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RECORDED & VERIFIED  
MARY SUE OOTS  
REGISTER OF DEEDS  
NEW HANOVER CO. NC

STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS  
OF PHASE IA, POINTE SUMMERSET  
AT WRIGHTSVILLE

THIS DECLARATION, made this 7th day of July, 1998, by  
SUMMERSET AT WRIGHTSVILLE, LLC (Declarant);

000266

W I T N E S E T H:

WHEREAS, Declarant is the owner of certain property in Harnett Township, New Hanover County, North Carolina, which is more particularly described as follows:

BEING all of PHASE IA, POINTE SUMMERSET AT WRIGHTSVILLE, as the same is shown on a map thereof duly recorded in Map Book 37 at Page 279 of the Office of the Register of Deeds of New Hanover County, North Carolina, reference to which is made for a more particular description.

WHEREAS, Declarant wishes to protect the value and desirability of said real property.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above will be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions which will run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and will inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

The following definitions apply to terms used herein:

Section 1. ASSOCIATION means POINTE SUMMERSET HOA, INC., a North Carolina Non-profit Corporation, its successors and assigns, the owners' association organized for the mutual benefit and

att: J. MacDonald

protection of the Properties. All property owners of building sites in PHASE IA, POINTE SUMMERSET AT WRIGHTSVILLE and any adjoining areas hereinafter developed and subjected to this Declaration, if any, will be members of the Association, which membership will be appurtenant to and may not be separated from the ownership of such single family or multi-family lots.

Section 2. OWNER means the record owner, whether one or more persons or entities, of fee simple title to any building site 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 means all of PHASE IA, POINTE SUMMERSET AT WRIGHTSVILLE as described above, and any of the additional properties that may hereafter be brought within the jurisdiction of the Association as herein provided.

Section 4. ADDITIONAL PROPERTIES means any lands adjoining the Properties which are now owned or may be hereafter acquired or developed by Declarant and annexed to and made a part of the Properties by Declarant and subjected to this Declaration without the assent or vote of the owners of lots as hereinafter provided. The annexation of such Additional properties will become effective by the recording by Declarant of an amended declaration for each new phase or section annexed.

Section 5. COMMON AREA means all real property owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot will be all the area designated as "Common Area" on the plat of PHASE IA, POINTE SUMMERSET AT WRIGHTSVILLE, if any, recorded or to be recorded in the New Hanover County Registry. COMMON AREA does not include that property behind each unit which is or will be enclosed by a privacy fence and which property each individual unit owner is required to maintain.

Section 6. LOT means any numbered lot shown upon the recorded plat of PHASE IA, POINTE SUMMERSET AT WRIGHTSVILLE, now or hereafter recorded in the New Hanover County Registry.

Section 7. DECLARANT may be used interchangeably with DEVELOPER (which designation includes singular, plural, masculine and neuter as required by the context) meaning SUMMERSET AT WRIGHTSVILLE, LLC, its heirs and assigns, if such heirs and assigns acquire undeveloped property from Declarant for the purpose of development.

Section 8. DECLARATION means this instrument as it may be from time to time amended or supplemented.

Section 9. MEMBERSHIP means the rights, privileges, benefits, duties and obligations which inure to the benefit of and burden each member of the Association.

Section 10. MEMBER means every person or entity who has a membership in the Association.

## ARTICLE II

### OWNERS' EASEMENTS OF ENJOYMENT

Every owner has a right and easement of enjoyment in and to the Common Area, if any, which will be appurtenant to and will pass with the title to every building site, subject to the following provisions:

- A. The right of the Association to suspend the voting rights and privileges of an owner for any period during which any assessment against his building site remains unpaid and for a period not to exceed 60 days for any infraction of its published rules and regulations;
- B. The right of the Association to mortgage or convey the Common Area, or to dedicate or transfer all or part of the Common Area, if any, to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer will be effective until approved by a vote of at least 2/3 of the members, excluding Declarant, as indicated in an instrument executed by the corporation and recorded in the New Hanover County Registry.
- C. The right of the Association to impose regulations for the use and enjoyment of the Common Area, if any, and improvements thereon, which regulations may further restrict the use of the Common Area.

## ARTICLE III

### EASEMENTS

Section 1. Perpetual, alienable easements are reserved as necessary in the Properties and the Common Areas thereof for installation and maintenance of underground facilities and drainage facilities.

