

SUMMARY OF RESTRICTIVE COVENANTS FOR OXBOW CROSSING on Morgan Creek

This summary is intended only as an overview and is not intended to be or nor is it represented to be a complete or legally binding interpretation. A thorough and complete copy of the *Declaration of Covenants, Conditions and Restrictions for Oxbow Crossing on Morgan Creek Subdivision*, as well as the *Declaration of Development Restrictions and Requirements and Articles Incorporation of Oxbow Crossing on Morgan Creek Homeowner's Association, Inc.* are available upon request.

PURPOSE The restrictions and covenants are for the purpose of developing a community of safe, healthful and harmonious living which is in the interest of public health, protection of all forms of Wildlife, both flora and fauna, protection of water and air quality and other environmental benefits... so that property owners may live together in harmony with the natural environment...and its ecosystems.

PROPERTY RIGHTS Every owner, members of their family, tenants, or contract purchasers who reside on the property shall have a right to enjoy the Common Area, which includes, but may not be limited to, the trail easements located on creek front lots and between some 5 acre lots, and the entrance and entrance sign to the development. No vehicles shall be allowed on the walking or recreation easements, except for authorized maintenance purposes. There shall be no community access to any easements lying within any Lot unless the Association has assumed all practical and legal liability for persons and property using such easement and the Association shall maintain insurance adequate to provide reasonable liability for Common Areas and easements.

In the event of bodily injury or property damage suffered on or in connection with the Common Area or access easements, the parties involved shall first seek to resolve such matter or dispute by negotiation or by voluntary arbitration prior to seeking relief in a court. To the extent provided by the law, all residents hereby release and shall be deemed hereafter to automatically release the Association from any claims or damages suffered by reason of any bodily injury or property damage which may occur on or in connection with the use of the Common Area or access easements.

MEMBERSHIP AND VOTING RIGHTS Ownership of a Lot shall include membership in the Association and shall entitle the owner(s) of each lot to one vote. John Hartley/Hartley Construction Inc. shall have three votes for each lot owned until four months after 75% of the Lots have been sold, or until January 1, 2004, whichever occurs first.

MAINTENANCE ASSESSMENTS All lot owners agree to pay to the Association annual assessments and special assessments which shall be used exclusively for the purpose of promoting recreation and the improvement, insurance, and maintenance of the community recreation areas, entrance sign and any community facilities upon the common land. For the first 3 years from the date of conveyance of the first Lot to any owner the annual assessment shall not exceed \$300.00, and after the third year dues may be increased by a maximum of 25% or decreased by a maximum of 50% by the Board of Directors, or higher or lower with approval by 2/3 vote of the association. At least 5% of the total annual assessment shall be placed in an emergency fund. The association may levy a special assessment for the cost of any repair or replacement of the entrance sign upon the Common Area with 2/3 vote of the members. Both annual and special assessments must be fixed at a uniform rate for all Lots. The Association shall establish and maintain a working capital fund for the initial months of the development operations, collected from each Buyer at the initial sale of each lot, in an amount equal to the prorated annual amount due for that year. Declarant shall not be required to pay annual assessments for any lot not yet conveyed to a third party.

ARCHITECTURAL CONTROL, MAINTENANCE AND USE RESTRICTIONS No building, fence, wall or other structure or improvement of any nature including driveways and driveway locations, shall be erected, nor any exterior addition or change made until the plans and specifications have been submitted to and approved in writing by John Hartley/Hartley Construction, Inc. so long as it owns one or more lots, and thereafter by the Board of Directors of the Association or by an architectural committee composed of 3 or more representatives appointed by the Board.

All well covers, mailboxes, and mailbox posts shall be uniform in construction and appearance, and therefore each lot Owner shall purchase from Declarant for \$325 a pre-constructed mailbox consisting of a post, a T-3 metal mailbox, house numbers, and a light fixture, to be installed by Owners electrician at Owners expense. All wells are to be covered with an 18-inch high, 24-inch diameter concrete riser with lid on a 48-inch square concrete pad, all which shall be painted with Duron Weathershield Exterior Acrylic Flat house paint (#8235 Brush Box). Except as provided for within the covenants, no structure shall be built within any electrical power lines, stream buffer, flood plain, wildlife corridor, sanitary sewer easement or drainage easement shown on the recorded plat.

Lots shall be used only for residential purposes except that a light housekeeping apartment located within the building may be allowed.

No lot shall be subdivided.

The minimum building size shall be 2,000 sq. ft. with the exception of the existing residence located on Lot 12, which can remain unless removed or destroyed, in whole or in part, in which case it must then meet the 2,000 sq. ft. requirement. Driveways must be concrete for the 1st 80 feet beginning from the road on which it fronts.

No trash, rubbish, stored materials, boats, trailers, recreational vehicles, wrecked or inoperable vehicles or similar unsightly items shall be allowed to remain on any Lot outside an enclosed structure, or for the purpose of boats, trailers and recreational vehicles behind a solid fence or wall. ★

No hooved animals or domestic fowl permitted on any lot.

No outside radio or television antennas, including satellite dishes, shall be erected except by special permission. Satellite dishes of less than 36 inches are not subject to this restriction.

No signs, billboards or other advertising device shall be placed on any lot or building except signs no larger than 2 square feet in area designating an Owner's name, address, profession, no larger than 10 square feet in area for a Lot For Sale sign, and no more than 2 square feet in area for No Trespassing signs.

All trees larger than 14 inches in diameter may not be removed from any lot without special permission except those within 20 feet of the house's foundation, and any dead or diseased trees or other vegetation which shall be promptly removed.

Within the Wildlife Corridor indicated on the recorded plat, no ground may be disturbed or altered in any way, no vegetation alive or dead removed, no stream course altered or dammed, no fences and no buildings placed. Specifically exempted from these restrictions are the placement, use, maintenance and repair of a well and septic system for the Lot within the Wildlife Corridor, but not to include a gravel or paved trail. However, a walkway constructed of pressure treated wood may be built at ground level through swampy areas if needed.

No firearms of any sort, including but not limited to pellet guns and B-B guns, shall be discharged on the property, including but not limited to the purpose of practice, hunting, or the destruction of any wild animal; there shall be no hunting of birds, mammals, reptiles, or amphibians on the property with any weapon; no fish shall be taken from any natural waters except by permission of the Association.

All lots and buildings shall be well maintained with no unattractive growth or accumulation of rubbish.

No manufacturing, commercial or business enterprise for profit shall be permitted on properties. Residents must apply to the Association for permission to operate a business out of the home with the following restrictions: (a) residents may practice a profession in home offices provided no more than 2 persons may be employed on the premises and provided clients are seen only by appointment no more than 5 days a week, not on weekends, and no greater frequency than 8 client visits per day. (b) residents may teach students at home provided no adjoining property owners object, providing however that this shall in no way prevent a resident from providing child care for residents of this subdivision or adjacent subdivisions. (c) residents may construct and prepare for sale "handcraft" articles and art provided no retail trade is conducted on premises except by mail or appointment within the restrictions in (a) above.

No building of any kind shall be constructed within 40 feet of the margin of any right of way, 20 feet of any property line of any lot, nor within the Common Area.

There shall be no burning (including leaves and other vegetation) outside proper containers.

No mercury, sodium or other gas vapor lights permitted outside enclosed buildings. Further, all outdoor lights shall be shaded or coded so that no direct rays shine into any area within 25 feet of a property line.

No motorcycles, mini bikes, trail bikes or other motor powered leisure vehicles shall be operated off the paved roads. No motor

vehicles other than tractors that are not functional and currently licensed may be parked or stored outside an enclosed building for more than 1 week.

