

Mecorded: 06/16/2008 at 12:41:00 PM Fee Amt: \$92.00 Page 1 of 27 WILSON, NC Audrey R. Neal Register of Deeds File# 2008-00006123 BK 2321 PG 308-334

NORTH CAROLINA

WILSON COUNTY

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR EAGLE FARM TOWNHOMES

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR EAGLE FARM TOWNHOMES (the "Declaration") is made this day of APRIL, 2008, by TRAVIS CONSTRUCTION, INC., a North Carolina Corporation, of Wilson, North Carolina, hereinafter referred to as the "Declarant", NC REAL PROPERTY I, LLC, Trustee, and FIRST CAROLINA STATE BANK, Noteholder, and BUNN-EAGLES FARM, LLC.

WITNESSETH:

WHEREAS, the Declarant is the owner of a tract of land in Wilson County, North Carolina which is more particularly described as set forth on Exhibit A attached hereto (the "Property"); and

WHEREAS, the Declarant intends to develop single family residential townhomes within the Property; and

WHEREAS, the Declarant desires to insure the attractiveness of the Property and prevent any future impairment thereof, to prevent nuisances, to preserve, to protect and to enhance the values and amenities of the Property and to provide for the maintenance and upkeep of some portions of the Lots and Common Areas as hereinafter defined. To this end, Declarant desires to subject the Property described on Exhibit A attached hereto to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said Property and each Owner thereof; and

WHEREAS, in addition to the covenants, conditions, and restrictions set forth herein, the property described on Exhibit A attached hereto is subject to the Master Declaration of Covenants, Conditions and Restrictions for Eagle Farm as recorded in Book 1757, Page 936, in the Wilson County Registry, and any Amendments thereto which have been recorded in the Wilson County Registry. Bunn-Eagles Farm, LLC is executing this Declaration to declare that all of the property described on Exhibit A attached hereto is hereby annexed into Eagle Farm and is and shall be held, transferred, sold, conveyed and occupied subject to the said Master Declaration of Covenants, Conditions and Restrictions for Eagle Farm.

WHEREAS, the Declarant has deemed it desirable to create an organization to which will be delegated and assigned the power of owning, maintaining, and administering the Common Areas and administering and enforcing the covenants, conditions, restrictions, charges and liens and collecting and disbursing the assessments and charges created as hereinafter set forth; and

WHEREAS, the Declarant has or will cause to be incorporated under North Carolina law "Eagle Farm Townhome Owners Association, Inc.", a non-profit corporation, for the purpose of exercising and performing the aforesaid functions.

NOW, THEREFORE, the Declarant, by this Declaration of Covenants, Conditions and Restrictions for Eagle Farm Townhomes (the "Declaration"), does declare that all of the Property described on Exhibit A attached hereto is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration which shall run with the Property and be binding upon all parties owning any right, title, or interest in said Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

- SECTION 1.1. "Articles" shall mean and refer to the Articles of Incorporation of Eagle Farm Townhome Owners Association, Inc.
- SECTION 1.2. "Association" shall mean and refer to Eagle Farm Townhome Owners Association, Inc., its successors and assigns.
- SECTION 1.3. "Member" shall mean and refer to every person or entity who holds membership in the Association.
- SECTION 1.4. "Property" shall mean and refer to those certain tracts of land described on Exhibit A attached hereto and incorporated herein including such other areas that have been made subject to this Declaration.
- SECTION 1.5. "Common Areas" shall mean and refer to all real property owned by the Association for the common use and enjoyment of all Members or designated Members of the Association, including recreational areas and amenities located thereon.
- SECTION 1.6. "Lot" shall mean and refer to any plot of land shown upon the last recorded subdivision map of the Property on which such plot appears (provided such map has been approved by the Declarant) and shall include a Townhome "Unit". "Lot" shall not include any Common Areas.
- SECTION 1.7. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot/Unit which has been made subject to this Declaration, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation and excluding buyers who are general contractors approved by the Declarant and who have bought a Lot or Lots solely for the purpose of resale after constructing improvements thereon.
- SECTION 1.8. "Declarant" shall mean and refer to Travis Construction, Inc, and its successors and assigns, if any, to whom the rights of the Declarant hereunder are expressly transferred hereafter, in whole or in part, and such assigned rights shall be subject to such terms and conditions as the Declarant may impose.

ARTICLE II

EAGLE FARM TOWNHOME OWNERS ASSOCIATION, INC.

SECTION 2.1. The Association. A nonprofit corporation named Eagle Farm Townhome Owners Association, Inc. has been or will be formed pursuant to the rules and requirements of the Non-Profit Corporation Act (Chapter 55A) of the General Statues of North Carolina and the Planned Community laws of Chapter 47F of the General Statues of North Carolina as an association of the Owners of Lots. Its purposes are to collect assessments for, and provide for the maintenance, repair and replacement of the exterior elements of the Townhome Units, lawn maintenance of the Lots and Common Area, and general maintenance, repair and replacement of the Common Area, to enforce the restrictions contained herein, and to make and enforce rules and regulations governing the Owners' use and occupation of the Lots and Common Areas.

SECTION 2.2. <u>Members</u>. Each Owner of a Lot shall be a Member of the Association. The Declarant, by this Declaration, and the Owners by their acceptance of individual deeds thereto, covenant and agree with respect to the Association:

- a. That for so long as each is an Owner of a Lot, each will perform all acts necessary to remain in good and current standing as a Member of the Association;
- b. That each shall be subject to the rules and regulations and bylaws of the Association with regards to ownership of a Lot; and
- c. That any unpaid assessment, whether general, specific or special, levied by the Association, in accordance with this Declaration, and the Articles or bylaws thereof, shall be a lien upon the Lot which such assessment was levied, and shall also be the personal obligation of the Owner of the Lot at the time that the assessment falls due.
- SECTION 2.3. <u>Unity</u>. Each membership in the Association shall relate to and have a unity of interest with an individual Lot which may not be separated from ownership of said Lot.
- SECTION 2.4. <u>Voting</u>. The Association shall have two classes of voting memberships as set forth below and voting by Members shall be in person or by proxy:

Class A: Class A Members shall be all Owners of Lots with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot owned. Where any Lot is owned as a tenancy in common or as a tenancy by the entirety, or another form of multiple ownership, said tenants and Owners shall determine between or among themselves how the vote to which they are entitled shall be cast. However, there shall not be any division of a vote that said Owners would otherwise be entitled to cast if the tenants do not unanimously agree among or between themselves as to how the vote should be cast. Except with regards to the Declarant, in no event shall more than one vote be cast with respect to any Lot. Multiple Owners may designate a single person to act as agent to cast their vote.

votes for each Lot owned. All Class B memberships shall cease and be converted to Class A memberships when the total votes outstanding in the Class A membership exceed the total votes outstanding in the Class B membership or December 31, 2012, whichever shall first occur.

SECTION 2.5. <u>Management and Administration</u>. The Association shall be governed by a board of directors made up of representatives elected by the Members. The number of board members, their selection, qualification and voting power shall be as determined by the bylaws of the Association. The management of the Association shall be carried out in accordance with the terms and conditions of this Declaration, the Articles and the bylaws of the Association, but may be delegated or contracted to managers and management services.