Section 2. Declarant reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement and right of way, on, over and under the ground for men and equipment to erect,

maintain, inspect, repair and use electric and telephone poles, wires cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water or other public conveniences or utilities on, in or over each lot and such other areas as are shown on the plat of the Properties recorded or to be recorded in the office of the Register of Deeds of New Hanover County; provided further, that Declarant may cut drain ways for surface water whenever such action may appear to Declarant to be necessary in order to maintain reasonable standards of health, safety and appearance. These easements and rights of way expressly include the right to cut any trees, bushes or shrubbery, make any grading of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. Declarant further reserves the right to locate wells, pumping stations, and tanks within residential areas on any walkway, or on any residential lot now or subsequently designated for such use or to locate same upon any lot with the permission of the owner of such lot. Such rights may be exercised by any licensee of Declarant, but this reservation will not be considered an obligation of Declarant to provide or maintain any such utility or service.

**Section 3.** Declarant reserves the right to subject the real property in this subdivision to a contract with Carolina Power and Light Company for the installation of street lighting, which requires a continuing monthly payment to Carolina Power and Light Company by each residential customer.

**Section 4.** Declarant reserves the right to subject the real property in this subdivision to a contract with North Carolina Natural Gas Company for the installation of all main gas lines. Individual unit owners remain responsible for their individual gas hookups, and for maintaining their accounts with North Carolina Natural Gas Company.

**Section 5.** All lots will be connected to the New Hanover County Sewer System. All monthly charges for sewer service will be the responsibility of each individual lot owner. Water will be provided by the City of Wilmington. All monthly charges for water service will be the responsibility of each individual lot owner.

**Section 6.** Ingress and egress is reserved for pedestrian traffic over, through and across sidewalks, paths, walks, and lanes as the same from time to time may exist upon the common areas and facilities; and, for vehicular traffic over, through and across all streets as from time to time may be paved and intended for such purposes, for all owners in the Subdivision, their guests, families, invitees, and lessees, the Association, Declarant, its successors and assigns. Declarant hereby reserves alienable easements over all

streets and other common areas as necessary to provide access for future development by Declarant or its successors and assigns of any properties adjoining the Subdivision.

**Section 7.** An easement is hereby granted to all police, fire protection, ambulance and all similar persons, companies, or agencies performing emergency services, to enter upon the lots and common areas in the performance of their duties.

**Section 8.** In case of any emergency originating in or threatening any building or structure on any lot or the common areas and facilities, regardless whether the lot owner is present at the time of such emergency, the Association or any person authorized by it, has the right to enter any lot for the purpose of remedying or abating the causes of such emergency and making any other necessary repairs not performed by the lot owners, and such right of entry is immediate.

**Section 9.** All easements and rights described herein are easements appurtenant, running with the land, which will inure to the benefit of and be binding on the undersigned, its successors and assigns, and any owner, purchaser, mortgagee and other person having an interest in said land, or any part or portion thereof, regardless whether reference to said easement is made in the respective deeds of conveyance, or in any mortgage or deed of trust, or other evidence of obligation, to the easements and rights described in this Declaration.

#### ARTICLE IV

##### MEMBERSHIP AND VOTING RIGHTS

**Section 1.** Each unit owner will be a member of the Association. Membership is appurtenant to and may not be separated from ownership of any unit.

**Section 2.** Each member is entitled to one vote in the affairs of the Association for each unit owned. When more than one person holds an interest in any building site, all such persons will be members. The vote for such lot will be exercised as the owners of such building site among themselves determine, but in no event may more than 1 vote be cast with respect to any unit.

#### ARTICLE V

##### MANAGEMENT AND CONTROL

Management of the affairs of the Association is the right and responsibility of its Board of Directors in accordance with the

Declaration and the By-Laws; provided, however, that all of the powers and duties of the Board of Directors may be exercised by Declarant until such time as 85% of the units have been sold and conveyed by Declarant to purchasers or until December 31, 2004, whichever occurs first. Management and control may be transferred to the unit owners at any time but no later than 120 days after the happening of the earlier of the above events.

#### ARTICLE VI

##### COVENANTS FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. Declarant, for each lot owned within the properties, hereby covenants and agrees to pay and each owner of any building site by acceptance of a deed therefor, whether or not it will be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- A. Annual assessments or charges;
- B. Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided;
- C. Insurance assessments as hereinafter provided; and
- D. To the appropriate governing taxing authority, a pro rata share of ad valorem taxes levied against the Common Area, if any.