Residents shall control dogs, cats, and other pets so they do not chase or molest children, wildlife, farm animals or become a nuisance on other properties. No commercial kennels allowed. Owners are financially responsible for injuries and damages incurred by pets. No more than 4 dogs per dwelling, and all pet shelters and runs must share a common wall with the Owner's dwelling.

There shall be no electric amplification of sound or music at a volume which can be heard by neighbors provided that with special permission of affected property owners, parties may make and amplify sound in excess of the above restrictions for special occasions.

Garbage disposals are not allowed with septic systems due to the early rate of failure from undigested matter.

All owners agree to assume the risk of injury by themselves, family member, friend or visitor arising out of use the Common Area and agree that in the event of such injury, no one shall hold liable any or all Lot Owners.

EASEMENTS Within the utility and drainage easements shown on plat, no structure, planting or other material shall be placed which may interfere with the installation or maintenance of utilities, or which may change the flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. Declarant reserves the right to relocate easements for installation and maintenance of utilities and drainage facilities, and to extinguish old easements, but not in such a manner as would impair the vested rights of any Lot Owner. Declarant reserves temporary construction easements until all improvements required by Orange County and NC have been completed by Declarant, over and across each lot, being a 30 foot wide strip of land along the front lot line and a 20 foot strip along the side and rear. Declarant shall notify each lot owner in writing when such improvements have been completed and shall restore temporary construction easements to a graded and smooth condition.

OTHER The Covenants further provide requirements for insurance of common areas, and enforcement of restrictions. A thorough and complete copy of the *Declaration of Covenants, Conditions and Restrictions for Oxbow Crossing on Morgan Creek Subdivision*, as well as the *Declaration of Development Restrictions and Requirements and Articles of Incorporation of Oxbow Crossing on Morgan Creek Homeowner's Association, Inc.* are available upon request.

BOOK 1668 PAGE 406

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FOR MULTIPLE PIN SHEET

SEE BOOK 1668 PAGE 404-405

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DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR OXBOW CROSSING ON MORGAN CREEK SUBDIVISION

THIS DECLARATION, made this _____ day of June, 1997, by Hartley Construction, Inc., 302 W. Weaver Street, Carrboro, NC 27510, hereinafter referred to as "Declarant".

W I T N E S S E T H :

WHEREAS, Declarant is the owner of certain property located in Orange County, State of North Carolina known as Oxbow Crossing on Morgan Creek Subdivision, which property is more particularly described herein and which said property is shown and delineated by survey and plat thereof recorded in Plat Book 79, at Page 166+167, Orange County Registry; and

WHEREAS, it is in the best interest of Declarant, as well as to the benefit, interest and advantage of each and every person or other entity hereafter acquiring any of the within described property that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulating the use and occupancy of the same be established, fixed and set forth and declared to be covenants running with the land; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities and the desirability and attractiveness of the real property in said subdivision and for the continued maintenance and operation of such recreational and common areas as

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may be provided;

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

ARTICLE I

PURPOSE

The restrictions and covenants contained herein are for the purpose of developing a community of safe, healthful and harmonious living and keeping with the uniform plan of development, which is in the interest of public health, protection of all forms of Wildlife, both flora and fauna, protection of water and air quality, and other environmental and social benefits. These measures are instituted so that the property described in Article III below and other land in the same locality and the Owners of these lands may live together in harmony with the natural environment and may benefit by a decrease in the hazards of pollution and environmental degradation and by the

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dynamic stability of the natural environment, it's Wildlife and natural plant communities and it's ecosystems, and that these benefits might accrue to the land described in Article III below in addition to benefits provided or neglected by zoning, land use plans and other regulations adopted by government.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Oxbow Crossing on Morgan Creek Homeowners' Association, Inc., a non-profit corporation organized and existing under the laws of the State of North Carolina, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the property described on Exhibit A hereof, including contract sellers, but excluding those having interest merely as security for the performance of an obligation, and shall further include the record owner of a fee simple title to any lot which is shown upon any subdivision map for any property hereafter subjected to the terms, provisions and conditions of this Declaration in accordance with the provisions therefore hereinafter provided.

Section 3. "Properties" shall mean and refer to that certain real property described in Exhibit A, and such additions thereto

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as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property over which the Association has an easement for the common use and enjoyment of the Owners subject to the Declaration and the Association Bylaws. The Common Area to which an easement shall be granted and which shall be maintained by the Association at the time of the conveyance of the first lot is more particularly described in Exhibit B attached hereto and by reference made a part hereof. The uses of the Common Areas shall be limited by subsequent provision contained in these Declarations and/or the Homeowners' Association documents. The Common Areas maintained by the Association shall include, but may not be limited to, the entrance and entrance sign to the development, any portion of the public roads dedicated to but not yet maintained by any public body, and trail easements located on creek front lots and between some of the five (5) acre lots.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to Hartley Construction, Inc., their successors and assigns if such successors or assigns should acquire more than three (3)

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undeveloped Lots from the Declarant for the purpose of development, together with an assignment of rights as Declarant hereunder.

Section 7. "Eligible Mortgage Holder" shall mean those holders of a first mortgage on a Lot who have requested the Association to notify them on any proposed action that requires the consent of fifty-one percent (51%) of Eligible Mortgage Holders.

Section 8. "Mobile Home" shall mean any home primarily manufactured off the premises and constructed or positioned so as to be movable on wheels, regardless of whether the wheels are attached to the structure; the term shall also include manufactured homes which are over fourteen (14) feet wide transported in sections.

Section 9. "Wildlife" shall mean any and all species of plants and animals native to this tract of land, and shall not include any exotic species or domesticated species.

ARTICLE III

PROPERTIES SUBJECT TO THIS DECLARATION

Section 1. Properties Subject. The property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Orange County, State of North Carolina, and is more particularly described in Exhibit A attached

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hereto and by reference made a part hereof. Only the above-described property is hereby made subject to this Declaration, provided, however, Declarant reserves the right to subject other real property to the restrictions set forth herein as provided below.

Section 2. Annexation of Additional Properties. At any time during the effective term of this Declaration, Declarant shall have the unilateral right, in its sole discretion, to annex additional properties which have been or will be developed as part of the general plan of development for Oxbow Crossing on Morgan Creek Subdivision. In addition, upon the recording of a document annexing additional property(ies), Declarant shall have the unilateral right to extend any and all of the road rights of way located within the subject property to and through the annexed properties for the purpose of access, ingress and egress to the annexed properties. Annexation of additional properties shall not require the consent of any of the lot owners in Oxbow Crossing on Morgan Creek Subdivision.

Section 3. Supplementary Declarations. Each addition herein authorized shall be made by filing of record one (1) or more Supplementary Declarations in respect to the property to be then made subject to this Declaration and thereby extend the jurisdiction of the Association to such property and subject such

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addition to the assessments herein provided for a just and proportionate share of the Association's expenses. Each Supplementary Declaration may contain such complimentary additions and modifications of the covenants, conditions and restrictions contained herein as may be necessary to reflect the different character of the added Properties, provided, however, any such Supplemental Declaration or any such other Declaration shall not revoke or otherwise amend the provisions of this Declaration as pertained to the Properties subject thereto.

ARTICLE IV

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to suspend the voting rights and right to use of the Common Areas by an owner 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;

(b) the right of the Association to dedicate or transfer all or any part of the Common Area (other than road rights of way, utility rights of way, or greenways) 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 shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.

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(c) the right of the Association, with the assent of two-thirds (2/3) of each class of members, to mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the Bylaws, his right or enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchaser who reside on the property.

