

Prepared By/Return To:

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
POPLAR CREEK PHASE II**

Submitted electronically by "R. Isaac Parker, Attorney at Law"
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Johnston County Register of Deeds.

**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
POPLAR CREEK PHASE II**

THIS DECLARATION, made on the date hereinafter set forth by Baker & Baker Adventures, LLC, a North Carolina Limited Liability Company hereinafter referred to as the "Declarant":

WITNESSETH:

WHEREAS, Declarant desires to ensure the attractiveness of the property and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of all properties within the subdivision, and to provide for the maintenance and upkeep of the Common Area and/or Easement, as hereinafter defined, and to that end desires to subject the real property described above, together with such additions as may hereafter be made thereto, to the covenants, conditions, restrictions, easements, reservation, liens and charges as hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof;

WHEREAS, the Declarant intends to create a planned community subject to Chapter 47F of the Planned Community Act, N.C.G.S. §47F-1-101 *et seq.*;

WHEREAS, Declarant has deemed it advisable, for the efficient preservation, protection and enhancement of the values and amenities of such property and to ensure the residents' enjoyment of the specific rights, privileges and easements in the Common Area, as hereinafter defined, and to provide for the maintenance and upkeep of the Common Area, to create an organization to which will be delegated and assigned the powers of owning, maintaining and administering the Common Area, administering and enforcing these covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has incorporated under the non-profit corporation Act, N.C.G.S. §55A-1-101 *et seq.*, the Poplar Creek Phase II Homeowners Association, Inc., as a non-profit corporation for the purpose of exercising and performing the aforesaid functions;

NOW THEREFORE, Declarant, by this declaration of Covenants, Conditions and Restrictions does declare that all of the property described above and such additions does declare that all of the property described hereinabove and in Article I, Section 3, below, and such additions thereto as may be hereafter made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the following easements, restrictions, covenants, conditions, charges and liens set forth in this Declaration and the Planned Community Act under Chapter 47F of the General Statutes, all of which shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described property or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

SECTION 1. "Association" shall mean and refer to Poplar Creek Phase II Homeowners' Association Inc., a North Carolina non-profit corporation, its successors and assigns.

SECTION 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.

SECTION 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association. **Properties shall mean and refer to all of the lots and real property depicted on the map recorded at Plat Book 90, Page 176 of the Johnston County Register of Deeds and all future maps, if any, showing additional land brought within the jurisdiction of the Association, which are collectively hereby expressly made subject to these Covenants and Restrictions.**

SECTION 4. "Common Area" shall mean all real property owned by the all real property owned by the Association for the common use and enjoyment of the owners, together with all, roads, parking, street lighting, stormwater system, water and sewer lines located and serving the properties which are located outside dedicated public easements and city rights-of-way, except water and sewer lines located on a Lot which serves only that Lot.

SECTION 5. "Lot" shall mean and refer to any plot of land, with delineated boundary lines appearing on any recorded subdivision map of the properties, upon which a residential dwelling is to be situated.

SECTION 6. "Declarant" shall mean and refer to Baker & Baker Adventures, LLC, a North Carolina Limited Liability Company, its successors and assigns.

SECTION 7. "Member" shall mean and refer to every person or entity that holds membership in the Association. Each person (s) or entity(ies) that owns fee simple title to a Lot shall automatically deemed to be a Member of the Association by virtue of his, her or its status as Owner of a Lot.

SECTION 8. "Act" shall mean the Planned Community Act, N.C.G.S. §47F-1-101 *et seq.*

SECTION 9. "Architectural Control Committee" shall mean the Architectural Control Committee appointed by the Board of Directors, pursuant to the Bylaws, or, in the absence of such Committee, the Board of Directors.

SECTION 10. "Board of Directors" or "Board" shall mean the Association's Board of Directors which is the governing body of the Association.