The annual, special and insurance assessments, together with interest, costs, and reasonable attorney's fees, will be a charge on the land and will be a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, will also be the personal obligation of the person who was the owner of such property at the time when the assessment came due. The personal obligation for delinquent assessments will not pass to the unit owner's successors in title unless expressly assumed by them or a lien has been filed in the Office of the Clerk of Superior Court for New Hanover County.

Section 2. Purpose of Assessments. The assessments levied by the Association will be used exclusively to promote the health, safety and welfare of the owners of the properties and for the improvement and maintenance of all easements, utilities and the Common Area. The funds arising from said assessments or charges may be used for any or all of the following specific purposes:

maintaining, landscaping and improving the Common Area, streets, roads, drives, drainage and utility easements, and rights of way; enforcing these restrictions; landscaping and maintaining the front yards of all lots; and doing any other things necessary or desirable in the opinion of the Association to keep the property in neat and good order and to provide for the health, welfare and safety of owners of PHASE IA, POINTE SUMMERSET AT WRIGHTSVILLE.

**Section 3. Annual Assessments.** Annual assessments will be in an amount to be fixed from year to year by the Board of Directors which may establish different rates from year to year as it may deem necessary for the purposes set forth in Section 2 above. The amount of the annual assessment against each unit owner for any given year will be fixed at least 30 days in advance of the annual assessment period; provided, however, that the first annual assessment must be set prior to the conveyance of the first unit to an owner and written notice to the owners to be subjected thereto must be delivered to the owners at or prior to the closing of their units. Written notice of each annual assessment thereafter must be sent to every owner subject thereto. The due date will be established by the Board of Directors and the Board of Directors has the authority to require the assessments to be paid in pro rata monthly installments. 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. From and after January 1 of the year immediately following the conveyance of the first unit to an owner, the annual assessment may be increased each year not more than 5% above the assessment for the previous year without a vote of the membership, except as herein provided;
- B. From and after January 1 of the year immediately following the conveyance of the first building site to an owner, the maximum annual assessment may be increased each year above 5% by a vote of 2/3 of the members who are voting in person or by proxy at a meeting duly called for this purpose; and
- C. The Board of Directors may fix the annual assessment at an amount not in excess of the assessment for the previous year plus an increase of 5%.

**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 the year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment

must have the assent of 2/3 of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose.

**Section 5. Insurance.** The Board of Directors on behalf of the Association, as a common expense, shall at all times keep the property of the Association, if any, insured against loss or damage by fire or other hazards and other such risks, including, but not limited to, directors' liability and public liability insurance, upon such terms and for such amounts as may be reasonably necessary from time to time to protect the Properties and Common Area, which insurance must be payable in case of loss to the Association for all members. The Association has the sole authority to deal with the insurer in the settlement of claims. Such insurance must be obtained without prejudice to the right of each member to insure his personal property for his own benefit at his own expense. Each owner shall maintain at his own expense such insurance as he desires on any improvements on his lot. In no event will the insurance coverage obtained by the Association be brought into contribution with insurance purchased by members or their mortgagees.

**Section 6. Insurance Assessments.** All insurance policy premiums on the Common Area for the benefit of the Association purchased by the Board of Directors or its designee and any deductibles payable by the Association upon loss will be a common expense and the Association will levy against the owners equally as an additional annual assessment (Insurance Assessment) which will be in addition to the amounts provided for under Section 3 above, an amount sufficient to pay the annual cost of all such insurance premiums and deductibles.

**Section 7. 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 Sections 3 and 4 must be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast 60% of all the votes of each class of membership will constitute a quorum.

**Section 8. Uniform Rate of Assessment.** Both annual and special assessments must be fixed at a uniform rate for all building sites and may be collected on a monthly basis.

**Section 9. Commencement of Assessments.** Assessments for each building site will commence upon the date of acceptance by an owner of a deed from Declarant. Declarant will not be required to pay maintenance assessments on unsold building sites retained by Declarant, except for those lots retained for rental purposes for which Declarant shall pay to the Association annually, in lieu of any

other assessments, the pro rata share of insurance assessments attributable to the lots owned by Declarant, as the same become due.