Section 3. Title to the Common Area. The Declarant hereby covenants for itself, its heirs and assigns that it will convey an easement to the Common Area to the Association, free and clear of all encumbrances and liens, except street rights of way, easements for driveways, walkways, parking and utility easements prior to the conveyance of the first Lot. Declarant, for itself, its successors and assigns, hereby reserves to itself the right to substitute a modified legal description of Common Area earlier conveyed to the Association. Such modified legal description shall be based on a survey of the Common Area after all improvements are in place. The Association hereby irrevocably appoints and constitutes Declarant as its attorney-in-fact with the power to substitute the aforesaid modified legal description so that there are no discrepancies or encroachments between any Lots or other Properties and the Common Area. This power of attorney is reserved and granted pursuant to N.C.G.S. 32A and

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shall be appurtenant to and run with the land.

Section 4. Physical access to access easements and Common Areas by vehicle shall be limited to road rights of way on recorded plats and to graveled driveways; any walking or recreation easements for the community on any part of this property shall be described in recorded deeds, plats or other recorded agreements. No vehicles shall be allowed on the walking or recreation easements, except for authorized maintenance purposes.

Section 5. There shall be no community access to any easements lying within any Lot unless the Association has assumed all practical and legal liability for persons and property using such easements; and it is hereby agreed that the Association shall maintain insurance adequate to provide reasonable liability protection for Common Areas and easements held.

Section 6. In the event of bodily injury or property damage suffered on or in connection with the Common Area or access easements, the parties involved shall first seek to resolve such matter or dispute by negotiation or by voluntary arbitration, prior to seeking relief in any court. To the extent provided by law, all residents hereby release and shall be deemed hereafter to automatically release the Association from any claims or damages suffered by reason of any bodily injury or property damage which

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may occur on or in connection with the use of the Common Area or access easements.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

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

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

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever first occurs earlier:

- (a) Four (4) months after seventy-five percent (75%) of the Lots have been conveyed by the Declarant, or
- (b) on January 1, 2004.

Section 3. The right of any Member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations and pursuant to the provisions of Article IV, Section 1(a).

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ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Owner of each Lot, and such personal obligation for assessments made for the period during which time the Owner was the record owner of such Lot shall remain the personal obligation of such Owner and shall not pass to any successor in title unless expressly assumed by him.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting recreation and the improvement, insurance, and

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maintenance of the community (excluding any private road or roads providing access to the property not subject to this Declaration, which roads shall be maintained by the parties using such roads for access) recreation areas, entrance sign and any community facilities on the common land. Not by way of limitation, among the purposes for which assessments can be used are: legal defenses against condemnation and other destructive acts originating either within or outside the community, water and air pollution, professional services needed by the community, and enforcement of these covenants.

Section 3. Maximum Annual Assessment. For the first three (3) years from the date of the conveyance of the first Lot to an Owner the annual assessment shall be no more than Three Hundred Dollars (\$300.00). Assessments shall not begin to accrue or become due and payable on an individual Lot until the Lot is conveyed to an Owner.

(a) From and after the third year from the date of this document dues may be increased by a maximum of twenty-five percent (25%) or decreased by a maximum of fifty percent (50%) by the Board of Directors, or higher or lower with approval by two-thirds (2/3) vote of the Association.

(b) The Board of Directors of the Association may fix the annual budget to an appropriate amount, and shall give written notice of the assessment amount to all Owners at least thirty (30) days prior to the due date.

(c) At least five percent (5%) of each total annual assessment shall be placed in an emergency fund for unforeseen

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contingencies such as litigation to defend the covenants, the protection of the natural environment in the subdivision, and emergency repairs to community facilities.

(d) Interest generated by the fund described in Article VI, Section 3(c) above may be applied to administration of the Association and to ordinary maintenance activity in reducing the costs thereof.

Section 4. Special Assessments for Capital Improvements: In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any repair or replacement of the entrance sign upon the Common Area, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent

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meeting shall be one half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

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

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the first lot to a third party by the Declarant. However, in no event shall the Declarant be required to pay annual assessments nor shall they accrue for any lot owned by Declarant which has not been conveyed to a third party. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a

specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the then maximum legal rate and to the extent permitted by law. The Association, its agent or representative, may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of such action of foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination to the Lien of Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to any first mortgage foreclosure under a power of sale or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. The following Properties

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subject to the Declaration shall be exempt from the assessments, charges and liens created herein:

(a) All Properties dedicated and accepted by local public authority or state and/or devoted to public use; and

(b) All Common Areas within the Properties described above in Article II.

Section 11. Working Capital Fund. The Association shall establish and maintain a working capital fund for the initial months of the development operations, and the funds shall be established by the collection at the time of the closing of the initial sale by Declarant for each Lot to an Owner of an amount equal to the prorated annual amount due for the remaining years assessment for such Lot. The said amount shall be collected from the Buyer at closing, and shall be considered as advance payment of regular assessments.

ARTICLE VII

ARCHITECTURAL CONTROL, MAINTENANCE AND USE RESTRICTIONS

Section 1. Approval of Plans and Architectural Committee.

No building, fence, wall or other structure or improvement of any nature whatsoever including driveways and driveway locations, shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, location and physical site of the same

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shall have been submitted to and approved in writing as to the design, color and location in relation to surrounding structures and topography by Declarant, so long as Declarant owns one (1) or more lots, and thereafter by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. All well covers, mailboxes, and mailbox posts shall be uniform in construction and appearance, as determined by Declarant. To that end, each lot Owner shall purchase a pre-constructed mailbox consisting of a post, a T-3 metal mailbox, house numbers, and a light fixture, for the sum of \$325.00 Dollars. The light fixture shall be installed by Owners electrician, at Owners expense. All wells are to be covered with an eighteen inch high, twenty four inch diameter concrete riser with lid on a forty eight inch by forty eight inch square concrete pad. Said pad, riser, and lid shall be painted with Duron Weathershield Exterior Acrylic Flat house paint (#8235 Brush Box). Well covers can currently be purchased from Southland Concrete in Durham, NC. Subject to the specific exceptions stated within this Declaration, no structures shall be built or permitted to remain within any electrical powerlines, stream buffer, flood plain, wildlife corridor, sanitary sewer easement or drainage easement as shown on the recorded plat(s) of Oxbow Crossing on Morgan Creek Subdivision.

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October 31, 1997

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In the event Declarant, said Board, or its designated committee, as appropriate, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. The Declarant, said Board, or its designated committee, respectively, shall have the right to charge a reasonable fee for receiving each application for approval of plans and specifications in an amount not to exceed Fifty Dollars (\$50.00). Upon giving approval to such plans and specifications, construction shall be started and prosecuted to completion promptly and in strict conformity with such plans as have been previously approved, and Declarant and/or the Association shall be entitled to stop any construction which is in violation of these restrictions.

Section 2. Land Use and Building Type. No Lot shall be used except for residential purposes, subject to the permitted uses recited in Section 11 below. This condition shall not be construed as a restriction against a light housekeeping apartment located within the building. No lot shall be subdivided so as to create additional lots, once platted of record. The minimum building size for a residence shall be 2,000 square feet with the exception being the existing residence located on Lot 12.

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October 31, 1997

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However, should the residence located on Lot 12 be removed or destroyed, in whole or in part, then the minimum building size of 2,000 square feet for a residence shall immediately apply. Driveways shall be located by the Owner, with the approval of the Declarant, or in the event Declarant is no longer the record Owner of three (3) or more lots, with the approval of the Association. Driveways shall be constructed exclusively of concrete for a minimum distance of eighty (80) feet beginning from the road from which they front. All septic fields shall be located by the Orange County Health Department and the Declarant.

