the Unit, either in its entirety or in a part belonging to other Owners, every Owner being expressly responsible for the damages and liability which his failure to do so may engender. The Owner of each Unit shall be liable and responsible for the maintenance, repair and replacement, as the case may be, of all air conditioning and heating equipment, stoves, refrigerators, fans or other appliances or equipment, including any utility fixtures, except that the Association shall be responsible for maintaining all exterior connections required to provide water, light, power, telephone, sewage and sanitary service to any Unit; each Owner shall be responsible for maintaining all such connections within any improvement or dwelling placed on a Unit. Such Owner shall further be responsible and liable for the maintenance, repair and replacement of the interior surfaces of any and all walls, ceilings and floors (including any floors within any screened in porch) within his Unit, including painting, decorating and furnishings, and all other accessories which such Owner may desire to place or maintain in his Unit. Whenever the maintenance, repair and replacement of any item for which the Owner of a Unit is obligated to maintain, replace or repair at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement except that the Owner of such Unit shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. All glass, doors, window frames, panes and screens are a part of the respective Units and shall be maintained by the respective Unit Owners.

5.2. Responsibility for Repair and Replacement. By virtue of taking title to a Unit, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on his or her Unit, less a reasonable deductible; said insurance to be issued by a company licensed in the State of North Carolina. Each Owner also agrees to have the Association listed as a co-insured, as its interest may appear, on each insurance policy, and to provide the Association with evidence of insurance annually on the anniversary of the Owner's acquisition of the Unit. If the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners, the premiums for such insurance shall be levied as a Specific Assessment against the benefited Unit and the Owner.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article IV. Alternatively, the Owner shall clear the Unit and maintain it in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

5.3. Yard Improvements. In addition to maintenance of the Common Area and the improvement and facilities located thereon, as well as the maintenance provided in Section 5.2 above, the Association shall be responsible for maintaining the grass, plants, shrubs, trees, landscaping, walks and parking areas (hereinafter the Yard Improvements) installed by the Declarant, Association or any Builder who constructed the initial improvements on the Unit, and any Yard Improvements installed by an Owner with the prior written consent of the Association (but only to the extent that such consent specifically provides that the Association will maintain such added landscaping); provided, however, that: (i) the Association shall not be responsible for maintaining any fence installed on any Unit or any Yard Improvements inside of such fence installed; (ii) the Association's obligation to maintain shall not include the obligation to replace any plant, shrub or tree for any reason; and (iii) the Association shall not be responsible for repair or replacement of any Yard Improvements when such repair or replacement is necessitated by work done by or at the request of any Owner or any utility company or governmental entity. No Owner or Occupant shall plant any vegetation in the front yard or along the front facade of the Unit except with the prior written approval of the Association.

**PART THREE:
COMMUNITY GOVERNANCE AND ADMINISTRATION**

**ARTICLE VI
THE ASSOCIATION AND ITS MEMBERS**

6.1. Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility. The Association also shall be the primary entity responsible for enforcement of the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of North Carolina.

6.2. Membership. Every Owner shall be a Member of the Association. There shall be only one membership per Unit. If a Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 6.3(c) and in the By-Laws, and all such Co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

6.3. Voting. The Association shall be two classes of membership, Class "A" and Class "B".

(a) Class "A". Class "A" Members shall be all Owners except the Class "B" Member, if any. Class "A" Members shall have one equal vote for each Unit in which they hold the interest required for membership under Section 6.2, except that there shall be only one vote per Unit and no vote shall be exercised for any property which is exempt from assessment. All Class "A" votes shall be cast as provided in Section 6.3(c) below.

(b) Class "B". The sole Class "B" Member shall be the Declarant. The Class "B" Member may appoint a majority of the members of the Board of Directors during the Class "B" Control Period, as specified herein and in the By-Laws. Additional rights of the Class "B" Member, including the right to approve, or withhold approval of, actions proposed under this Declaration, the By-Laws and the Articles, are specified in the relevant sections of this Declaration, the By-Laws and the Articles.

The Class "B" membership shall terminate upon the earlier of:

- (i) two (2) years after expiration of the Class "B" Control Period pursuant to the By-Laws; or
- (ii) when, in its discretion, the Declarant so determines and declares in a recorded instrument.

Upon termination of the Class "B" membership, the Declarant shall be a Class "A" Member entitled to Class "A" votes for each Unit which it owns, if applicable.

(c) Exercise of Voting Rights. Except as otherwise specified in this Declaration or the By-Laws, the vote for each Unit owned by a Class "A" Member shall be exercised by the Member. In any situation where there is more than one Owner of such Unit, the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it.

ARTICLE VII ASSOCIATION POWERS AND RESPONSIBILITIES

7.1. Acceptance and Control of Association Property.

(a) The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property.

(b) The Declarant and its designees may convey to the Association personal property and fee title, leasehold or other property interests in any real property, improved or unimproved, described on Exhibits "A" or "B". The Association shall accept and maintain such property at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association. Upon written request of Declarant, the Association shall reconvey to Declarant any unimproved portions of the Properties originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.

7.2. Maintenance of Area of Common Responsibility.

(a) In addition to Maintenance of Yard Improvements and Landscaping as described in Section 5.4, herein, the Association shall maintain, in accordance with the Community-Wide Standard, the Area of Common Responsibility, which shall include, but need not be limited to:

(i) all portions of and structures situated upon the Common Area, including the private roads within the subdivision, and private gatehouses or other entranceways as applicable, unless maintained by Flowers Plantation Foundation, Inc. or by the Village @ Flowers Plantation, Inc.;

(ii) landscaping within rights-of-way within or abutting the Properties. Declarant may install trees within these rights-of-way at such locations that Declarant, in her sole discretion, shall determine. The Association shall be responsible for maintenance of these trees and for replacement thereof when necessary;

(iii) such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, the Covenant to Share Costs, the Covenants for the Village @ Flowers Plantation, or any contract or agreement for maintenance thereof entered into by the Association;

(iv) all lands located within the Properties which serve as part of the storm water drainage system for the Properties, including improvements and equipment installed therein or used in connection therewith;

(v) any property and facilities owned by the Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from the Declarant to the Association and to remain a part of the Area of Common Responsibility and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association;

(vi) the Association shall be responsible for the maintenance of all storm water drainage systems in Pineville East Cottages. These storm water drainage systems are required under the Neuse River Basin Rules and/or any regulations promulgated or implemented by the State of North Carolina or Johnston County ("Rules") and have been initially installed by Declarant in accordance with the Rules. The Association shall be solely responsible for maintenance of such storm water drainage systems in accordance with the Rules and any other governmental regulation applicable to Pineville East Cottages:

(vii) The Association shall maintain the Common Area in accordance with the terms of the Covenants for the Village @ Flowers Plantation;

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. The Association shall not undertake any activity in violation of the Covenant to Share Costs without the prior written permission of the Foundation. In addition, the Association may enter into agreements or covenants to share costs with neighboring property owners or the Foundation for maintaining and/or operating properties or facilities benefiting both parties.

