

COPY (11)

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
HOLLY HILL FARMS HOMEOWNERS ASSOCIATION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
MADE THIS 13th DAY OF November, 1998 by THE CUNNANE GROUP, INC., a
North Carolina corporation (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of the real property which is described in
Article II hereof and desires to create thereon an exclusive residential community of
single-family houses to be named **HOLLY HILL FARMS**; and

WHEREAS, Declarant desires to insure the attractiveness of the subdivision 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, as hereinafter defined;
and, to this end desires to subject the real property to the covenants, conditions,
restrictions, easements, charges and liens hereafter set forth, each and all of which
is and are for the benefit of said property and each owner thereof; and

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation,
protection and enhancement of the values and amenities in said subdivision and to
insure 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 and
administering and enforcing the covenants and restrictions, and collecting and
disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has incorporated or will incorporate under North Carolina
law, **HOLLY HILL FARMS HOMEOWNERS ASSOCIATION**, 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 in Article II hereof is
and shall be held, transferred, sold, conveyed and occupied subject to the covenants,
conditions, restrictions, easements, charges, and liens set forth in this Declaration
which shall run with the real property and be binding on all parties owning any right,
title, or interest in said real property or any part thereof, their heirs, successors and
assigns, and shall inure to the benefit of each owner thereof.

FILE COPY	
FILED FOR REGISTRATION	DOC. #
DATE 11-20-98	TIME 10:25
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STAMPS	REC FEE
JUDITH A. GIBSON REGISTER OF DEEDS MECKLENBURG COUNTY, NC	

ARTICLE I

Section 1. "Homeowners Association" shall mean and refer to **HOLLY HILL FARMS HOMEOWNERS ASSOCIATION**, 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 the 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 the property described in Article II hereof and any additions thereto as are or shall become subject to this Declaration and brought within the jurisdiction of the Homeowners Association.

Section 4. "Common Area" shall mean all real property owned by the Homeowners Association for the common use and enjoyment of the owners. Common Areas, with respect to the property subject to this Declaration, shall be shown on the various plats of **HOLLY HILL FARMS** recorded or to be recorded in the Mecklenburg Public Registry and designated thereon as "Common Areas" or "Common Open Space" but shall exclude all lots as hereinafter defined and all public streets shown thereon.

Section 5. "Lot" shall mean and refer to any numbered plot of land, with delineated boundary lines, appearing on any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant's" shall mean and refer to and shall also mean and refer to **THE CUNNANE GROUP, INC.**, any person, firm or corporation which shall hereafter become vested, at any given time, with title to two or more undeveloped Lots for the purpose of causing residence buildings to be constructed thereon, and any successor in title to **THE CUNNANE GROUP, INC.** shall be a Declarant during such period of time as said party is vested with title to two (2) or more such Lots (whether undeveloped or developed and unconveyed), but no longer.

Section 7. "Member" shall mean and refer to every person or entity who holds membership in the Homeowners Association.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE
JURISDICTION OF THE HOMEOWNERS ASSOCIATION

Section 1. Existing Property. The property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration and within the jurisdiction of the Homeowners Association is located in Mecklenburg County, North Carolina, and is more particularly described on the map recorded in Map Book 28 at Page 933, Mecklenburg Public Registry.

Section 2. Additions to Existing Property. Additional land may be brought within the scheme of this Declaration in the following manner:

- (a) Additional land within the area described in the metes and bounds description attached hereto as Exhibit A and incorporated herein by reference may be annexed to the existing property by Declarant, in future stages of development, without the consent of any other lot owner or owners, provided that said annexations must occur within six (6) years after the date of this instrument. Declarant may remove all or any property from said Exhibit A description prior to its annexation by filing a written Declaration of Removal in the Mecklenburg Public Registry;
- (b) The additions under subsection (a) above shall be made by filing a record Supplementary to Declaration of Covenants, Conditions and Restrictions with respect to the additional properties, which shall extend the scheme of this Declaration to such properties and thereby subject such additions to the benefits, agreements, restrictions and obligations set forth herein.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a Member of the Homeowners Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The voting rights of the membership shall be appurtenant to the ownership of the Lots. There shall be two classes of Lots with respect to voting rights and assessments:

- a. Class A. Lots. Class A Lots shall be all Lots except Class B Lots, as the same are hereinafter defined. Each Class A Lot shall entitle the Owner(s) of said Lot one vote. When more than one person owns 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 said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any one Class A Lot.

- b. Class B. Lots. Class B Lots shall be all Lots owned by Declarant which have not been converted to Class A Lots as provided in (1) or (2) below. The Declarant shall be entitled to three votes for each Class B Lot owned by it. The Class B Lots shall cease to exist and shall be converted to Class A Lots:
 - (1) When the total number of votes appurtenant to the Class A Lots equal the total number of votes appurtenant to the Class B Lots; or
 - (2) On January 1, 2003, whichever is earlier.