Section 3. Nuisance. No noxious or offensive activity shall be conducted upon any Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No trash, rubbish, stored materials, boats, trailers, recreational vehicles, wrecked or inoperable vehicles or similar unsightly items shall be allowed to remain on any Lot outside an enclosed structure, or for the purpose of boats, trailers and recreational vehicles behind a solid fence or wall; provided, the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish and other such debris for pick up by governmental and other similar garbage and trash removal service units. In the event any Owner fails or refuses to keep his Lot free from unsightly objects, weeds or underbrush in a manner satisfactory to

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October 31, 1997

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a majority of the Board of Directors of the Association, the Association may, through its agent or representative, five (5) days after posting a notice on such Lot or mailing a notice to the Owner thereof at his property address requesting the Owner to comply with the requirements of this Section, enter and remove any and all unsightly objects, debris or other vegetation at Owner's expense and Owner, by acquiring any Lot subject to this Declaration, agrees to pay such costs incurred by the Association in the enforcement of this Section promptly upon demand. No such entry as provided herein shall be deemed a trespass.

Section 4. Animals. No hooved animals or domestic fowl shall be permitted on a lot.

Section 5. Outside Antennas. No outside radio or television antennas, which shall include, but not by way of limitation, satellite dishes, shall be erected on any Lot or dwelling unit within the Properties unless and until permission for the same has been granted by Declarant in writing so long as Declarant owns three (3) or more lots, and thereafter by the Board of Directors of the Association or its architectural control committee. However, satellite television dishes of less than thirty-six (36) inches in diameter shall not be subject to the regulations contained in this Section.

Section 6. Signs. No signs, billboards or other advertising

device of any kind shall be placed or otherwise installed on any lot, parcel or building within the lands described in Article II above except as herein allowed:

(a) A sign no more than one hundred (100) square feet in area and designating the name of this development may be placed at an appropriate place.

(b) A sign not more than two (2) square feet in area may be placed on each individual lot to designate Owner, address, and where appropriate, profession of resident.

(c) A sign of not more than ten (10) square feet in area may be used to designate Lots for sale.

(d) Signs not more than two (2) square feet in area may be used to give notice of restrictions to hunters, trespassers or others.

(e) No signs may be internally lighted.

Section 7. Trees. All trees larger than fourteen (14) inches in diameter shall not be removed from any lot without the prior written consent of Declarant; provided that any such trees may be removed without the permission of Declarant if located within the area of which a residential structure, driveway or sidewalk are to be constructed upon a Lot, or within twenty (20) feet of the foundation of any residential structure; and provided further that any dead or diseased trees, shrubs, bushes or other vegetation shall be promptly removed from any lot.

Section 8. Wildlife Corridor: Except as noted below no ground may be disturbed or altered in any way, no vegetation alive or dead may be removed, no stream course altered or dammed, no

fences, and no buildings placed within the wildlife corridor as indicated on the final recorded plat of the Subdivision. There is specifically excepted from these restrictions the placement, use, maintenance and repair of a well and septic system for use by the subject Lot over which the wildlife corridor runs, and walking trails may be maintained within the wildlife corridor, provided, that any such trail not be graveled or paved and that as little disturbance of the ground shall be caused within said walking trail. However, a walkway constructed of pressure treated wood may be built at ground level through swampy areas if needed.

Section 9. No firearms of any sort, including, but not by way of limitation, pellet guns and B-B guns shall be discharged on the subject property.

Section 10. All lots and/or buildings, whether occupied or unoccupied, shall be well maintained and no unattractive growth or accumulation of rubbish or debris shall be permitted.

Section 11. Commercial and Business Uses Limited. No manufacturing, commercial or business enterprise or enterprises of any kind for profit shall be maintained on, in front of or in connection with the Properties, nor shall such property in any way be used other than for strictly residential or educational purposes, except as expressly permitted below. The purpose of this Article and its qualifications is to preserve the quiet nature of the property and minimize traffic by prohibiting business or other services that cater to the general public in

unspecified intensity. Residents must apply to the Association and to Orange County, if applicable, for permission to operate a business out of their home with the following conditions:

(a) Residents may practice a profession in home offices so long as such activities are conducted within the dwelling unit of the professional, and provided no more than two (2) persons may be employed on the premises by the professional and provided clients are seen only on an appointment basis not more than five (5) days a week, not on weekends, and at no greater frequency than eight (8) client visits per day.

(b) Residents may teach students in a home provided that no adjoining property Owners object, provided however that this shall in no way prevent a resident from providing child care for residents of this subdivision or adjacent subdivisions.

(c) Residents may manufacture, construct, or otherwise prepare for sale "handcraft" articles and art in a dwelling, provided no retail trade may be conducted on the premises except by mail or on an appointment basis with a maximum frequency as specified in (a) above.

Section 12. Buildings. No buildings of any kind may be constructed within forty (40) feet of the margin of any right of way; nor shall any building be built within twenty (20) feet of any property line of any lot. In addition, no structures shall be placed within the Common Area which would be located on the septic system or septic system repair area. See also Section 8 above and those Declaration of Restrictions and Requirements recorded in Book 1668, at Page 394, Orange County Registry.

Section 13. Fires Controlled. All containers for fire or sites for fires, including chimneys and grills shall be fitted with spark screens or other suitable means of fire control, except

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October 31, 1997

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as allowed in the two (2) Paragraphs below.

There shall be no burning (including leaves and other vegetation) outside such proper containers unless a proper Forestry Service or other government agency permit is obtained first or the burning is done under the supervision of a professional crew or a fire department, trained and knowledgeable in the method and manner of outdoor burning.

The burning of coal, charcoal, gas or oil in furnaces, grills, stoves, fireplaces, or other containers which are safely designed for the burning thereof is specifically allowed.

Section 14. Sewage Disposal. Dwellings or other buildings with indoor plumbing of any sort shall have sewage disposal by septic tank constructed to conform to the standards of the State of North Carolina and the Orange County Board of Health Rules; or by community sewer, if available. All septic fields shall be in locations approved by the Declarant.

Section 15. Outdoor Lights. No mercury, sodium or other gas vapor lights shall be used outside enclosed buildings. Further, all outdoor lights shall be shaded or hooded in such a way that no direct rays are shown in any area within twenty-five (25) feet of a property line.

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parties may make and amplify sound in excess of the above restrictions for special occasions.

Section 19. Waste. Garbage or waste materials such as plastics, metal and glass shall be removed from the property at least twice a month. No non-operative or unlicensed vehicles shall be kept for spare parts or other reasons unless kept in covered sheds or enclosed buildings. Garbage disposals are not allowed with septic systems due to early rate of failure from undigested matter.

Section 20. Firearms and Hunting and Destruction of Wildlife. There shall be no discharge of any firearms on this property by any Owner for the purpose of practice, hunting, or the destruction of any wild animal.

Regardless of governmentally designated seasons, there shall be no hunting of birds, mammals, reptiles, or amphibians on this property with any weapon. No fish shall be taken from any natural waters, or ponds except by permit of the Association.

Section 21. It shall be understood that each lot Owner as a member in the Association has an interest in all of the Common Area, and that the risk of any injury arising out of the use of the Common Area by any Owner, family member, friend or visitor, shall be assumed by each Lot Owner. All Owners agree that in the event of such injury, no one shall hold liable any or all Lot

Section 16. Motor Vehicles. No motorcycles, mini bikes, trail bikes or other motor powered leisure vehicles may be operated on any part of these entire premises described in Article II.

No motor vehicles (other than tractors) that are not functional and currently licensed may be parked or stored outside an enclosed building for more than one (1) week within the subdivision.

Section 17. Dogs, Cats and Other Pets. Residents shall control dogs, cats and other pets so that they do not chase or molest children, wildlife, farm animals or become a nuisance on other Properties; outside housing for dogs and other pets shall be constructed in such a way as to provide that barking dogs or other loud animals shall not be heard at night outside the Owner's Lot; and no commercial kennels shall be operated on the property. Owners are financially responsible for injuries and damages incurred by pets. There shall be no more than four (4) dogs per dwelling. All pet shelters and runs must share a common wall with the Owners' dwelling unit.