Section 10. Effect of Nonpayment of Assessments and Remedies of the Association. Any assessment not paid within 30 days after the due date will bear interest from the due date at the highest rate allowable by law. The Association may bring an action at law against the owner personally obligated to pay the same, and/or foreclose the lien against the property, and may pursue any other legal or equitable remedy available. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or by abandoning his/her lot.

Section 11. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein will be subordinate to the lien of any first mortgage. Sale or transfer of any lot will not affect the assessment lien. However, the sale or transfer of any unit pursuant to mortgage foreclosure or any proceeding in lieu thereof, will extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer may relieve such unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 12. Working Capital Assessment. At the time title is conveyed to an owner, each owner shall contribute to the Association as a working capital reserve an amount equal to a two months estimated dues or assessments. Such funds will be used solely for initial operating and capital expenses of the Association, such as prepaid insurance, supplies, repairs and improvements of the common areas and facilities, furnishings and equipment, etc. Amounts paid into the working capital fund are not to be considered as advance payment of regular assessments. Any working capital funds remaining at the end of the first full operating year may be transferred to and become part of the general funds of the Association, in the discretion of the Board of Directors.

## ARTICLE VII

### ARCHITECTURAL CONTROL

Section 1. Declarant's Rights. All duties and responsibilities conferred upon the Architectural Control Committee by this Declaration or the By-Laws of the Association will be exercised and performed by Declarant or its designee, so long as Declarant owns any building site or unit in the Properties, or any additions annexed thereto by Supplemental Declaration or Amendment to this Declaration.

**Section 2. Building and Site Improvements.** No building, wall, signs, fixtures or other structure may be commenced, erected, or maintained upon any building site in the Properties, nor may any exterior addition to or change in or alteration therein (including painting or repainting of exterior surfaces) be made until the plans and specifications showing the nature, kind, shape, heights, materials, colors, and location of the same have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography, by Declarant, or its designee, or after the sale of all units by Declarant, by the Board of Directors of the Association, or by an architectural control committee composed of 3 or more representatives appointed by the Board. In the event Declarant, or its designee, or, if applicable, the Board, or its designated committee, fails to approve or disapprove such design and location within 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 satisfied. Refusal of approval of any such plans, location or specification may be based upon any ground, including purely aesthetic and environmental considerations, that in the sole and uncontrolled discretion of Declarant or the Architectural Control Committee will be deemed sufficient. One copy of all plans and related data must be furnished to Declarant or the Architectural Control Committee, as the case may be, for its records. Neither Declarant nor the Architectural Control Committee is responsible for any structural or other defects in plans or specifications submitted to it or any structure erected according to such plans and specifications.

**Section 3. Approval of Plans:**

A. No house plans will be approved unless the proposed house has a minimum of 1,700 square feet of enclosed dwelling area. The term "enclosed dwelling area" as used in the minimum requirements is the total enclosed area within a dwelling; however, such term does not include garages, terraces, decks, open porches, even though attached to the house.

B. Since the establishment of inflexible building setback lines for location of houses on lots tend to force construction of houses directly to the side of other homes with detrimental effects on privacy, view, preservation of important trees and other vegetation, ecological and related considerations, no specific front, rear or side setback lines will be established. In order to assure, however, that the foregoing considerations are given maximum effect, the site and location of any house or dwelling or other structure upon any lot will be controlled by and must be approved absolutely by Declarant or the Architectural Control Committee, as the case may be. No dwelling may be constructed closer than 10 feet from any dwelling

on any adjoining lot.

C. The exteriors of all houses and other structures must be completed within 12 months after the commencement of construction of same, except where such completion is impossible or would result in great hardship to the owner or builder, due to strikes, fires, national emergency or natural calamities.

D. No structure, except as hereinafter provided, may be erected, altered, placed or permitted to remain on any lot except one single family dwelling not to exceed 2 stories in height, unless Declarant or the Architectural Control Committee, as the case may be, approves in writing a structure of more than 2 stories and 1 or more small accessory buildings (which may include a detached private garage), provided that the use of such accessory buildings does not, in the opinion of Declarant or the Architectural Control Committee, overcrowd the site, and provided further, that such buildings are not used for any activity normally conducted as a business.