The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

(viii) The Association shall maintain and be responsible for monthly electric bills which represent a charge for the street lights in Pineville East Cottages. The Association shall pay for any electric used in any Common Area, such as the lighting and water for irrigation for the entrance sign area, and shall be solely responsible for such Common Expense.

(ix) The Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation.

(b) The costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense; provided, the Association may seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, the Master Declaration for the Village @ Flowers Plantation, the Covenant to Share Costs, other recorded covenants, or agreements with the owner(s) thereof.

7.3. Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance as a Common Expense, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance on the Area of Common Responsibility covering the full replacement cost of all insured improvements, if any, under current building ordinances and codes, to the extent that Association has assumed responsibility in the event of a casualty, regardless of ownership;

(ii) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable

cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least One Million Dollars (\$1,000,000.00) per occurrence with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) Directors and officers liability coverage;

(v) Commercial crime insurance, including Fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) Such additional insurance as the Board, in its best business judgment, determines advisable.

(b) Policy Requirements. The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Johnston County, North Carolina area. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with Section 3.24 of the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Units as a Specific Assessment.

All insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in the State of North Carolina which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

- (ii) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its Members;
- (iii) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;
- (iv) contain an inflation guard endorsement;
- (v) include an agreed amount endorsement, if the policy contains a co-insurance clause;
- (vi) provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Area or membership in the Association;
- (vii) provide a waiver of subrogation under the policy against any Owner or household member of a Owner;
- (viii) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and
- (ix) include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

- (i) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;
- (ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;
- (iii) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(iv) an endorsement requiring at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(v) a cross liability provision; and

(vi) a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of its Members, as appropriate, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit. If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Members, levy Special Assessments to cover the shortfall.

(d) Right of Entry into Units in Emergencies. In case of any emergency originating in or threatening any Unit, regardless of whether the Owner is present at the time of such emergency, the Board of Directors of the Association, or any other person authorized by it, or the Managing Agent, shall have the right to enter such Unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate.

(e) Right of Entry for Maintenance of Common Property. Whenever it may be necessary to enter any Unit for the purpose of performing any maintenance, alteration or repair to any portion of the Common Property or for any Exterior Maintenance, the Owner of each Unit shall permit other Owners or their representatives, or the duly constituted and authorized Agent of the Association, to enter such Unit for such purpose, provided that the entry shall be made only at reasonable times and with reasonable advance notice.

7.4. Management. The Association, through its Board, may employ a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policymaking authority.

7.5. Compliance and Enforcement. Every Owner and occupant of a Unit shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents after notice and a hearing in accordance with the procedures set forth in Section 3.24 of the By-Laws. Such sanctions may include, without limitation:

(a) imposing reasonable monetary fines which shall constitute a lien upon the violator's Unit. (In the event that any occupant, guest or invitee of a Unit violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the violator; provided, however, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board);

(b) suspending an Owner's right to vote;

(c) suspending any Person's right to use any recreational facilities within the Common Area; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit;

(d) suspending any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Association;

(e) exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;

(f) requiring an Owner, at its own expense, to remove any structure or improvement on such Owner's Unit in violation of Article IV and to restore the Unit to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

(g) without liability to any Person, precluding any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of Article IV and the Design Guidelines from continuing or performing any further activities in the Properties; and

(h) levying Specific Assessments to cover costs incurred by the Association to bring a Unit into compliance with the Governing Documents.

In addition, the Board may take the following enforcement procedures to ensure compliance with the Governing Documents without the necessity of compliance with the procedures set forth in Section 3.24 of the By-Laws:

(a) exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations); and

(b) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both.

In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may record a notice of violation in the Public Records or perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner as a Specific Assessment.

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 Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

The Association shall not be obligated to take any action if the Board reasonably determines that the Association's position is not strong enough to justify taking such action. Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or estop the Association from enforcing any other covenant, restriction or rule.

The Association, by contract or other agreement, may enforce applicable city and county ordinances and permit the County of Johnston, North Carolina to enforce ordinances within the Properties for the benefit of the Association and its Members.

The Foundation, the Declarant of the Village @ Flowers Plantation and Flowers may, but shall have no obligation to, compel the Association to comply with or enforce the Governing Documents or to take enforcement action in its own name. Additionally, the Foundation or the Village @ Flowers Plantation, Inc. shall have the power to require specific action to be taken by the Association in connection with its obligations and responsibilities, including, without limitation, requiring specific maintenance, repairs or aesthetic changes to be effectuated. The Association shall take the appropriate action required by the Foundation and the Village @ Flowers Plantation, Inc., in such notice within the reasonable time frame stated in the notice. In the event that the Association fails or refuses to comply, the Foundation or the Village @ Flowers Plantation, Inc., as applicable, shall have the right to effect such action and levy a Specific Assessment to cover the costs, as well as an administrative charge and sanctions.

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

7.7. Indemnification of Officers, Directors and Others. The Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under North Carolina law.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract, commitment or action, subject to the provisions of the North Carolina Nonprofit Corporation Act, N.C. Gen. Stat. 55A-17.2 and 55A-17.3 (1990). This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

7.8. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. Neither the Association, the Declarant, the Declarant under the Village @ Flowers Plantation Master Covenants, the Foundation, nor its Declarant, shall in any way be considered insurers or guarantors of security within the Properties, nor shall either 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 systems or measures, including any mechanism or system for limiting access to the Properties, 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 its tenants and all occupants of its Unit that the Association, its Board and committees, and the Declarant are not insurers and that each Person using the Properties assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

7.9. Provision of Services. The Association shall be authorized but not obligated to enter into and terminate, in the Board's discretion, contracts or agreements with other entities to provide services to and facilities for the Members of the Association and their guests, lessees and invitees and to charge use and consumption fees for such services and facilities. By way of example, some services and facilities which might be offered include landscape maintenance, pest control service, cable television service, security, caretaker, transportation, fire protection, utilities, and similar services and facilities.

ARTICLE VIII ASSOCIATION FINANCES

8.1. Budgeting and Allocating Common Expenses. At least sixty (60) days before the beginning of each fiscal year, which is initially set up as the calendar year, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.2. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Units, and the amount to be generated through the levy of Base Assessments and Special Assessments against the Units, as authorized in Section 8.5. Such budget shall include as a line item for the annual contribution to the Foundation pursuant to the Covenant to Share Costs, and one for the contribution due to the Village @ Flowers Plantation, Inc., including the Pineville Club amenities.