Section 18. Sound. There shall be no electric or electronic amplification of sound or music at a volume which may be heard from any adjoining lot or parcel, provided that with the special permission of affected adjacent and nearby property Owners,

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October 31, 1997

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Owners of the Association or the Declarant.

ARTICLE VIII

EASEMENTS

Easements for installation and maintenance of utilities and drainage facilities are reserved in favor of Declarant, its successors and assigns, Orange County, as shown on the plat(s) recorded or to be recorded by Declarant. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements.

Declarant reserves the right to relocate easements for installation and maintenance of utilities and drainage facilities by so indicating on subsequent plats the new location of such easement over and across portions of said property owned by Declarant, and to extinguish the easements reserved across the old location by recordation of a Declaration of Withdrawal thereof in the Orange County Registry; provided however, that Declarant may not withdraw, terminate, or relocate any easements in such a manner as would impair the vested rights of any Lot Owner.

The Declarant reserves unto itself, in gross, temporary

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construction easements until such time as all improvements required by Orange County and the State of North Carolina have been completed by Declarant, over and across each lot, being a thirty (30) foot wide strip of land along the front lot line and a twenty (20) foot wide strip of land along the side and rear lot lines of each lot. Declarant shall notify each lot owner in writing when such improvements have been completed and shall restore such temporary construction easements to a graded and smooth condition.

ARTICLE IX

INSURANCE

Section 1. Ownership of Policies. Contracts of insurance upon the Common Areas shall be purchased by the Association for the benefit of the Association, and the Owners and their mortgagees, as their interests may appear. All buildings and improvements upon the Common Areas and all personal property of the Association shall be insured in an amount equal to at least one hundred percent (100%) of their insurable replacement value as determined annually by the Association. Such coverage shall provide protection against loss or damage by fire or other hazards covered by standard extended coverage endorsement and such other risks as from time to time shall be customarily covered with respect to buildings or permanent improvements upon the land.

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Further, the Association may require that all persons responsible for or authorized to expend funds or otherwise deal in assets of the Association shall first be bonded by a Fidelity Insurer to indemnify the Association from any loss by reason or default in the performance of their duties. Such Fidelity Insurance or Bond may be obtained at the expense of the Association. Public liability insurance shall be secured by the Association with limits of not less than One Million Dollars (\$1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to any one or more of the Owners. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be desirable and necessary, and all insurance policies shall contain clauses providing for waiver of subrogation, if possible. Premiums for contracts of insurance purchased by the Association shall be paid by the Association and charged to the Owners prorata as part of the dues and assessments provided herein.

In its discretion the Association may require that all persons 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 from any loss by reason of default in the performance of their duties. Such fidelity insurance or bond may be obtained at the expense of the

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October 31, 1997

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Association.

Section 2. Premiums. Premiums for contracts of insurance purchased by the Association shall be paid by the Association and charged ratably to the Owners as an assessment according to the provisions of Article VI above.

Section 3. Proceeds. All contracts of insurance purchased by the Association shall be for the benefit of the Association, the Owners and their mortgagees, as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. The sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein or stated in the By-laws.

ARTICLE X

BINDING NATURE OF DECLARATION

The covenants, conditions and restrictions contained in this Declaration, both negative and affirmative, and including but not limited to the covenants to pay dues and assessments, shall be construed to be covenants running with the land covered by this Declaration. Each Lot and the Owner of each Lot covered hereby, or any other person or legal entity claiming an interest in any Lot, and his heirs, executors, administrators, successors and

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assigns, shall be subject to and bound by all of such covenants, conditions and restrictions, regardless of when, in what manner, or from whom any Lot is acquired.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Any person who must take legal action to obtain compliance may recover as minimum damages for the breach of any of these restrictions the sum of Five Hundred Dollars (\$500.00) for any such breach; provided that this minimum shall increase at the same rate as the increase from the date of this document of the Consumer Price Index maintained by the federal government, or, if such Index is not kept, then any index of general inflation in consumer prices kept by federal or state government.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force

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October 31, 1997

and effect.

Section 3. Headings. Headings are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular paragraphs to which they refer.

Section 4. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument signed by the Owners of not less than two-thirds of the Lots, subject to the rights of the Eligible Mortgage Holders as provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements, as herein provided, or affect any lien for the payment thereof established herein. Any amendment must be properly recorded.

Section 5. If any amendment to these covenants, conditions and restrictions is duly executed, each such amendment shall be delivered to the Board of Directors of this Association. Thereupon, the Board of Directors shall, within thirty (30) days, do the following:

(a) Reasonably assure itself that the amendment has been validly executed by the Owners of the required number of Lots.

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October 31, 1997

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(For this purpose, the Board may rely on its roster of members and shall not be required to cause any 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 in the same manner that deeds are executed. The following form of certification is suggested:

CERTIFICATION OF VALIDITY OF AMENDMENT TO COVENANTS,
CONDITIONS AND RESTRICTIONS OF
OXBOW CROSSING ON MORGAN CREEK SUBDIVISION

By authority of its Board of Directors, Oxbow Crossing on Morgan Creek Homeowners' Association, Inc. hereby certifies that the foregoing instrument has been duly executed by the Owners of two-thirds of the Lots of Oxbow Crossing on Morgan Creek Subdivision and is, therefore, a valid amendment to the existing covenants, conditions and restrictions of Oxbow Crossing on Morgan Creek Subdivision.

This the ____ day of _____, _____.

OXBOW CROSSING ON MORGAN CREEK HOMEOWNERS' ASSOCIATION, INC.

By: _____
President

Attest: _____
Secretary

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

All amendments shall be effective from the date of the recordation in the said Registry, provided, however, that no such instrument shall be valid until it has been indexed in the name of

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October 31, 1997

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the Association. When any instrument purporting to amend the covenants, conditions, and restrictions have 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 Lots.

Section 6. Rights of Eligible Mortgage Holders. Any Eligible Mortgage Holder will, upon request, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive copies of the Declaration, Bylaws, Rules & Regulations, and any amendments thereto, and (c) receive written notice of all meetings of the Association and the right to designate a representation to attend all such meetings. Such Eligible Mortgage Holder shall also be entitled to timely written notice of (a) any condemnation or casualty loss that affects either a material portion of the project or the Lot secured by its mortgage, (b) any 60-day delinquency in the payment of assessments or charges owed by the Owner of any Lot on which it holds the mortgage, (c) a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association, or (d) any proposed action that requires the consent of a percentage of the Eligible Mortgage Holders. Amendments of a material nature must be approved by Eligible Mortgage Holders

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October 31, 1997

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representing at least fifty-one percent (51%) of the votes of Lots subject to mortgages held by eligible holders. A change to any of the following would be considered as material: (a) voting rights; (b) assessments, assessment liens, or subordination of assessment liens; (c) reserves for maintenance, repair, and replacement of common areas; (d) responsibility for maintenance and repairs; (e) expansion or contraction of the project, or annexation of property; (f) insurance or fidelity bonds; (g) imposition of any restrictions on an Owner's right to sell, mortgage, or lease his Lot; of (h) an action to terminate the legal status of the project or the Association (in which case the Eligible Mortgage Holders representing at least two-thirds of the votes of the mortgaged Lots must agree).

IN WITNESS WHEREOF, the Declarant has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

HARTLEY CONSTRUCTION, INC.