ARTICLE III

PROPERTY RIGHTS; AMENITIES

SECTION 3.1. <u>Members' Easement of Enjoyment</u>. Every Owner shall have a right and easement of enjoyment in and to the Common Areas and such easement shall be appurtenant to and shall pass with the title to every assessed Lot, subject to each of the following provisions:

- a. The right of the Association, in accordance with its Articles and bylaws, to borrow money for the purpose of improving the Common Areas and in aid thereof to mortgage the Common Areas, or any portion thereof, provided the rights of such mortgage in the Property shall be subordinate to the rights of the Owners hereunder.
- b. The right of the Association to suspend the rights to use the Amenities by a Member or any person to whom he has delegated his right or enjoyment for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed thirty (30) days, for any infraction of its published rules and regulations.
- c. The right of the Association, in accordance with its Articles and bylaws, to dedicate or transfer all or any part of the Common Areas for such purposes and subject to such conditions as may be agreed to by the members of the board of directors.
- d. The right of the Association, in accordance with its Articles and bylaws, to dedicate or transfer all or any part of the Common Areas for utility, drainage, pedestrian walkway and cable television easements.
- e. The right of the Association, in accordance with its Articles and bylaws, to exchange Common Areas as set forth hereinafter.
- f. The right of the Association to formulate, publish and enforce rules and regulations as set forth hereinafter.

Actions contemplated under subparagraphs (a), (c) and (e) above shall not be taken until the following two steps are met:

votes of such board have voted for such action at a meeting duly called for said purpose, notice of which was sent to every board member not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting; and

b. Owners entitled to cast eighty percent (80%) of the votes in the Association have approved the action in writing.

The action effecting such dedication, transfer, conveyance or mortgage shall be sufficient if it is executed by the appropriate officers of the Association, if it contains a recital of the above provisions and if the above provisions have been complied with.

SECTION 3.2. <u>Delegation of Use</u>. Any Owner may delegate his right of enjoyment to the Common Areas and Amenities to the household members of his family.

SECTION 3.3. <u>Title to the Common Areas</u>. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Areas to the Association free and clear of all encumbrances and liens, except utility, antenna and drainage and sedimentation easements, sanitary sewer easements and easements of governmental authorities.

ARTICLE IV

ASSESSMENTS

SECTION 4.1. Creation of Lien and Personal Obligation of Assessment. Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) such amounts assessed for repair, maintenance, improvement and replacement of the exteriors of any improvements on the Lots, and use of the Common Areas (the "General Assessment"), (b) such amounts as may be assessed against an Owner pursuant to restrictive covenants applicable specifically to such Owner's Lot (the "Specific Assessment") and (c) such other general or special assessments to be established and collected as hereinafter provided (the "Special Assessment"). The General Assessment, the Specific Assessment and the Special Assessments are hereinafter sometimes collectively referred to as the "Assessments". Any Assessments, together with interest, costs, and reasonable attorney fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such Assessment is made. All Assessments, together with interest, costs, and reasonable attorney fees, shall also be the personal or corporate obligation of the person(s) or firm(s) or corporation(s) owning such Lot at the time when the Assessments fall due.

SECTION 4.2. Purpose of Assessments.

a. The General Assessment shall be used for maintenance of the exterior of any improvements on the Lots and the Common Areas, including but not limited to, the cost of repair, replacement, and additions thereto, the cost of labor, equipment, materials, management, and supervision thereof, and maintenance of insurance thereon, the establishment and maintenance of a reserve fund for the periodic maintenance, repair and replacement of the exteriors of any improvements on the Lots, and the Common Areas, and for such other funds

this Declaration, or its Articles or by-laws.

- b. The Specific Assessment shall be used for the purposes set forth in the restrictive covenants which are applicable to the Lot against which such Specific Assessment has been levied.
- c. The Special Assessment shall be used to defray, in whole or in part, the cost of any new construction, reconstruction of described capital improvements or unexpected repair or replacement of described capital improvements upon the Lots or Common Areas, including the necessary fixtures and personal property related thereto and shall be set in accordance with the requirements set forth in Section 4.6 below.
- SECTION 4.3. <u>Specific Assessments</u>. The Specific Assessments shall only be levied against and collectable from the Owners of Lots to which the restrictive covenants setting forth the Specific Assessments are applicable.
- SECTION 4.4. <u>Reserve Fund</u>. The Association shall establish a Reserve Fund which shall be an operating capital fund and may also be used to accumulate funds necessary to effect repairs and maintenance as is required by this Declaration, including, without limitation, major repairs and capital improvements to the exteriors of any improvements on the Lots and to the Common Areas as may be required by this Declaration or voted by the Owners.
- SECTION 4.5. <u>Uniform Rate of Assessment</u>. All General Assessments shall be fixed at a uniform rate for each Lot. Any General Assessments shall be set on an annual basis by the Association and be collected as set forth in Section 4.7 below. Specific Assessments shall be fixed at a uniform rate for each Lot to which such Specific Assessments are applicable. Specific Assessments shall also be collected as set forth in Section 4.7 below. Special Assessments shall be paid as determined by the Members. Collection of all Assessments shall be handled by the Association.
- SECTION 4.6. Notice and Quorum for Any Action Authorized Under Section 4.2(c). Written notice of any meeting called for the purpose of taking any action authorized under Section 4.2(c) hereof shall be sent to all Members not less than ten (10) days and no more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast two-thirds (2/3) of all votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and if the same is called for a date not later than sixty (60) days after the date of the first meeting, the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.
- SECTION 4.7. <u>Date of Commencement of Assessments</u>; <u>Due Date</u>; <u>Certificate of Payment</u>. The General Assessments and Specific Assessments provided for herein shall commence as to each Lot on the day that such Lot is conveyed to an Owner provided such Lot has been annexed into the Property and shall be due and payable monthly and/or as determined by the Board of Directors. The first General Assessments and Specific Assessments shall be collected at the closing on such Lot and shall be prorated according to the closing date. Special Assessments shall be due and payable as determined by the Members at the meeting specially called to set such Special Assessments.

At least thirty (30) days before January 1 of each year, the board of directors of the Association shall fix

days before January 1 of each year, shall send written notice of such Assessments to every Owner subject thereto. 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.

SECTION 4.8. Effect of Nonpayment of Assessments; Remedies of the Association. Any Assessments, if not paid within thirty (30) days after the date such Assessments are due, together with interest at the rate of twelve percent (12%) per annum, cost of collection, court costs, and reasonable attorney fees, shall constitute a lien against the Lot upon which Assessments were levied. The Association may record notice of the same in the Office of the Clerk of Superior Court of Wilson County under the provisions of Chapter 44A of the North Carolina General Statutes. The lien created herein shall be prior to all other liens except (a) liens for real estate taxes due and unpaid, (b) all sums unpaid on deeds of trust and other encumbrances recorded against the Lot prior to the docketing of the lien, and (c) materialmen's and mechanics' liens.

The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot. Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association, or its agents or assigns, the right and power to bring all actions against such Owner personally liable for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or a deed of trust lien on real property and such Owner expressly grants to the Association a power of sale in connection with foreclosure of said lien. The lien provided for in this action shall be in favor of the Association and shall be for the benefit of all other Lot Owners. The Association may purchase a Lot being foreclosed on behalf of the remaining Lot Owners as a group as instructed by the remaining Lot Owners at a meeting duly called for such purpose, or if less than all of the remaining Lot Owners wish to purchase such unit, then on behalf of and at the cost of any one or more of the remaining Lot Owners. In the event the Association shall purchase a unit offered for sale on behalf of all of the remaining Lot Owners, then the costs thereof shall be shared equally, and any profit or loss realized from the sale by the Association of the unit so acquired shall likewise be shared equally by the remaining Lot Owners. In the event the Association shall purchase the Lot offered for sale on behalf of any one or more but not all of the remaining Lot Owners, then the cost thereof and any profit or loss realized from the resale of said Lot shall be shared by such purchasing Lot Owners in such portions as they shall agree upon.

