

FOR REGISTRATION
Sharon A. Davis
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DECLARATION
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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PINE BLUFF TOWNHOMES

THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF THE FLAG OF THE UNITED STATES OF AMERICA OR THE STATE OF NORTH CAROLINA.

THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS.

Prepared by and after recording, return to: William W. Bunch, III
Brown & Bunch, PLLC
4700 Homewood Court
Suite 265
Raleigh, N.C. 27609

STATE OF NORTH CAROLINA

COUNTY OF DURHAM

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR PINE BLUFF TOWNHOMES

THIS TOWNHOME DECLARATION is made and entered into this 26TH day of FEBRUARY, 2019, by LAKEFIELD FARM, LLC (hereinafter referred to as "Declarant"), Suite 101, 2451 Croasdaile Farm Parkway, Durham, North Carolina 27705, for itself, its successors, grantees and assigns:

WITNESSETH THAT:

WHEREAS, the Declarant is owner of all that certain tract and parcel of land situated in Durham County, North Carolina, which is more accurately described in Exhibit "A", attached hereto, and which is hereby incorporated by reference as fully as if it were set out verbatim herein, together with all buildings and improvements now or hereafter constructed or located thereon and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real property (hereinafter the "Property"); and

WHEREAS, the said Property has previously been subjected to the Declaration of Covenants, Conditions and Restrictions for Croasdaile Farm dated the 3rd day of August,

1987, and duly recorded in Book 1393, at page 137, in the Office of the Register of Deeds of Durham County, North Carolina (hereinafter "Master Declaration"); and

WHEREAS, the said Property is a part of the Croasdaile Farm Community, as hereinafter defined; and

WHEREAS, the Declarant now desires to create a planned community under the North Carolina Planned Community Act (N.C.G.S. Chapter 47F) and to submit the said Property described in Exhibit "A" to the following Covenants, Conditions and Restrictions for Pine Bluff Townhomes and to comply with the Parcel Declaration requirements set forth in the said Master Declaration;

NOW THEREFORE, the Declarant hereby declares that the Property described in Exhibit "A" shall be held, owned, sold and conveyed subject to the following covenants, conditions and restrictions which shall be binding upon all Persons having any right, title or interest in the Property.

ARTICLE ONE

DEFINITIONS

SECTION 1.1 "ACT": shall mean the North Carolina Planned Community Act, Chapter 47F of the North Carolina General Statutes as the same may be amended from time to time.

SECTION 1.2 "ASSESSMENTS": shall mean the General, Special and Planting Assessments levied by Pine Bluff Townhome Association, Inc., for the upkeep and maintenance of the Common Elements and to satisfy the Common Expenses of the Association.

SECTION 1.3 "ASSOCIATION": shall mean Pine Bluff Townhome Association, Inc., a non-profit corporation organized under the laws of the State of North Carolina.

SECTION 1.4 "BUILDER": shall mean Homes by Dickerson, Inc., a North Carolina corporation to whom the Lots are to be conveyed for the purpose of constructing the improvements thereon as approved by the Design Review Committee in accordance with the terms and provisions relative thereto set forth hereinafter in Article Three.

SECTION 1.5 "BOARD OF DIRECTORS": shall mean the elected body governing the Association as provided by North Carolina corporate law and is the same as the Executive Board defined in the Act.

SECTION 1.6 "BYLAWS": shall mean the duly adopted Bylaws of the Association.

SECTION 1.7 "COMMON AREAS": shall mean the real and personal property now or hereafter owned by the Croasdaile Farm Master Homeowner Association, Inc. (hereinafter "Master Association") for the common use and enjoyment of the members of the Master Association.

SECTION 1.8 "COMMON ELEMENTS": shall mean all portions of the Property other than public streets and individual Townhome Lots and shall also include the tangible property owned by the Association.

SECTION 1.9 "COMMON EXPENSES": shall mean the financial liabilities and expenditures made by the Association including any allocations to reserve accounts. This term includes expenses for administration, maintenance, operation, repair or replacement of the Common Elements or Limited Common Elements and any expenses declared to be Common Expenses by the provisions of this Declaration or the Bylaws.

