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RALEIGH, N. C. 27634

BOOK 4020 PAGE 594

NORTH CAROLINA  
WAKE COUNTY

DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS FOR  
OXXFORD HUNT CLUB TOWNHOMES

THIS DECLARATION is made on the date hereinafter set forth by LF Rossignol Development Corporation of North Carolina, a North Carolina corporation (hereinafter "Declarant");

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain properties (hereinafter the "Properties") located in the Town of Cary, County of Wake, State of North Carolina, which is more particularly described as:

BEGINNING at a point in the northerly right-of-way line of West Chatham Street, which point of beginning is located an arc distance of 195.0 feet as measured along and with the curve to the right of the northerly right-of-way line of West Chatham Street from the southeastern corner of a 7.440 acre tract recorded in Book of Maps 1986, Page 848, Wake County Registry; runs thence for a first call along and with the northerly right-of-way of West Chatham Street in a westerly direction along the arc of a curve to the right (said curve having a radius of 746.70 feet) an arc distance of 487.86 feet to a point in said right-of-way; runs thence North 39° 33' 53" East 149.90 feet to a point; runs thence South 65° 26' 07" East 155.00 feet to a point; runs thence South 78° 40' 17" East 161.60 feet to a point; runs thence South 25° 56' 07" East 156.90 feet to a point in the northerly right-of-way line of West Chatham Street, the point and place of Beginning, and containing 1.38 acres, according to a map entitled "Oxford Hunt-P.U.D." prepared by Bass, Nixon & Kennedy, Inc., Consulting Engineers, dated July 29, 1986.

NOW THEREFORE, Declarant hereby declares that all of the Properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right title

RECORDED IN BOOK 4020 PAGE 594  
WAKE COUNTY REGISTRY  
JULY 29 1986  
10:00 AM  
KENNEDY, NIXON & BASS  
CONSULTING ENGINEERS  
1000 W. GOLF COURSE RD.  
RALEIGH, N.C. 27601

or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Hunt Club Homeowners' Association, Inc., a nonprofit North Carolina corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of 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 Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners, together with all sewer and water lines serving and located on the Properties outside the dedicated easements or town rights-of-way and not located on any Lot. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is described as follows:

All of the lands designated as "Common Area" and "Private Drive" as shown on the plat entitled "Oxford Hunt P.U.D., Oxford Hunt Club Townhomes," as shown in Book of Maps 1987, Page 764, Wake County Registry.

In addition, all sewer and water lines serving said tract and not located within a public street, right-of-way or Town of Cary sanitary sewer easement shall be deemed Common

Area. All Lots, Common Areas, and private drives shall be subject to nonexclusive easements for utilities, nonexclusive rights for ingress and egress over and upon areas designated as "Private Drives," and nonexclusive easements for drainage, together with easements for any encroachments arising from the initial improvements.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties (other than the map recorded in Book of Maps 1986, Page 848, Wake County Registry) with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to LF Rossignol Development Corporation of North Carolina, its successors and assigns if such successors or assigns should acquire one or more undeveloped lots as subdivided and shown on a map entitled "Oxford Hunt-P.U.D." prepared by Bass, Nixon & Kennedy, Inc., Consulting Engineers, dated July 29, 1986, from the Declarant for the purpose of development.

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

## ARTICLE II

### PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which 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 the use of any recreational facility situated upon the Common Area;

(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 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 Area to any public agency, authority, master homeowners' association 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 an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of Members has been recorded;

(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 Areas and facilities and in aid thereof to mortgage said property; the rights of such mortgagee in said property shall be subordinate to the rights of the Owners hereunder;

(f) the right of the individual Owners to the exclusive use of parking spaces as provided in this Article; and

(g) easements as provided in Article XI hereof.

An Owner's spouse, parent, and child who resides with such Owner shall have the same easement of enjoyment hereunder as an Owner.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-laws, his/her right of enjoyment to the Common Area and facilities to his/her tenants or contract purchasers. Such Owner shall notify the Secretary of the Association in writing of the name of the delegate. The rights and privileges of such delegates are subject to suspension to the same extent as those of the Owner.

Section 3. Parking Rights and Private Streets. If an individual Lot has a driveway and garage located thereon, the Owner of such Lot may park a maximum of 2 automobiles or other permitted vehicles on such driveway.