ARTICLE II PROPERTY RIGHTS

SECTION 1. OWNERS' EASEMENTS OF ENJOYMENT. Every Owner shall have a right and easement of enjoyment in and access to, from, and over the Common Area, which right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed upon by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded, provided that this subsection shall not preclude the board of directors of the Association from granting easements for the installation and maintenance of sewerage, utility (including cable television, satellite, or internet service) and drainage facilities upon, over, under and across the Common Area without the assent of the members when, in the opinion of the Board, such easements are necessary for the convenient use and enjoyment of the properties. Notwithstanding anything herein to the contrary, the Common Area shall be preserved to the perpetual benefit of the owners or of the public in general and shall not be conveyed except to the Town of Wilson's Mills, Johnston County, or to another non-profit corporation with purposes similar to those of the Association.
- (b) The right of the Association to suspend the voting rights of an owner for any period during which any assessment against his Lot remains unpaid, or for a period not to exceed sixty (60) days for any infraction of the published rules and regulation of the Association;
- (c) The right of the Association, with the written assent of members entitling to at least two-thirds (2/3) of each class of members votes, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the property rights of the owners as set forth herein.
- (d) The right of the individual members to the exclusive use of parking spaces situate on the Common Areas, if any, as provided in this article.
- (e) Easements as provided in Article IX hereof.

SECTION 2. DELEGATIONS OF USE. Any Owner may delegate in accordance with the By-Laws his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

SECTION 3. CONVEYENCE OF TITLE TO THE ASSOCIATION. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area located in Poplar Creek Phase II to the Association, free and clear of all encumbrances and liens, except utility and drainage easements to government authorities.

SECTION 4. PARKING RIGHTS. The Association may regulate the parking of boats, campers, trailers, and other such items on the common parking and common area.

SECTION 5. TV ANTENNAS AND CABLEVISION. The Association may provide one or more central television antennas for the convenience of the Members and may supply cable television and the cost of these may be included in annual or special assessments.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

SECTION 1. MEMBERSHIP. Every person or entity who is record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessments by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership per Lot. Membership in the Association is mandatory for each original purchaser and each successive Owner of a Lot. Membership in the Association is appurtenant to, and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification for membership. The Board may make reasonable rules relating to the proof of ownership of a Lot.

SECTION 2. VOTING RIGHTS. The Association shall have two classes of voting membership based on Lot ownership:

- (a) Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest (other than a leasehold or a security interest) in any Lot, all such persons shall be members and the voting rights appurtenant to their Lot shall be exercised as they among themselves, determine, but in no event shall more than one vote be cast with respect to any Lot. No Fractional vote shall be allowed.
- (b) CLASS B. Class B Member(s) shall be the Declarant and shall be entitled to (3) votes for each Lot owned. The Class B membership shall terminate on the happening of either of the following events, whichever occurs earlier:
 - (1) September 1, 2038; or
 - (2) When 85% of the Lots have been deeded to final homeowners for use as a residence, but provided that the class B membership shall be reinstated if thereafter and before the time stated in subparagraph (1) above, such additional lands are annexed into the development as provided for in Article VI below.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. The Owner of any Lot, by virtue of his, her or its ownership of said Lot, is deemed to covenant and agree to pay to the association (1) Annual assessments or charges and (2) special assessment for capital improvements such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs of collection, including reasonable attorney's fees, shall be a continuing lien upon the property against which each such assessment is made. Each such assessment together with interest, cost of collection, and reasonable attorney's fees shall be the personal obligation who was the owner of such property at the time when the assessment falls due. Any unpaid assessments or charges shall continue to be a lien on the property against which the assessment was made.

SECTION 2. PURPOSE OF ASSESSMENTS. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the properties and in particular for the acquisition, improvement, repair and reconstruction of all private streets, water and sewer lines situated outside public streets and public easements, any storm water Impoundment Area or other erosion control devices situated on the Common Area required by the Town of Wilson's Mills or Johnston County to comply with its erosion and sedimentation control ordinances. Such maintenance to include the cutting and removal of weeds and grass, the removal of trash and rubbish or any other maintenance necessary to keep the impoundment Area in compliance with all applicable ordinances and statutes relative to said erosion and sedimentation control and which in the Judgement of Poplar Creek Phase II Homeowners Association Inc., is desirable to keep the impoundment Area neat in appearance; provided, however this covenant to maintain said area as an Impoundment Area shall terminate at such time as maintenance and preservation of the impoundment area as a water impoundment area is no longer required by applicable local ordinances or state statutes serviced and facilities devoted to this purpose and related to the exterior maintenance of the residences situated upon the "Lot" within the properties or for the use of enjoyment of the Common Area and water impoundment area, including but not limited to the cost of repairs replacements and additions, the cost of labor, equipment, materials, management, and supervision, the payment of taxes and public assessments associated against to the common area the procurement and maintenance of insurance in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

SECTION 3. MAXIMUM ANNUAL ASSESSMENT. Until January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessments shall be Two Hundred Fifty Dollars (\$250.00) per Lot.

