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FOR REGISTRATION REGISTER OF DEEDS
REBECCA P. SMITH
NEW HANOVER COUNTY, NC
2007 AUG 23 03:11:17 PM
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INSTRUMENT # 2007042405

PREPARED BY: Helms Mulliss & Wicker, PLLC
300 North Third Street, Suite 400
Wilmington, North Carolina 28401
(910) 254-3800

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

DECLARATION OF EASEMENTS FOR TRACTS 1 AND 2 FUTCH CREEK VILLAGE

THIS DECLARATION OF EASEMENTS FOR TRACTS 1 and 2, FUTCH CREEK VILLAGE (this "Declaration") is made as of August 21, 2007, by RIDGEWOOD GARDEN HEALTH INVESTORS, L.L.C., a Virginia limited liability company ("Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of fee simple title to Tract 1 ("Tract 1") and Tract 2 ("Tract 2") of Futch Creek Village (Tract 1 and Tract 2, along with any other tracts which may be incorporated herein, may each be generically referred to herein as a "Tract" or "Tracts"), as the same is shown on a map thereof entitled "Reconfiguration Map of Futch Creek Village" prepared by Arnold W. Carson R.L.S. recorded in Map Book 51, Page 3 in the Office of the Register of Deeds of New Hanover County North Carolina ("Map"); and,

WHEREAS, Declarant has agreed to convey and transfer Tract 1 and to retain Tract 2 for future development as Declarant may hereafter determine; and,

WHEREAS, Declarant has determined that the development of Tracts 1 and 2 will be facilitated by the grant and reservation of mutual access and utility easements, stormwater drainage facilities and easements for the mutual benefit of the owners of Tracts 1 and 2 as shown on the Map described above, their successors and assigns in accordance with the terms and conditions hereinafter set forth and in such a fashion as to not unreasonably impair the development of the Tracts for their intended use.

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NOW, THEREFORE, Declarant hereby declares that Tract 1 and Tract 2 shall be held, developed, improved, leased, sold, transferred, conveyed and occupied subject to the following easements and conditions all of which shall run with title to said Tracts and shall be binding on all parties having any right, title or interest therein, along with their heirs, successors and assigns, and which shall inure to the benefit of each owner thereof.

ARTICLE I
Definitions

1.1 Definitions.

(a) "Annexed Property" shall mean and refer to any real property annexed to this Declaration as provided herein.

(b) "Association" shall mean and refer to any one or more corporations now or hereafter formed for the purpose of operating and/or maintaining all or any portion of Tract 2 and which has been designated by Declarant as an "Association" for the purposes set forth herein.

(c) "Declarant" shall mean and refer to Ridgewood Gardens Health Investors, LLC and its successors and assigns and such other persons or entities to whom the rights of Declarant hereunder are expressly transferred, in whole or in part, and subject to such terms and conditions as the Declarant may impose.

(d) "Easements" shall mean and refer to the easements established pursuant to Article II of this Declaration.

(e) "Map" shall mean and refer to the map or plat entitled "Reconfiguration Map of Futch Creek Village" prepared by Arnold W. Carson, R.L.S. and recorded in Map Book 51, Page 3 in the Office of the Register of Deeds of New Hanover County, North Carolina.

(f) "Mortgage" shall mean a mortgage, deed of trust, deed to secure debt or other security instrument encumbering one or more Tracts and which has been recorded among the land records of the county or jurisdiction in which the Tract is, or Tracts are, located.

(g) "Mortgagee" shall mean and refer to the mortgagee, beneficiary, trustee or other holder of a Mortgage on a Tract or Tracts.

(h) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Tract which is a part of the Property; but such term shall not include a Mortgagee.

(i) "Property" shall mean and refer to the real property described on the Map consisting of approximately 42.73 total acres. To the extent Declarant acquires Annexed Property, such Annexed Property shall also be deemed "Property".

(j) "Stormwater Permit" shall mean and refer to Stormwater Management Permit Number SW8 061209 issued by the North Carolina Division of Water Quality, as the same may be amended and supplemented from time to time.