Section 3. In the event that the Owner of any residence ceases to occupy that residence as his own personal living quarters or in the event that any property within the development is leased for rental purposes to tenants if voted in a block, shall not be entitled to any weight greater than forty-nine percent (49%) on any matter pending before the Homeowners Association.

ARTICLE IV PROPERTY RIGHTS

Section 1. Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and pass with the title to every Lot, subject to the following provisions:

- (a) The right of the Homeowners Association to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area and to limit the use of said facilities to owners who occupy a residence on the Properties as their principal residence in Mecklenburg County, North Carolina, and to their families, tenants, contract purchasers, and guests, as

provided in Section 2 of this Article IV;

- (b) The right of the Homeowners Association to suspend the voting rights and rights to the use of the recreational facilities of an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- (c) The right of the Homeowners 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 to by the Members. No such dedication or transfer shall be effective unless the Members entitled to at least two-thirds (2/3) of the votes appurtenant to each Class of Lots (Class A and Class B) agree to such dedication or transfer and signify their agreement by a signed and recorded written instrument, provided that this subsection shall not preclude the Board of Directors of the Homeowners Association from granting easements to public authorities or others for the installation and maintenance of sewerage, utilities, and drainage facilities upon, over, under, and across the Common Area, without the assent of the membership when, in the sole opinion of the Board, such easements do not interfere with the use and enjoyment of the Properties or are necessary for the convenient use and enjoyment of the Properties;
- (d) The right of the Homeowners Association, with the written assent of Members entitled to at least two-thirds (2/3) of the votes appurtenant to each Class of Lots (Class A and Class B), 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.

Section 2. Delegation of Use.

- (a) Family. The right and easement of enjoyment granted to every owner in Section 1 of this Article IV may be exercised by numbers of the Owners' family who occupy the residence of the owner within the Properties as their principal residence in Mecklenburg County, North Carolina.
- (b) Tenants or Contract Purchasers. The right and easement of enjoyment granted to every Owner in Section 1 of this Article may be delegated by the Owner to his tenants or contract purchasers

who occupy a residence within the Properties, or a portion of said residence, as their principal residence in Mecklenburg County, North Carolina.

- (c) Guests. Recreational facilities situated upon the Properties may be utilized by guests of owners, tenants, or contract purchasers, subject to the rules and regulations of the Homeowners Association, as may be established by its Board of Directors, governing said use.

Section 3. Ownership of Common Areas. Declarant shall convey the Common Areas to the Association. Notwithstanding the recordation of any map or any other action by Declarant or the Association, all Common Areas, including cul-de-sacs and roads, if any, shall remain private property and shall not be considered as dedicated to the use and enjoyment of the public; provided, however, that Declarant or the Association may offer such cul-de-sacs and roads for dedication to the appropriate governmental authorities. If accepted for dedication by such government authorities, then the cul-de-sacs or roads shall then be considered dedicated to the use and enjoyment of the public.

Section 4. Owner's Easements for Ingress and Egress. To the extent that the cul-de-sacs and roads have not been dedicated to the use and enjoyment of the public sufficient to provide access to a Lot, every Lot shall be conveyed with (and each Lot Owner is hereby conveyed) a perpetual, non-exclusive right to use any cul-de-sac or roadway which may be constructed by the Declarant and conveyed to the Association as part of the Common Area for the purpose of providing access to and from each Lot. Upon dedication and acceptance of such cul-de-sacs and roadways, these easement rights shall terminate with respect thereto.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the properties, hereby covenants and each owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Homeowners Association: (1) monthly assessments or charges and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, cost and reasonable attorney's fees, shall be a charge on the land and shall also be the personal obligation of the person who was

the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purposes of Assessment. The assessments levied by the Homeowners Association shall be used to promote the recreation, health, safety, and welfare of the residents of the Properties in connection with the use and enjoyment of the Common Area, including but not limited to, the cost of maintenance, repair, replacement, or additions thereto, as well as the cost of labor, equipment, materials, management, and supervision thereof, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the Bylaws, the employment of attorneys to represent the Homeowners Association, when necessary, and such other needs as may arise.

Section 3. Maximum Monthly Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly assessment shall be \$15.00 per Class A Lot and \$5.00 per Class B Lot.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum monthly assessments above established may be increased, effective January 1 of each year, without a vote of the membership, but subject to the limitation that any such increase shall not exceed the percentage increase, if any, in the Consumer Price Index For All Cities (published by the Department of Labor, Washington, D.C.) over the immediately preceding twelve (12) month period which ended on the previous October 1.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an owner, said maximum monthly assessments may be increased without limitation, if such increase is approved by Members entitled to no less than two-thirds (2/3) of the votes (appurtenant to each Class of Lots) represented in person or by proxy at a meeting duly called for this purpose.
- (c) The Board of Directors may fix the monthly assessments at amounts not in excess of the maximum, but the ratio of the assessment established for each Class A Lot to the assessment established for each Class B Lot shall always be four to one.