In the alternative, the board of directors of the Association may maintain a suit against the delinquent Owner of the Lot to recover a money judgment for unpaid Assessments without foreclosing or waiving the lien securing said unpaid Assessments. The personal obligation for delinquent Assessments shall not pass to a successor in title to a Lot unless expressly assumed by said successor.

No Owner may waive or otherwise escape liability for the Assessments provided for herein by nonuse of the Common Areas or abandonment of his Lot.

In addition, the Association may impose fines and/or suspend an Owner's voting rights so long as the provisions of Section 47F-3-107.1 of the North Carolina General Statutes pertaining to a right to a hearing are complied with.

SECTION 4.9. <u>Subordination of the Lien to Mortgages</u>. The liens provided for herein shall be subordinate to the lien of any mortgage, mortgages, deed of trust, or deeds of trust recorded prior to the

Owner for any Assessments due. However, the sale or transfer of any Lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve any such Lot from liability for any Assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust recorded prior to the docketing of such lien.

SECTION 4.10. Two Months Assessments to be Collected at Closing. At the closing of each sale of a Lot to an Owner, in addition to the General Assessments and Specific Assessments which are to be prorated and collected at closing, an additional sum shall be collected at closing equal to the total Assessments for such Lot for the succeeding two months and such sum shall be paid to the Association to be allocated to the Reserve Fund and used in the manner specified for the Reserve Fund. This shall be a one time contribution and shall not be considered an advance against Assessments to become due, or a refundable deposit.

SECTION 4.11. <u>Management of Funds</u>. All funds levied and collected by the Association shall be managed and under the control of the Association. The Association is authorized to employ a professional manager to oversee accounts, manage the payment and collection of funds and perform all tasks incident to operating the Association.

SECTION 4.12. Excess Assessments. Any surplus Assessments remaining after payment of the items for which such Assessments were collected, the funding of a reasonable operating expenses surplus and the prepayment of reserves shall be paid to the applicable Owner in proportion to his liability for the Assessments or shall be credited to such Owner in the same proportion to reduce his future assessment.

SECTION 4.13. <u>Insurance Assessments</u>. Each owner shall at Owner's own cost and expense insure and keep in effect on the buildings and improvements located on Owner's lot a policy of fire and extended coverage insurance in an amount equal to 100 percent of the full replacement cost of said buildings and improvements. The Association shall have the right to determine what amount of insurance is necessary to comply with the terms of this Section. The owner shall deposit with the Association a Certificate of Insurance or other satisfactory proof of insurance at or prior to the purchase of a lot and thereafter within ten days prior to the expiration of such policy. Such policy shall to the extent obtainable, provide that the same shall not be cancelled without at least ten days' prior written notice to the Association. In the event the owner shall fail to deliver to the Association a Certificate of other satisfactory proof of insurance to comply with the terms of this section, the Association may purchase such insurance and the cost of such insurance shall be added and become a part of the assessment to which such lot is subject.

If any building or improvement located upon a lot is totally or partially destroyed or damaged as a result of a casualty or hazard against which owner is required to carry insurance, the owner shall promptly apply or cause to be applied such insurance proceeds towards cost of the repair, replacement or reconstruction of such building or improvement, unless a change shall be approved by the Board of Directors of the Association.

PARTY WALLS

- SECTION 5.1. Each wall which is built as a part of the original construction of the townhouse upon the properties and placed on the dividing line between the lots and all reconstruction or extensions of such walls shall constitute party walls 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 to negligence or willful acts or omissions shall apply thereto.
- SECTION 5.2. 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 5.3. 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 my restore it, and if the other owners thereof make use of the wall thereof, 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 negligence or willful acts or omissions.
- SECTION 5.4. The owner of any townhouse lot may construct, reconstruct, or extend a party wall in any direction, subject to and within the limitations of architectural control and other limitations of these covenants, 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 or before the commencement of such construction as is reasonably practicable.
- <u>SECTION 5.5.</u> <u>Weatherproofing</u>: Notwithstanding any other provisions of this Article, an owner who, by his negligence or willful act, causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against the elements.
- SECTION 5.6. The 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 5.7. Certification by Adjoining Property Owner that No Contribution is Due: If any owner desires to sell his property, he may, 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 or property owners or any one of them, a certification that no right of contribution exists. Whereupon it shall be the duty of each adjoining property owner to make such certification immediately upon request and 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 and the reason therefor. In the event an adjoining property owner refuses or neglects to make a certification within one week after being requested to do so, it shall be deemed a waiver of the right of the adjoining property owner to proceed against the adjoining requesting property owner or his successor in title.
 - SECTION 5.8: Arbitration: In the event of any dispute arising concerning a party wall, or under the

ARTICLE VI

GENERAL USE RESTRICTIONS

- SECTION 6.1. Rules and Regulations of Common Areas. The board of directors of the Association shall have the power to formulate, publish, amend and enforce reasonable rules and regulations concerning the use of the Property and the Common Areas.
- SECTION 6.2. <u>Quiet Enjoyment</u>. No obnoxious or offensive activity shall be carried on upon the Property which may be or become a nuisance or annoyance to the neighborhood. All Owners shall comply with any and all noise ordinances applicable to the Property.
- SECTION 6.3. <u>Rules and Regulations for Parking of Vehicles</u>. The board of directors of the Association shall have the power to formulate, publish, amend and enforce reasonable rules and regulations concerning the parking of any type of vehicle on the Property, including Common Areas. Such rules may provide, without limitation, the following:
- a. A definition of a "recreational vehicle" and regulations covering the parking of recreational vehicles on Lots, Common Areas and streets in Eagle Farm Subdivision on which Eagle Farm Townhomes front;
- b. A prohibition against campers, boats, trailers, trucks (except one-half ton or less pick-up trucks), jet skis, trailerized cookers, trailers, and commercial vehicles of any kind that the board of directors designates being parked in any Common Areas or on any Lot or street in Eagle Farm Subdivision on which Eagle Farm Townhomes front, except in areas designated for that purpose, if any;
- c. Limitations on the period of time and extent to which a motor vehicle may be repaired on the Property and requirements that all motor vehicles parked on any Lots, Common Areas, or street in Eagle Farm Subdivision on which Eagle Farm Townhomes front must be in an operable condition, must not have any damage to the body of the vehicle and must have valid license plates; and
- d. A prohibition against motor vehicles being parked on any grassy areas of Lots or Common Areas at any time.

ARTICLE VII

EASEMENTS

All of the Property, 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, television antenna or reception lines (including, without limitation, cable television) and other public utilities as shall be established by the Declarant or by its successors in title, prior to the conveyance of Lots to subsequent Owners or the conveyance of the title to the Common Areas to the Association; 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 Property.

for reasonable ingress and egress for installation, replacing, repairing and maintaining all utilities, including, but not limited to water, sewer, gas, telephones, cable television system, and electricity. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain the necessary underground equipment and other necessary equipment on said property, and to affix and maintain electrical and/or telephone wires, circuits, and conduits on, above, across and under the roofs and exterior walls of said townhouses. An easement is further granted for the benefit of the City of Wilson, North Carolina, over all common areas hereby or hereafter established for police protection, fighting of fires and collection of garbage. Notwithstanding anything to the contrary contained in this paragraph, no sewer lines, electrical lines, water lines or other utilities may be installed or relocated on said property except as initially programmed and approved by the Declarant or thereafter approved by the Declarant or the Association's Board of Directors. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable documents, Declarant will have the right and authority to grant such easement on said property without conflicting with the terms hereof. The easement provided for in this Article shall in no way affect other recorded easements on said premises.