The Association is hereby authorized to levy Base Assessments equally against all Units subject to assessment under Section 8.5 to fund the Common Expenses. In determining the Base Assessment rate per Unit, the Board may consider any assessment income expected to be generated from any additional Units reasonably anticipated to become subject to assessment during the fiscal year.

The Board shall send a copy of the final budget, together with notice of the amount of the Base Assessment to be levied pursuant to such budget, to each Owner at least thirty (30) days prior to the effective date of such budget. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings in Section 4.3 of the By-Laws, which petition must be presented to the Board within ten (10) days after delivery of the budget and notice of any assessment.

If any proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

The Board may revise the budget and adjust the Base Assessment from time to time during the year, subject to the notice requirements and the right of the Members to disapprove the revised budget as set forth above.

8.2. Budgeting for Reserves. The Board shall prepare and review at least annually a reserve budget for the Area of Common Responsibility. The budgets shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair, or replacement cost. The Board shall include in the Common Expense budget adopted pursuant to Section 8.1, as appropriate, a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period.

8.3. Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment shall be levied against the entire membership. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.4. Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Unit as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to Units upon request of an Owner pursuant to any menu of special services which may be offered by the Association (which might include the items identified in Section 7.9). Specific Assessments for special services may be levied in advance of the provision of the requested service;

(b) to cover costs incurred in bringing the Unit into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing, in accordance with the By-Laws, before levying any Specific Assessment under this subsection (b).

(c) to cover expenses incurred by the Master Association for Flowers Plantation, known as Flowers Plantation Foundation, Inc., as set forth in the Declaration of Easements and Covenant to Share Costs;

(d) to cover expenses incurred by the Village @ Flowers Plantation, Inc. for common expenses for the Village @ Flowers Plantation.

8.5. Authority to Assess Owners: Time of Payment. The Declarant hereby establishes and the Association is hereby authorized to levy assessments as provided for in this Article and elsewhere in the Governing Documents. The obligation to pay assessments shall commence as to each Unit subject to the Declaration upon conveyance of a Unit to an Owner by Declarant, whether such conveyance is to an individual homeowner or a builder; however, the obligation to pay same shall not commence until the sale of the completed

home to its first owner, at which time a pro-rata share dating back to the original purchase be due at the time of the conveyance.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. Unless the Board otherwise provides, the Base Assessment shall be due and payable in advance on the first day of each month. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require the outstanding balance on all assessments to be paid in full immediately.

8.6. Personal Obligation.

Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of ten percent (10%) per annum or such higher rate as the Board may establish, subject to the limitations of North Carolina law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Unit until paid in full. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

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

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

The Association shall, upon request, furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

8.7. Lien for Assessments. The Association shall have a lien against each Unit to secure payment of delinquent assessments, as well as interest, late charges (subject to the

limitations of North Carolina law), and costs of collection (including attorneys' fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or nonjudicial foreclosure.

The Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure; (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to the Mortgagee's foreclosure. The subsequent Owner to the foreclosed Unit shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 8.5, including such acquirer, its successors and assigns.

8.8. Exempt Property. The following property shall be exempt from payment of Base Assessments and Special Assessments:

- (a) All Common Area and such portions of the property owned by the Declarant as are included in the Area of Common Responsibility pursuant to Section 5.1; and
- (b) Any property dedicated to and accepted by any governmental authority or public utility.

8.9. Capitalization of Association. Upon acquisition of record title to a Unit by the any Owner thereof other than the Declarant and Builder, including resales of existing Units, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to a maximum of one-half of the annual Base Assessment per Unit for that year. First Owners of new Units (not including the Declarant and any Builder) shall be required to pay a flat \$1,000.00 as a Capital Contribution. This amount shall be in addition to the annual Base Assessment and shall not be considered an advance payment of such assessment. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses

and other expenses incurred by the Association pursuant to this Declaration and the By-Laws.

**PART FOUR:
COMMUNITY DEVELOPMENT**

**ARTICLE IX
EXPANSION OF THE COMMUNITY**

9.1. Expansion by the Declarant. Declarant may from time to time subject to the provisions of this Declaration all or any portion of the property described in Exhibit "B" by filing a Supplemental Declaration in the Public Records describing the additional property to be subjected. A Supplemental Declaration filed pursuant to this Section shall not require the consent of any Person except the owner of such property, if other than Declarant.

The Declarant's right to expand the community pursuant to this Section shall expire when all property described on Exhibit "B" has been subjected to this Declaration or upon expiration of this Declaration as provided elsewhere in this document, whichever is earlier. Until then, the Declarant may transfer or assign this right to any Person who is the developer of at least a portion of the real property described in Exhibits "A" or "B". Any such transfer shall be memorialized in a written, recorded instrument executed by the Declarant.

Nothing in this Declaration shall be construed to require the Declarant or any successor to subject additional property to this Declaration or to develop any of the property described in Exhibit "B" in any manner whatsoever.

9.2. Expansion by the Association. The Association may also subject additional property to the provisions of this Declaration, but only with the prior written consent of Flowers, or her successors and assigns, as applicable, by filing a Supplemental Declaration in the Public Records describing the additional property. Any such Supplemental Declaration shall require the affirmative vote of more than fifty percent (50%) of the Class "A" votes of the Association represented at a meeting duly called for such purpose and the consent of the owner of the property. In addition, so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, the consent of the Declarant shall be necessary. The Supplemental Declaration shall be signed by the President and Secretary of the Association, by the owner of the property and by Declarant, if Declarant's consent is necessary.

9.3. Additional Covenants and Easements. The Declarant may subject any portion of the Properties to additional covenants and easements, including covenants obligating the Association to maintain and insure such property. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. If the property is owned by someone other than Declarant, then the consent of the Owner(s) shall be necessary and shall be evidenced by their execution of

the Supplemental Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

ARTICLE X
THE PINEVILLE CLUB

10.1 Private Club; Mandatory Membership. The Pineville Club shall initially be a privately owned and operated club. All Owners of Residential Units in the Village@Flowers Plantation shall be required to be members in the Pineville Club and shall be assessed the membership fee, transfer fee, annual membership dues and related fees (the "Membership Assessments") as reasonably set by the "Club Owner" (as defined below), which shall be remitted to the "Club Owner" (as defined below). The amount of the Membership Assessment shall be determined solely by the Club Owner pursuant to the Club Documents. Each Owner of a Residential Unit, by acceptance of a deed or other conveyance therefore, is hereby deemed to covenant and agree (and such covenant further shall be deemed to constitute a portion of the purchase money and consideration for acquisition of the Residential Unit) to pay Membership Assessments as provided herein.