SECTION 1.10 "COMMON EXPENSE LIABILITY": shall mean the Common Expenses allocated to each Owner pursuant to this Declaration.

SECTION 1.11 "COMMUNITY-WIDE STANDARDS": shall mean the architectural, landscape, arboreal, vegetative and aesthetic standards of the Croasdaile Farm

Community as determined and promulgated by the Design Review Committee, from time to time.

SECTION 1.12 "CROASDAILE FARM COMMUNITY": shall mean the residential community described in the Master Declaration, as amended.

SECTION 1.13 "DECLARANT": shall mean Lakefield Farm, LLC, its heirs, successors and assigns.

SECTION 1.14 "DECLARATION": shall mean this instrument and any amendments thereto, unless otherwise specified. This instrument shall also be construed to be the Parcel Declaration referred to in the Declaration of Covenants, Conditions and Restrictions for Croasdaile Farm, recorded in Book 1393, at Page 137, in the Office of the Register of Deeds of Durham County, North Carolina, as amended from time to time.

SECTION 1.15 "DECLARANT CONTROL PERIOD": shall mean the time period commencing on the date of recordation of this Declaration and ending on the earlier of:

- (A) Four (4) years and six (6) months after the date of the first conveyance of a Lot to a Person other than the Declarant or Builder;
- (B) One hundred and twenty (120) days after the conveyance of seventy-five percent (75%) of the thirty-two (32) Lots described in this Declaration to Owners other than the Declarant or Builder; or

- (C) The delivery of written notice by the Declarant to the Association of Declarant's election to terminate any rights reserved hereunder.

SECTION 1.16 "DESIGN REVIEW COMMITTEE": shall mean the committee appointed by the board of directors of the Master Association, from time to time, to establish Community-Wide Standards for the construction, alteration or improvement of property within the Croasdaile Farm Community, of which these Townhomes are a part.

SECTION 1.17 "DEVELOPMENT RIGHTS": shall mean any right or combination of rights reserved by the Declarant to:

- (A) Create additional Lots; however, the total number of Lots subjected to this Declaration shall not exceed thirty-two (32);
- (B) Create, add, alter or delete Common Elements or Limited Common Elements within the said Property;
- (C) Subdivide Lots or convert Lots into Common Elements; or
- (D) Withdraw Real Estate from the said Property.

SECTION 1.18 "ELIGIBLE HOLDER": shall mean an institutional holder, insurer or guarantor of a first mortgage or first deed of trust who requests, in a writing delivered to the Association, to be furnished the information specified in Section 7.1. Such written request must set forth the name and address of such holder, insurer or guarantor and the Lot number to which such first mortgage or first deed of trust applies. An Eligible Holder

shall also include the holder, insurer or guarantor of any junior mortgage if said junior mortgage is approved as such by the Board of Directors.

SECTION 1.19 "ELIGIBLE MORTGAGE": shall mean all first mortgages and, in addition, any junior mortgage of which the holder is the Declarant, or the holder is the seller of a Lot or such other mortgage as is approved by the Board of Directors as an Eligible Mortgage.

SECTION 1.20 "ELIGIBLE MORTGAGEE": shall mean a holder, insurer or governmental guarantor of an Eligible Mortgage.

SECTION 1.21 "GENERAL ASSESSMENTS": shall have the meaning set forth in Article Six of this Declaration.

SECTION 1.22 "GENERAL PLAN OF DEVELOPMENT": shall mean the Land Use Development Plan, as amended, from time to time, of Croasdaile Farm prepared by Land Design Research, Inc., which is referred to in the Master Declaration.

SECTION 1.23 "IDENTIFYING NUMBER": shall mean the number assigned by the Declarant that identified each Lot, as shown on the Plat referred to in Exhibit "A".

SECTION 1.24 "INSURANCE TRUSTEE": shall mean Pine Bluff Townhome Association, Inc., its heirs, successors and assigns.