(k) "Structure" shall mean and refer to any thing, or device, the placement of which upon or within any Tract might affect the physical appearance thereof, including, by way of illustration and not limitation, buildings, sheds, covered areas, driveways, fountains, pools, parking areas, trees, shrubbery, paving, curbing, landscaping, fences or walls or any sign or signboard. "Structure" shall also mean any excavation or fill, the volume of which exceeds ten (10) cubic yards; or any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters upon or across any Tract.

ARTICLE II
Easements

2.1 Easements. Declarant does hereby establish, declare, and grant, for the benefit of Tract 1 and Tract 2, as an appurtenance thereto, and to and for the benefit of the Owners thereof, the following easements:

(a) *Ingress; Egress.* Perpetual, non-exclusive rights, privileges and easements for the passage of vehicles and for the passage and accommodation of pedestrians, over, across and through all roadways, driveways, curb cuts, aisles, walkways and sidewalks located within or to be located within Tract 1 and within that portion of Tract 2 described on Schedule 2.1(a) hereof and designated as Tract 2-A on said Schedule ("Tract 2-A"), that are intended for the general access or use by the Owners of such Tracts and such Owner's agents, employees, contractors, tenants, invitees, licensees and business visitors exclusive of buildings and other private or limited access Structures constructed by the Owners on the Tracts.

No fence or other barrier or Structure (whether temporary or permanent) shall be erected or permitted within or across Tract 1 or Tract 2-A which would prevent reasonably convenient access, ingress, and egress to, from and between the Tracts; provided, however, the foregoing provision shall not prohibit the installation of landscaping improvements, lighting standards, monument and handicapped parking signs, sidewalks, medians, bumper guards, curbing, stop signs and other forms of traffic controls.

Each Owner shall use reasonable efforts to assure that construction traffic to and from its Tract shall not unreasonably interfere with the use, occupancy and enjoyment of the other Tract (or any part thereof).

(b) *Utilities.* Perpetual non-exclusive rights, privileges, and easements in and to a general utility easement ten (10) feet in width over, under, along, and across the front, side and rear property lines of Tract 1; the front and southern line of Tract 2-A and within such areas as are designated as "Utility Easements" on the Map and within such areas as are designated for utility easements as shown on Schedule 2.1(a) attached hereto and incorporated herein, for the purposes of:

(i) Installing, operating, using, maintaining, repairing, replacing, relocating, and removing underground lines, equipment and facilities for the delivery of utility services to each Tract and the buildings and other improvements from time to time located thereon, including, but not limited to, stormwater facilities, sanitary sewer, water (fire and domestic), gas, electrical, telephone, and communications lines and other similar facilities that are not located within the rights-of-way for the streets and roads adjacent to such Tract (hereinafter and collectively referred to as "Utility Line(s)"); and

(ii) Connecting and tying into the common Utility Lines for such purpose and using such common Utility Lines in connection with the delivery of such utility services to each Tract and the buildings and other improvements from time to time located thereon.

Such utilities easement rights shall be subject to the following provisions as well as the other applicable provisions contained in this Declaration

(i) If any Utility Line is to be installed pursuant hereto, the location of such Utility Line shall be subject to the prior written approval of the Owner whose Tract is to be burdened thereby, such approval not to be unreasonably withheld, conditioned or delayed; provided, however, such Utility Line must be installed underground and an Owner's approval may be withheld for any reason with respect to a Utility Line proposed to be located within any area on such Owner's Tract where a building either is located or is planned to be located in the future. The easement area related thereto shall be no larger than reasonably necessary to satisfy the utility company, for an easement granted to a public utility or five (5) feet on each side of the center line of the Utility Line, as actually installed, for a private easement. The Owner whose Tract is to be burdened shall have the right to require that an as-built survey of any such Utility Line be delivered to it at the installing Owner's expense, within thirty (30) days after such installation is complete. Parties wishing to install such Utility Lines shall use good faith efforts to place the Utility Lines within ten (10) feet from the property lines of any Tract. Notwithstanding anything to the contrary herein, the Owner of Tract 1 shall have an easement for access to water and sewer lines at the location shown on Schedule 2.1(a) attached hereto without the need for any further approval of Declarant or the Owner of Tract 2.