10.2. Payment/Collection of Membership Assessments. The amount of and payment periods for Membership Assessments shall be established by the Club Owner in accordance with the Club Documents. Each Additional Association established pursuant to each Additional Declaration shall assess and collect Membership Assessments from the Owners of Residential Units subject to each respective Additional Declaration. Each Additional Association shall be responsible for payment of the Membership Assessments to the Club Owner, or its assignee, as provided for in the Club Documents and in the applicable Supplemental Declaration. Membership Assessments shall be payable to the Club Owner or to its assignee, on a monthly, quarterly, annual or other basis, as determined by the Club Owner, and may be collected in advance. The rights, privileges and obligations of Pineville Club members related to use of the Pineville Club shall be set forth in the Club Documents to be prepared by the Club Owner. No Owner of a Residential Unit shall be exempt from payment of Membership Assessments by reason of non-use of the Pineville Club. In no event shall Declarant be obligated to pay any Membership Assessments.

10.3. Club Owner. The term "Club Owner" as used herein shall mean the owner from time to time of fee simple title to the Pineville Club, initially anticipated to be River Dell Investments, LLC.

10.4. Enforcement. The Association, each Additional Association, and the Club Owner shall each have a lien against each Residential Unit to secure payment of delinquent Membership Assessments, as well as interest, late charges (subject to the limitations of North Carolina law), and costs of collection (including attorneys' fees), all as provided more particularly in each Additional Declaration. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or nonjudicial foreclosure, or in any manner provided for in the Declaration, the applicable Additional Declaration, or applicable law. The Membership Assessment shall be Common Expenses within the meaning of the Planned Community Act under each Additional Declaration

ARTICLE XI
ADDITIONAL RIGHTS RESERVED TO DECLARANT

11.1. Withdrawal of Property. The Declarant reserves the right to amend this Declaration, so long as it has a right to annex additional property pursuant to Section 9.1, for the purpose of removing any portion of the Properties which has not yet been improved with structures from the coverage of this Declaration, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the community. Such amendment shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if not the Declarant. If the property is Common Area, the Association shall consent to such withdrawal.

11.2. Marketing and Sales Activities. The Declarant and Builders authorized by Declarant may maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the construction or sale of Units, including, but not limited to, business offices, signs, model units, and sales offices. The Declarant and authorized Builders shall have easements for access to and use of such facilities.

11.3. Right to Develop. The Declarant and its employees, agents and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing and installing such improvements to the Common Area as it deems appropriate in its sole discretion. Every Person that acquires any interest in the Properties acknowledges that Pineville East Cottages is a planned community, the development of which is likely to extend over many years, and agrees not to protest, challenge or otherwise object to changes in zoning, density, or the Master Plan required to develop Pineville East Cottages.

11.4. Right to Approve Additional Covenants. Except as provided herein, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the Public Records.

11.5. Right to Establish Neighborhoods. The Declarant, acting in its sole and absolute discretion, retains the right, but not the obligation, as long as it owns any property described in Exhibit "A" or "B", to establish sub-associations which have concurrent jurisdiction with the Association over Units within such Neighborhood ("Neighborhood Associations"), and to designate portions of the Common Area for the exclusive use of one or more, but less than all, Neighborhoods ("Exclusive Common Area"). Every Unit situated within a designated Neighborhood may be subjected to additional covenants, conditions, easements, restrictions, maintenance responsibilities, and assessments for services provided to Units within such designated Neighborhood. Neighborhood assessments, if any, shall be vested with the lien provisions applicable to Base Assessments, accounting, and collection procedures set forth in Article VIII.

11.6. Right to Approve Changes in Community Standards. No amendment to or modification of any Restrictions and Rules or Design Guidelines shall be effective without prior notice to and the written approval of Declarant so long as the Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1.

11.7. Right to Transfer or Assign Declarant Rights. Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the By-Laws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which the Declarant has under this Declaration or the By-Laws. No such transfer or assignment shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Public Records. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to record any written assignment unless necessary to evidence Declarant's consent to such exercise.

11.8. Exclusive Rights to Use Name of Development. No Person shall use the name "Pineville East Cottages@ the VILLAGE" or any derivative of such name in any printed or promotional material without the Declarant's prior written consent. However, Owners may use the name "Pineville East Cottages" in printed or promotional matter where such term is used solely to specify that particular property is located within Pineville East Cottages and the Association shall be entitled to use the word "Pineville East Cottages" in its name.

11.9. Termination of Rights. The rights contained in this Article shall not terminate until the earlier of (a) fifty (50) years from the date this Declaration is recorded in the Public Records, or (b) recording by Declarant of a written statement that all sales activity has ceased.

**PART FIVE:
PROPERTY RIGHTS WITHIN THE COMMUNITY**

**ARTICLE XII
EASEMENTS**

12.1. Easements in Common Area. The Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Area which is appurtenant to the Unit, subject to:

- (a) The Governing Documents and any other applicable covenants;

(b) Any restrictions or limitations contained in any deed conveying such property to the Association;

(c) The right of the Board to adopt rules regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;

(d) The right of the Board to suspend the right of an Owner to use portions of the Common Area (i) for any period during which any charge against such Owner's Unit remains delinquent, and (ii) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation, of the Governing Documents after notice and a hearing pursuant to Section 3.24 of the By-Laws;

(e) The right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;

(f) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval requirements set forth in Sections 13.4 and 15.4;

(g) The easements granted to the Foundation in the Covenant to Share Costs; and

(h) The easements granted or reserved to Declarant pursuant to this Declaration, or the Declaration for the Village @ Flowers Plantation, or pursuant to plats of the subdivision subject to this Declaration.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Unit shall be deemed to have assigned all such rights to the lessee of such Unit for the period of the lease.

12.2. Easements of Encroachment. The Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than five feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

12.3. Easements for Utilities, Etc.

(a) The Declarant reserves for itself, so long as the Declarant owns any property described on Exhibit "A" or "B" of this Declaration, and grants to the Association and all utility providers, perpetual non-exclusive easements throughout all of the Properties (but not through a structure) to the extent reasonably necessary for the purpose of:

(i) a specific ten foot (10') utility easement along the front of each Unit and a five foot (5') utility easement adjacent to the side boundaries of each end Unit, for the installation, operation, and maintenance of water and electrical service throughout the property described on Exhibits "A" and "B", plus all utility easements shown on any recorded plat recorded in the Johnston County Registry in connection herewith;

(ii) installing utilities and infrastructure to serve the Properties, water meters, cable and other systems for sending and receiving data and/or other electronic signals, security and similar systems, walkways, pathways and trails, drainage systems, street lights and signage on property which Declarant owns or within public or private rights-of-way or easements reserved for such purpose on recorded plats;

(iii) inspecting, maintaining, repairing and replacing the utilities, infrastructure and other improvements described in Section 11.3(a)(i); and

(iv) access to read utility meters.