The Property shall be subject to an easement in favor of the Association to allow persons and equipment onto the Lots for the purpose maintaining the Lots in accordance with the rules and regulations of the Association.

All Common Areas shall be subject to an easement in favor of all Lots and shall be deemed appurtenant to all Lots, whereby the Owner of each Lot shall be entitled to use them for access, ingress and egress to parking areas, walkways and streets.

ARTICLE VIII

INSURANCE

SECTION 8.1. <u>Insurance Coverage</u>. Insurance coverage on the Property shall be governed by the following provisions:

- a. Ownership of Policies. All insurance policies covering the Common Areas shall be purchased by the Association for the benefit of the Association and the Owners and their mortgagees as their interest may appear. All such insurance coverage shall be written in the name of the Association as Trustees for each of the Lot Owners in equal proportions.
- b. Coverage. All buildings and improvements upon the Common Areas and all personal property included in the Common Areas shall be insured in an amount equal to one hundred percent (100%) insurable replacement value as determined annually by the Association with the assistance of the insurance company providing coverage. Such coverage shall provide protection against:
- Loss or damage by fire and other hazards covered by the standard extended coverage endorsement,
- ii. Such other risks as from time to time shall be customarily covered with respect to buildings on the Property, and

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- c. Liability. Public liability insurance shall be secured by the Association with limits of liability of no less that Two Million Dollars (\$2,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group and as a single Owner. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be desirable and necessary.
- d. Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association and charged to the Owners as a part of the General Assessments.
- SECTION 8.2. <u>Distribution of Insurance Proceeds</u>. Proceeds of hazard insurance policies received by the Association shall be used to defray the cost of repairs to improvements located on the Common Areas.
- SECTION 8.3. Fidelity Insurance or Bond. All persons, excluding the Declarant, responsible for or authorized to expend funds or otherwise deal in the assets of the Association shall first be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties in an amount equal to twelve (12) months' Assessments plus reserves accumulated.
- SECTION 8.4. Officers and Directors Insurance. The board of directors of the Association may secure Officers and Directors insurance in such amounts as the board deems appropriate. Premiums shall be paid from the General Assessments.

SECTION 8.5 <u>Insurance Required of Owner.</u> Immediately prior to starting construction of a residence on a Lot, the Owner, either individually or through their contractor, shall have in effect, a fully paid builder's risk insurance policy. Immediately upon completion of the residence, the Owner shall have a fully paid fire and extended coverage insurance policy or homeowners insurance policy. Said insurance policies shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction to the dwelling and/or improvements from any hazard.

The builder's risk and homeowners insurance policies to be taken out by each Owner shall include a loss payable clause listing the Association as an additional insured and must contain a clause therein that the insurance cannot be canceled without first giving the Association ten (10) days notice of said cancellation. If requested by the Association, an Owner shall furnish evidence of the aforementioned insurance as well as evidence of the payment of the premium to the Association prior to the construction of the residence as to the builder's risk insurance policy and prior to occupying the residence as to the fire and extended coverage insurance policy or homeowners insurance policy, and on an annual basis thereafter.

In the event a residence is partially or totally destroyed by fire or other casualty the Owner shall rebuild, repair, or restore such damage or destroyed portions of the residence and such repairs and rebuilding shall be done to the same condition and appearance, including using the same or substantially similar building materials, as existed immediately prior to the partial or total destruction. In the event the Owner fails to provide funds necessary to complete the construction, then the Association shall have the right to collect the insurance proceeds and/or proceed against the Owner and personally collect said funds and the Association shall have a lien against the Lot for the amount necessary to complete said construction, together with interest, costs and reasonable attorney fees. Said lien may be enforced by the Association in a like manner as a mortgage or a deed of trust and the Owner hereby expressly grants to the Association a power of sale in favor of the Association which shall be for the benefit of all other Owners. Any repair or restoration shall be commenced as promptly as possible after the casualty, taking into consideration the customary time necessary for casualty insurance matters to be

The provisions of this Article pertaining to builder's risk insurance shall also be applicable to general contractors who are building residences for resale on a Lot.

ARTICLE IX

USE RESTRICTIONS

Section 9.1. Architectural Committee. An Architectural Committee has been established to approve all plans and specifications for construction of improvements within Eagle Farm Townhomes.

Section 9.2. Architectural Control.

(a) The real property described on Exhibit "A" attached hereto shall be used for residential purposes only. No building, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on any lot other than one single family townhome dwelling and private garage; no outbuildings shall be allowed; no dwelling shall exceed two stories in height, except with the written approval of the Architectural Committee.

Construction of any improvement on a lot, once begun, must proceed diligently and continuously until completion, and must be completed in accordance with the approved plans and specifications within a reasonable time, but not to exceed twelve (12) months, from the date construction commences, unless timely completion is rendered impossible as a direct result of strikes, fire, natural emergencies, natural calamities or if delay of completion is approved in writing by the Architectural Committee. During the construction process the Lot shall be maintained in a generally presentable condition.

In the event that construction of an improvement has not been completed within eighteen months (18) months from the date construction commenced, the Declarant, or Association, shall have the right to purchase the lot upon which the improvement is being constructed, including any improvements located thereon, at the fair market value of the lot and such improvements. Such fair market value shall be determined by two (2) certified real estate appraisers, one to be named by the Declarant, or Association as the case may be, and the other to be named by the Owner. In the event that the two (2) real estate appraisers cannot agree on the fair market value of the lot and its improvements, such real estate appraisers shall name a third real estate appraiser who shall then determine the fair market value of the lot and its improvements. Any fair market value determined pursuant to this paragraph shall be binding on the Declarant, or Association, and the Owner. The Declarant, or Association, shall not be required to exercise this option but shall have the right to do so in its sole discretion.

In addition to the remedies set forth in this section, the Declarant shall have all other remedies available to it at law and in equity to enforce the provisions of this section.

(b) No building (except the townhome unit itself), fence, wall, mailbox, entrance markers or pillars, newspaper box shall be allowed on any Lot. No townhome unit, or any other improvements shall be made, erected, placed or altered on any lot until the construction plans, landscaping and irrigation plans, exterior lighting and/or landscape lighting plans, use, specifications, exterior color and finish, exterior materials, plot plan showing the location of the building or structure, drive and parking area, and construction schedule shall have been approved by the Architectural Committee, its successors and assigns. Each such improvement shall be placed on the lots only in accordance with plans and specifications and plot plan so approved, and shall comply with all local, state, and federal laws, rules, and regulations. Refusal of approval may be based by the Architectural Committee upon any ground, including purely aesthetic conditions or to preserve healthful and pleasant living conditions, which in the

exterior appearance of any building or structure, or any of the aforementioned items, snall be made without like approval by the Architectural Committee.