(ii) Any Owner of a Tract installing and/or connecting to a Utility Line on the Tract of another Owner pursuant hereto shall (i) provide at least forty-five (45) days prior written notice to the Owner of the Tract on which such Utility Line is to be located of its intention to do such work, (ii) pay all costs and expenses with respect to such work, (iii) cause all work in connection therewith (including general clean-up and surface and/or subsurface restoration) to be completed lien free using first-class materials and in a good and workman like manner as quickly as possible and in a manner so as to minimize interference with the use of the

Tract affected and the conduct or operation of the business of the Owner whose Tract is affected, (iv) shall design and construct such facilities to the standards required for same to be dedicated to the applicable governmental authority or public utility; (v) not increase the cost of the utility services to the other parties served by such Utility Line and shall not interrupt, diminish, or otherwise interfere with the utility services to the other parties served by such Utility Line (except during periods other than during the normal business operating hours of such other parties after notice is given to such other parties and during such periods as otherwise approved by such other parties), (vi) comply in all respects with all applicable governmental laws, regulations, and requirements, (vii) promptly, at its sole cost and expense, clean the area (as needed) and restore the affected portion of the Property and facilities therein (including, without limitation, any disturbed landscaping improvements and irrigation facilities) to a condition equal to or better than the condition which existed prior to the commencement of such work, (viii) prior to commencing construction or installation of any such utilities, provide evidence of liability and builders risk insurance in an amount reasonably adequate given the work to be performed; and (ix) indemnify and hold the Owner of the Tract on which such Utility Line is installed and any occupants thereof harmless from and against any claims, actions, demands, damages, losses, injuries or expenses, including, without limitation, reasonable attorneys' fees, which may result from any such work.

(iii) The party tapping into any Utility Line shall be responsible for all connection charges, meter fees and charges, user fees, tap-on fees, impact fees, acreage fees, and similar fees and charges imposed as a result of the connection of any Utility Line to the improvements constructed upon its Tract.

(iv) Declarant and/or the Owner of any Tract on which such Utility Lines are located shall have the right to dedicate and convey to appropriate governmental entities and public utility companies any Utility Lines installed pursuant to this section, provided any such dedication or conveyance shall not adversely affect the use and enjoyment of such Utility Lines by the Owners of the Tracts, and to grant any other easements or licenses to such appropriate governmental entities and public utility companies as are reasonably necessary or desirable for obtaining adequate utility service for the benefit of the Tracts, provided such easements and licenses shall not unreasonably interfere with the use and enjoyment of the encumbered Tracts and shall be located so as to minimize interference with existing or planned buildings or Structures. The Owners of the Tract shall cooperate with and assist Declarant and/or any such other Owner and shall join in and consent to such dedications and conveyances if requested by Declarant or any such other Owner, at no cost, however, to such cooperating Owners.

(d) Entrance Easements. Subject to the requirements below, there is reserved for the benefit of the Declarant perpetual non-exclusive easements over, across and upon the entrances to the Tracts from the public rights of way for purposes of installing, constructing,

reconstructing, operating, maintaining, repairing, replacing and removing (i) signage (including associated lighting) for the purpose of identifying and promoting Declarant's anticipated Development upon Tract 2 and other properties owned by the Declarant or its designees, (ii) "statement pieces" associated with Declarant's anticipated Development, (iii) entrance walls, fences, and other similar facilities, (iv) landscaping features and plantings and irrigating facilities, and (v) underground utility lines and facilities necessary or appropriate to service the foregoing improvements installed and maintained from time to time within any entrance.