SECTION 1.25 "LESSEE": shall mean the Person entitled to possession of a leased Lot whether as lessee, sublessee or assignee.

SECTION 1.26 "LIMITED COMMON ELEMENTS": shall mean the portion of the Common Elements allocated by this Declaration, as amended, for the exclusive use of one or more but fewer than all of the Lots and Owners.

SECTION 1.27 "LOT": shall mean all portions of the Property designated for separate ownership and bearing a separate Identifying Number, including the improvements located thereon, all as shown on the plat and survey thereof filed of record in the Office of the Register of Deeds of Durham County, North Carolina. A Lot shall be a Residential Unit as defined in the Master Declaration. A Lot shall also include any portion of the Additional Property which is designated for separate ownership and which is subjected to the terms and provisions of this Declaration by an appropriate amendment hereto.

SECTION 1.28 "MASTER ASSOCIATION": shall mean the homeowner association described in the Declaration of Covenants, Conditions and Restrictions for Croasdaile Farm dated the 3rd day of August, 1987, as duly recorded in Book 1393, at Page 137, in the Office of the Register of Deeds of Durham County, North Carolina, as amended from time to time.

SECTION 1.29 "MASTER DECLARATION": shall mean the Declaration of Covenants, Conditions and Restrictions for Croasdaile Farm dated the 3rd day of August, 1987, as amended, and duly recorded in Book 1393, at Page 137, in the Office of the Register of Deeds of Durham County, North Carolina, as amended from time to time.

SECTION 1.30 "MORTGAGE": shall include a deed of trust, as well as a mortgage.

SECTION 1.31 "MORTGAGEE": shall include a beneficiary, trustee or other holder of a deed of trust, as well as the mortgagee named in a mortgage.

SECTION 1.32 "MORTGAGOR": shall include a trustor of a deed of trust, as well as a mortgagor.

SECTION 1.33 "OWNER": shall mean one or more Persons who hold record title to a Lot in Pine Bluff Townhomes but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a recorded contract of sale, the Purchaser (rather than the fee Owner) will be considered the Owner.

SECTION 1.34 "PARCEL": shall mean and refer to all that certain tract and parcel of land situated in Durham County, North Carolina, which is more accurately described in Exhibit "A", attached hereto, and which is hereby incorporated by reference. Exhibit "A" describes the land upon which the Pine Bluff Townhomes are to be built. The land

described in Exhibit "A", shall be a separately designated residential area which is subject to the Master Declaration and to the provisions of this Townhome Declaration.

SECTION 1.35 "PARCEL DECLARATION": shall mean this Declaration and the same shall be construed to the Parcel Declaration referred to in the Master Declaration.

SECTION 1.36 "PERSON": shall mean a natural person, a corporation, a partnership, a trustee or other legal entity and the heirs, successors and assigns thereof.

SECTION 1.37 "PROPERTY": shall mean the tract of land described in Exhibit "A" which is hereby subjected to this Declaration.

SECTION 1.38 "PURCHASER": shall mean any Person, other than Declarant, Builder or a Person in the business of selling Real Estate for his own account, who acquires a legal or equitable interest in a Lot other than:

- (A) A leasehold interest (including renewal options); or
- (B) As security for an obligation.

SECTION 1.39 "REAL ESTATE": shall mean any property, leasehold, fee or other estate or interest in, over or under land, including structures, fixtures and other improvements and interests which by custom, usage or law, pass with a conveyance.

SECTION 1.40 "RESIDENTIAL UNIT": shall mean a Lot and any improvements located thereon.

SECTION 1.41 "SPECIAL ASSESSMENTS": shall have the meaning set forth in Article Six of this Declaration.

SECTION 1.42 "SPECIAL DECLARANT RIGHTS": shall mean rights reserved for the benefit of the Declarant, its successors and assigns to:

- (A) Complete improvements indicated on plats and plans referred to in the Declaration, as amended;
- (B) Exercise any Development Rights;
- (C) Maintain sales offices, management offices, model units and signs advertising the Townhomes or Lots;
- (D) Use easements through the Common Elements for the purpose of making improvements within the Property;
- (E) Make the Townhomes part of a larger townhome project;
- (F) Appoint or remove any officer of the Association or any member of the Board of Directors during the Declarant Control Period; or
- (G) Any other Special Declarant Right expressly reserved to the Declarant in this Declaration.