No signs shall be erected or maintained on the lots unless approved in advance by the Architectural Committee. No trade materials or inventories may be stored upon the lots and no boats, jet skis, boat trailers, or other type trailers, trailerized cookers, school buses, commercial vehicles, recreational vehicles, campers, trucks or vans, except for small one-half ton trucks or one-half ton vans, or tractors may be stored or regularly parked on the lots, common area, or on any streets in Eagle Farm Subdivision on which Eagle Farm Townhomes front. All garbage cans, exterior air conditioning and heating equipment and other mechanical equipment, and other structures or objects determined by the Architectural Committee to be of an unsightly nature or appearance, shall be screened from view from the street and any adjoining lot. No business activity or trade of any kind whatsoever shall be carried on upon any lot except development construction by Declarant and construction and improvements as permitted in this Declaration. Any outside cooking grills shall be confined to the side courtyard area or deck area, if any, located in the rear yard.

c) Unless agreed to otherwise, the total finished, heated/cooled, floor area of the main structure, exclusive of porches, basements, garages, carports and patios shall not be less than 2,500 square feet;

Heating and cooling shall be by a centralized system and individual units shall not be allowed in any window or elsewhere to be run from the exterior of the townhome unit. Brick veneer masonry shall be the primary exterior wall finish on each dwelling and garage.

- (d) All driveways and parking areas shall be paved concrete from the street to each house, except as otherwise permitted in the sole discretion of the Architectural Committee, provided that the apron from the street to the property line is paved with concrete, brick, cobblestone, and is the same width as the driveway.
 - (e) Except with the prior written approval of the Architectural Committee:
- i.) All buildings and structures of any kind shall be erected or located on any lot only in accordance with the lot line minimum setback requirements as set forth on the recorded plat of the subdivision.
- ii.) No trees which exceed 24 inches in circumference at a point thereon measured 36 inches from the ground shall be removed or altered, unless it is determined by the Architectural Committee or the Association to be a structural hazard.
- (f) Any and all of the lots shown on the aforementioned map may in the future be rearranged by the owners thereof. The term "lot" as used herein, shall refer not only to lots as laid out on the map referred to herein, but also to any rearranged lot as provided for in this paragraph; and the words "lot line" as used herein shall refer not only to the original lot lines on the map but to any new lot lines created by any rearrangement of any existing lot, said new lot lines to be deemed to replace the platted lines of said lot. However, said rearrangement shall not increase or decrease the total number of lots as shown on the aforementioned map.
- (g) No obnoxious, offensive or unlawful activity shall be conducted within any Lot, or on or about the Common Area; nor shall anything be done thereon or therein which may be or which may become an annoyance or nuisance to, or interfere with the comfort or convenience of, the other Owners and Occupants of the Lots, or endanger the health or safety of any Owner or Occupant. Nothing shall be done or kept on any Lot or on the Common Area that will result in the termination of, or an increase in the premium for, the policy of insurance for the Property.

home, basement, tent, shack, barn, or any other outbuilding shall be erected or maintained on any lot without the prior written approval of the Architectural Committee and in the event approval is obtained, none of the above shall be used on any lot at any time as a residence either temporarily or permanently.

(i) No animals, livestock, or any breed of pot belly pigs, or poultry of any kind shall be raised, bred or kept on the Property or in the Units, except that a maximum of two (2) domesticated household pets may be kept in any one Unit, provided that they are not kept, bred or maintained for commercial purposes. The following dog breeds shall be specifically prohibited: Rottweiler, Doberman, Mastiff, Bulldog, Pit Bulls, Chows, and wolf hybrids. Notwithstanding the foregoing, reptiles, insects, amphibians, and rodents shall be expressly prohibited. No pet shall be permitted upon the Common Area unless attended and carried or leashed by a person who can control the pet. All pets shall be controlled so as not to create a nuisance or unreasonable disturbance (including loud or excessive barking, or other noise) on the Property. Pet owners shall immediately clean up any waste on the Property or Common area from his/her pet. All pets shall be registered or inoculated as required by law. All Owners and Occupants with pets shall hold the Declarant (during the Declarant Control Period) and the Association harmless from any claim resulting from any action of the pet, and promptly repair, at his/her cost, any damage to the Common Area caused by the pet. If an Owner violates any portion(s) or combination of portions of this Section more than twice in any twelve (12) month period, the Association shall have the right to require the Owner to permanently remove the pet from the Property upon no less than ten (10) days written notice. In addition, the Declarant (during the Declarant Control period) and the Association shall specifically have the power and responsibility to designate, based upon temperament, size and/or nature, tendencies, from time to time, a list of breeds of animals which shall be prohibited on the Property or in any townhome Unit.

Notwithstanding the foregoing, the Owners of any of the Lots/Townhome Units that are a part of Lot 159 of the Property shall be permitted to install an underground invisible dog fence on the rear 30 foot portion of their Lot, and they shall be allowed to let their dog(s) stay unattended in the area encompassed by the fence during daylight hours, provided that the dog(s) does not create a nuisance or unreasonable disturbance (including loud or excessive barking) on the Property. The Association shall have the authority to revoke its approval for the underground invisible fence upon receiving written complaints from two-thirds of the Owners of the Lots/Units that are a part of Lot 159 of the Property, and upon such revocation the Owner shall immediately cease allowing the dog(s) to stay in said area unattended. If approval is revoked, an Owner may later reapply to the Association for re-approval based upon a showing satisfactory to the Association of a change in circumstances.

- (j) No pools shall be allowed on any lot. Hot tubs or plunge pools may be allowed in the side enclosed courtyard area of a Unit with the prior written approval of the Architectural Committee.
- (k) No Owner or any employee, agent, or invitee of any Owner, shall park, store or keep any vehicle on the Property except wholly on the parking pad and in the garages of each Lot or within those portions of the Common Area designated as parking areas by the Association for each Townhome Unit, and in particular shall not block any entrances, drive aisles, and fire lanes. No vehicles shall be parked on the street in Eagle Farm Subdivision on which the Eagle Farm Townhome Lots front. The paved driveway providing access to each townhome Unit may be used only by the Owner of the Unit to which that driveway is allocated, and his agents and invitees. No boats, jet skis, boat trailers, or other type trailers, trailerized cookers, school buses, commercial vehicles, motor homes, travel trailers, campers or other recreational vehicles, tractors, may be stored on the Property at any time. No significant vehicle repair shall be allowed on the Property. No inoperative or abandoned vehicle of any type may be parked or stored on the Property. All vehicles must have valid license plates. The Association shall have the right to tow any vehicle in violation of this Section at its owner's expense. Other than the specific parking spaces allowed to the Units, any remaining parking spaces shall be available for use by all

Specifically, but not by way of limitation, the Association shall have the right to post "No Parking" signs in certain areas of the Property. In addition to having the right to tow any vehicle in violation of the "No Parking" restriction, the Association shall have the right to levy fines as follows: First Offense during any twelve (12) month period - \$50.00; Second Offense during any twelve (12) month period - \$100.00; any violations over two (2) in any twelve month period - \$200.00. Fines imposed for violation of the parking restrictions shall be considered special assessments and shall be due and payable upon receipt of the parking violation. The Association shall have the right to enforce the collection of any assessments under this Declaration and the Bylaws of the Association including charging of interest, payment of late fees and imposing of a lien against the Unit. Each Owner shall be responsible for violation of the "No Parking" restriction by Owner or anyone in Owner's family or any guests or invitees of the Owner.