Section 4. Special Assessments for Capital Improvements. In addition to the monthly assessments authorized above, the Homeowners 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, including fixtures and personal property related thereto, provided that any such assessment shall have the same assent of the Members as provided in Section 3(b) of this Article.

Section 5. Assessment Rate. Both monthly and special assessments must be fixed at a uniform rate for all Lots within each class and may be collected on a quarterly or annual basis.

Section 6. Notice and Quorum for Any Action Authorized Under Section 3 and 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 the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of the votes appurtenant to each Class of Lots (Class A and Class B) 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 7. Date of Commencement of Monthly Assessments; Due Dates; Certificate of Payment. The monthly assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance to the Homeowners Association of the Common Area.

At least thirty (30) days before January 1 of each year, the Board of Directors shall fix the amount of the monthly assessments against each Lot for the next year and at least fifteen (15) days before January 1 shall send written notice of such fixed assessment to every Owner subject thereto. The due dates for the payment of monthly and special assessments shall be established by the Board of Directors. The Homeowners Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Homeowners Association setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Homeowners Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum or the maximum interest rate permitted to be legally charged under the laws of the State of North Carolina at the time of such delinquency, whichever is greater. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the Board of Directors of the Homeowners Association to defray the costs of late payment. The Homeowners Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, late payment fee,

costs, and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage, mortgages, first deed of trust, or deeds of trust on a Lot. Sale or transfer of any Lot shall not affect any assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust, or deeds of trust.

Section 10. Exempt Property. All property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws 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 VI ARCHITECTURAL CONTROL

Except for improvements placed or erected on the Properties by Declarant; no building, fence, wall, or other structure shall be commenced or maintained upon the properties, nor shall any exterior addition to or change or alteration therein be made, (including the erection of antennas, aerials, mailboxes, awnings, the placement of reflective or other material in the windows of a Homeowners Unit or other exterior attachment), until the plans and specifications showing the nature, kind, shape, heights, 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 by the Board of Directors of the Homeowners Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with. The Homeowners Association shall have the right to charge a reasonable fee for receiving such application in an amount not to exceed twenty-five dollars (\$25.00). Neither the Board of Directors nor the Architectural Control Committee shall approve any alterations, decorations, or modifications which would jeopardize or impair the

soundness, safety or appearance of any Lot or the Common Area; provided that nothing herein contained shall be construed to permit interference with the development of the Properties by the Declarant in accordance with its general plan of development.

ARTICLE VII USE RESTRICTIONS

Section 1. Land Use. All lots in the tract shall be known and described as residential lots. No structure shall be erected, altered, placed or permitted to remain on any residential building plot other than a single family dwelling, not to exceed two and half (2 1/2) stories in height and a private garage for each unit for not more than three cars and other accessory structures customarily incidental to use of the plot.

Section 2. Building Lines. No building shall be located nearer to the front or side lines than the building setback lines shown on the recorded plat, if such lines are shown. In any event, no building shall be placed nearer to any front, side, or rear setback line as required by the Mecklenburg County Zoning Ordinances or any other applicable zoning ordinance.

Unintentional violations not exceeding ten percent (10%) of the minimum building line requirements set forth shall not be considered a violation of this section.

Section 3. Subdivision of Lots. No person or entity may subdivide or re-subdivide any lot or lots without the prior written consent of the Declarant.

Section 4. Size of Structure. No residential structure shall be erected or placed having a total finished heated area of less than nine hundred (900) square feet for a one story residence and twelve hundred (1200) square feet for a two story residence. Unintentional violations not exceeding ten percent (10%) of the minimum square footage requirements herein set forth shall not be considered a violation of this section.

Section 5. Temporary Structures. No structure of a temporary nature shall be erected or allowed to remain on any Lot unless and until permission for the same has been granted by the Homeowners Association, or its designated agent or representative. This Section shall not be applicable to temporary construction trailers, sales offices, and material storage facilities used during construction.

Section 6. Use of Common Area. The Common Area shall not be used in any manner except as shall be approved or specifically permitted by the Homeowners Association.

Section 7. Regulations. Reasonable regulations governing the use of the Common Area may be made and amended from time to time by the Board of Directors of the Homeowners Association; provided, however, that all such regulations and amendments thereto shall be approved by a majority vote of the owners before the same shall become effective. Copies of such regulations and amendments thereto shall be furnished to each Member by the Homeowners Association upon request.

Section 8. Nuisances. No noxious or offensive trade or activity shall be carried on upon any lot nor shall anything be done thereto which may be or become an annoyance or nuisance to the neighborhood.