If an individual Lot has a garage located thereon, but the driveway is part of the Common Area, the Owner of such Lot shall have the exclusive right and easement to park a maximum of 2 automobiles or other permitted vehicles on such driveway. The driveway shall be considered a limited common element for the exclusive use of the Lot which it serves.

If an individual Lot does not have a garage located thereon, ownership of each Lot shall entitle the Owner thereof to the use of not more than 2 automobile parking spaces, together with the nonexclusive right of ingress and egress in and upon the parking area.

All Owners shall have a nonexclusive right of ingress and egress upon the private streets leading to and from the streets dedicated to the Town of Cary. No boats, school buses, or trailers of Owners or their guests shall be parked within the right-of-way of any public street in or adjacent to Oxxford Hunt Club Townhomes. The Association may further regulate the parking of boats, trailers, trucks and other such items on the private roads, driveways and parking areas within the Common Area. No motor vehicles shall be left unattended in excess of seven (7) consecutive days. The Association reserves the right to place uniform traffic signs

in the private streets in order to control parking, the regulation of traffic, and other signs as are appropriate. Motor bikes are expressly prohibited in any Common Area except on established private roads and driveways.

Section 4. Title to the Common Area. The Declarant hereby covenants for itself, its heirs and assigns, that prior to the conveyance of the first Lot in each phase, it will convey fee simple title to the Common Area in such phase to the Association, free and clear of all encumbrances and liens subject, however, to nonexclusive easements for utilities, storm drainage and access upon private streets (as set forth in Section 3 hereinabove).

Section 5. TV Antennas and Cable TV. The Association may supply cable TV, and the cost thereof can be included in annual special assessments. The Association can regulate or prohibit the erection of television antennas or satellite dishes on individual Lots.

### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a Member. 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 (1) 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. No fractional vote shall be permitted.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) 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 votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; provided that the Class B membership shall be reinstated if thereafter, and before the time stated in subparagraph (b) below, such additional lands are annexed to the Properties without the assent of the Class A membership on account of the development of such additional lands by Declarant, all as provided for in Article VII, Section 2 of the Declaration; or

(b) on July 1, 1992.

Section 3. The Association shall be a non-profit corporation organized under the laws of the State of North Carolina.

#### ARTICLE IV

#### 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, is deemed to covenant and agree to pay the Association: (1) annual assessments and charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual assessments, special assessments and charges (including, but not limited to any applicable late payment charges), 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 and charge, 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 and charge fell due. The personal obligation for delinquent assessments and charges shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments and charges levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and for the acquisition, improvement, and maintenance of the Common Area and of the homes situated thereon.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be FIVE HUNDRED FORTY DOLLARS (\$540) 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 each year not more than 10% above the maximum assessment for the previous year without a vote of the membership.

(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 for the next succeeding five years and at the end of each such period of five years, for each succeeding period of five years, 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. 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 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, and in connection with the 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.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 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 10 days nor more than 50 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast ten percent (10%) 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 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. 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 Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The 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 forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lots is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments:

Remedies of the Association. Any assessment and charge not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eight percent (8%) 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. No Owner may waive or otherwise escape liability for the assessments and charges provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments and charges provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot shall not affect said lien. However, the sale or transfer of any Lot pursuant to mortgage or tax foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments and charges as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. All Properties dedicated to, and accepted by, a local public authority and all Properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. No land or improvements devoted to dwelling use, however, shall be exempt from said assessments. Unimproved Lots owned by the Declarant shall be subject to a reduced annual assessment in the amount of twenty-five percent (25%) of the annual assessment charged to improved Lot Owners. Lots shall be deemed improved upon the issuance of a certificate of occupancy by the governmental agency having jurisdiction thereover.

Section 11. Responsibility for Maintenance of Private Streets and Driveways. The maintenance responsibility of any private streets and driveways shall rest with the Association in accordance with any applicable law.

ARTICLE V

ARCHITECTURAL CONTROL

Section 1. No building, mailbox, fence, wall, sign (including mailbox and street numbers) or other structure shall be constructed, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration thereto or to a Lot (including but not limited to the planting of vegetation) be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography 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.

Section 2. No Owner shall erect a dog run upon the Properties.

Section 3. Garbage storage shall be in cans or other appropriate waste containers located in designated areas.