BY: [Signature] President

ATTEST:

BY: [Signature] Secretary

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CHAPEL HILL, N. C. 27514

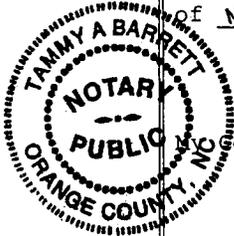


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STATE OF NORTH CAROLINA
COUNTY OF Orange

I, Tammy A. Barrett, a Notary Public for the County and State aforesaid, do hereby certify that P. Steve Bailey personally appeared before me this day and acknowledged that he is Secretary of Hartley Construction, Inc., a North Carolina Corporation, and that by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him self as its Secretary.

Witness my hand and official stamp or seal this the 5th day of November, 1997.



Tammy A. Barrett
Notary Public

Commission Expires: 4-6-2002

FILED
23 DEC 1997, at 09:24:39am
Book 1668, Page 406 - 443
Betty June Hayes,
Register of Deeds,
Orange County, N. C.

NORTH CAROLINA - ORANGE COUNTY

The foregoing certificate(s) of Tammy A. Barrett,

A Notary ~~(or Notary)~~ Public of the designated Governmental units is ~~(was)~~ certified to be correct. Filed for registration this the 23rd day of December 19 97 at 9:24:39 o'clock, A.M. in Record Book 1668 Page 406.
Return: _____
By: Betty June Hayes
Assistant/Deputy Register of Deeds

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ATTORNEYS AT LAW
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EXHIBIT APROPERTY DESCRIPTION FOR
"OXBOW CROSSING ON MORGAN CREEK SUBDIVISION"

Being All of that property shown and described in that survey drawn by Holland Land Surveying, dated 10/20/97, revised 10/28/97, entitled "Final Plat-Oxbow Crossing On Morgan Creek", which survey is recorded in Plat Book 79, at Page ~~442~~ 167, Orange County Registry, to which reference is made for a more accurate description of same.

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October 31, 1997

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EXHIBIT BDESCRIPTION OF COMMON AREAS
SUBJECT TO DECLARATION

The following property shall constitute the Common Area, subject however, to (1) annexation of additional land pursuant to Article II of the Declaration and (2) substitution of a modified legal description of any Common Area by Declarant as provided in Article IV, Section 3.

BEING all of that property shown and delineated as "Sign Easement", "Private Trail Easement", and "Stream Buffer", all as shown and described in that survey which is recorded in Plat Book 79, Page ~~166+167~~, Orange County Registry, to which reference is made for a more accurate description of same.

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December 18, 1997

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FOR MULTIPLE PIN SHEET

SEE BOOK 1668 PAGE 388

BOOK 1668 PAGE 389

PREPARED BY ~~CHARLES H. THIBAUT, ATTY.~~

Charles H. Thibaut, Atty.
NORTHEN BLUE, L.L.P.
P. O. Box 2208
Chapel Hill, NC 27515-2208

STATE OF NORTH CAROLINA

COUNTY OF ORANGE

EASEMENT

THIS EASEMENT entered into the th day of , 1997 by and between Hartley Construction Company, Inc., a North Carolina General Corporation, Suite G, 302 W. Weaver St. , Carrboro, NC 27510, hereinafter referred to as "Grantor", and Oxbow Crossing On Morgan Creek Homeowners' Association, Inc, Suite G, 302 W. Weaver St., Carrboro NC 27510, hereinafter referred to as "Grantee".

W I T N E S S E T H

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, paid by Grantee to the Grantor, the receipt and sufficiency of which is hereby acknowledged by Grantor, Grantor does hereby grant and convey to Grantee, its heirs, successors and assigns, an irrevocable and perpetual easement for access over and across the following described property:

All of the property identified as "Sign Easement", "Trail Easement", Wildlife Corridor", and "Stream Buffer", as shown and described in that survey by Holland Land Surveying, dated Oct.20, 1997, and revised Oct. 28, 1997, which survey is recorded in Plat Book 79, at Page 167, Orange County Registry, to which reference is hereby made for a more accurate description of same.

This Easement is being conveyed by Grantor to Grantee so that the Grantee shall have access to the subject property for the purpose of maintaining and repairing any signage and to plant and maintain any landscaping located within the Sign Easement, and to access, use and maintain the Trail Easement, Wildlife Corridor and Stream Buffer as shown on the above referenced plat.

By accepting this easement, the Grantee agrees to assume all practical and legal liability for persons and property using the easements, and shall maintain insurance adequate to provide

Return to: *Hartley Construction, Inc.*
302 W. Weaver St.
Carrboro, NC 27510

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reasonable liability protection for the easements held.

This Easement shall be perpetual in nature and shall be binding on the parties heirs, successors and assigns.

This Easement shall be construed according to the laws of the State of North Carolina.

IN WITNESS WHEREOF, Grantor has caused this Easement to be executed in its corporate name and affixed with its corporate seal and Grantee has caused this Easement to be accepted in its corporate name and affixed with its corporate seal, both the day and year first above written.



BARTLEY CONSTRUCTION COMPANY, INC. (GRANTOR)

[Signature] President

ATTEST:
BY: [Signature] Secretary

[corporate seal]

ACCEPTED BY:
OXBOW CROSSING ON MORGAN CREEK HOMEOWNERS' ASSOCIATION, INC. (GRANTEE)

BY: [Signature] President

ATTEST:
BY: [Signature] Secretary

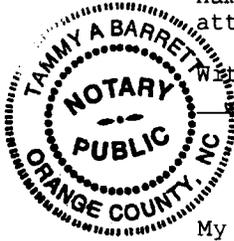


[corporate seal]

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STATE OF NORTH CAROLINA
COUNTY OF Orange

I, Tammy A. Barrett, a Notary Public for the County and State aforesaid, do hereby certify that B. Steven Bailey personally appeared before me and acknowledged that he is Secretary of Hartley Construction Company, Inc., a North Carolina General Corporation, and that by authority duly given and as an act of the corporation the foregoing instrument was signed in its name by its _____ President, affixed with its corporate seal and attested by him self as its _____ Secretary.



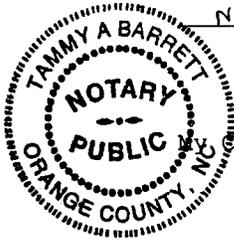
Witness my hand and official stamp or seal this the 5th day of December, 1997.

Tammy A. Barrett
Notary Public

My Commission Expires: 4-6-2002

STATE OF NORTH CAROLINA
COUNTY OF Orange

I, Tammy A. Barrett, a Notary Public for the County and State aforesaid, do hereby certify that B. Steven Bailey personally appeared before me and acknowledged that he is Secretary of Oxbow Crossing On Morgan Creek Homeowners' Association, Inc., and that by authority duly given and as an act of the corporation the foregoing instrument was signed in its name by its _____ President, affixed with its corporate seal and attested by him self as its _____ Secretary.



Witness my hand and official stamp or seal this the 5th day of November, 1997.

Tammy A. Barrett
Notary Public

My Commission Expires: 4-6-2002

FILED
23 DEC 1997, at 09:24:33am
Book 1668, Page 389 - 391
Betty June Hayes,
Register of Deeds,
Orange County, N. C.