SECTION 1.43 "TOWNHOME": shall include the individual Lots designated for separate ownership and any improvements located thereon.

ARTICLE TWO

GENERAL PROVISIONS, PARCEL DECLARATION AND
SUBMISSION OF PROPERTY TO MASTER DECLARATION

SECTION 2.1 NAME: The Townhomes subjected to the provisions of this Declaration shall be known as "Pine Bluff Townhomes".

SECTION 2.2 PROPERTY SUBJECT TO DECLARATION: Declarant hereby submits the Property described in Exhibit "A", attached hereto, together with all dwellings and other improvements now or hereafter constructed or located thereon to the provisions of this Declaration and to the provisions of the Master Declaration, both as amended from time to time. Pine Bluff Townhomes are a part of the Croasdaile Farm Community. If there is any conflict between the terms of the Master Declaration and the terms of this Declaration, the terms of the Master Declaration shall control.

SECTION 2.3 DIVISION OF PROPERTY: Declarant, in order to establish a planned development for Townhome ownership, does hereby divide the Property into thirty-two (32) Lots and does hereby designate each of said Lots for separate ownership. A Lot shall be used only for residential purposes. The Common Elements consist of all portions of the Property other than the Lots and the dedicated public street rights-of-way.

SECTION 2.4 LIMITED COMMON ELEMENTS: The thirty-two (32) Lots are to be developed such that there will be eight (8) groups of Lots containing four (4) adjoining Lots each. In conjunction with the construction of the improvements for each Residential Unit, Builder will construct a fire sprinkler system in accordance with the requirements of the City of Durham and all components of such fire sprinkler system, including, but not limited to, the waterlines, sprinkler closet constructed within the garage of each Residential Unit and all equipment related thereto, including the sprinkler heads (collectively, "Fire Sprinkler System(s)") will be a Limited Common Element with respect to the Residential Unit served by its individual Fire Sprinkler System.

SECTION 2.5 PARCEL DECLARATION: The Property described in Exhibit "A", attached hereto, is a separately designated residential area for Townhomes, and said residential area shall be a separate parcel from all others in the Croasdaile Farm Community, of which it is a part. This Declaration shall be construed to be the Parcel Declaration referred to in Section 1.20 of the Master Declaration.

SECTION 2.6 GENERAL PLAN OF DEVELOPMENT: The General Plan of Development is the dynamic design for the development of Croasdaile Farm Community as a planned development and may be modified and amended, from time to time, as provided in the Master Declaration, during the several years required to build the Croasdaile Farm Community. Therefore, because the General Plan of Development is a temporary design, it shall not bind the Declarant, or any other Person, to build the improvements which are shown on the Land Use Development Plan of Croasdaile Farm Community or to improve

any portion of such real property in accordance with the General Plan of Development. The Master Declaration provides that Lone Pine, Inc, its successors and assigns, have the absolute right and discretion to amend the General Plan of Development in response to changes, including without limitation, to economic, marketing, environmental, technological or social conditions related to the development or marketing of Croasdaile Farm Community or to changes in the requirements of governmental agencies or financial institutions.

SECTION 2.7 NO WARRANTY: The General Plan of Development, as amended from time to time, does not and shall not constitute, nor it is nor shall it be construed as a warranty, express or implied, on the part of the Declarant or any other Person, that the Croasdaile Farm Community will be developed in conformity with the said General Plan of Development.

SECTION 2.8 MAXIMUM OF NUMBER OF LOTS: The Developer may subject a maximum of thirty-two (32) Lots to the terms and provisions of this Declaration. The Lots will be constructed pursuant to building permits issued by the City of Durham, North Carolina.