(b) Declarant also reserves for itself as long as the Declarant or its successors in title, or Rebecca D. Flowers, owns any property described on Exhibit "A" or "B" of this Declaration, the non-exclusive right and power to grant and record in the Public Records such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described on Exhibits "A" and "B". Easements for ingress, regress and utilities shall be granted to DWF Development, Inc., the Village @ Flowers Plantation, Flowers Plantation Foundation, Inc. or Aqua America, Inc. their successors and assigns, for the purpose of developing Flowers Plantation Subdivision. Such easements shall run along common lot lines, within rights of way, or within common areas, if possible, and shall be dedicated within ten business days of presentation of an easement for same. Such easements shall not materially affect any Unit to the extent that a residential dwelling could not be constructed on such Unit affected by an easement granted under this section nor shall the value of such affected Unit be diminished as a result of an easement granted under this section.

12.4. Easements to Serve Additional Property. The Declarant for itself and its duly authorized agents, successors, assigns, and mortgagees, hereby reserves, so long as it or its successors in interest succeeding to the rights of Declarant, owns any property described on Exhibit "A" or "B" of this Declaration, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the property described in Exhibit "B",

whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing infrastructure and utilities on such property.

12.5. Easements for Maintenance, Emergency and Enforcement. The Declarant grants to the Association easements over the Properties as necessary to enable the Association to fulfill its maintenance responsibilities under Sections 7.2 and 5.1. The Association shall also have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with and enforce the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and assignees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

12.6 Easements for Maintenance of Joint Property. The Foundation and The Village @ Flowers Plantation, Inc. shall have such easements for the maintenance of the Joint Property (as that term is defined in Section 2.2 of the Covenant to Share Costs) as are set forth in the Covenant to Share Costs as also as set forth in the Covenants for the Village @ Flowers Plantation.

12.7 Party Wall Easements. Each Owner of any attached Unit within Pineville East Cottages shall have the right and easement to the use of the common interior wall or walls within each such Unit, so that if repairs or maintenance of any Unit is required, the Owner performing such maintenance shall have the right and easement to go upon the adjoining Unit to the extent necessary to make such repair or maintenance.

**PART SIX:
RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY**

**ARTICLE XIII
DISPUTE RESOLUTION AND LIMITATION ON LITIGATION**

Consensus for Association Litigation. Except as provided in this Section, the Association shall not commence a judicial or administrative proceeding without the approval of at least seventy-five percent (75%) of the Members. This Section shall not apply, however, to (a) actions brought by the Association to enforce the Governing Documents (including, without limitation, the foreclosure of liens); (b) the collection of assessments; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedure, necessary to institute proceedings as provided above.

**ARTICLE XIV
MORTGAGEE PROVISIONS**

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in the Properties. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

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

(a) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affect any Unit on which there is a First Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Governing Documents relating to such Unit or the Owner or Occupant which is not cured within sixty (60) days; or

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

14.2. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee

of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to a taking of the Common Area.

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

**PART SEVEN:
CHANGES IN THE COMMUNITY**

**ARTICLE XV
CHANGES IN OWNERSHIP OF UNITS**

Any Owner desiring to sell or otherwise transfer title to his or her Unit shall give the Board at least seven (7) days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

**ARTICLE XVI
CHANGES IN COMMON AREA**

16.1. Condemnation. If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of at least sixty-seven percent (67%) of the total Class "A" votes in the Association and of the Declarant, as long as the Declarant owns any property subject to the Declaration or which may be made subject to the Declaration in accordance with Section 9.1) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association and the Association shall restore or replace such improvements, if any, on the remaining land included in the Common Area to the extent available. Otherwise, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

16.2. Partition. Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action to partition any portion of the Common Area without the written consent of all Owners and Mortgagees. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

16.3. Transfer or Dedication of Common Area. The Association may dedicate portions of the Common area to Johnston County, North Carolina or to any other local, state

or federal governmental or quasi-governmental entity subject to such approval requirements as may be required by Sections 13.4 and 15.4.

ARTICLE XVII
AMENDMENT OF DECLARATION

17.1. By Declarant. Until termination of the Class "B" membership, Declarant may unilaterally amend this Declaration if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state or federal governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent in writing. In addition, so long as the Declarant owns property described in Exhibits "A" or "B" for development as part of the Properties, she may unilaterally amend this Declaration for any other purpose, provided the amendment has not material adverse effect upon any right of any Owner.

17.2. By Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of two-thirds (2/3) of the total Class "A" votes in the Association, including two-thirds (2/3) of the Class "A" votes held by Members other than the Declarant, and the consent of the Declarant, so long as the Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1. In addition, the approval requirements set forth in Article XIV shall be met, if applicable.

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

17.3. Validity and Effective Date. No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of the Declarant (or the assignee of such right or privilege).

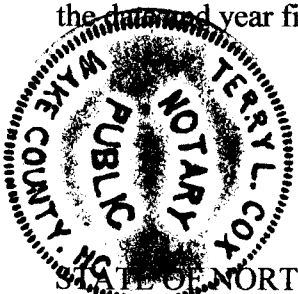
If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months 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.

17.4. Exhibits. Exhibits "A" "B" and "C" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by this Article. All other exhibits are attached for information purposes and may be amended as provided therein or in the provisions of this Declaration which refer to such exhibits.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the ~~date~~ year first written above.



STATE OF NORTH CAROLINA
COUNTY OF JOHNSTON

DWF DEVELOPMENT INC.
Rebecca D. Flowers (SEAL)
BY: Rebecca D. Flowers, President

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Rebecca D. Flowers.

Witness my hand and notarial stamp or seal on this the 9th day of May, 2007.

Terry L. Cox

Notary Public

Terry L. Cox
My commission expires:

1/15/2012

**EXHIBIT A
PROPERTY DESCRIPTION**

BEING all of that certain tract or parcel of land, containing 3.141 acres, more or less, and ^(CD) designated as Pineville East Cottages, Lots 1 ~~45~~ as per plat of the same by ~~Dennis Ray~~ *True Line* ~~Blackmon, Registered Land Surveyor,~~ and recorded in Plat Book 70, Page 228 Johnston County Registry.