E. All service utilities, fuel tanks, clothes lines, and wood piles are to be enclosed within a wall or plant screen of a type and size approved by Declarant or the Architectural Control Committee, so as to preclude the same from causing an unsightly view from any highway, street or way within the subdivision. All mail and newspaper boxes must be uniform in design. Design for mail and newspaper boxes will be furnished by Declarant. No fences may at any time be placed or permitted to remain on any lot without approval of Declarant or the Architectural Control Committee.

F. Landscaping and off-street parking for not less than 2 automobiles must be provided on each lot prior to the occupancy of any dwelling constructed on said lot. Such parking areas and the driveways thereto must be constructed of concrete or such other material as may be approved by Declarant.

Section 4. Maintenance by Association. The Association, at its expense, is responsible for maintaining, repairing and replacing the planting easement areas, the storm water drainage system including the retention pond, all drainage lines, pipes and ditches which are located on the properties, except those constructed by individual lot owners and located within individual lots. The Association has the right to go onto the lots at reasonable times for the purpose of maintaining, repairing, and replacing all utility and drainage lines and pipes which might be located on such lots; and each owner hereby grants permission to the Association to enter his/her lot for such purposes.

A. In the event that such need for maintenance, repair or replacement (other than such being caused by fire, lightning,

windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, and smoke, as the foregoing are defined and explained in North Carolina Standard Fire and Extended Coverage Insurance Policies) is caused through the willful, or negligent act of the owner, his/her family, guests or invitees, the cost of such maintenance, replacement, or repair, will be added to and become a part of the assessment to which such lot is subject. Notwithstanding the foregoing, the Association retains the right to recover through legal action the cost of such maintenance, replacement or repair, including interest, court costs and reasonable attorney's fees, from those persons legally responsible for causing damage to the property of the Association.

B. The Association shall maintain the Common Area, including roadways, plants and shrubbery, boardwalks or walkways, and lighting fixtures and shall pay all costs of operation thereof including premiums associated with general liability insurance insuring the Association from liability arising from ownership and operation thereof.

C. In addition to the maintenance and repair of the common areas, the Association will be responsible for and provide for the maintenance and repair of all front yards, including trees, shrubs, grass, irrigation and other landscaping located on each front yard.

D. Individual unit owners are at all times encouraged to maintain their dwellings without making any alterations thereto.

E. In order to enable the Association to accomplish the foregoing there is hereby reserved in the Association the right to unobstructed access over, on, upon, through and across each lot and the structures and improvements thereon and its front yard, at all reasonable times to perform the maintenance and repair required under this Article.

F. In the event that any maintenance or repair of the lot, and any structures and improvements thereon, is required to be done or performed as a result of the negligent or willful acts of the owner, as determined by the Board of Directors of the Association, or the family, tenants, contract purchasers, guests or invitees of the owner, or is caused by fire, wind, rain, blowing water, lightning, smoke or other hazard or casualty, then, in the sole discretion of the Board of Directors the costs of such maintenance or repairs, not fully covered by insurance, may be levied as a special assessment against only the lot sustaining such damage which the owner shall pay to the Association within 15 days of the date of written notice to the owner from the Association requesting such payment. Ordinary wear and tear is not within the coverage of this paragraph.

USE RESTRICTIONS

Section 1. Land Use and Building Type. Except as provided in Section 14 below, no lot in PHASE IA, POINTE SUMMERSET AT WRIGHTSVILLE may be used for any purpose except residential purposes. All lots will be restricted for construction of single family dwellings only. Any building erected, altered, placed or permitted to remain on any lot will be subject to the provisions of Article VII of this Declaration relating to Architectural Control.

Section 2. Impervious Surface. No more than 3,000 square feet of any lot may be covered by structures and/or paved surfaces, including walkways or patios of brick, slate or similar materials, but specifically excluding walkways and decks of wood, provided that such walkways and decks are constructed in such a manner as to allow storm water runoff and to infiltrate the soil beneath the same. This covenant is intended to insure compliance with storm water runoff rules heretofore adopted by the State of North Carolina. Accordingly, its provisions may be enforced by the State of North Carolina.

Section 3. Nuisances. No noxious or offensive activity may be carried on upon any building site, nor may anything be done thereon which may be or may become an annoyance or nuisance to the community. No one may maintain any plants, animals, device or thing of any sort whose normal activities, existence or other nature may diminish or destroy the enjoyment by their owners of other lots in the neighborhood. It remains the responsibility of each owner to prevent the development of any unclean, unsightly, or unkempt condition of the buildings or grounds on such lot which would tend substantially to decrease the beauty of the development as a whole or the specific area.