Declarant shall construct such signage, statement pieces, entrance walls, landscaping features and utilities in a good and satisfactory manner consistent with the general plan of development for the Property and shall obtain approval of plans and design from the Owner, such approval not to be unreasonably withheld. Declarant shall be responsible for all construction and maintenance of signage and other improvements constructed by Declarant as set forth herein. In the event Declarant and Owner(s) choose to construct joint landscaping and/or signage, allocation of cost and maintenance shall be as agreed upon by them. In the event any entrance to Old Market Street is constructed on Tract 2, as to the entrance which is located closest to the intersection of Old Market Street with the northern line of Tract 1 (the "Old Market Street Entrance"), there is reserved for the benefit of the Owner of Tract 1, a perpetual, non-exclusive easement for the purposes of installing, constructing, reconstructing, operating, maintaining, repairing, replacing and removing signage (including associated lighting) for the purpose of identifying and promoting the Tract 1 Owner's use of Tract 1. The Tract 1 Owner shall construct such signage in a good and satisfactory manner and shall obtain approval from the Declarant of plans and design from the Declarant, such approval to not be unreasonably withheld. The Tract 1 Owner shall be responsible for all construction and maintenance of the signage constructed by the Tract 1 Owner. In the event Declarant and the Tract 1 Owner(s) choose to construct joint signage at the Old Market Street Entrance, allocation of the cost thereof shall be as agreed upon by them. Notwithstanding anything to the contrary herein, as to any sign located on Tract 1, the Owner of Tract 1 shall have the right to (i) use the most prominent position on any such sign and (ii) have its sign and graphics in a larger size than any other listings on such sign.

2.2 Declarant Easements and Rights. Without limiting any other rights retained by or granted to Declarant, Declarant specifically retains the following easement and rights:

(a) Easements. Declarant hereby reserves for itself, its agents, employees, contractors, licensees and any successor Declarant a perpetual, non-exclusive right, privilege and easements for the passage of vehicles and for the passage and accommodation of pedestrians, over, across and through all roadways, driveways, curb cuts, aisles, walkways and sidewalks located within any Tract that are intended for general access by the Owner of Tract 1 and such Owners' agents, employees, contractors, tenants, invitees, licensees and business visitors, exclusive of buildings and other private or limited access Structures constructed or to be constructed by the Owner of Tract 1, for the purpose of achieving access to any neighboring or adjoining properties such that the properties may be developed by Declarant.

(b) Annexation. In the event Declarant subsequently acquires additional tracts or parcels of land adjoining Tract 2, Declarant may annex said property (the "Annexed Property")

to the provisions of this Declaration by written instrument recorded in the Office of the Register of Deeds of New Hanover County and upon such recordation, the Annexed Property shall receive the benefits of the easement granted herein and such shall be deemed a covenant running with the land for the Annexed Property. Notwithstanding Declarant's right to annex, no such annexation shall serve to reduce any allocation of impervious surface to the Owner of Tract 1 nor shall such annexation unreasonably increase the use of the easements set forth herein as they may be applicable to Tract 1.

2.3 Rights of Third Parties. The easements hereby established are private easements, and nothing herein shall be construed to create easements in favor of the general public. However, easements created under this Declaration in favor of an Owner and appurtenant to such Owner's Tract may be exercised, used, and enjoyed by such Owners' agents, employees, contractors, tenants, invitees, licensees, and business visitors; provided, however, that such rights shall be subject to the terms of this Declaration.

2.4 Repair and Maintenance. Unless otherwise agreed upon or set forth herein, the Owner of each Tract shall continually repair, keep and maintain the Easements set forth herein to the extent they are located upon such Owner's Tract and shall repair, keep and maintain Structures located within the boundaries of such Easements in a safe, clean, neat and sanitary condition, and shall comply in all respects with all governmental zoning, health, environmental, fire, and police requirements.

The standard of maintenance of Easement areas, Tracts, and Structures thereon shall be that of similar first class developments in the New Hanover County, North Carolina sub-market in which the Tracts are located.

2.5 Indemnification. Each Owner shall indemnify, defend and hold the other harmless from and against any and all suits, actions, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees) arising out of, arising in connection with or directly or indirectly relates to the use of the easements described herein by such Owner.