*Surveying
P.C.*

KLH

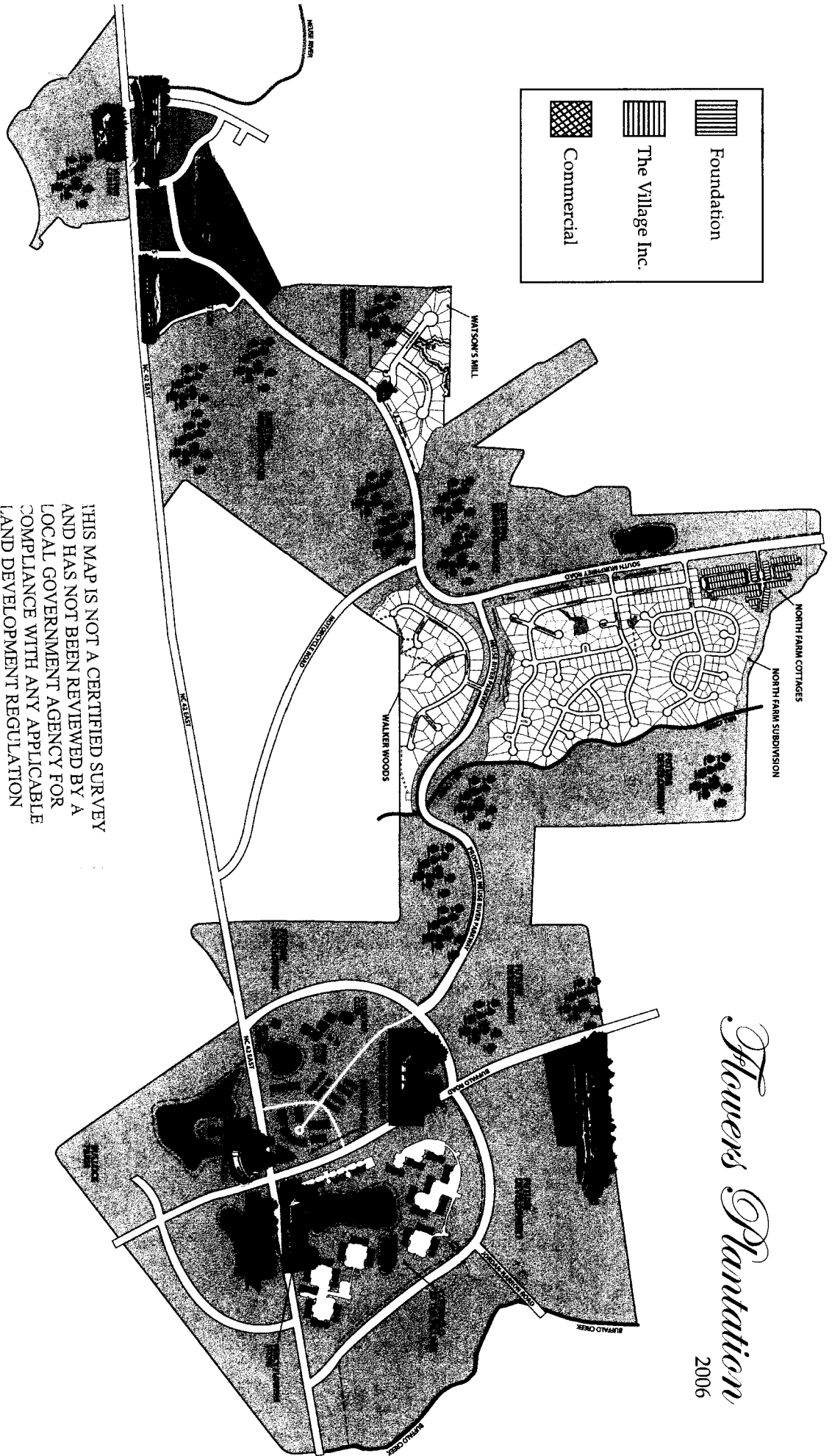
**EXHIBIT A
PROPERTY DESCRIPTION**

BEING all of that tract or parcel of land designated as "Pineville East Cottages, Phase One" per plat and survey of the same dated May 8, 2007, by True Line Surveying, P.C. and recorded in Plat Book 70, Page 229, Johnston County Registry.

EXHIBIT B

**PROPERTY DESCRIPTION
PORTION UNDER DEVELOPMENT**

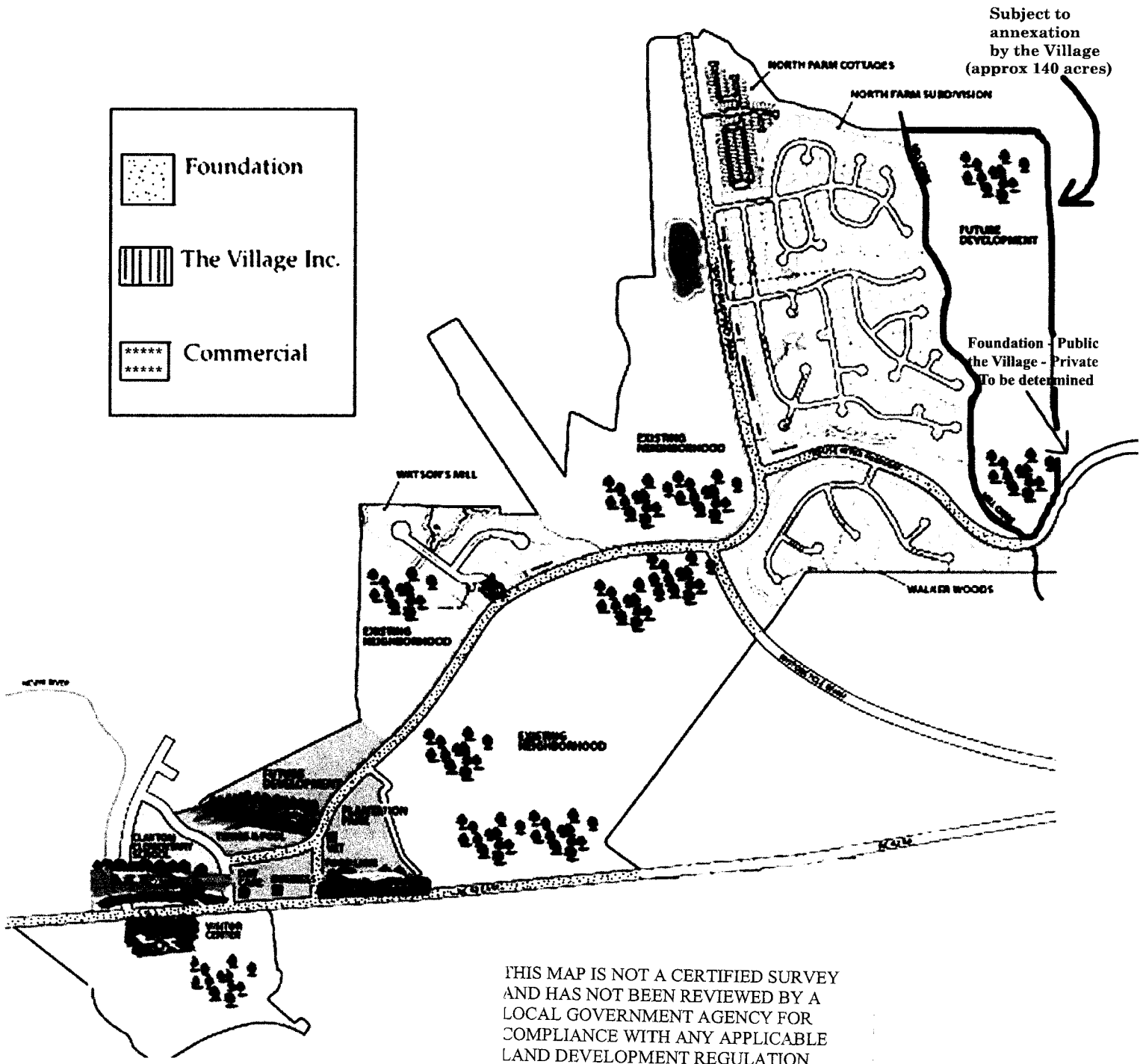
BEING all that certain piece or parcel of land conceptually known as the Village @ Flowers Plantation, a conceptual map of same being attached hereto and incorporated herein by reference.