SECTION 2.9 DEVELOPMENT AND SALE OF LOTS: The Lots will be developed by Declarant and/or Declarant's affiliate, Croasdaile Farm Three, LLC, a North Carolina limited liability company, as necessary to prepare the Lots for the improvements to be constructed thereon as approved by the Design Review Committee and then conveyed

to Builder for the purpose of Builder obtaining a building permit and constructing such improvements and marketing and selling the Residential Units to Purchasers. In conjunction with the sale of Lots to Builder, Declarant will assign the Special Development Rights set forth in Section 9.7 of this Declaration as (A), (E), (F) and (G) to Builder relative to each Lot acquired by Builder and set forth in an instrument to be signed by Declarant and Builder and recorded in the Office of the Register of Durham County, North Carolina.

ARTICLE THREE

DESIGN REVIEW COMMITTEE

SECTION 3.1 DESIGN REVIEW COMMITTEE: The board of directors of the Master Association will appoint a Design Review Committee (hereinafter sometimes referred to as "DRC") each year consisting of not less than three Persons, none of whom need be a member of the Master Association. The DRC will establish and promulgate, from time to time, the Community-Wide Standards for construction or alteration of Residential Units, landscaping, arboreal and vegetative requirements of Croasdaile Farm Community. The said Community-Wide Standards shall be made available by the Master Association to owners, builders and developers who seek to engage in development of or construction with the Croasdaile Farm Community and they shall conduct their operations in accordance with this Article Three and the said Standards. The initial Community-Wide Standards are set forth in Exhibit "D" to the Master Declaration and are independently amendable by the DRC, from time to time, in accordance with the terms of Exhibit "D"

and any amendments thereto shall not constitute nor require an amendment to this Declaration or to the Master Declaration. An amendment to the Community-Wide Standards shall be effective upon adoption by the DRC and need not be recorded in the Office of the Register of Deeds of Durham County, North Carolina. The DRC shall be subject to the jurisdiction and authority of the board of directors of the Master Association.

SECTION 3.2 IMPROVEMENTS AND ALTERATIONS: Unless and until a plan of construction is approved by the DRC in writing, no structure or appurtenance thereto, whether of a temporary or a permanent nature and whether or not affixed to the ground, shall be commenced, erected, installed, added or permitted to remain within the Croasdaile Farm Community. The plans for any grading and landscaping of property shall also require the prior written approval of the DRC.

Unless and until a plan of alteration is approved by the DRC in writing, no construction, alteration or repair, including, but not limited to, a change in exterior color of any structure, shall be undertaken which affects the external appearance of any improvements to the Common Elements, to a Residential Unit or to other property within the Croasdaile Farm Community.

No building within the Croasdaile Farm Community shall be utilized for a type of use other than that for which it was originally designed without the prior written approval of the DRC. In addition, mature live trees on the property, as defined in the Community-Wide Standards, may not be cut down or removed without the prior written approval of the DRC.

Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his Residential Unit or to paint the interior thereof any color desired.

In the event the DRC fails to approve or disapprove an application by the Owner for a proposed improvement to a Residential Unit or other property located within the Croasdaile Farm Community with thirty (30) days after submission of same to the DRC, the said application shall be deemed approved.

SECTION 3.3 DELEGATION OF DESIGN REVIEW COMMITTEE'S DUTIES: The Design Review Committee may delegate all or any portion of its authority to the Board of Directors or appropriate committee of the Pine Bluff Townhome Association, Inc.; provided, however, that the DRC has determined that such Board or committee has review and enforcement procedures in force and appropriate standards for the construction or alteration of Residential Units, landscaping, arboreal and vegetative requirements which are not less strict than those established by the DRC. This delegation of authority may be revoked by the DRC and jurisdiction reassumed, as provided in the Master Declaration, at any time by giving written notice thereof to the Board or committee, as appropriate.

