



DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
LAKESIDE SUBDIVISION
Wake County, North Carolina

Drawn By: W. Thurston Debnam, Jr.
Hold For: SMITH DEBNAM HIBBERT & HAPL, L.L.P.
PO Box 26268
Raleigh, NC 27611

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is entered into this 13th day of June, 1996, between John Brown d/b/a Winslow Properties (hereinafter "Declarant"), Lakeside Homeowners Association, Inc. (hereinafter "Association", H.J. Morris Construction, Inc. (hereinafter "Morris") and all parties hereafter acquiring any of the described property.

WITNESSETH:

WHEREAS, Declarant, John Brown d/b/a Winslow Properties and H. J. Morris Construction, Inc. are the owners of all lots within a subdivision in the County of Wake, State of North Carolina, know as Lakeside Subdivision, Phase 1-A as shown by map and survey recorded in Book of Maps 1996, page 865, Wake County Registry; and

WHEREAS, it is in the best interest of the Declarant and Morris and to the benefit, interest and advantage of every party hereafter acquiring any of the described property that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulating the use and occupancy of the property be established; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities and the desirability and attractiveness of the property in Wake county; and for the continued maintenance and operation of such recreational and common area.

NOW THEREFORE, in consideration of the premises, the Declarant agrees with all parties hereafter acquiring any of the property hereinafter described, that it shall be and is hereby subject to the following restrictions, covenants, conditions, easements, assessments, and liens relating to the use and occupancy thereof, which shall be construed as covenants running with the land which shall be binding on all parties acquiring any right, title or interest in any of the properties and which shall inure to the benefit of each owner thereof.

ARTICLE I
PROPERTIES SUBJECT TO THIS DECLARATION

Section 1. The property which shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the County of Wake, North Carolina, and is more particularly described as being all Lakeside Subdivision, Phase 1-A as shown by map and survey recorded in Book of Maps 1996, page 865, Wake County Registry. The Declarant and Morris hereby subject the heretofore described property, to this Declaration and the jurisdiction of the Association.

Section 2. The Declarant reserves the right to annex all and any portion of the real estate described in Exhibit B attached hereto and declare same to be subject to this Declaration and the jurisdiction of the Association.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to LAKESIDE SUBDIVISION HOMEOWNERS ASSOCIATION, INC., it's successors and assigns.

Lakeside HOA
PO Box 1432
Holly Springs, NC 27540
919.990.1926
lakesidehoa@hotmail.com



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- 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 interest 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.
- Section 4. "Common Open Space" shall mean all real property dedicated to the common use and enjoyment of the owners, including, but not limited to, the real property conveyed to the Association, and real property leased to the Association. "Common Open Space" shall be maintained for forestry, pasture, agricultural or active and passive recreational uses. The Common Open Space shall include private roads within the Properties. Common Open Space may be designated on all recorded plots of the subdivision for convenience as either Open Space or Common Open Space. As additional plots of the other phases are recorded, the Declarant will dedicate additional land as part of the Common Open Space. All Common Open Space shall be subject to easements for utilities including sewer and water, easements for ingress and egress, and easements for any encroachments arising from the initial improvements.
- The Common Open Space shall include all active recreational facilities including swimming pools, athletic fields, clubhouses, tennis courts, pavilions, stables, barns, maintenance buildings and associated off-street parking. The Association shall be responsible for maintaining such facilities. The Common Open Space may also include all private roads within Lakeside Subdivision. The Association shall be responsible for the repair, maintenance and repaving as set forth in this Declaration.
- Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Open Space.
- Section 6. "Declarant" shall mean and refer to John Brown d/b/a/ Winslow Properties, his successors and assigns if such successors and assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.
- Section 7. "Common Expense" shall mean and include:
- (a) All sums lawfully assessed by the Association against its members;
 - (b) Expenses of the Common Open Space and administration, maintenance, repair, or replacement of the Common Open Space;
 - (c) Expenses declared to be common expenses by the provisions of this Declaration or the By-Laws;
 - (d) Hazard, liability, or such other insurance premiums as the Declaration or the By-Laws may require the Association to purchase;
 - (e) Ad valorem taxes and public assessment charges lawfully levied against Common Open Spaces;
 - (f) Expenses agreed by the members to be common expenses of the Association.