Section 4. Declarant shall be exempt from the restrictions contained in this Article, provided Declarant adheres to the general plan of development.

ARTICLE VI  
EXTERIOR MAINTENANCE

Section 1. In addition to the maintenance of the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, mailboxes, trees, shrubs, grass, walks, driveways and other exterior improvements installed by Declarant or the Association. Such exterior maintenance shall not include glass surfaces. Declarant may elect not to install gutters and downspouts.

In the event that the need for maintenance or repair of a Lot or the improvements thereon caused through the willful or negligent act of the Owner, his family, guests, invitees, employees or subcontractors, the cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

Section 2. Maintenance by Owner. In cases where maintenance or repair is required in this Declaration to be done or made by an Owner, and such maintenance or repair has not commenced within thirty (30) days or, if commenced, is not completed within a reasonable time thereafter, the Association can, upon fifteen (15) days written notice to such Owner, make or complete such maintenance or repairs, and the cost thereof shall be additional assessment applicable only such Lot and Owner, and shall be payable as determined by the Board of Directors.

ARTICLE VII  
ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Annexation of additional property, except as provided in Section 2 of this Article VII, shall require the

assent of two-thirds (2/3) of each class of Members at a meeting duly called for this purpose. Written notice and quorum requirements shall be pursuant to Section 5 of Article IV, provided notice of said meeting shall also set forth the purpose of the meeting.

Section 2. Additional land within the area described as a 7.440 acre tract recorded in Book of Maps 1986, Page 848, Wake County Registry, may be annexed by the Declarant and made subject to this Declaration without the consent of Members provided that the FHA, the VA, and the Town of Cary determine that the annexation is in accordance with the general plan heretofore approved by them.

#### ARTICLE VIII

##### PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the townhomes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls, lateral support in below-ground construction and of liability for property damage due negligent or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall

contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. The Owner of any Lot can construct, reconstruct, or repair a party wall (subject to and within the limitations of architectural control and other limitations of these Declarations) with the right to go upon the adjoining Lot to the extent reasonably necessary to perform such construction. Such construction shall be done expeditiously. Upon completion of such construction, such Owner shall restore the adjoining Lot to as near the same condition which prevailed on it before the commencement of such construction as is reasonably practicable.

Section 5. Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act or omission causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 6. Right to Contribution Runs with the Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7. Certification by Adjoining Property Owner that no Contribution is Due. If any Owner desires to sell his/her property, he/she can, in order to assure a prospective purchaser that no adjoining property Owner has a right of contribution as provided in this Article, request of the adjoining property Owner a certificate that no contribution exists, whereupon it shall be the duty of each adjoining property Owner to make such certification

immediately upon request without charge; provided, however, that where the adjoining property Owner claims a right of contribution, the certification shall contain a recital of the amount claimed.

Section 8. Arbitration. In the event of any dispute arising concerning a party wall or under the provisions of this Article, such dispute shall be settled by arbitration pursuant to the rules of the American Arbitration Association as provided by the laws of North Carolina relating to arbitration as then existing. Judgment may be entered upon the arbitrator's award in any court of competent jurisdiction.

#### ARTICLE IX

#### INSURANCE AND RECONSTRUCTION

Section 1. Insurance. The insurance which shall be carried upon the townhomes shall be governed by the following provisions:

(a) The Association shall insure itself, the members of the Board, the Lot Owners, and the Occupants against liability for personal injury, disease, illness, or death and for injury to or destruction of property occurring upon, in, or about or arising from or relating to the Common Areas including without limitation water damage, legal liability, hired automobile, non-owner automobile, and off-premises employee coverage, such insurance to be in such amounts as is determined necessary and adequate from time to time by the Board. All liability insurance shall contain cross-liability endorsements to cover liabilities of the Lot Owners as a group or to a Lot Owner. In the event the

insurance purchased by the Association on behalf of the Lot Owners and occupants against liability for personal injury or property damage arising from or relating to the Common Areas shall, for any reason, not fully cover any such liability, the amount of any deficit shall be assessed at a uniform rate against all Lot Owners without requirement of an affirmative vote of the Members.

(b) Premiums upon insurance policies purchased by the Association shall be paid by the Association at least three (3) days prior to the expiration date of such policies and shall be a part of the annual assessment.