ARTICLE III
GENERAL STORMWATER MANAGEMENT COVENANTS

The following covenants are intended to insure compliance with the "Stormwater Permit" as issued by the Division of Water Quality under Title 15 NCAC 2H.1000 and the following shall be applicable to Tracts 1 and 2 and rights-of-way areas described herein:

a. The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the stormwater management permit.

b. These covenants are to run with the land and be binding on all persons and parties claiming under them.

c. The covenants pertaining to stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality.

d. Alteration of the drainage as shown on the approved plan may not take place without the concurrence of the Division of Water Quality.

e. The maximum allowable built-upon area, in total among Tracts 1 and 2 is as set forth in the Stormwater Permit. This allotted amount includes any built-upon area constructed within any property boundaries, and that portion of the right-of-way between the front lot line and the edge of the pavement. Built upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, coquina and parking areas, but does not include raised, open wood decking, or the water surface of swimming pools. Each Owner may request from Declarant confirmation of the total built upon area currently in place on any of the Tracts then held by Declarant and from any other Owners confirmation of the total built upon area currently in place at their Tract(s) prior to commencing any work which would create any further built-upon area upon said Owner's lot.

f. All runoff from the built-upon areas on the lot must drain into the permitted system. This may be accomplished through providing roof drain gutters which drain to the street, grading the lot to drain toward the street, or grading perimeter swales to collect lot runoff and directing them into the stormwater system or into the street. Tracts that will naturally drain into the system are not required to provide these additional measures.

g. For those outparcels or future development areas whose ownership is not retained by the permittee, the new Owner shall submit a separate offsite stormwater permit application to the North Carolina Division of Water Quality and receive a permit prior to construction.

h. Built-upon area in excess of the permitted amount will require a permit modification.

i. The connection from the outparcel's collection system into the stormwater control shall be made such that short-circuiting of the system does not occur.

ARTICLE IV

CONSTRUCTION AND MAINTENANCE OF STORMWATER SYSTEM BY DECLARANT; PAYMENT BY OWNER OF TRACT 1

4.1 Construction and Maintenance by Declarant. Declarant shall construct the stormwater system in accordance with the terms of the Stormwater Permit and shall pay the cost thereof ("Stormwater Construction Cost") subject to reimbursement by the Owner of Tract 1 as set forth below. The Stormwater Construction Cost shall include the cost of construction of improvements to the northern property line of Tract 2 sufficient accept stormwater from Tract 1 in accordance with the terms of the permit. Declarant shall further perform all maintenance of the stormwater system in accordance with the terms of the Stormwater Permit and shall pay all cost associated therewith ("Stormwater Maintenance Cost") subject to reimbursement by the Owner of Tract 1 as hereinafter set forth. Declarant is authorized to assign the obligation to maintain to an Owner or an Association and upon such assignment, Declarant shall have no further liability or obligation for any and all maintenance obligations accruing after the effective date of such assignment. The stormwater system shall be designed to and shall accept stormwater runoff from Tract 1. Declarant hereby agrees the Owner of Tract 1 is allocated an amount of impervious surface equal to eighty five percent (85%) of the total square footage of Tract 1.

Notwithstanding anything to the contrary herein, any stormwater permit to be obtained by the Owner of Tract 1 may reference the right to use the off-site stormwater facilities and shall not require such Owner to develop separate stormwater facilities.

4.2 Payment of Stormwater Construction Cost and Stormwater Maintenance Costs by the Owner of Tract 1. The Owner of Tract 1 shall be responsible for the payment to Declarant of Twenty Percent (20%) of the Stormwater Construction Cost; provided, however, the Tract 1 Owner's obligation to pay shall not exceed $250,000.00. Said sum shall be due and payable by the Owner of Tract 1 upon commencement of the construction by the Declarant. For the purpose of this Paragraph, "Commencement of Construction" shall mean all necessary permits have been issued and construction equipment and/or materials have actually been placed upon the Property. The Owner of Tract 1 shall be responsible for payment of Twenty Percent (20%) of the Stormwater Maintenance Cost. Upon incurring Stormwater Maintenance Cost, Declarant shall submit an invoice to the Owner of Tract 1 which shall state the work performed, the cost thereof, shall be accompanied by copies of invoices related thereto, and shall allocate Twenty Percent of the amount thereof to the Owner of Tract 1. The Owner of Tract 1 shall pay the invoice within 30 days of transmittal of the invoice. Any invoice which is not paid within 30 days of transmittal shall bear interest at the rate or 18% per annum. In additions, the Owner of Tract 1 shall be obligated to pay reasonable attorney's fees incurred by Declarant in collecting the obligation described herein. The Stormwater Construction Cost and the Stormwater Maintenance Cost obligations described in this Section 4.2 shall be the personal obligation of the Owner of Tract 1 at the time the invoice is submitted and shall also be the personal obligation of all subsequent Owners holding fee simple title to Tract 1 or any portion thereof.