**ARTICLE III
PROPERTY RIGHTS**

- Section 1. *Owners Easements of Enjoyment.* Every owner shall have the right and easement of enjoyment in and to the Common Open Space and over the Common Open Spaces for access, ingress and egress from and to public streets, walkways and parking areas and such 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 charge reasonable admission and other fees for use of the recreational facility situated upon the Common Open Space;
 - (b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by 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 Association to dedicate or transfer all or any part of the Common Open Space to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to be the members. No such dedication or transfer shall be



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effective unless an instrument agreement to such dedication or transfer signed by seventy-five percent (75%) of each class of members has been recorded and approved by the Town of Holly Springs.

- (d) the right of the Association to limit the number of guests of Members;
- (e) the right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Open Space and facilities and in aid thereof to mortgage said property, and the rights of such mortgagee in said Properties shall be subordinate to the rights of the homeowners hereunder;
- (f) the right of the Association to adopt, publish and enforce rules and regulations as provided in Article IX.

Section 2. *Delegation of Use.* Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Open Space and facilities to the members of his family, his tenants, or contract purchasers who reside on the property and guests.

Section 3. *Title to the Common Open Spaces.* The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Open Space to the Association, free and clear of all encumbrances and liens, prior to the conveyance of the first Lot, except utility and storm drainage easements.

Section 4. *Parking Rights.* The Association may regulate the parking of boats, trailers and other such items on the Common Open Space.

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 cablevision and the cost of these may be included in annual or special assessments. The Association may regulate the prohibit the erection of television antennas and satellite dishes on individual Lots.

ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

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 in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. Fractional voting with respect to any Lot is hereby prohibited.

Class B: The Declarant shall be a Class B Member and shall be entitled to four (4) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier

- (a) when the total vote outstanding in the Class A membership equals the total vote outstanding in the Class B membership; or
- (b) on December 31, 1999; or
- (c) upon the surrender of all Class B membership by the holder thereof or cancellation by the Association.

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 Association: (1) annual assessments or charges; and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall



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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, costs, and reasonable attorney's fees, 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. All assessments relating to Common Open Spaces shall be shared equally by the owners of each Lot.

Section 2.

Purpose of Assessments. The assessment levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and in particular for the improvement and maintenance of the Common Open Space, including the maintenance, repair and reconstruction of private streets, driveways, walks and parking areas situated on the Common Open Space, such maintenance to include the cutting and removal of weeds and grass and the removal of trash and rubbish or any other maintenance or for the use and enjoyment of the Common Open Space, 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 assessed against the Common Open Space, the procurement and maintenance of insurance in accordance with this Declaration, the employment of attorneys to represent the Association when necessary, the provision of adequate reserves for the replacement of capital improvements including, without limiting, the generality of the foregoing, roofs, paving, and other major expense for which the Association is responsible, and such other needs as may arise.

Section 3.

Reserves. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Open Space and those other portions of the Properties which the Association may be obligated to maintain. Such reserve fund is to be established out of regular assessments for common expense.

Section 4.

Maximum Annual Assessment. Until January 1 of year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be One Hundred Eighty and No/100 Dollars (\$180.00) 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 five percent (5%) of the previous year's assessment.
- (b) 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 above the increase permitted in Section 3(a) above by a vote of two-thirds (2/3) of each class of 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 sixty (60) 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 incident 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 at an amount not in excess of the maximum.

Section 5.

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 Open Space, and in connection with exterior maintenance, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of 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 sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Section 6.

Notice and Quorum for Any Action Authorized Under Sections 4 and 5. 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.



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At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) 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 7. Uniform Rate of Assessment. Both annual and special assessments shall, except as herein otherwise specifically provided, be fixed at a uniform rate for all lots and shall be collected on a monthly basis. Provided, however, that the assessments for lots owned by Declarant which are not occupied as a residence, may be a lesser amount as fixed by the Board of Directors of the Association, but shall not be less than twenty-five percent (25%) of the regular assessments for other Lots.
- Section 8. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Open Space. Such annual assessments shall be paid ratably on a monthly basis. 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 due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting for the assessment on a specified Lot have been paid. Any certificate so given shall be conclusive evidence of payment of the assessment stated therein.
- Section 9. 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 six percent (6%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property in the same manner in which Deeds of Trust may be foreclosed under Power of Sale pursuant to Chapter 45 of the North Carolina General Statutes, or its successors, and in either event interest, costs and reasonable attorney's fees of any such action shall be added to the assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Open Space or abandonment of his Lot. Should any deficiency remain after the foreclosure, the Association may also bring an action against the owner for said deficiency.
- Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments 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 11. 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 laws of the State of North Carolina shall be exempt from the assessments treated herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.
- Section 12. Working Capital Fund. At the time of closing of the sale of each unit a sum equal to at least two (2) months assessment for each unit shall be collected and transferred to the Association to be held as a working capital fund. The purpose of said funding to ensure that the Association Board will have adequate cash available to meet unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund shall not be considered advance payment of regular assessments.