(c) Each Lot Owner shall, at his own expense, obtain hazard insurance covering all risks (herein "Casualty Insurance") including fire and extended coverage and public liability, personal injuries or damage arising out of the use and occupancy of his Lot inasmuch as the same will not be insured by the Association, but such Casualty Insurance shall provide that it shall be without contribution as against the Casualty Insurance purchased by the Association or shall be written by the carrier of such Casualty Insurance to name the Lot Owner and the Association as parties insured thereunder, as their respective interest may appear. Each Lot Owner's hazard insurance shall insure his/her townhome in such amounts as to provide for the cost of replacement of his/her townhome. Prior to the expiration of any such policy, the Lot Owner shall, upon request of the Association, furnish the Association with evidence satisfactory to the

Association that the policy has been renewed or replaced in compliance herewith. If an Owner fails to insure his/her property in accordance with this paragraph, the Association may procure such insurance and shall assess such Owner for the premium to secure such insurance, together with all costs incidental thereto.

(Recommendation to Owners - If a townhome is damaged by fire or other casualty, and if such damage results in damage to an adjacent attached townhome, there may be prolonged disputes between the insurance carriers of the adjacent damaged townhomes [which may, in turn, delay the settlement of claims] unless the insurance protection on both townhomes is provided by the same carrier. It is recommended, therefore, that the Owners of all townhomes located within each building purchase their fire and casualty insurance from the same insurance carrier.)

Section 2. Responsibility for Reconstruction or Repair.

If any portion of the Common Areas, Lots, or improvements thereon, shall be damaged by perils covered by the Casualty Insurance, the Association shall cause such damaged portion to be promptly reconstructed or repaired to the extent of the fund made available to the Insurance Trustee, as hereinafter provided, and any such reconstruction or repair shall be substantially in accordance with the original plans of the Lot and improvements thereon damaged or destroyed.

Section 3. Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed; provided, however, the Board of

Directors shall have satisfied this provision, and shall not be liable to the Members for failure to maintain sufficient coverage, if the amount of coverage maintained equals or exceeds the cost of replacement of all improvements as reflected on an annual appraisal made by a qualified real estate appraiser or by the insurance carrier, as selected by the Board.

Section 4. Special Assessments for the Purchase and Reconstruction of Townhomes. In the event that any townhome located on the Properties is substantially destroyed by fire or other hazard, the Owner thereof shall give written notice to the Association within thirty (30) days following such destruction of whether he/she intends to repair or reconstruct the townhome; and if the Owner fails to give such notice to the Association, it shall be conclusively considered, for purposes of this Section, as notice that he/she does not intend to repair or reconstruct the townhome. For purposes of this section "substantially destroyed" shall mean that the costs of replacement or repair equals at least fifty percent (50%) of the appraised value of the improvements on the Lot before they were damaged. If the Owner elects not to repair or reconstruct the townhome, the Association shall have the first right and option to purchase such Lot in the manner hereinafter provided. The purchase option shall be effective for a period of ninety (90) days following notice of the Owner's election not to repair or reconstruct.

(a) Exercise of Option. The Board of Directors shall appoint a committee, or shall designate an existing committee of the Association, to determine whether failure to reconstruct the damaged townhome will result in substantial, pecuniary injury to the Association or diminution

in value of the remaining Properties. The committee can employ such persons, including, but not limited to, real estate appraisers, realtors, architects, and engineers, as are reasonably necessary to make its determination, and shall report its conclusions, with supporting data, in writing to the Board within thirty (30) days of the commencement of the Association's purchase option. The report shall set forth such matters as the Board and committee deem pertinent and shall contain estimates of the pecuniary injury and diminution in value along with an estimate of the cost of purchase and reconstruction of the townhome.

If the Board of Directors determines that it would be advantageous to the Association and/or to the remaining Properties to purchase and reconstruct the townhome, it shall call a special meeting by giving written notice thereof, setting forth the purpose of the meeting, to all Members within seven (7) days following submission of the committee report. The special meeting of Members shall be held not less than seven (7) days nor more than fifteen (15) days following notice to Members. Upon an affirmative vote of at least two-thirds ( $\frac{2}{3}$ ) of each class of Members present and voting, the Board will be authorized to purchase and reconstruct the townhome and to assess all Lots equally for all costs and expenses arising out of the purchase and repair or reconstruction of the townhome. The Board can require that the assessment be paid in a lump sum, in installments

during an assessment year, or over a period of two (2) or more assessment years, as the Board, in its discretion, shall determine to be appropriate.