THIS MAP IS NOT A CERTIFIED SURVEY
 AND HAS NOT BEEN REVIEWED BY A
 LOCAL GOVERNMENT AGENCY FOR
 COMPLIANCE WITH ANY APPLICABLE
 LAND DEVELOPMENT REGULATION

Towers Plantation
 2006

Flowers Plantation



the Village

	Foundation
	The Village Inc.
	Commercial

THIS MAP IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATION

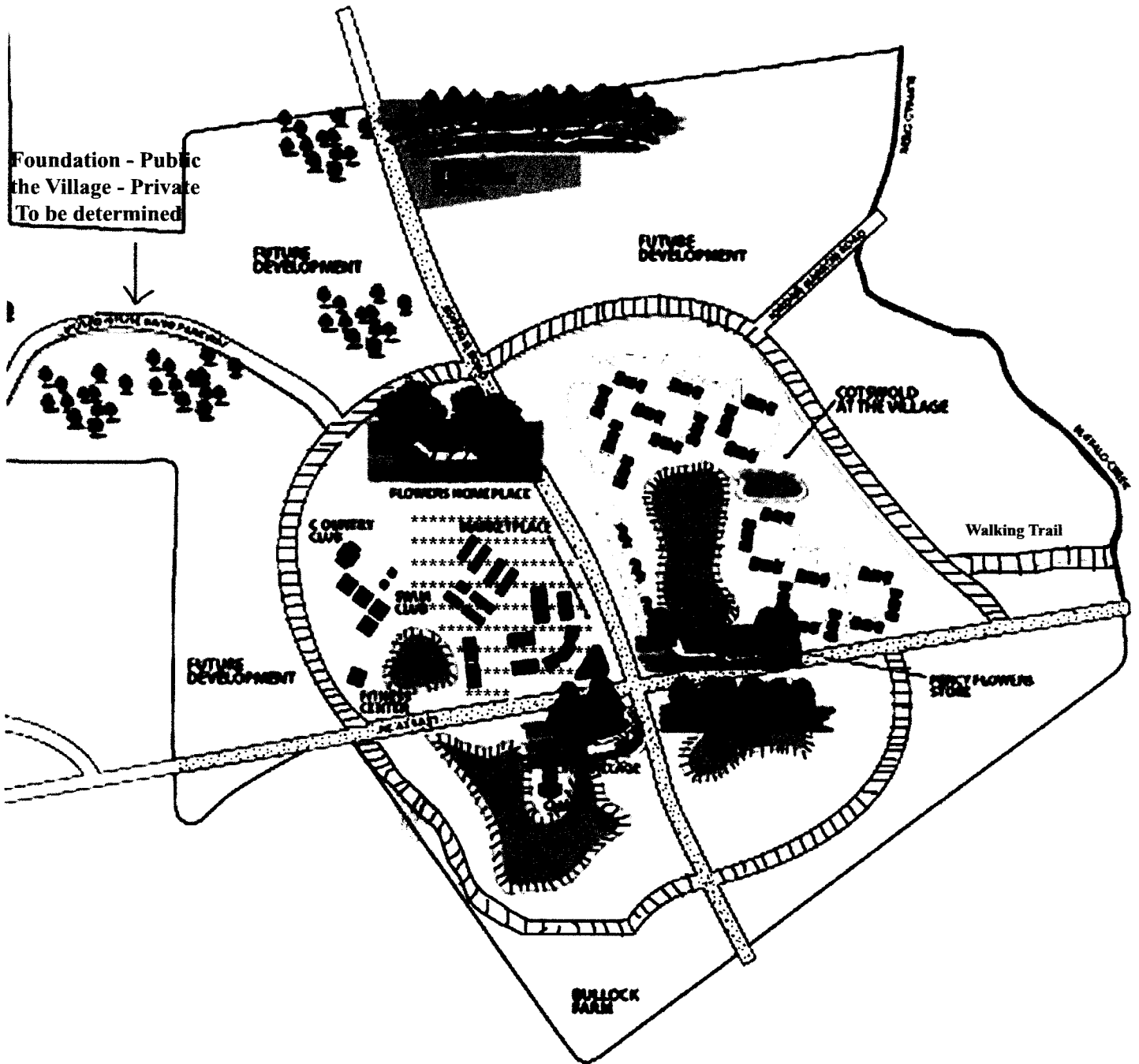


EXHIBIT C

**DESIGN GUIDELINES SPECIFIC TO PINEVILLE EAST COTTAGES
SUBDIVISION**

1. Fencing must be white and either vinyl or treated wood, depending on the architectural style of the exterior of the home. Fences may be no more than five feet (5') in height.
2. Exterior materials shall be brick, stone, cement board siding or an approved high-grade vinyl only, unless another exterior material is pre-approved by the Declarant prior to construction.
3. Porch columns must be a minimum of ten inches (10") in diameter.
4. Steps leading from the front yard to the front porch must be brick, decorative concrete or stone.
5. If window grids are used in the windows, their width must be a minimum of 7/8 inch.
6. All mailboxes must match. The initial preferred mailbox is the "Inverness" Model #1 as constructed and/or marketed by Carolina Lanterns.
7. At the front sidewalks, Gas Lantern Model #T-30 by Carolina Lanterns is the initial required light, with cast aluminum post #350-8 and wrap #139-3.
8. Natural gas heating and water heaters are required to be installed in each home.
9. During the construction phase, all builders are required to use a single trash collection service, with trash removal occurring on the same day or days of the week, and not on weekends.
10. During the construction phase, all builders are required to pay, at the closing of each lot takedown, the sum of \$800.00, for street cleaning, which will be performed by one company on an as-needed basis.
11. The minimum square footage for any home to be constructed shall be 1970 heated square feet, exclusive of porches, decks, garages and any other unheated interior square footage including attics and basements, and the maximum square footage shall be 3250 heated square feet.