ARTICLE VI
ARCHITECTURAL CONTROL

No building, fence, 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 the plans and specification showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in



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writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the 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.

**ARTICLE VII
ANNEXATION OF ADDITIONAL PROPERTIES**

Section 1. Annexation of additional property other than the property described in Exhibit B attached hereto shall require the assent of two-thirds (2/3) of the Class A membership and two-thirds (2/3) of the Class B membership, if any, 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 entitled to cast sixty percent (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 may be called subject to the notice requirement set forth above and the required 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 for 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 in proxy, Members not present may give their written assent to the action taken thereat. Provided, however, that all annexations of additional properties to the original development described in Article I. hereof must contain a minimum of ten (10) acres, be contiguous to the property described in Article I. hereof or property previously annexed, and be first approved by the Planning Board of the County of Wake. Provided further, that no annexation of additional property shall have the effect of placing the original or new development in violation of the Wake County Zoning Ordinance.

Section 2. Annexation of additional Properties shall be accomplished by recording in the County Registry a Declaration of Annexation, after approval by the Town of Holly Springs duly executed, describing the lands annexed and incorporating the provisions of this Declaration, either by reference or by fully setting out said provisions of this Declaration. The additional lands shall be deemed annexed to the properties on the date of recordation of the Declaration of Annexation, and in the case of an annexation by the Declarant, no action or consent on the part of the Association or by any other person or entity shall be necessary to accomplish the annexation except the Town of Holly Springs if required by its ordinances.

Section 3. Prior to the conveyance of the first lot in a newly annexed area, the Declarant shall deliver to the Association one or more deeds conveying the fee simple title to any Common Open Space within the lands annexed free and clear of all encumbrances and liens except utility, storm drainage and greenway easements.

**ARTICLE IX
INSURANCE**

Section 1. Insurance coverage on the Property shall be governed by the following provisions:

- (a) Ownership of Policies. All Insurance policies upon the common area shall be purchased by the Association for the benefit of all the Association and the Owners.
- (b) Coverage. All buildings and improvements and all personal property included in the Common Open spaces and facilities shall be insured in an amount equal to one hundred percent (100%) insurable replacement value as determined annually by the Association with the assistance of the insurance company providing coverage. Such coverage shall provide protection against:
 - (1) Loss or damage by fire and other hazards covered by the standard coverage endorsement, and



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- (2) Such other risks as from time to time shall be customarily covered with respect to building on the land.
(3) Such policies shall contain clauses providing for waiver of subrogation.
(c) Liability. Public liability insurance shall be secured by the Association with limits of liability of no less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence...
(d) Premiums. Premiums for insurance policies purchased by the Association and charged to the Owners as an assessment according to the provisions of Article V above.
(e) Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees as their interest may appear...
(1) Proceeds on account of damage to Common Open Space and facilities held for the Association.
(2) In the event a mortgagee endorsement has been issued for any Lot, the share of the Owner shall be held in trust for the mortgagee and the owner as their interests may appear.

Section 2. Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Association as insurance trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:
(a) Expense of the Trust. All expenses of the insurance trustees shall be first paid or previsions made therefore.
(b) Reconstruction or Repair. The remaining proceeds shall be paid to defray the cost of repairs. Any proceeds remaining after defraying such cost shall be distributed to the beneficial Owners as above provided.

Section 3. Fidelity Insurance or Bond. All persons responsible for or authorized to expend funds or otherwise deal in the assets of the Association or those held in trust, shall fist be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties in an amount equal to six (6) months assessments plus reserves accumulated.

ARTICLE X
USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, amend, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the front yard space of each Lot and the common Open spaces. Such rules and regulations may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration.

Section 2. Use of Properties. No portion of the Properties (except for temporary offices of the Declarant and/or the model used by Declarant) shall be used except for residential purposes and for purposes incidental or accessory thereto.

Section 3. Quite Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood.

Section 4. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes.

Section 5. Dwelling Specifications. No dwelling shall be constructed or permitted to remain on any lot having an area of the main structure, exclusive of open porches and decks, of less than nine



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hundred (900) square feet for a one-story dwelling, nor less than nine hundred (900) square feet for a dwelling of more than one-story. All yard and setback requirements shall comply with Town of Holly Springs Zoning Ordinance.