4.3 Stormwater Easement. Without in any way limiting those easements described in Article II hereof, Declarant reserves an easement over and through those portions of Tract 1

where stormwater facilities are actually located or are to be actually located pursuant to the Stormwater Permit for the purpose of complying with it's obligation to construct and maintain the stormwater system pursuant to Section 4.1 hereof.

ARTICLE V
General Provisions

5.1 Duration; Modification or Amendment.

(a) *Duration.* The terms and provisions of this Declaration shall be appurtenant to, and shall run with and bind title to, the Tracts therein and shall be binding upon and inure to the benefit of all Owners and Mortgagees of the Tracts and their respective heirs, executors, legal representatives, successors and assigns, and all other parties hereafter having an interest in Tract 1 and Tract 2 and any portion thereof. Every purchaser, grantee or assignee of any interest in the Property or Tracts therein subject to this Declaration, by acceptance of a deed or other instrument of conveyance therefore, thereby agrees that the provisions of this Declaration shall run with and bind title to the Property and Tracts therein as provided hereby. ANY EASEMENTS GRANTED OR RESERVED HEREUNDER ARE AND SHALL BE PERPETUAL AND NON-EXCLUSIVE IN NATURE AND SHALL RUN WITH THE PROPERTY AND TRACTS THEREIN EXCEPT TO THE EXTENT, IF ANY, OTHERWISE PROVIDED IN THIS DECLARATION.

(b) *Modification or Amendment* If Declarant, its assignee, or any other Owner of a Tract, desires to modify or amend this Declaration the following vote for each such modification or amendment shall be required:

(i) Subject to subclause (iii) below, Declarant or its assignee retains the right to amend this Declaration at any time in its sole and absolute discretion; provided, however, this right shall terminate when Declarant or its assignee no longer owns any portion of the Property or any additional property which has been subjected to the terms of this Declaration.

(ii) Subject to subclause (iii) below, the approval of that amendment other than by the Declarant will require an affirmative consent of Owners owning seventy-five percent (75%) of the total acreage contained in the Project and, so long as Declarant owns any portion of the Property or any additional property which has been subjected to the terms of this Declaration, the consent of the Declarant. Subject to the annexation provisions hereof, the Owner of Tract 1 shall have owned 12.94% of the acreage.

(iii) No amendment shall be allowed that deprives any Tract of pedestrian and vehicular access over and through Tract 2-A over roadways and walkways (public and private) without the approval of the owners of Tracts which will be deprived of such access. No amendment shall be allowed that deprives the Owner of Tract 2 pedestrian and vehicular access to and from Tract 2 over the roadways and walkways located upon Tract 1 without the approval of the Owners

of the Tracts that will be deprived of access. Furthermore, and notwithstanding anything to the contrary herein, without the approval of the Owner of Tract 1 no amendment, modification or termination shall be allowed which (A) decreases the impervious surface allocation applicable to Tract 1, (B) materially and adversely impacts the ability of the Owner of Tract 1 to remove and dispose of stormwater in accordance with the terms of the Stormwater Permit, (C) alters or impacts the easements across those portions of Tract 2 shown on Schedule 2.1(a) allowing Tract 1 to access sewer and water lines, (D) alters the entrance easements described herein to increase the rights of Declarant (or other Owners) or to decrease the rights of the Owner of Tract 1 or (E) creates any additional easements affecting Tract 1.