ARTICLE FOUR

MEMBERSHIP AND VOTING RIGHTS

SECTION 4.1 MEMBERSHIP: Every Person who is the record Owner of a fee simple interest or an undivided fee simple interest in a Residential Unit that is subject to this Declaration shall automatically be a member of the Association and a member of the

Master Association. Membership shall be appurtenant to and may not be separated from such ownership. Members agree to be bound by the terms and provisions of this Declaration, the Master Declaration, the Bylaws of the Association, the Bylaws of the Master Association and such Rules and Regulations as shall be promulgated, from time to time, by the Board of Directors. Membership in the Association and in the Master Association shall cease upon termination of an Owner's fee simple interest in said real property or upon recordation of a Contract of Sale as provided in Section 1.33 of this Declaration; provided, however, that a member shall not include any Person who holds an interest merely as security for the performance of an obligation and the granting of a security interest in a Residential Unit shall not terminate the Owner's membership. No Owner, whether one or more Persons, shall have more than one membership per Residential Unit owned. The rights and privileges of membership, including the right to vote, may be exercised by the member; however, except as provided in Section 4.2, below, in no event shall more than one (1) vote be cast for each particular Residential Unit. Such membership shall be appurtenant to the Residential Unit giving rise to such membership and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to such Residential Unit. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Residential Unit shall operate automatically to transfer the membership in the Association and in the Master Association which is appurtenant thereto to the new Owner. Each member shall be subject to the Bylaws of the Association and to the Bylaws of the Master Association and any Rules and Regulations of the said associations and the provisions of this Declaration and the Master Declaration, all as may be amended, from time to time.

SECTION 4.2 VOTING: Each member of the Association other than the Declarant shall be entitled to one (1) vote for each Residential Unit in which he holds the interest required for membership provided in Section 4.1. There shall be only one (1) vote per Residential Unit. When more than one person or an entity holds such interest in any Residential Unit, the vote for such Residential Unit shall be exercised by the Person specifically designated in writing delivered to the Secretary of the Association prior to any meeting. The Person designated shall continue to have the right to exercise the vote for such Residential Unit until such time as the said authorization is revoked by the Owners in a writing delivered to the Secretary of the Association. The Board of Directors shall have authority to promulgate Rules and Regulations, from time to time, regarding the format and signatures required to designate the voting member. Failure to designate the Person who shall exercise the vote for such Residential Unit or an attempt to exercise said vote by more than one Person or entity shall result in the automatic suspension of said Residential Unit's vote. This suspension shall continue in effect until the Person designated in a writing delivered to the Association by the Owner(s) is the only Person attempting to exercise the vote. During the Declarant Control Period, the Declarant shall be entitled to three (3) votes for each Lot it owns. Upon the termination of the Declarant Control Period, the Declarant shall be entitled to only one (1) vote for each Lot it owns.

An Owner of a Residential Unit which is leased may, in the lease or other written instrument, assign the voting right appurtenant to that Residential Unit to the lessee, provided that a signed copy of the lease or other written instrument is delivered to the Secretary of the Association. The lessee shall have this voting right during the time period

set forth in the lease or other written instrument conferring such right, or if no time is set forth therein, then the lessee shall have the right to vote until his lease expires or the Owner revokes such right in a writing delivered to the Secretary of the Association.

ARTICLE FIVE

THE ASSOCIATION

SECTION 5.1 ORGANIZATION: The Association is a corporation organized under the laws of the State of North Carolina and is charged with the duties and vested with the powers conferred upon corporations by law, the powers conferred upon the Association by the Act, the powers set forth in the Articles of Incorporation, the Bylaws of the Association, as amended, from time to time, and the rights, powers and obligations set forth in this Declaration. In the event of any inconsistency between and among the Articles of Incorporation and the Association, the Bylaws of the Association, this Declaration or the Master Declaration, all as amended, from time to time, the Master Declaration shall control, then this Declaration, then the Articles of Incorporation of the Association and finally the Bylaws of the Association. In the event of a conflict between a provision in this Declaration or the Bylaws of the Association and a requirement of the Act which cannot be altered or varied, the requirement of the Act shall control and be deemed to be included in this Declaration or the Bylaws of the Association to the extent necessary to make this Declaration or the Bylaws of the Association compliant with such requirement of the Act. The officers and directors of the Association shall be required to be either:

- (A) Members of the Association; or
- (B) Officers, directors, agents, representatives or employees of the Declarant and its successors in interest.