Section 4. Temporary Structures. No structure of temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding may be used on any lot at any time as a residence either temporarily or permanently without the written consent of the Association or its designee.

Section 5. Recreational Vehicles. No boat, motor, camper, trailer, motor or mobile home, or similar type vehicle, may be permitted to remain visible on any lot or any street in the properties at any time, without the written consent of the Association or its designee. These vehicles may be maintained out of sight in garages without said written consent.

Section 6. Animals. No animals, livestock or poultry of any kind may 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 provided further, that they are not allowed to run free and are at all times properly leashed.

Section 7. Television Satellite Dishes and Outside Antennas. No conventional television satellite signal receiving dishes will be permitted on any lot and no outside radio or television antennas may be erected on any lot or dwelling unit within the properties unless and until permission for the same has been granted by the Board of Directors of the Association or its Architectural Control Committee. Said permission will not be required for the placement of modern, miniature television satellite signal receiving dishes, provided they are discretely placed within enclosed courtyards so as not to detract from the appearance of the neighborhood.

Section 8. Window Coverings. All drapes, curtains, or other similar materials hung at windows, or in any manner as to be visible from the outside, of any building erected upon any lot must be of a white or neutral background material.

Section 9. Exterior Lights. All light bulbs and other lights installed in any fixture located on the exterior of any building or any lot must be clear, white non-frost lights, or yellow bug bulbs.

Section 10. Junk Vehicles and Tractor Trailers. No inoperable vehicle, tractor-trailer, or vehicle without current registration and insurance may be kept, stored or maintained on any lot. The Association retains the right to have all such vehicles towed away at the owner's expense.

Section 11. Vehicle Repairs. No repairs to any vehicle may be made in driveways, but only in garages and those repair activities may not be visible from the street. No inoperable or immobile vehicles, whether or not containing current registration, will be permitted to remain in any driveway or on any street.

Section 12. Signs. No signs (including "For Rent", "For Sale", and other similar signs) or property identification signs may be erected or maintained on any lot except with the express written permission of Declarant, its successors or assigns, except as may be required by legal proceedings; provided, however, that Declarant or its agents may place "For Sale" or "For Rent" signs on any lots for sale and in suitable places on the Common Area approved by the Association; provided further, however, that during the development of the Property and the initial marketing of lots, Declarant may

maintain a sales office and may erect and display such signs as Declarant deems appropriate as aids to such development and marketing if such signs do not violate any applicable laws. Such permitted signs will be placed at the approximate center of a lot and 6 feet from the road curb. No sign may be nailed to any tree.

**Section 13. Alterations.** No person may undertake, cause or allow any alteration of construction in or upon any portion of the Common Area except at the direction or with the express written consent of the Association.

**Section 14. Subdividing.** No lot may be subdivided, or its boundary lines changed, except with the prior written consent of Declarant during the period of Declarant's control of the Association and thereafter, of the Board. However, Declarant hereby expressly reserves unto itself, its successors and assigns, the right to replat any 2 or more building sites shown on the plat of any subdivision of the Property in order to create one or more modified building sites; to further subdivide tracts shown on any such subdivision plat into two or more lots; to recombine one or more tracts or building sites or a tract and building sites to create a larger tract; to eliminate from this Declaration building sites that are not otherwise buildable or are needed for access to any area of the Property or are needed for use as private roads or access areas, and to take such steps as are reasonably necessary to make such replatted building sites or tracts suitable and fit as a building site or access area or roadway, said steps to include, but not to be limited to, the relocation of easements, walkways, and rights of way to conform to the new boundaries of the said replatted lots.

#### ARTICLE IX

##### RIGHTS OF INSTITUTIONAL LENDERS

**Section 1.** "Institutional Lender" means banks, savings and loan associations, savings banks, insurance companies, the Veterans Administration, the Federal Housing Authority, the Federal National Mortgage Association and other reputable mortgage lenders and guarantors and insurers of such first mortgages. So long as any Institutional Lender holds any mortgage upon any building site, or owns any building site, such Institutional Lender has the following rights:

- A. To be furnished with at least one copy of the Annual Financial Statement and Report of the Association, including a detailed statement of annual carrying charges or income collected and operating expenses, such financial statement and report to be furnished by April 15 of each