- (a) From and after January 1, of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of membership by up to ten percent (10%) of the previous year's maximum annual assessment.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, other than the Declarant, the maximum annual assessment may be increased

above the increase permitted in Section 3(a) above by a vote of the members for the next succeeding five years, provided that any such charge shall have the assent of Three-Quarters (3/4) of vote of each class members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than seventy (70) days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an inducement to a merger or consolidation in which the Association is authorized to participate under its articles of Incorporation.

- (c) The board of Directors may fix the annual assessment as at amount not in excess of the maximum provided however that the ratio of the assessment established for each class B Lot shall always be one-third (1/3) of the assessment for each class A Lot. In the event that Class B Lots are converted to Class A Lots or Class A Lots are reconverted to Class B Lots, the assessment with respect to each such Lot shall be prorated and charged according to its class as to the date of each conversion and reconversion.
- (d) Any Class B Lot occupied during any assessment year shall be treated as a class A Lot for assessment purposes. Such Lots shall remain a Class B Lot for all other purposes.
- (e) Any annual assessment established by the Board of Directors shall continue thereafter at the annual assessment until changed by the Board of Directors by the Members.

SECTION 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common area, and in connection with exterior maintenance including fixtures and personal property related thereto, provided that any such assessment shall have the assent of three-quarters (3/4) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose and shall be in the ratios provided in section 3(c) of this article.

SECTION 5. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTION 3 OR 4. Written notice of any meeting called for the purpose of taking any action authorized under SECTION 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At first such meeting called, the presence of members or proxies entitled to cast sixty percent (75%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 6. UNIFORM RATE OF ASSESSMENT. Both annual and special assessments must be fixed at a uniform rate for all Lots, and may be collected on a monthly basis. Notwithstanding any

provision in this Declaration, the articles or incorporation and By-Laws to the contrary, no Lot shall be subject to the assessment until the first day of the month following the conveyance of such Lot by the Declarant, and thereafter at twenty-five percent (25%) of the regular assessment until the first day of the month following the date a certificate of occupancy is issued, or would have been issued by the Town of Wilson's Mills upon application therefore.

SECTION 7. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENS DUE DATES. The annual assessment provided for herein shall commence as to all Lots as provided in SECTION 6 above. The first annual assessment for each Lot shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The Board of Directors shall establish the due dates. The association shall, upon demand, and for a responsible charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot have been paid.

SECTION 8. EFFECT OF NONPAYMENT OF ASSESSMENTS REMEDIES OF THE ASSOCIATION. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 10 percent (10%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same and/or foreclose the lien against the property, interest; costs and reasonable attorney's fees of such action or foreclosure waive or otherwise escape liability for the assessment of his Lot. The failure of an owner to pay assessment shall not constitute a default under the terms of an owner's insured mortgage, unless specifically provided for therein.

SECTION 9. SUBORDINATION OF THE LIEN TO MORGAGES AND ADVOLOREM TAXES the lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage, first deed of trust, and ad valorem taxes. Sale or transfer of any Lot shall not affect any assessment lien. However, the sale or transfer of any Lot pursuant to the foreclosure of any such mortgage, deed of trust or tax foreclosure shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

SECTION 10. EXEMPT PROPERTY. All properties dedicated to and accepted by, a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the Law of the state of North Carolina shall be exempt from the assessments created herein. However no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, swings, wall or other structure shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration therein be made until plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have

been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography to an Architectural Control Committee appointed by the Board of Directors and composed of by three (3) or more representatives. In the event said committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to them, approval will not be required and this article will be deemed to have been fully complied with.

ARTICLE VI

ANNEXATION OF ADDITIONAL PROPERTIES

SECTION 1. Annexation of additional property shall require the assent of three-quarters (3/4) of the Class A membership or, in the event Declarant owns any property in any development which is subject to these Covenants and Restrictions which confer upon Declarant Class B membership, as provided in **SECTION 2** of this Article VI, below. At a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The presence of members or of proxies entitle to cast sixty (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting another meeting shall be called subject to the notice requirement set forth above and the require quorum at such subsequent meeting shall be one half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

SECTION 2. If Declarant owns any properties in any development which are subject to this Declaration the Declarant may unilaterally annex additional properties to the Poplar Creek Development as additional Properties as herein defined, subject further properties to these covenants and restrictions, and/or annex further lands to the control of any Association referenced herein.