Exhibit D

Prepared by and mail to: Rebecca Flowers, 4880 NC 42 East Clayton NC 27527

References:

Declaration of Easements	Book 1615 Page 609
	Book 1657 Page 337
	Book 2143 Page 106
	Book 2169 Page 948
Prior Supplemental Annexations	Book 1658 Page 090
	Book 1859 Page 843
	Book 2077 Page 233
	Book 2175 Page 132
	Book 2175 Page 137
	Book 2188 Page 472
	Book 2583 Page 076
	Book 3233 Page 594
	Book 3269 Page 196
Amended Supplemental	Book 3236 Page 732
Annexation by Deed	Book 1878 Page 444
	Book 2233 Page 834

**SUPPLEMENTAL DECLARATION TO THE
DECLARATION OF EASEMENTS AND COVENANT TO SHARE COSTS
FOR FLOWERS PLANTATION**

**THIS SUPPLEMENTAL DECLARATION is made as of the date set forth below by
REBECCA DELL FLOWERS (formerly known as REBECCA FLOWERS FINCH)**

(DECLARANT”); and DWF Development, Inc. (“OWNER”).

WHEREAS, Declarant recorded that certain Declaration of Easements and Covenant to Share Costs for Flowers Plantation in Deed Book 1615 at Page 609, in the office of Register of Deeds, Johnston County, North Carolina, on July 11, 1997, as it may be amended and supplemented from time to time (the “Declaration”); and

WHEREAS, Declarant amended the Declaration by that Amendment to the Declaration of Easements and Covenant to Share Costs for Flowers Plantation recorded in Deed Book 1657 at Page 337, and in Book 2143, Page 106, and in Book 2169, Page 948, in the office of Register of Deeds, Johnston County, North Carolina; and

WHEREAS, pursuant to the terms of Section 4.1 of the Declaration, the Declarant may unilaterally subject to the Declaration the additional property described on Exhibit “B” thereof by recording a supplemental Declaration within 40 years from the date of recording the Declaration; and

WHEREAS, the property described on Exhibit “A” hereto is now owned by Owner, but was made subject to the Declaration by Deed; and

WHEREAS, the Declarant and Owner desire to annex and submit the property described on Exhibit “A” hereof to the Declaration;

NOW, THEREFORE, pursuant to the powers retained by Declarant under the Declaration, Declarant hereby annexes and submits the property described on Exhibit “A” to the Declaration. Such property shall be sold, transferred, used, conveyed, occupied, and mortgaged or otherwise encumbered pursuant to the provisions of the Declaration, which shall run with the title to such property and shall be binding upon all persons having any right, title, or any interest in such property, their respective heirs, legal representatives, successors, successors-in-title, and assigns.

Owner executes this document to consent to the annexation of Owner’s property as described in Exhibit “A” attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, Declarant and Owner execute this instrument this the 09 day of July 2007

DECLARANT: REBECCA DELL FLOWERS (formerly known as REBECCA

FLOWERS FINCH), individually)
Rebecca Dell Flowers (SEAL)

OWNER: DWF Development, Inc.

By: Rebecca D. Flowers (SEAL)
Rebecca D. Flowers, President

STATE OF NORTH CAROLINA)
)
COUNTY OF JOHNSTON)

I, the undersigned Notary Public of the aforesaid County and State, do hereby certify that Rebecca Dell Flowers, after presenting driver's license as proof of identity, personally appeared before me this day and acknowledged that she, in her individual capacity, executed the foregoing instrument.

Witness my hand and official stamp or seal this 9th day of May, 2007.



Patricia S. Benson

Notary Public
My Commission Expires: September 3, 2011

STATE OF NORTH CAROLINA)
)
COUNTY OF JOHNSTON)

I, the undersigned Notary Public of the aforesaid County and State, do hereby certify that Rebecca D. Flowers, President of DWF Development, Inc., a North Carolina Corporation, after presenting driver's license as proof of identity, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal this 9th day of May, 2007.



Patricia S. Benson

Notary Public
My Commission Expires: September 3, 2011

Exhibit E

Prepared by and mail to: Rebecca Flowers, 4880 NC 42 East Clayton NC 27527

**SUPPLEMENTAL DECLARATION TO THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE VILLAGE @ FLOWERS PLANTATION**

THIS SUPPLEMENTAL DECLARATION is made as of the date set forth below by DWF Development, Inc. ("Declarant" and "Owner").

WHEREAS, Declarant recorded that certain Declaration of Covenants, Conditions and Restrictions for the Village @ Flowers Plantation in Book 3233 at Page 495, in the office of Register of Deeds, Johnston County, North Carolina, on November 9, 2006, as it may be amended and supplemented from time to time (the "Declaration"); and

WHEREAS, pursuant to Article 9 of the Declaration, the Declarant may unilaterally subject to the Declaration the additional property described on Exhibit "B" thereof by recording a supplemental Declaration within 50 years from the date of recording the Declaration; and

WHEREAS, the Declarant and Owner desire to annex and submit the property described on Exhibit "A" hereof to the Declaration;

NOW, THEREFORE, pursuant to the powers retained by Declarant under the Declaration, Declarant hereby annexes and submits the property described on Exhibit "A" to the Declaration. Such property shall be sold, transferred, used, conveyed, occupied, and mortgaged or otherwise encumbered pursuant to the provisions of the Declaration, which shall run with the title to such property and shall be binding upon all persons having any right, title, or any interest in such property, their respective heirs, legal representatives, successors, successors-in-title, and assigns.

IN WITNESS WHEREOF, Declarant and Owner execute this instrument this the 09 day of May, 2007.

DECLARANT and OWNER: DWF Development, Inc.

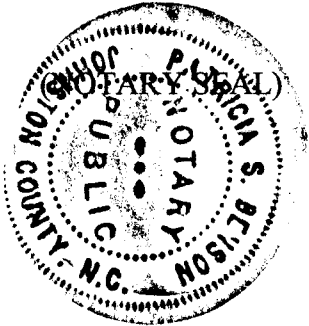
By: Rebecca D. Flowers (SEAL)
Rebecca D. Flowers, President

STATE OF NORTH CAROLINA)

COUNTY OF JOHNSTON)

I, the undersigned Notary Public of the aforesaid County and State, do hereby certify that Rebecca D. Flowers, President of DWF Development, Inc., a North Carolina Corporation, after presenting driver's license as proof of identity, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal this 9th day of May, 2007.



Patricia S. Blinson

Notary Public

My Commission Expires: September 3, 2011