By accepting a deed for any Common Element referred to herein, which acceptance shall be conclusively evidenced by the recordation of said deed in the Office of the Register of Deeds of Durham County, North Carolina, the Association agrees to be bound by all of the terms, conditions and covenants contained in this Declaration and to assume responsibility for all of the duties and obligations imposed upon the Association.

SECTION 5.2 DUTIES OF THE ASSOCIATION: The Association shall, in addition to such obligations, duties and functions as are assigned to it by other provisions of this Declaration, have the obligation and duty to do and perform each and every of the following for the benefit of the Owners and for the maintenance, administration and improvement of the Common Elements:

- (A) Common Elements – Accept as part of the Common Elements all real property conveyed to it as such.
- (B) Enforcement – Take such action, whether or not expressly authorized herein or in any other governing instrument, as may be necessary or desirable to enforce the restrictions, limitations, covenants, affirmative obligations, conditions and other provisions of this Declaration and its Exhibits, both present and future, as well as the other Croasdaile Farm documents.

- (C) Operation of Common Elements – To operate, maintain and otherwise manage or provide for the operation, maintenance and management of the Common Elements, together with all easements for operation and maintenance purposes for the benefit of the Association or its members. To keep all improvements of whatever kind and for whatever purpose located in or upon the Common Elements in good order, condition and repair.
- (D) Utilities – To acquire, provide and pay for water, sewer, garbage disposal, electrical, telephone, gas and other necessary utility services for the Common Elements.
- (E) Taxes and Assessments – To pay all real and personal property taxes and assessments separately levied upon or assessed against the Association or any property owned by the Association.
- (F) Dedication for Public Use – Upon being directed in writing by Lakefield Farm, LLC, or its successors, during the Declarant Control Period, to promptly dedicate such streets and roads and such water, sewer, electrical, telephone and other utility lines or facilities and to grant appropriate easements as may be specified by Lakefield Farm, LLC, or its successors, to such public authorities, utility companies or similar agencies or bodies as may be designed by Lakefield Farm, LLC, or its successors.
- (G) Insurance – To obtain and maintain insurance as provided for by either this Declaration or the Bylaws, as appropriate.
- (H) Rules and Regulations – To make, promulgate, amend and repeal, from time to time, Rules and Regulations of the Association.

- (I) Maintenance – To maintain and repair the exterior of all Residential Units including the front and rear yards and to maintain and repair the Common Elements. The Association shall always maintain all plantings, trees, shrubbery and grass in each front yard appurtenant to the Residential Unit and in any public street right-of-way located within the Property.
- (J) Miscellaneous – The Association shall be responsible for the payment of premiums for liability insurance insuring the Association for negligent acts or omissions of its agents, employees, contractors or Owners, the payment of city and county property taxes assessed against Association property and the maintenance of recreational and other facilities located on the Common Elements.

SECTION 5.3 POWERS AND AUTHORITY OF ASSOCIATION: The Association shall have all of the powers conferred by law upon corporations organized under the laws of the State of North Carolina and all of the powers conferred by the Act, subject only to such limitations as may be set forth in the Articles of Incorporation, the Bylaws, this Declaration or the Master Declaration. In addition, the Association shall have any power incidental to the exercise of any of the express powers conferred upon it including, but not limited to, the following:

- (A) Assessment – To assess the Owners and to enforce payment of such Assessments.
- (B) Easements and Rights-of-Way – To grant and convey to any third-party easements and rights-of-way in, on, over or under the Common Elements

for the purposes of constructing, operating or maintaining thereon, therein or thereunder:

- (1) underground or overhead lines, cables, wires or other devices for the transmission of electricity and for lighting, heating, power, telephone, cable communication and other appropriate purposes; and
 - (2) public sewers, storm water drains, water systems, gas lines or any similar public or quasi-public improvements or facilities.
- (C) Manager – To employ the services of any Person as a professional manager, together with employees, to manage and conduct the business of the Association and to enter into contracts for such purposes. Any such professional management agreement shall provide that the Association may terminate the said agreement, at any time, without cause and without penalty of any kind, upon not less than ninety (90) days written notice to the party contracting with the Association. The manager and employees shall have a right on ingress and egress over such portions of the Common Elements and of the Property as is necessary or desirable in performing their duties.
- (D) Mortgagee Protective Agreement – To execute and cause to be recorded, from time to time, agreements in favor of holders, guarantors or insurers of Mortgages secured by portions of the Common Elements or the Property. Such agreements may condition specified action relevant to this Declaration

or the activities of the Association upon approval by a specified group or number of such Mortgage holders, guarantors or insurers.

- (E) Right of Entry – Without liability to any Owner, to cause its agents, independent contractors and employees, at reasonable times and after reasonable notice to the Owner, to enter in or upon a Lot for the purpose of enforcing the provisions of this Declaration or any other restrictions or covenants affecting a Lot.

- (F) Rules and Regulations – The Association, through its Board of Directors, may make and enforce reasonable Rules and Regulations governing the use of the Common Elements, which Rules and Regulations shall be consistent with the rights and duties established by this Declaration. Sanctions for violations of the Rules and Regulations may include reasonable monetary fines and suspension of the right to vote and of the right to use the Common Elements; provided, however, that no such sanction shall deprive an Owner or his invitees of a right of ingress and egress to his Lot. The Association shall also have the power and authority to bring an action in any court to enforce any restrictions, covenants or conditions affecting the Common Elements or the Lots. Imposition of sanctions shall be as provided in the Bylaws or elsewhere in this Declaration.

- (G) General Authority – To take any other action deemed necessary or desirable by the Association to implement the intent and purposes of this Declaration and for the benefit of the Association and its members.

ARTICLE SIX

ASSESSMENTS

SECTION 6.1 CREATION OF ASSESSMENTS: The Declarant, for the Property hereby covenants, and each Owner of a Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, (or by the acquisition of title to any of the Lots by any other means) is deemed to covenant and agree that for each Lot owned, the Owner shall pay to the Association such Assessments for the upkeep, maintenance and expenses of the Common Elements, insurance costs and operating expenses of the Association as shall be determined by the Board of Directors from time to time. There shall be three (3) kinds of Assessments levied by the Association, namely:

- (A) General Assessments;
- (B) Special Assessments; and
- (C) Planting Assessments referred to in Section 10.3 below.

SECTION 6.2 GENERAL ASSESSMENTS: General Assessments levied by the Association each year shall be used for the improvement, operation and maintenance of the Association property, insurance, maintenance and repair to the exterior of all Residential Units and to promote the recreation, safety and welfare of the members.

These Assessments shall be adequate to finance the operation and activities of the Association, to maintain the Common Elements and other areas for which the Association is responsible and to maintain adequate repair and replacement reserves. Any Common Expenses associated with the maintenance, repair or replacement of Limited Common Elements, with the exception of the Fire Sprinkler Systems addressed in Section 2.4 of this Declaration, shall be assessed against the specific Lot to which such Limited Common Elements appertain. In that the Fire Sprinkler Systems constructed by Builder for each Residential Unit are essentially the same, the costs and expenses of the maintenance and repair of the Fire Sprinkler Systems, including the required annual inspections and related backflow inspections, shall be a part of the General Assessments allocated equally among all Lots subject to this Declaration. With the exception of the portion of the General Assessments applicable to the Limited Common Elements, not including the Fire Sprinkler Systems, which shall be assessed against the specific Lots to which such Limited Common Elements appertain as set forth hereinbefore, the remainder of the General Assessments, including the costs and expenses related to the Fire Sprinkler Systems, shall be allocated equally among all Lots subject to this Declaration.

SECTION 6.3 SPECIAL ASSESSMENTS: In addition to General Assessments, the Association may levy a Special Assessment or Assessments during any fiscal year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of a Townhome or a capital improvement upon the Common Elements, including the necessary fixtures and personal property related thereto or for any other matter deemed necessary or desirable by the Board of Directors.