ARTICLE VII

MAINTENANCE

SECTION 1. In addition to maintenance of the Common Area, the Association shall provide maintenance upon each of the following: trees, shrubs, grass, mailboxes, fences installed by Declarant or the Association, exterior post lights (excluding electricity therefore), and other exterior improvements. Such exterior maintenance shall not include glass surfaces, screens, awnings, and if permitted, approved additions to dwellings made after completion of the initial dwelling (unless maintenance of such addition is affirmatively assumed by the Association) or the repair or reconstruction of any improvements on any Lot, the cost of which repair or construction would be covered by casualty insurance, whether or not a policy of casualty insurance is in effect. Further, the Owner of any Lot may at his election plant trees, shrubs, flowers and grass in his rear yard and may also maintain portions or all of his rear yard provided that such maintenance by the owner does not hinder the Association in performing its maintenance of exterior house and the remaining yard spaces. No such maintenance by a Lot Owner shall reduce the assessment payable by him to the Association. If, in the opinion of the Association any such owner fails

to maintain his rear yard in a neat and orderly manner, the Association may revoke the owner's maintenance rights for a period not to exceed one (1) year. The Owner shall not plant any vegetation in the front yard except with the prior written approval of the Association, (as a matter of information to the future members of this Association, the developers wish to make it known that it is a part of the original plan of development to construct a variety of dwellings and a variety of exteriors for the good of the entire subdivision. Some dwellings will require far more maintenance than others because of the types of exterior exposures. Nevertheless, in order to avoid monotony and in order to achieve a harmony of design and textures, all of those connected with the conception, design, construction and financing of this subdivision as originally planned, are in accord in their belief that all members of the Association will be benefited by the variety of exterior maintenance and make a uniform rate of change without regard to the actual cost of maintenance of each dwelling.) In the event that the need for maintenance or repair is caused through the willful or negligent act of the owner, his family, tenants, contract purchaser, guests, or invitees, the costs of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

SECTION 2. MAINTENANCE BY OWNER. In case where maintenance or repair is required in this Declaration to be done or made by an Owner, and such maintenance or repair has not commenced within sixty (60) days or if commenced, is not completed within a reasonable time thereafter, the Association may upon thirty (30) days written notice to such Owner, make or complete such maintenance or repairs and the cost thereof shall be an additional assessment applicable only to such Lot and Owner, and shall be payable as determined by the Board of Directors.

ARTICLE VIII USE RESTRICTIONS

SECTION 1. RULES AND REGULATIONS. The Board of Directors of the Association shall have the power to formulate, publish, amend and enforce reasonable rules and regulations concerning the use and enjoyment of the front yard space of each Lot and the Common Areas. Such rules and regulations may provide for imposition of fines or penalties for the violation of any of the covenants and conditions contained in this Declaration.

SECTION 2. USE OF PROPERTIES. No portion of the properties shall be used except for residential purposes. Only one family may occupy a Lot as a principal residence at any one time.

SECTION 3. QUIET ENJOYMENT. No obnoxious or offensive activity shall be carried on upon the properties, nor shall annoyance to the neighborhood.

SECTION 4. ANIMALS. No animals, livestock or poultry of any kind shall be raised, boarded, kept or maintained on any Lot or in any dwelling except that a MAXIMUM OF FOUR (4) TOTAL indoor dogs, cats, or other household pets might be kept or maintained provided that they are not kept, boarded, raised or maintained for commercial purposes.

SECTION 5. DWELLING SPECIFICATIONS. Except with prior written approval of the Architectural Committee; no dwelling shall be constructed or permitted to remain on any attached Lot having an area of the main structure, exclusive of open porches and decks of less than fourteen hundred (1,400) square feet heated and cooled space. Each primary dwelling shall have either an attached or unattached two-vehicle garage. No manufactured home, mobile home, or other similar temporary structure shall be permitted on any Lot.

SECTION 6. OUT-BUILDINGS, FENCES, AND OTHER STRUCTURES. Wooden privacy fences shall be permitted on all Lots. No structure detached from the main dwelling shall be greater than two-stories. Each Lot shall have a poured-concrete driveway servicing the dwelling house and garage, whether or not such garage is attached to such dwelling structure, from the right-of-way which abuts such Lot. No gravel or unpaved driveways are allowed in the Development.

SECTION 7. BUILDING SETBACKS. Building set-back requirements for primary dwellings and other auxiliary structures located on any Lot shall be as set forth on Plat referenced in Article I, Section 3, above.