- (l) The Association shall keep all vacant lots free of tall grass, undergrowth, dead trees, trash, unusual or abandoned vehicles and rubbish and properly maintained so as to present a pleasing appearance. In the event an owner does not properly maintain his lot as above provided in the opinion of the Architectural Committee, then Declarant, or its successors and assigns, at its option may have the required work done and the costs thus incurred by Declarant or its successors and assigns shall be paid by the lot owner.
- (m) Any dwelling or improvement on any lot which is destroyed in whole or in part by fire or other casualty must be rebuilt forthwith, or all debris removed and the lot restored to a sightly condition with reasonable promptness; provided, however, that in no event shall such debris remain on such lot longer than 120 days from the date of the fire or other casualty. In the event the owners fail to comply with the provisions of this paragraph, Declarant shall be entitled to demolish and remove any remaining structure or debris at the expense of the property owner.
- (n) All telephone, electric and other utility lines and connections between the main utility lines serving the premises and any building constructed on a Lot shall be concealed and located underground so as not to be visible and shall be located as close to the residence as possible. All "hot boxes" shall also be located as close to the residence as possible, subject to approval by The City of Wilson.
- (o) All Lots are required to have sprinkler systems in the front, side, and back of the Townhome units. The Association shall have the sole authority to regulate the frequency and volume of watering so as to maintain the grass, shrubs, and other vegetation in good condition. All such watering costs, and the maintenance, repair, and replacement costs of the system shall be paid by the Association.
- (p) No sign, except as required by law, (excluding one typical "For Sale" sign), billboard or other advertising structure of any kind, except a sign erected by the Declarant to identify the development and advertise for sale the lots, may be erected or maintained upon any Lot; provided, however, that construction identification signs not to exceed 2 feet by 3 feet showing the lot number and name of the builder may be exhibited upon the lot during the period of construction, and further provided that a standard open house sign shall be allowed on the property while the house is manned. No devises for displaying decorative flags shall be installed on or about the exterior of any Unit or in the Common Area, and no such decorative flags shall be displayed on or about the exterior of any Unit or in the Common Area.
- (q) All fuel storage tanks shall be installed and used in accordance with all governmental rules and regulations. All fuel storage tanks, outdoor receptacles for ashes, trash, rubbish or garbage shall be screened or so

Eagle Farm Subdivision.

- (r) No exterior radio antennas shall be allowed. Satellite dishes shall not exceed eighteen inches (18") in diameter. A satellite dish shall be allowed only if they are located attached to the rear of the back wall or roof of the dwelling so that it is not visible from the street in front of the Lot. Prior to installing a television antenna or satellite dish, the Owner shall furnish to the Association a copy of his installation plans and such installation shall be subject to the reasonable prior approval of the Association.
- (s) All Lots, whether occupied or unoccupied, shall be well-maintained by the Association, and no unattractive growth of grass, weeds, bushes or hedges, or accumulation of rubbish or debris shall be permitted. However, the Association is not responsible for any such maintenance inside any enclosed courtyard area.
- (t) No trash, ashes, garbage or other refuse except as normally results from residential occupancy, shall be dumped or stored or accumulated on any Lot or other area in the subdivision.
- (u) No junked or wrecked motor vehicles, or motor vehicles with expired license plates, including junked and/or wrecked boats, trailers, lawn machinery or implements, shall be permitted on any Lot at anytime.
- (v) Any lights located on the exterior of a Townhome Unit or located anywhere else on a Lot shall not be directed toward any other residence so that said lights will shine on any adjoining residence. This shall not apply to street or security lights in the Common areas. The Association shall have the sole authority to regulate the exterior lighting in the Common areas, and in the front and on the side of the Townhome units, including but not limited to the type of lighting that is installed and the time the lights are on. All such lighting costs, and the maintenance, repair, and replacement costs thereof, shall be paid by the Association. Any exterior lighting in the rear of a Townhome Unit shall be subject to written approval of the Architectural Committee and all such lighting costs, and the maintenance, repair, and replacement costs thereof, shall be at the expense of the Lot owner,
- (w) Construction of any improvement on a Lot, once begun, must proceed diligently and continuously until completion, and must be completed in accordance with the approved plans and specifications within a reasonable time, but not to exceed twelve (12) months, from the date that construction began.
 - (x) All Lots shall be owner occupied.
- (y) No mailboxes, newspaper, or other similar boxes shall be allowed on any Lot. Outside clotheslines or clothes racks shall not be allowed on any Lot except within the confines of the enclosed side courtyards and they must not be visible from outside the courtyard. No outdoor furniture, outdoor accessories, cooking devices, yard decorations or ornaments, bird houses, bird feeders, or flags, except as required by law, shall be allowed in the front or on the side of any Townhome Unit, but they may be allowed in the rear of a Townhome Unit if not visible from the street on which the Townhome Unit fronts

ARTICLE X

ARCHITECTURAL CONTROL AND INSPECTION

SECTION 10.1. Approval of Plans. No improvements shall be commenced, erected or maintained and there shall be no changes or alterations to the exterior of existing improvements upon any Lot, unless all plans

defined in Section 10.2 below). The Architectural Committee or Declarant may compile a booklet to be known as the Eagle Farm Townhome Owner Guidelines which will be used in considering the approval of all plans and specifications. The Architectural Committee shall have exclusive right and authority to approve or disapprove such plans and specifications, in its sole and absolute discretion. The Architectural Committee shall have the authority to employ an Architect to review the proposed plans and the party submitting said plans shall be responsible for the cost thereof. In approving the plans and specifications, the Architectural Committee shall consider as a basis of its approval, among other factors:

- a. the structural design;
- b. the conformity and harmony of external design and appearance with the other improvements on the Property, or in the case of additions, with the existing improvement;
 - c. the relation of finished grades and elevations to adjoining parcels; and
- d. conformity to the specific and general intent of this Declaration and any Eagle Farm Townhome Owner Guidelines that may be adopted by the Declarant.

In the event the Architectural Committee does not approve or disapprove the plans and specifications in writing within sixty (60) days from the date they are completely submitted by a particular Owner, approval shall not be required and this restriction shall be deemed completely complied with. If the plans and specifications are not sufficiently complete or otherwise inadequate, the Architectural Committee may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject the balance. Proposed plans and specifications shall be deemed to have been received by the Architectural Committee five (5) days after having been deposited in an official depository of the United States Postal Service, postage prepaid, addressed as follows:

Architectural Committee c/o Mr. Donnie Prince 3105 Nash Street North Wilson, NC 27896

The Architectural Committee shall notify any Owner from time to time of a change in the aforesaid address.

The plans and specifications to be so submitted shall include, to the extent appropriate, the following:

- a. A site plan showing existing contour grades, major trees and the location of all improvements. Existing and finished grades shall be shown at lot corners and at corners of proposed improvements. Site storm drainage retention provisions shall be indicated as well as cuts and fill details if any appreciable change in the lot contours are contemplated.
 - b. Exterior elevations.
 - c. Exterior material, colors, textures, and shapes.

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- e. Landscaping plans, including walkways, fences, and walls, elevation changes, watering systems, vegetation and ground cover.
 - f. Parking area and driveway plan.
 - g. Screening, including size, location, and type of material, if applicable
 - h. Utility connections.
 - i. Exterior illumination, including the method contemplated.

If the Architectural Committee approves the plans and specifications, the actual construction in accordance with the plans and specifications shall be the responsibility of the Owner; provided, however, that at any time upon notice to an Owner, the Architectural Committee or its agent or representative may enter upon such Owner's parcel and inspect the improvements to determine whether they are being constructed in accordance with the plans and specifications approved by the Architectural Committee and provided, further, that upon the completion of the improvement and prior to occupancy, the Owner shall notify the Architectural Committee in writing of the completion of the improvements and shall certify such construction was performed in accordance with the plans and specifications approved by the Architectural Committee.