Section 9. Temporary Residences. No trailer, basement, tent, shack, garage, barn or other outbuilding erected on the tract shall be at any time used as a residence temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

Section 10. Radio and Television Antennas. No free standing radio or television transmission or reception towers, antennas, dishes or disks shall be erected on any Lot. Only radio and television antennas not exceeding five (5) feet in height above the roof line of the residence and only dishes or disks not exceeding eighteen (18) inches in diameter and not visible from the street in front of the residence shall be permitted.

Section 11. Harmony of Structures. No structure shall be constructed or moved onto any Lot unless it shall conform to and be in harmony with existing structures in the tract.

Section 12. Easements. A perpetual easement is reserved over the rear 10 feet of each lot for utility installment and maintenance and/or as shown on recorded map. A perpetual easement is reserved over the side five (5) feet and rear ten (10) feet of each Lot for public storm drain and/or as shown on recorded map.

Section 13. Signs. No sign of any kind shall be displayed to the public view on any Lot except one professional sign of not more than one square foot in size and/or typical real estate sales or construction signs when a property is being offered for sale or renovated.

Section 14. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose.

Section 15. Trash Disposal. No lot shall be used or maintained as a dumping ground for rubbish, trash, garbage, or waste and same shall not be kept except in

sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 16. Fences. No chain link fence shall be erected on any Lot, and no fences shall be erected on any Lot closer to any street line than the building setback line shown on the recorded map, nor shall any fence be erected except in accordance with the architectural control provisions of Article VI hereof. Provided, however, that notwithstanding anything contained in this Section or elsewhere to the contrary, Declarant may install decorative fencing on any lot used by it for containing a model home.

Section 17. Sight Line Limitations. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points twenty five (25) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight-line limitations shall apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 18. Parking of Vehicles. No commercial truck over one (1) ton capacity, school bus, camper trailer, boat or boat trailer, recreation vehicles, nor any other vehicle denied by the Architectural Control Committee or its designated committee to be unsightly, shall be parked in the street, in a driveway, in the front yard, in a side yard, or in the back yard of any Lot.

Section 19. Mailboxes. No masonry mailbox supports shall be permitted.

Section 20. Basketball Goal Support. No basketball goal supports shall be erected or placed within any street right of way.

ARTICLE VIII EASEMENTS

Easement for the installation and maintenance of wooden fences, driveways, walkways, parking areas, water lines, gas lines, telephones, electric powerlines, sanitary sewer and storm drainage facilities and for other utility installations are reserved as shown on the recorded plat. Within any such easement above provided for, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation of sewerage disposal facilities and utilities, or which may change the direction of flow or drainage channels in the easements or

which may obstruct or retard the flow of water through drainage channels in the easements.

Declarant, its successors and assigns, hereby reserves and shall have temporary easements for itself, its agent and employees over the Common Area to facilitate construction of living units and related improvements to be completed in developing the Properties.

ARTICLE IX GENERAL PROVISIONS

Section 1. Enforcement. The Homeowners Association or any Owner shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions for this Declaration. Failure by the Homeowners Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of 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 wise affect any other provisions which shall remain in full force and effect.

Section 3. Effect of Restrictions and Amendments. The covenants and restrictions of this Declaration shall bind only the land specifically herein described and shall run with and bind the land. This Declaration may be amended prior to January 1, 2018 by an instrument signed by the Owners of not less than ninety percent (90%) of the Lots and by the Declarant, so long as the Declarant still owns any lots, and thereafter by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots. Any amendment must be properly recorded.

Section 4. FHA/VA Approval. In the event the Declarant has arranged for and provided purchasers of Lots with FHA/VA insured mortgage loans, then as long as Declarant is vested with title to two or more undeveloped Lots subject to this Declaration of Covenants, Conditions and Restrictions, amendment of this Declaration of Covenants, Conditions and Restrictions will require the prior approval of the Federal Housing Administration or the Veterans Administration.

IN WITNESS WHEREOF, the undersigned Declarant, by virtue of the provisions of Article I, Section 4, of the aforesaid Declaration of Covenants, Conditions and Restrictions, has caused this instrument to be executed by its duly authorized corporate officers and its corporate seal to be hereunto affixed, the day and year first above written.

THE CUNNANE GROUP, INC.

BY: *John P. Cunnane*
President

ATTEST:

Nadine D. D'Amico
Secretary

(CORPORATE SEAL)

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, *Rita Stewart*, a Notary Public in and for said County and State do hereby certify that *Nadine D'Amico* personally appeared before me this day and acknowledged that she is Secretary of THE CUNNANE GROUP, INC. and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by *ND* as its Secretary.

WITNESS my hand and official seal, this 13 day of November, 1998.

Rita Stewart
NOTARY PUBLIC

My Commission Expires:

1/19/2003