Notwithstanding anything to the contrary contained in this Declaration, in the event Declarant or its successors or assigns (as Declarant) continue(s) to own portions of the Property or one or more Tracts therein, no modification, amendment or termination of this Declaration may be made without the approval of Declarant and its successors and assigns (as Declarant). Any such modification, amendment or termination of this Declaration adopted in accordance with the provisions of this Section 5.1(b) shall be binding upon all Owners and Mortgagees of the Property or Tracts therein, and their respective heirs, successors and assigns. Every purchaser, grantee or assignee of any interest in the Property or Tracts therein subject to this Declaration, by acceptance of a deed or other instrument of conveyance therefore, thereby agrees that the provisions of this Declaration shall run with and bind title to the Property and Tracts therein as provided hereby. Notwithstanding any of the foregoing, no modification or amendment of this Declaration may revoke any consent, approval or waiver properly given or granted pursuant to the authority of this Declaration.

5.2 Partial Invalidity. Any invalidation of any one or more of the restrictions set forth in this Declaration by judgment, court order, or statute or failure on the part of Declarant or its successors or assigns to enforce any of said restrictions shall in no way affect any of the other provisions hereof or be deemed a waiver of the right to enforce such restrictions anytime after the violation thereof.

5.3 Binding Effect: Waiver. Except as otherwise specifically provided herein, this Declaration shall bind and inure to the benefit of and be enforceable by Declarant and its successors and assigns (as Declarant), the Association and the Owner or Owners of any Tract and their respective heirs, successors and assigns. The failure of any person entitled to enforce this Declaration or any provision hereof to enforce same shall not be deemed a waiver of the right of any such person to enforce this Declaration or any portion thereof thereafter. Waiver or any attempted waiver of this Declaration with respect to any Tract shall not be deemed a waiver thereof as to any other Tract nor, with respect to the Tract in question, as to any subsequent violation, nor shall the violation of this Declaration with respect to any one Tract affect the applicability or enforceability of this Declaration with respect to any other Tract(s).

5.4 Mortgagees' Protection. Violation of this Declaration shall not defeat or render invalid the lien of any Mortgage made in good faith and for value upon any portion of the Property upon the recordation of such Mortgage; provided, however, any Mortgagee in actual

possession, or any purchaser at any foreclosure sale, shall be bound by and be subject to this Declaration as fully as any other Owner of a parcel or Tract, effective upon the date of acquisition.

5.5 Chain of Title. Each grantee, lessee or other person in interest or occupancy accepting a conveyance, leasehold interest or other demise of an interest in or to or in connection with any Tract, whether or not the same incorporates or refers to this Declaration, shall be obligated to observe and perform and be bound by this Declaration and to incorporate this Declaration by reference in any conveyance or leasehold estate of all or any portion of his or its interest in any real property subject hereto.

5.6 No Reversionary Interest. This Declaration shall not be construed as conditions subsequent or creating a possibility of reverter, and no provision hereof shall be deemed to vest in Declarant or any other persons any reversionary interest with respect to any Tract. Except as provided above, all reversionary rights are hereby expressly waived by Declarant.

5.7 Applicable Only to Property. Nothing contained in this Declaration shall be held or construed to impose any restrictions, covenants or easements on the Property of Declarant except as set forth herein.

[Execution page follows]

IN WITNESS WHEREOF, Declarant has caused this Declaration to be duly executed and sealed as of the day and year first above written.

RIDGEWOOD GARDENS HEALTH INVESTORS, L.L.C. [SEAL]

By: _____

Ronald B. McNeill, Operating Manager

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

I, Wendy S. Mobley, a Notary Public of the County of Pender, State of North Carolina, certify that Ronald B. McNeill personally appeared before me this day and acknowledged that he is Operating Manager of RIDGEWOOD GARDENS HEALTH INVESTORS, L.L.C., a Virginia limited liability company, and that he, as Manager, being authorized to do so, voluntarily executed the foregoing instrument on behalf of said company for the purposes stated therein.

WITNESS my hand and official seal this 21st day of August, 2007.