The Architectural Committee, in its sole discretion, may waive in writing minor violations and allow minor variances, not to exceed ten percent (10%), in the plans and specifications, which were the result of unintentional actions on the part of any Owner which are not materially harmful to the Property, or which may be necessary or appropriate in order to allow a particular residence on a particular lot.

The Architectural Committee shall not be liable in damages or otherwise to anyone submitting plans and specifications for approval or to any Owner by reason of mistake of judgement, negligence, or nonfeasance arising out of or in connection with the approval or failure to approve any plans or specifications. No approval granted by the Architectural Committee with respect to construction pursuant to these restrictions shall constitute or be construed as approval by it of the structural stability or design of any improvement, and no liability shall accrue to the Architectural Committee in the event such construction shall subsequently prove to be defective.

SECTION 10.2. <u>The Architectural Committee</u>. The Architectural Committee shall initially be composed of the following individuals:

Donnie T. Prince Fred M. Bunn Turner B. Bunn, IV

The Declarant shall appoint the members of the Architectural Committee until all parcels within Eagle Farm Townhomes have either been sold or the ownership by the Declarant transferred to an individual or entity other than Travis Construction, Inc. A majority of the Architectural Committee may designate a representative to act for it.

directors of the Association shall appoint, on an annual basis, three (3) Owners to act as the Architectural Committee. Board members may serve on the Architectural Committee.

A vacancy occurring in the members of the Architectural Committee, including positions not filled by the then current board of directors, may be filled by a majority of the remaining members on the Architectural Committee or by the sole remaining member.

ARTICLE XI

MAINTENANCE

SECTION 11.1. In addition to maintenance of the Common areas, the lawn maintenance of the Lots, the maintenance of the sprinkler systems and exterior lighting located in the front and on the sides of the Townhome Units, the Association shall provide exterior maintenance for each Lot which is subject to assessment hereunder as follows: Paint, repair, maintain and replace roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements. Such exterior maintenance shall not include glass surfaces nor storm doors except where the storm doors need maintenance, repairs or replacement resulting from normal aging and exposure. In addition, the Association shall have the authority to conduct routine termite inspections and to take appropriate action to treat or otherwise deal with termites, or other bugs or rodents. In order to enable the Association to accomplish the foregoing, it is hereby reserved to the Association the right to unobstructed access over and upon each lot and each townhouse unit at all reasonable times to perform maintenance as provided in this Article.

Responsibilities relating to the Association shall be confined to maintenance, repairs and replacements resulting from normal aging and exposure. Maintenance, repairs and replacements resulting from accidents, termites, fire, flood, water, wind, and other casualties, natural disasters, civil disturbances, vandalism, negligence, negligence of owner, owner's tenants, negligence of owner's guests or invitees, lightening, hail, explosions, riot, air crafts, vehicles, and smoke shall be the expense of the lot owner and the cost of such maintenance, repairs and replacement shall be added to and become a part of the assessment to which said lot is subject.

The Association shall establish regulations governing the procedures for exterior maintenance. In the event any owner desires to expend a sum greater that the sum authorized by the Association, he shall advance, prior to the commencement of work, an amount necessary to cover the additional expenses and a lien shall be established against his lot for any deficiency.

SECTION 11.2. The Owner of a Lot shall have the duty and responsibility, at its sole cost and expense, to maintain the interior of any improvements thereon in a safe, clean and attractive condition, including the enclosed courtyard.

PAYMENT OF TAXES AND ASSESSMENTS ON COMMON AREAS

The board of directors of the Association shall provide for the payment of taxes or assessments levied on the Common Areas by Wilson County or any other governmental authority. Said payments shall be paid by the Association as an expense from the General Assessments. In the event the Association defaults in the payment of such taxes and assessments, which default shall continue for a period of at least six (6) months, the taxing or assessing governmental authority shall be vested with a lien on each individual Lot which has been made subject to this Declaration in an amount determined by dividing the total taxes and assessments due the governmental authority by the total number of Lots which have been made subject to this Declaration. Such liens may be foreclosed by the governmental authority in the same manner as provided for foreclosure of liens for ad valorem taxes and assessments for public improvements.

ARTICLE XIII

GENERAL PROVISIONS

SECTION 13.1. <u>Enforcement</u>. The Declarant, the Architectural Committee, 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 Declarant, the Architectural Committee, the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

The Declarant, its successors and assigns, shall not be liable to an Owner, or to any other person, firm or corporation, on account of any claim, liability, damage, cost or expense suffered or incurred or threatened against an Owner, or such other person or entity, arising out of or in any way relating to the implementation or enforcement or non-enforcement of any provisions of this Declaration of Covenants, Conditions and Restrictions.

SECTION 13.2. Severability. Invalidation of any 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 13.3. Amendment. The covenants and conditions of this Declaration shall run with the Property, as and when annexed, and shall inure to the benefit of and be enforceable by the Declarant, the Architectural Committee, the Association or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time, said covenants shall automatically be extended for successive periods of ten (10) years. Except as hereinafter set forth, the covenants and conditions of this Declaration may be amended by an instrument signed by the Owners of Lots entitled to cast not less than sixty-six (66%) of the votes in the Association.

Notwithstanding anything herein to the contrary, for such time until all twelve townhome units have been initially sold to individual owners, this Declaration shall not be amended without the express consent and joinder of Bunn-Eagles Farm, L.L.C., its successors or assigns.

to the board of directors of the Association. Thereupon, the board of directors shall, within thirty (30) days, do the following:

- a. Reasonably assure itself that the amendment has been executed by the Owners entitled to cast the required percentage of votes in the Association (for this purpose, the board may rely on its roster of Members, and shall not be required to cause the title to any Lot to be examined).
- b. Attach to the amendment a certification as to its validity, which certification shall be executed by the Association. The following form of certification is suggested:

"CERTIFICATION OF VALIDITY OF AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR EAGLE FARM TOWNHOMES"

By authority of its Board of Directors, Eagle Farm Townhome Owners Association, Inc. hereby certifies that the foregoing instrument has been duly executed by the owners of lots entitled to cast sixty-six percent of the votes of the Association and is therefore a valid amendment to the existing Declaration of Covenants, Conditions and Restrictions for EAGLE FARM TOWNHOMES."

	EAGLE FARM TOWNHOME OWNERS ASSOCIATION, INC.
	BY:
	President
Attest:	
Secretary	

c. Immediately and within the thirty (30) day period aforesaid, cause the amendment to be recorded in the Wilson County Registry.

All amendments shall be effective from the date of recordation in the Wilson County Registry; provided, however, that no such instrument shall be valid until it has been indexed in the name of the Association. When any instrument purporting to amend these covenants and conditions has been certified by the board of directors, recorded and indexed as provided by this section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to all persons thereafter purchasing any Lot.

d. Notwithstanding anything in this Declaration to the contrary, this Declaration cannot be amended to prevent the development of Eagle Farm Townhomes (being that Property described on Exhibit A attached hereto) by the Declarant as it sees fit, to reduce the voting rights of the Declarant or take away the authority of the Declarant to appoint members of the Architectural Committee so long as the Declarant complies with the provisions of the regulations and ordinances of the City of Wilson and any other applicable governmental authority.

SECTION 13.4. <u>FHA/VA Approval</u>. Notwithstanding any provision in this instrument to the contrary, the following actions shall require the approval of the Federal Housing Administration or Veterans Administration if the Declarant desires to qualify sections of the Property for the Federal Housing Administration

Common Areas not covered by this Declaration, (b) amendment of this Declaration, (c) mergers and consolidations, (d) mortgaging of Common Areas, and (e) dissolution.