Such an assessment shall be in addition to, and not in lieu of, the annual assessments provided for in Article IV.

(b) Determination of Value. The Owner of the townhome shall convey marketable title thereto to the Association upon payment to the Owner by the Association of the fair market value of the Lot and townhome in its damaged condition. Fair market value shall be determined in any manner agreed upon by the Association and the Owner. If they cannot otherwise agree on a fair market value or method of determining fair market value, each shall appoint an appraiser and those two appraisers shall appoint a third appraiser. The average of the three appraisals shall be final and binding on all parties. Each party shall pay the fee of the appraiser selected by it or him, and each party shall pay one-half (1/2) of the fee of the third appraiser. If the Board and the Owner agree upon a single appraiser, each shall pay one-half (1/2) the costs of the appraisal.

(c) Application of Insurance Proceeds. The Owner of the townhome, prior to conveyance of the Association, shall apply or cause to be applied so much of the proceeds of any hazard insurance paid by reason of the damage or destruction of the townhome as shall be necessary to pay all liens, mortgages, deeds of trust, taxes and encumbrances upon the Lot so that the fee simple marketable

title thereto can be conveyed free and clear of all liens and encumbrances. If the insurance proceeds are not sufficient to pay all liens, encumbrances, and obligations upon the Lot, the purchase price shall be reduced by an amount adequate to pay any such deficiency.

(d) Failure to Exercise Option. If the Association does not exercise the purchase option provided for herein, the Owner can retain the Lot or may transfer or convey it, upon such terms and conditions as he may elect, to any person, to be used solely as a site of an attached, single family townhome unit. The reconstructed or repaired townhome unit shall be identical to the destroyed townhome unit, unless a change shall be approved by the Board, and shall be constructed in conformity with plans submitted to and approved by the Board prior to construction.

(e) Retention by Owner. If a townhome is not habitable by reason of damage, and the Owner gives notice of his election to repair or reconstruct the townhome, the obligation of the Owner to pay annual assessment installments shall not be suspended. In the event a townhome is damaged or destroyed, and the Owner does not begin repair or reconstruction within thirty (30) days following the damage or destruction, he shall remove or cause to be removed, at his expense, all debris from the Lot, so that it shall be placed in a neat, clean, and safe condition and if he fails to do so, the Association can cause the debris to be removed, and the costs of removal shall constitute a lien upon

the townhome and its Lot until paid by the Owner, unless the Lot is thereafter acquired by the Association.

(f) Reconstruction by the Association. Upon acquisition of title to the townhome, the Association is authorized to arrange such financing and execute such notes, mortgages, deeds of trust, and other instruments, to enter into such contracts, and to do and perform such other matters and things as are necessary to accomplish the reconstruction of the townhome; provided, however, that only that townhome which is to be reconstructed shall stand as security for any liens, mortgages, or obligations arising out of the purchase and/or reconstruction of the townhome, and no other portion of the Properties, including the Common Area and facilities, shall be pledged, hypothecated, mortgaged, subjected to a deed of trust, or otherwise given as security for any obligations arising out of said purchase and/or reconstruction, and no Member shall be required to become personally obligated therefore.

The Association shall hold title to the Lot and improvements for the benefit of all Members. The Board can lease or sell the Lot and improvements thereon upon such terms and conditions as it, in its discretion, deems most advantageous to the Members. The lease rental shall be applied in the following order of priority: (1) to the payment of all rental costs and fees, if any; and all taxes, assessments, liens, encumbrances, and obligations on or secured by the Lot; (2) to the

maintenance, upkeep, and repair of the townhome; (3) to payment or repayment to the Members, pro rata, of the special assessment, if any, for purchase and reconstruction of the townhome; and (4) to the Association's general operating fund for common expenses of the Association. In the event the Lot is sold, the purchase price shall be applied in the following order of priority: (1) to the payment of all costs and fees from the sale, and all taxes, assessments, liens, encumbrances, and obligations on or secured by the Lot; (2) to the payment or repayment to the Members, pro rata, of the special assessments, if any, for purchase and reconstruction of the townhome; and (3) to the Association's general operating fund for common expenses of the Association. Any payment or repayment to Members of the special assessment can be in cash or can be applied to the annual assessment due or to become due.