**ARTICLE XI
EASEMENTS**

- Section 1. All of the Properties, including Lots and Common Open Space, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electrical power lines and other public utilities as shall be established by the Declarant or by his predecessors in title, prior to the subjecting of the Properties to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under, and across the Common Open space conveyed to it, such further easements as are requisite for the convenience, use and enjoyment of the Properties. In addition, there is hereby reserved in the Declarant and its agents and employees an easement and right of ingress, egress and regress across all Common Open Spaces, now or hereafter owned by the Association, for the purpose of construction of improvements within the Properties.
- Section 2. All Lots shall be subject to easements for the encroachments constructed on adjacent Lots by Declarant to the extent that such initial improvements actually encroach including, but not limited to, such items as overhanging eaves, gutters and downspouts and walls.
- Section 3. An easement is hereby established over the Common Open space and facilities for the benefit of applicable governmental agencies, 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 and cable antenna lines, fire fighting, garbage collection, postal deliver, emergency and rescue activities and law enforcement activities.
- Section 4. If any dwelling is located closer than five (5) feet from its lot line, the owner thereof shall have a perpetual access easement over the adjoining lot to the extent reasonably necessary to perform repair, maintenance or reconstruction of his dwelling. Such repair, maintenance or reconstruction shall be done expeditiously and, upon completion of the work, the owner shall restore the adjoining lost to as near the same condition as that which prevailed prior to the commencement of the work as is reasonably practicable.
- Section 5. Membership in the Association as defined hereinabove shall be mandatory for each original purchaser and each successive purchaser a dwelling unit or lot.

**ARTICLE VII
GENERAL PROVISIONS**

- Section 1. *Enforcement.* The Allocation, 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 of this Declaration. Failure by the Association or by 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 way affect any other provisions 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. The Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot owners. Amendments shall not become effective until approved by the Subdivision Administration Office of the County of Wake or its successor or agency.



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Section 4. If any amendment to these covenants, conditions, and restrictions is executed, each such amendment shall be delivered to the Board of Directors of this Association. Thereupon, the Board of Directors shall, within thirty (30) days, do the following:
(a) Reasonably assure itself that the amendment has been executed by the Owners of the required number of Lots.
(b) Attach to the amendment a certification as to its validity, which certification shall be executed by the Association in the same manner that deeds are executed.

CERTIFICATION OF VALIDITY OF AMENDMENT TO COVENANTS, CONDITIONS AND RESTRICTIONS OF LAKESIDE SUBDIVISION HOMEOWNERS ASSOCIATION, INC.

Lakeside Subdivision Homeowners Association, Inc.
By: _____
President

Attest: _____
Secretary

Section 5. Management and Contract Rights of the Association. Declarant may enter into a contract with a Management company manager for the purposes of providing all elements of the operations, care, supervision, maintenance, and management of the property. However, no such contract shall be binding upon the Association except through express adoption, or ratification of the terms and conditions of such contract.

Section 6. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: 1) Annexation of additional properties; 2) Dedication of Common Open Space; and 3) Amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 7. Right of Noteholders. Any institutional holder of a first mortgage on a Lot will, upon request, 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 within ninety (90) days following the end of its fiscal year, (c) receive written notice of all meetings of the Association and right to designate a representative to attend all such meetings, (d) receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage, (e) receive written notice of any sixty-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage, (f) receive written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Owners' Association, (g) receive written notice of any proposed action that requires the content of a specified percentage of mortgage holders, and (h) be furnished with a copy of the master insurance policy.

ARTICLE XIII
ELECTRICAL SERVICE

Declarant reserves the right to subject the above-described Property to a contract with Carolina Power and Light Company 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 Carolina Power and Light Company by the Owner of each Lot within said Property.



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ARTICLE XIV

In not case shall the Town of Holly Springs be responsible for failing to provide any emergency or regular fire, police or other public service to such developments or their occupants when such failure is due to the lack of access to such areas due to inadequate design or construction, blocking of access routes, or any other factor within the control of the developer, homeowners; association or occupants.

IN WITNESS WHEREOF, the undersigned, being the partners of Declarant herein, have hereunto get their hands and seals this 13th day of June, 1996.

By: John Brown d/b/a Winslow Properties
(Original document signed and sealed with the Lakeside Corporate Seale)

Lakeside Subdivision Homeowners Association, Inc.

By: H. J. Morris
President
(Original document signed)

Attested by the Secretary.

H. J. Morris Construction, Inc.

By: H. J. Morris
President
(Original document signed)

Attested by the Secretary.