NORTH CAROLINA - ORANGE COUNTY

The foregoing certificate(s) of Tammy A. Barrett,

A Notary (~~or Notary~~) Public of the designated Governmental units (are) certified to be correct. Filed for registration this the 23rd day of December 19 97 at 9:24:33 o'clock, A. M.
in Record Book 1668 Page 389.
Return: _____
By: Betty June Hayes, Register of Deeds
~~Assistant/Deputy~~
Register of Deeds

FOR MULTIPLE PIN SHEET
SEE BOOK 1668 PAGE 400-401

BOOK 1668 PAGE 402

Prepared By ~~Charles H. Thibaut~~: Charles H. Thibaut, PO Box 2208, Chapel Hill, NC 27515

STATE OF NORTH CAROLINA
COUNTY OF ORANGE

THIS DECLARATION OF REVOCATION AND EXTINGUISHMENT OF EASEMENT, dated December 18, 1997, by Hartley Construction Company, Inc., 302 West Weaver Street, Suite G, Carrboro, NC 27510, hereinafter referred to as "Declarant",

WITNESSETH:

WHEREAS, Declarant is the record owner of all that property described in those Deeds recorded in Deed Book 1628, at Pages 475 through 480, inclusive, Orange County Registry, which property is also identified as being lots 6,7,and 8, Tax Map 7.111, Orange County; and,

WHEREAS, the above-referenced tax maps show a 20' gravel easement crossing lot 6, which easement is not the subject of a Deed of Easement or Plat as recorded with the Orange County Registry; and

WHEREAS, the Declarant desires to extinguish any and all easement rights to others over and across the above-referenced purported easement.

NOW, THEREFORE, the Declarant hereby declares that all of the Properties described above shall be sold, held and conveyed subject to the following covenants and conditions, and which shall 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 shall inure to the benefit of each owner thereof.

1. Declarant does hereby extinguish and terminate any and all easement rights to others created over and across that purported 20' gravel easement shown and described in Tax Map 7.111.6, Orange County. Declarant does not recognize that easement rights have been created for the benefit of others as the result of the description of an easement in the above-referenced tax map.

2. This Declaration shall be binding on Declarants heirs, successors and assigns, and shall be construed according to the laws of the State of North Carolina.

In Witness Whereof, the Declarant has caused this Declaration to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

Return to: Hartley Construction, Inc.
302 W. Weaver St.
Carrboro, NC 27510

mw

HARTLEY CONSTRUCTION COMPANY, INC.
By: [Signature]
President

[Signature]
Secretary


STATE OF NORTH CAROLINA
COUNTY OF ORANGE

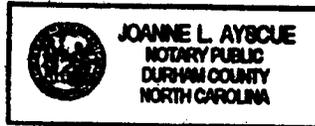
I, Joanne L. Ayscue, a Notary Public for ^{Durham} Orange County, NC, do hereby certify that R. Steve Bailey personally appeared before me this day and acknowledged that he is the Secretary of Hartley Construction Company, Inc., a North Carolina Corporation, and that by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by himself as its Secretary.

Witness my hand and seal this the 18 day of December, 1997.

[Signature]
Notary Public

My Commission Expires: 12/7/2002

FILED
23 DEC 1997, at 09:24:37am
Book 1668, Page 402 - 403
Betty June Hayes,
Register of Deeds,
Orange County, N. C.



NORTH CAROLINA - ORANGE COUNTY

The foregoing certificate(s) of Joanne L. Ayscue,

A Notary ~~(and her/his)~~ Public of the designated Governmental units is ~~(and is)~~ certified to be correct. Filed for registration this the 23rd day of December 19 97 at 9:24:37 o'clock, A.M.
in Record Book 1668 Page 402

Return: _____

Betty June Hayes, Register of Deeds
By: [Signature]
Assistant/Deputy
Register of Deeds

YAW

PREPARED BY PLANNING DEPARTMENT
ORANGE COUNTY
NORTH CAROLINA

BOOK 1668 PAGE 394

FOR MULTIPLE PIN SHEET
SEE BOOK 1668 PAGE 392-393

**DECLARATION OF DEVELOPMENT
RESTRICTIONS AND REQUIREMENTS**

**RECORDED CONCURRENTLY WITH
OXBOW CROSSING ON MORGAN CREEK SUBDIVISION
PLAT BOOK 79 PAGE 166+167**

OWNER: HARTLEY CONSTRUCTION, INC.

This **DECLARATION**, made this _____ day of _____, 1997, by Hartley Construction, Inc., the owner of the subdivision described below in the Property Description section of this declaration, hereinafter called the Declarant.

WITNESSETH

The Declarant agrees for itself and with any and all persons, firms, or corporations hereinafter acquiring any of the property described in the section of this Declaration titled Property Description, that the same shall be subject to the following restrictions, conditions, and covenants relating to the use and occupancy thereof, which restrictions, conditions, and covenants shall run with the said property and inure to the benefit of and be binding upon the heirs, successors, and assigns of the Declarant, and other acquiring parties and persons.

PROPERTY DESCRIPTION

Being all of Lots 1 through 27 as shown on the plat entitled "Oxbow Crossing on Morgan Creek" dated October 20, 1997, as drawn by Holland Land Surveying, R.L.S., of 608 Airport Road, Chapel Hill, North Carolina, and recorded in Plat Book 79, Page 167, Orange County Registry, hereinafter called "the Subdivision."

SETBACKS

Building structures shall meet applicable setbacks as required for the RB(UNIV-PW) Rural Buffer (University Lake Protected Watershed) zoning district in Section 5.1.1 Schedule for Residential Development of the Orange County Zoning Ordinance. Said ordinance requires that all structures in the RB(UNIV-PW) district shall maintain a front yard setback of 40 feet, measured from the edge of the road right-of-way, and a setback of 20 feet from side and rear lot lines.

Exceptions to these setback requirements include certain architectural features (such as corners, eaves, and gutters), an unenclosed balcony or fire escape, and an attached private garage or carport. See Section 6.6 ff. of the Zoning Ordinance, available in Planning Department Offices for specific regulations relating to these exceptions.

Return to: *Hartley Construction, Inc.*
302 W. Weaver St.
Carboro, NC 27510

SEWAGE DISPOSAL

All lots in the Subdivision will be served by private septic systems. System locations may restrict improvements size and placement. Information regarding tentative septic systems location, installation, and approval is available from the Orange County Division of Environmental Health.

IMPERVIOUS SURFACE CALCULATIONS

The Subdivision lies within the RB(UNIV-PW) zoning district which requires impervious surface restrictions for all subdivisions.

Impervious surfaces are composed of any materials which impede or prevent natural infiltration of water into soils. Such materials include any gravel, concrete or asphalt surface, comprising but not limited to: streets, driveways, and parking areas; walkways, decks, and patios; and all structures whose foundations and ground level floorspace – “the footprint” – cover the land.

Impervious surface limitations are imposed to slow and limit stormwater runoff, to promote infiltration into the soil, and to minimize direct and immediate runoff into streams and water supply impoundments. Modifications of impervious surface ratios may be requested, as a variance or through approval and recordation of a conservation agreement. These procedures are described in Sections 6.23.3 and 6.23.11b of the Zoning Ordinance.

Impervious surface calculations for an individual development shall be cumulative for original construction and any subsequent additions until computed maximums are reached. Calculations of impervious surface coverage for individual lots shall include that portion of a right-of-way between the center line of the street and the abutting property line of the lot.

As required in Section 6.23.3 of the Zoning Ordinance, total impervious surface for the Subdivision shall not exceed six (6) percent. Permitted impervious surface square footage maximums for each of the 27 lots in the Subdivision are computed as follows: $94.982a \times .06 = 248,245sf$, less proposed roads and existing drive to be removed = 197,899sf.