ARTICLE IX EASEMENTS

All of the properties, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines and other public utilities as shall be established by the Declarant or by his predecessor in title prior to the subjecting to this Declaration and the Association shall have the power and authority to grant and establish upon, over, under and across the Common Areas conveyed to it, subject to further easements as are requisite for the convenient use and enjoyment of the properties.

An easement is hereby established, over the Common Area and public utility companies and public service agencies as necessary for setting, removing, and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical, telephone, gas, cable antenna lines, firefighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities. All Lots shall be subject to easements for the encroachment of initial improvement constructed on adjacent Lots by the Declarant to the extent that such initial improvements actually encroach including, but not limited to, such items as overhanging eaves, gutters, downspouts, fences, decks and walls.

ARTICLE X GENERAL PROVISIONS

SECTION 1. ENFORCEMENT. The Association, or any Owner, shall have the right to enforce, by any process of Law or in equity, all restrictions, covenants, reservations, liens and charges now as hereafter imposed by this provisions of this Declaration. Failure by the Association or by any Owner to

enforce any covenant or restriction herein contained shall in no even be deemed a waiver or the right to do so thereafter.

SECTION 2. SEVERABILITY. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision, which shall remain in full force and effect.

SECTION 3. AMENDMENT. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by the Owners of not less than eighty-five percent (85%) of the Lots. No amendment which would change or delete any provision herein required by the Town of Wilson's Mills or any other government authority having zoning and planning jurisdiction shall become effective until submitted to and approved by the attorney of such entity; however, if the attorney fails to approve or disapprove such amendment within thirty (30) days after the same has been submitted, such approval shall not be required and this covenant shall be deemed to have been fully complied with, any amendment must be recorded in the office of the register of deeds of Johnston County, North Carolina.

SECTION 4. FHA/VA/FNMA APPROVAL. As long as there is a Class B membership, the following actions will require the prior written approval of FNMA, and the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Areas, and amendment of this Declaration of Covenants, Conditions and Restrictions.

ARTICLE XI **ELECTRICAL SERVICES**

Declarant reserves the right to subject the above described property to a contract with Duke Progress Energy, the Town of Wilson's Mills, or other electric utility provider chosen by Declarant for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to such electric utility authority by the owner of each Lot within said property.

ARTICLE XII **RIGHT OF INSTITUTIONAL LENDERS**

SECTION 1. The prior written approval of each institutional holder of first deed of trust on units in the property will be required for the following:

- (a) The abandonment or termination of the structure located on a Lot except for abandonment or termination provided by Law in case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.

- (b) Any material amendment of the declaration or to the By-Laws of the Association;
- (c) The effectuation of any decision by the Association to terminate professional management and assume management and assume self-management of the property.

SECTION 2. No unit may be partitioned or subdivided without the prior written approval or the first lien holder of the unit.

SECTION 3. Upon written request, any institutional holder of a first lien on a unit will be entitled to:

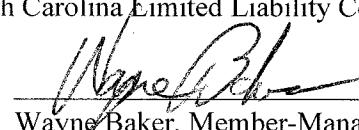
- (a) Inspect the books and records of the Association during normal business hours;
- (b) Receive an annual audited financial statement of the Association with ninety (90) days following the end of any fiscal year; and
- (c) Written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

SECTION 4.

- (a) In the event of substantial damage to or destruction of any unit or any part of the Common Area, the institutional holder of any first mortgage on a unit will be entitled to timely written notice of any such damage or destruction
- (b) If any unit or portion thereafter or the Common Area or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by.

IN WITNESS WHEREOF, the undersigned Declarant and Unit Owner has hereunto executed this Declaration this 13th day of January, 2020.

Baker & Baker Adventures, LLC
A North Carolina Limited Liability Company

By:  (SEAL)
Wayne Baker, Member-Manager

STATE OF NORTH CAROLINA

COUNTY OF JOHNSTON

I, Sheree D Beasley, A Notary Public certify that Wayne Baker, personally came before me this day and acknowledged that he/she is Member-Manager of Baker & Baker Adventures, LLC, a North Carolina Limited Liability Company and that by authority dully given and as the act of the Corporation, the foregoing instrument was signed in its name.

Witness may hand and seal this 13th day of January, 2020.

Sheree D Beasley
Notary Public

My commission expires 10-13-2020