Wendy S. Mobley

Notary Public Wendy S. Mobley

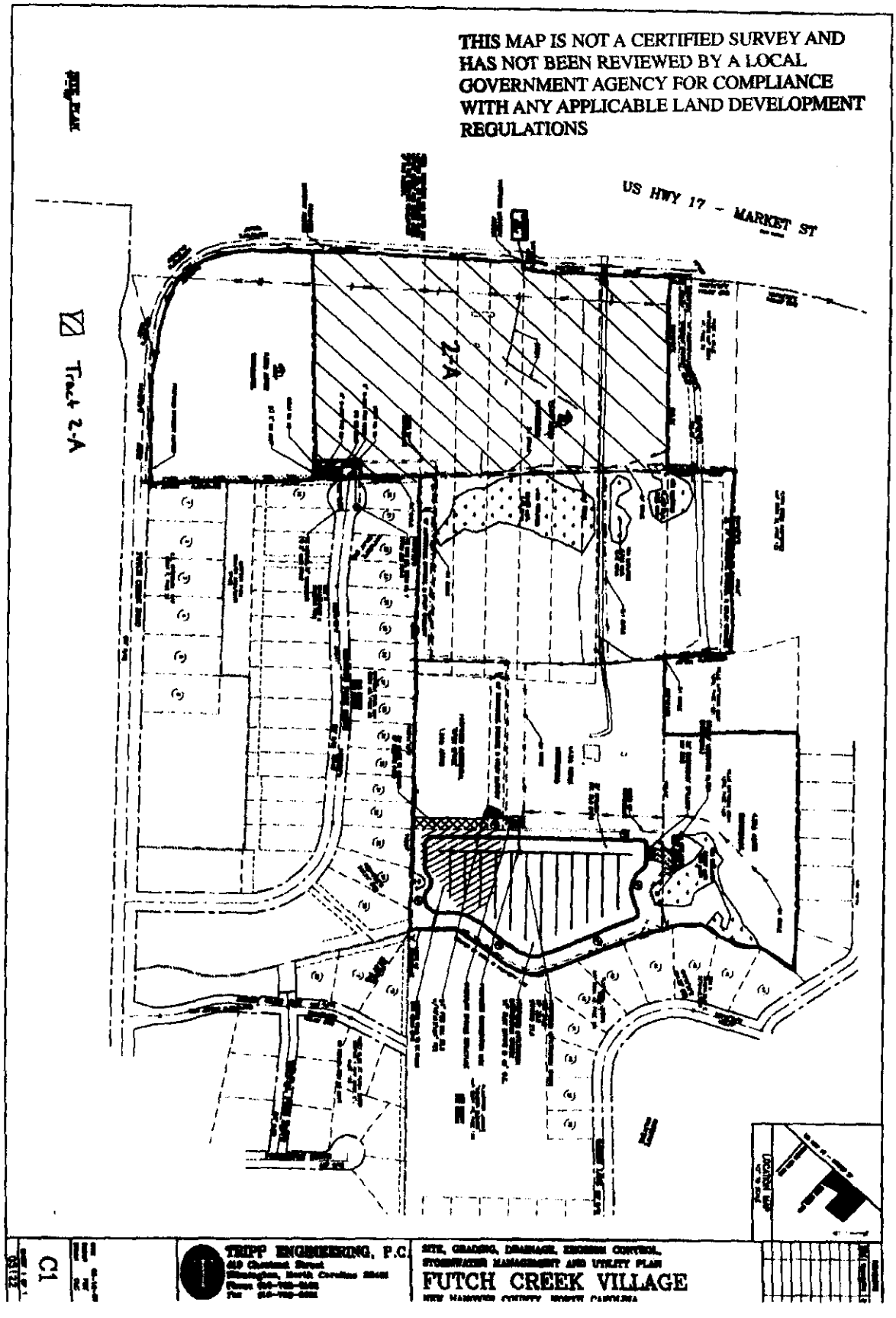
(type or print name)

My commission expires: 12-16-11

(SEAL)

WENDY S. MOBLEY NOTARY PUBLIC PENDER COUNTY, N.C.

Schedule 2.1(a)



REBECCA P. SMITH
REGISTER OF DEEDS, NEW HANOVER
216 NORTH SECOND STREET

WILMINGTON, NC 28401

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Filed For Registration:	**08/23/2007 03:11:17 PM**
Book:	**RE 5223 Page: 1368-1382**
Document No.:	**2007042405**
	DECL 15 PGS $53.00
Recorder:	**PHELPS, MICAH**

State of North Carolina, County of New Hanover

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2007042405

DOCUMENT OF POOR QUALITY

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