IMPERVIOUS SURFACE CALCULATIONS
Oxbow Crossing on Morgan Creek

Lot No.	Impervious Surface Allowed	Less Joint Drives & Road R/W	Total Allowed to be Used by Owner	Approximate Driveway**	Approximate Dwelling
1	9,495sf	2,495sf	7,000sf	3,000sf	4,000sf
2	9,361	2,361	7,000	3,000	4,000
3	9,394	2,394	7,000	3,000	4,000
4	9,101	1,501	7,600	3,600	4,000
5	8,778	1,778	7,000	3,000	4,000
6	9,148	2,148	7,000	3,000	4,000
7	9,250	2,250	7,000	3,000	4,000
8	7,706	706	7,000	3,000	4,000
9	9,586	1,506	8,080	4,080	4,000
10	8,576	1,506	7,000	3,000	4,000
11	9,354	1,754	7,600	3,600	4,000
12	13,482	1,882	11,600	6,600	5,000
13	11,054	4,554	6,500	3,000	3,500
14	7,753	1,253	6,500	3,000	3,500
15	8,067	967	7,100	3,600	3,500
16	8,117	987	7,100	3,600	3,500
17	8,087	1,702	6,500	3,000	3,500
18	11,177	4,677	6,500	3,000	3,500
19	11,355	4,459	6,896	3,396	3,500
20	8,556	2,256	6,300	2,800	3,500
21	8,090	1,790	6,300	2,800	3,500
22	7,877	747	7,100	3,600	3,500
23	7,277	747	6,500	3,000	3,500
24	8,086	1,186	6,300	2,800	3,500
25	7,873	1,573	6,300	2,800	3,500
26	12,045	4,945	7,100	3,600	3,500
27	8,264	1,764	6,500	3,000	3,500

246,909sf
+1,336*
248,245sf (Total Impervious Surface Allowed)

* Reserved for Developer

** Lot owners with joint driveways must calculate their impervious surface from the point of tie-in to joint concrete driveways. Joint driveways to State Roads have already been dedicated from the lot allowance as have State Road frontages.

MW

REQUIREMENTS FOR STREAM BUFFERS IN PROTECTED WATERSHEDS

Areas of land along streams shall be required to remain in their natural state, unless the area is subject to serious erosion, in which case an erosion resistant vegetative cover shall be established and maintained as required by Article 6.23.7 of the Zoning Ordinance. These areas are indicated on the Final Plat (PB 79 Pg 166+167).

A stream buffer runs the length of Morgan Creek along the rear of lots 1 through 9 from Dairyland Road to the southern border of the Subdivision. The buffer varies in width from 70 to 155 feet, extending from FEMA's 100-year Zone A flood boundary.

A 100-foot stream buffer extends from the centerline of the perennial branch which flows into Morgan Creek to the rear of lots 10 and 11.

LAND USE BUFFERS

Type D 50-foot land use buffers are located along both sides of the 68-foot Duke Power Company Easement on portions of lots 8 and 9. This land use buffer shall be preserved as required by Section 12.6.1 of the Zoning Ordinance and Section IV-B-8-e-4 of the Subdivision Regulations. The buffer shall be composed of 50-75 percent evergreen vegetation distributed so as to create a semi-opaque screen to a height of at least thirty (30) feet.

A Type E 75-foot Arterial Street Land Use Buffer is located along Dairyland Road (SR 1112) on a portion of lot 1. This land use buffer shall be preserved as required by Section 12.6.1 of the Zoning Ordinance and Section IV-B-8-e-4 of the Subdivision Regulations. The buffer shall be composed of predominately (at least 75 percent) evergreen vegetation which is opaque to a height of at least thirty (30) feet.

Existing landscape materials in healthy condition and meeting the abovementioned standards may be used to satisfy land use buffer requirements.

OTHER RESTRICTIONS

Portions of lots 1-9 lie within the 100-year Zone A flood boundary of Morgan Creek, as delineated on Community Panel No. 370342 0235 B (March 16, 1981), Federal Insurance Rate Map (FIRM) prepared by the Federal Emergency Management Agency (FEMA). Any use or development of the lands within Zone A shall be subject to restrictions provided in the Orange County Flood Damage Prevention Ordinance.

A 100-meter (328-foot) wildlife corridor along Morgan Creek, overlaying and extending beyond both the abovementioned flood boundary and stream buffer, is delineated on the Final Plat in accordance with the Inventory of the Natural Areas and Wildlife Habitats of Orange County, North Carolina, adopted by the Board of County Commissioners in 1988.

LANDSCAPING

BOOK **1668** PAGE **398**

Existing trees shall be preserved to satisfy the landscaping requirements of Section IV-B-8-d-1 of the Subdivision Regulations.

Clearcutting is prohibited. No trees measuring twelve (12) inches or more in diameter at four and one-half (4½) feet above the ground shall be cut. Trees may be cleared only for the location of buildings, driveways, septic systems, and garden areas.

CERTIFICATE OF DEDICATION AND MAINTENANCE

"The undersigned hereby certifies that the land shown on the subdivision plat referenced under 'Property Description' on page 1 is owned by the undersigned and is located within the subdivision and zoning jurisdictions of Orange County and hereby freely dedicates all rights-of-way, easements, streets, recreation area, open space, common area, utilities and other improvements to public or private common use as noted on this plat, and further assumes full responsibility for the maintenance and control of said improvements until they are accepted for maintenance and control by an appropriate public body or by an incorporated neighborhood or homeowners association or similar legal entity."

OTHER RELATED DOCUMENTS

- Joint Driveway Agreement for Lots 8, 9, and 10 (DB 1668 Pg 382)
- Joint Driveway Agreement for Lots 15 and 16 (DB 1668 Pg 386)
- Joint Driveway Agreement for Lots 22 and 23 (DB 1668 Pg 384)
- Declaration of Covenants, Conditions, and Restrictions (DB 1668 Pg 406)
- Bylaws of Oxbow Crossing Homeowners Association (DB 1668 Pg 446)
- Utility and Access Easement for Lot 22 (DB ____ Pg ____)
- Utility Easement for Lots 8 and 9 (DB ____ Pg ____)

Documents recorded concurrently with the Final Subdivision Plat may be revised and re-recorded at a later date. Check property records in the Orange County Registry to identify all documents recorded for this property.

DURATION OF RESTRICTIONS

The restrictions imposed by this Declaration shall remain in full force and effect until such time as they are removed by the official legislative or administrative action of Orange County or another governmental unit with jurisdiction over the property.

DECLARANT'S ACCEPTANCE OF CONDITIONS CONTAINED HEREIN

I, John D. Hartley, for and on behalf of Hartley Construction Company, Inc., do hereby accept the conditions established in this Declaration of Development Restrictions and Requirements.

IN WITNESS WHEREOF, Declarant has caused this instrument to be signed and sealed on the day and year first written above.

HARTLEY CONSTRUCTION, INC.

By: John D. Hartley
John D. Hartley, President

NORTH CAROLINA

ORANGE COUNTY

Register of Deeds

I, Priscilla O. Mize, a Deputy ~~Notary Public~~ for said County and State, certify that John D. Hartley / President of Hartley Construction, Inc.,

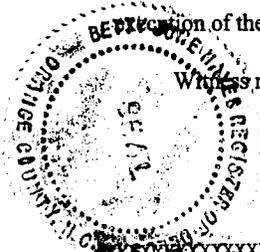
JOHN D. HARTLEY / personally appeared before me this day and acknowledged the due

execution of the foregoing instrument.

Witness my hand and official seal, this the 22nd day of December, 1997.

BETTY JUNE HAYES, Orange County Register of Deeds

By: Priscilla O. Mize
~~Notary Public~~ Priscilla O. Mize, Deputy



FILED

23 DEC 1997, at 09:24:35am
Book 1668, Page 394 - 399
Betty June Hayes,
Register of Deeds,
Orange County, N. C.

NORTH CAROLINA - ORANGE COUNTY

The foregoing certificate of

~~Notary Public~~ of the designated Governmental units (and certified to be correct). Filed for registration

this the 23rd day of December 19 97, at 9:24:35 o'clock, A.M.

in Record Book 1668 Page 394

Return: _____

By: Betty June Hayes
Assistant/Deputy
Register of Deeds