**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

I, the undersigned, a Notary Public in and for said County and Sate, do hereby certify that John Brown d/b/a Winslow Properties personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal, this the 13th day of June, 1996.
(Original document signed by Judy G. Arnold, Notary Public, Wake County, NC who's commission expires 5/1/2000)

**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

I, a Notary Public of the County and State aforesaid, certify that William J. Morris, Jr. personally came before me this day and acknowledged that he is Secretary of LAKESIDE SUBDIVISION HOMEOWNERS ASSOCIATION, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.

Witness my hand and official stamp, this 14th day of June, 1996.
(Original document signed by Judy G. Arnold, Notary Public, Wake County, NC who's commission expires 5/1/2000)

**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

I, a Notary Public of the County and State aforesaid, certify that W. Thurston Debnam, Jr. personally came before me this day and acknowledged that he is Secretary of H. J. Morris Construction, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its mane by its President, sealed with its corporate seal and attested by him as its Secretary.

Witness my hand and official stamp, this 13th day of June, 1996.
(Original document signed by Judy G. Arnold, Notary Public, Wake County, NC who's commission expires 5/1/2000)



**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
LAKESIDE SUBDIVISION
Wake County, North Carolina**

EXHIBIT "B"

TRACK ONE:

Beginning at an iron pipe in the Eastern right of way of Grigsby Avenue, having a control corner of N. C. Grid N=210166.93 meters and E=624824.32 meters, runs thence North 87 degrees 24 minutes 55 seconds East along Rupert L. Vaughan's South line 948.41 feet to an existing iron pipe in the line of Jack Vaughan; thence South 01 degree 18 minutes 40 seconds West 543.34 feet to an iron pipe; then South 01 degree 17 minutes 58 seconds West 112.35 feet to an existing iron pipe, Northeast corner for George T. Grigsby, Jr.; thence South 79 degrees 14 minutes 45 seconds West 625.12 feet to an iron pipe in the Eastern right of way of said Grigsby Avenue; thence North 25 degrees 38 minutes 22 seconds West with the Eastern right of way of said Grigsby Avenue 557.28 feet; thence continuing with said Grigsby Avenue right of way as it curves in a North-easterly direction bearing a radius of 1003.48 feet for a distance of 240.33 feet to the point and place of **beginning**, containing 12.899 acres as shown on plat entitled "Survey of Property of Jack M. Stephens, Jr. and Dorothy S. Stephens" dated August 2, 1995, by Thompson and Associates, P.A.

TRACK TWO:

Beginning at an existing iron pipe in the eastern right of way of Stinson Street, a corner for Jack Vaughan, runs thence North 01 degrees 43 minutes 58 seconds East 464.21 feet to an existing iron pipe; runs thence South 87 degrees 24 minutes 55 seconds West 948.41 feet to a point in the northern right of way of Grigsby Avenue bearing NC Grid Coordinates N=210166.93 and E=624824.32; runs thence with said right of way of Grigsby Avenue in a westerly direction bearing a radius of 1003.48 for a distance of 198.77 feet to a point; runs thence continuing along said right of way North 00 degrees 34 minutes 06 seconds West 182.87 feet and North 02 degrees 46 minutes 15 seconds West 118.45 feet to a point in the northern right of way of Grigsby Avenue which intersects the eastern right of way of Stinson Street; runs thence North 89 degrees 31 minutes 07 seconds East with the right of way of Stinson Street, 990.63 feet to the point and place of **beginning**, containing 10.772 acres, according to map and survey entitled "Survey for John Brown" by Thompson and Associates, dated September 5, 1995.

TRACK THREE:

Beginning at an existing iron pipe in the centerline of Stinson Street, a corner for now or formerly Jane Levring Stam et al, runs thence South 00 degrees 02 minutes 25 seconds East 1058.29 feet to an existing iron pipe, a corner for Marilyn E. Woo, Trustee, as shown in Deed Book 5337, Page 851, Wake County Registry; runs thence North 86 degrees 10 minutes 37 seconds West 1109.12 feet to an iron pipe in the line of John Brown d/b/a Winslow Properties; runs thence North 01 degree 18 minutes 40 seconds East 543.34 feet to an existing iron pipe; runs thence North 01 degree 43 minutes 58 seconds East 489.23 feet to an existing cotton spike in the centerline of Stinson Street; runs thence South 87 degrees 27 minutes 35 seconds East with the centerline of Stinson Street, 1079.75 feet to the **beginning**, containing 26.260 acres according to survey by Thompson and Associates P.A., dated November 16, 1995.