SECTION 13.5. <u>Dissolution or Insolvency</u>. Upon dissolution or insolvency of the Association or upon loss of ownership of the Common Areas by the Association for any cause whatsoever, the Association shall transfer and convey such Common Areas to any non-profit corporation, association, trust or other organization which is or shall be devoted to purposes and uses that would most nearly conform to the purposes and uses to which the Common Areas were required to be devoted by the Association.

SECTION 13.6. Exchange of Common Areas. The Association, acting through its board, from time to time, may exchange with Declarant or any Member, a portion of the Common Areas for a portion of the real property owned by the Declarant or such Member within Eagle Farm Townhomes, provided that the real property acquired by the Association in the exchange: (a) is free and clear of all encumbrances except this Declaration and any other declarations recorded with regards to a certain portion of the Property and easements for drainage, utilities and sewers, (b) is contiguous to other portions of the Common Areas, and (c) has approximately the same area and utility as the portion of the Common Areas exchanged. The real property acquired by the Association shall be a part of the Common Areas and, without further act of the Association or membership, shall be released from any provisions of this Declaration except those applicable to the Common Areas. The portion of the Common Areas so acquired by the Declarant or a Member, without further act of the Association or membership, shall cease to be Common Areas and shall be subject to those provisions of this Declaration that were applicable to the real property conveyed to the Association by the Member.

SECTION 13.7. Gender and Grammar. The singular, wherever used herein shall be construed to mean the plural when applicable and the necessary grammatical changes required to make provisions hereby apply to either corporations or individuals, man or wife, and male and female shall in all cases be assumed as though in each case fully expressed.

SECTION 13.8. Governing Law. This Declaration shall be governed by, construed and interpreted in accordance with the laws of the State of North Carolina.

SECTION 13.9. Consent of Trustee and Noteholder. NC Real Property I, LLC, Trustee, and First Carolina State Bank, Noteholder, under those certain deeds of trust recorded in Book 2294, Page 35, and in Book 2294, Page 54, in the Wilson County Registry, do hereby consent to the recordation of this Declaration and the imposing of the provisions hereof on the property which is the subject of this Declaration and which is more specifically described in the premises hereof and do hereby consent and agree that from and after this date, the provisions of this Declaration shall be superior to the lien of said deed of trust on the property which is the subject of this Declaration more specifically described in the premises hereof.

IN WITNESS WHEREOF, Travis Construction, Inc. has caused this instrument to be signed in its name, the Trustee and the Noteholder have caused this instrument to be signed in its names, all the day and year first above written.

TRAVIS CONSTRUCTION, INC.	
By:	_(SEAL)
DONNIE T. PRINCE, President	
NC REAL PROPERTY I, LLC, Trustee	
By: Theh M House	_
M ember /Manager	
FIRST CAROLINA STATE BANK, Noteholder	
By: William Edgar	_
Vice President	
BUNN-EAGLES FARM, LLC	
BY: Frankour	
Member/Manager	

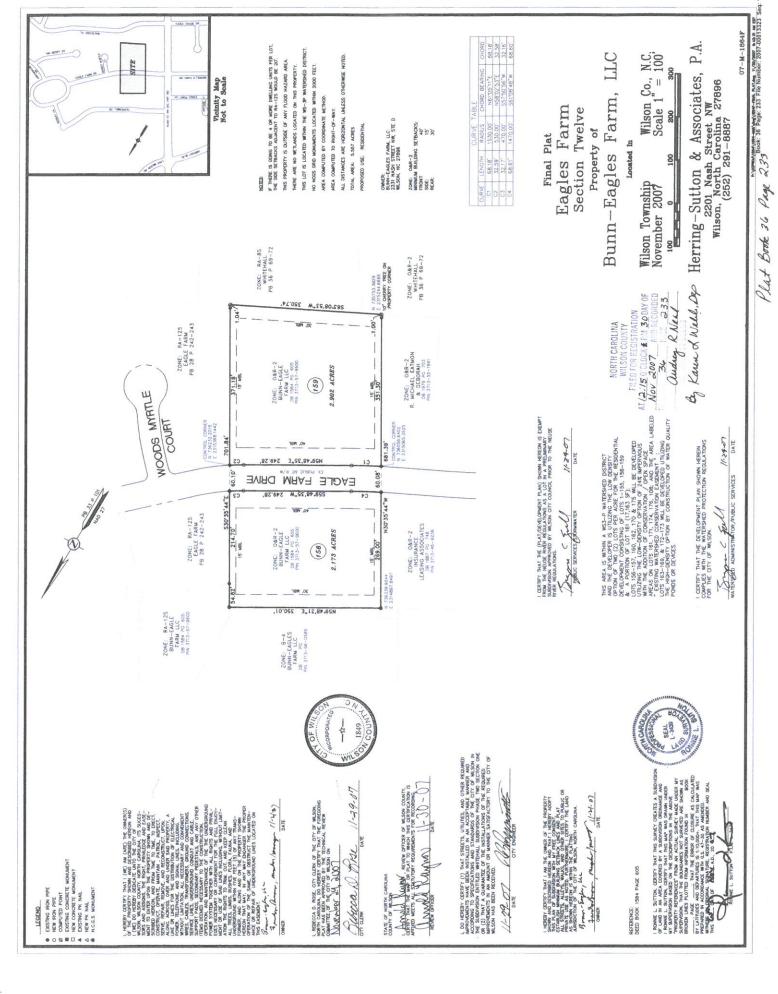
NORTH CAROLINA WILSON COUNTY

certify that Donnie T. Prince personally came before me this day and acknowledged that he is President of TRAVIS CONSTRUCTION, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation he signed the foregoing instrument in its name on its behalf as its act and deed. All Light Livelle Notary Public Printed Name: J. Climbell Everes
NORTH CAROLINA COUNTY OF NASH
personally came before me this day and acknowledged that he/she is member/manager of NC Real Property I, LLC, a limited liability company. Trustee, and that by authority duly given and as the act of the limited liability company, he/she signed the following interament in its name on its behalf as its act and deed. WITNESS my hand Notarial Seed this 30 day of April , 2008. My Commission Expires South 12 , 2008. Printed Name: Deberg H Nelms
NORTH CAROLINA COUNTY OF NASH
I. Debogg the Melas , a Notary Public, certify that william Edgas personally came before me this day and acknowledged that he/she is vice President of FIRST CAROLINA STATE BANK, and that by authority duty given and as the act of the corporation, he/she signed the foregoing instrument in its name on its behalf and the day. WITNESS my hand and votarial Sear, this day of April , 2008.
My Commission Expires: 5, 3012 COUNTING Printed Name: Debo RAH Nelms

COUNTY OF WILSON

personally came before me this day and acknowledged the FARM, LLC, a limited liability company, Trustee, and liability company, he/she signed the foregoing instrument WITNESS my hand and Notarial Seal, this 13	nat he/she is member/manager of BUNN-EAGLES that by authority duly given and as the act of the limited it in its name on its behalf as its act and deed.
Chi Tangis - Experes: 11-21-2011	Printed Name: Judiths Deans

BEING all of Lots 158 and 159 as shown on that certain plat entitled "Final Plat, Eagles Farm, Section Twelve, Property of Bunn - Eagles Farm, LLC", as recorded in Plat Book 36, Page 233, in the Wilson County Registry.



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