(g) Application of Declaration and Bylaws.

Any townhome (including the Lot on which it was constructed) which is destroyed and not subsequently restored or reconstructed and any townhome which has been destroyed in whole or in part, by fire or other casualty, and is subsequently restored or reconstructed, shall continue to be subject to the provisions of this Declaration and to the By-laws of the Association.

ARTICLE X

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to

formulate, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each Lot and the Common Areas. 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 office of the Declarant and/or model townhouses used by Declarant) shall be used except for residential purposes and for purposes incidental or accessory thereto.

Section 3. Quiet 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, and no animal shall be permitted upon the Common Area unless the same is under leash.

#### ARTICLE XI

#### EASEMENTS

All the Properties, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines and other public utilities as shall be established by the Declarant or by his predecessors in title, prior to

subjecting 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 Areas conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Properties.

An easement is hereby established over the Common Areas 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, firefighting, garbage collection, postal delivery, emergency and rescue activities, and law enforcement activities.

An easement is hereby established for the benefit of each Lot Owner over adjacent Lots as necessary for the reasonable maintenance of each Owner's Lot.

Declarant hereby reserves such easements through the Common Areas and Lots as may be reasonably necessary for the purposes of completing the development, construction and sale of the Properties, and for the installation and maintenance of utilities, which easements shall exist as long as reasonably necessary for such purposes.

All Lots shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots by the Declarant to the extent that such initial improvements actually encroach including, but not limited to, such items as overhanging eaves, gutters, downspouts and walls.

ARTICLE XII  
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 continuing monthly payment to Carolina Power and Light Company by the Owner of each Lot.

ARTICLE XIII  
GENERAL PROVISIONS

Section 1. Enforcement. The 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 of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction contained herein 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. This 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; provided, Declarant hereby reserves the right to amend this Declaration as long as it owns Lots subject to the Association's jurisdiction. Any amendment must be recorded in the office of the Register of Deeds of Wake County, North Carolina.

Section 4. 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: annexation of additional Properties, dedication of Common Area, mergers and consolidations, mortgaging of the Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 5. Assignment of Rights by Declarant. Declarant may assign any rights granted to it under this Declaration to any person, firm, corporation or other entity without approval of the Owners.

Section 6. Management and Contract Rights of Association. The Declarant or the Association may enter into a contract with a management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the Properties. However, no such contract shall be binding upon the Association except through express adoption or ratification of the terms and conditions of such contract. Any contract or lease entered into by the Declarant or by the Association while the Declarant is in control thereof shall contain a provision allowing the Association to terminate such contract without justification or penalty after transfer of management by the Declarant to the Association.

Section 7. Conflicts. In the event of conflict between this Declaration and the Declaration of Covenants and Restrictions of the Oxxford Hunt Community Association and

Restrictions of the Oxxford Hunt Community Association and Oxxford Hunt Associates, recorded in Book 3622 at Page 332, Wake County Registry, the latter shall prevail over this Declaration.

BOOK 4020 PAGE 622

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 19<sup>th</sup> day of May, 1987.

LF ROSSIGNOL DEVELOPMENT CORPORATION OF NORTH CAROLINA, Declarant

By: [Signature]  
President

ATTEST: [Signature]  
Secretary

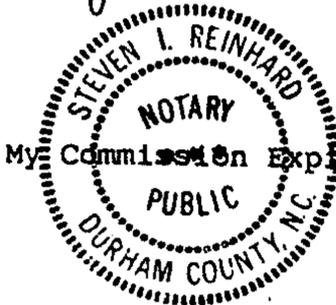
[Corporate Seal]



STATE OF NORTH CAROLINA  
COUNTY OF Wake

I, Steven I. Reinhard a Notary Public for said County and State certify that William Blum personally came before me this day, and being by me duly sworn, acknowledged that he is \_\_\_\_\_ Secretary of LF Rossignol Development Corporation, a 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 himself as its \_\_\_\_\_ Secretary.

Witness my hand and official seal, this the 19<sup>th</sup> day of May, 1987.



[Signature]  
Notary Public

NORTH CAROLINA - WAKE COUNTY

The foregoing certificate \_\_\_\_\_ of Steven I. Reinhard

Notary(ies) Public is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the first page hereof.

KENNETH C. WILKINS, Register of Deeds

By: [Signature]