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STATE OF NORTH CAROLINA  
 COUNTY OF BUNCOMBE

DECLARATION OF COVENANTS,  
 CONDITIONS AND RESTRICTIONS  
 FOR  
 THE SETTINGS OF BLACK MOUNTAIN

GRANTOR: THE SETTINGS OF BLACK MOUNTAIN, LLC, A  
 GEORGIA LIMITED LIABILITY COMPANY

PREPARED BY AND RETURN TO:  
 SUSAN S. BARBOUR, ESQ. # 31  
 McGuire, Wood & Bissette, PA  
 48 Patton Avenue  
 Asheville, NC 28801

ARTICLE 8: ASSESSMENTS

8.1 Creation of and Obligation for Assessments.

(a) The Board may authorize the creation of assessments for Common Expenses of the Association from time to time, as follows: (i) General Assessments; (ii) Special Assessments; (iii) Specific Assessments; and (iv) Parcel Assessments. Each Owner, by accepting a deed or entering into a contract of sale for any portion of the Properties, is deemed to have notice of liability for these assessments and to covenant and agree to pay these assessments.

(b) There are hereby created General Assessments for Common Expenses as may from time to time be authorized by the Board of Directors. General Assessments shall, from and after the respective Commencement Date (as defined hereinbelow) relating to a respective Lot, be levied against such respective Lot and shall be used to pay expenses determined by the Board to be for the benefit of the Association, its Members, and the Properties as a whole, including, but not limited to, maintenance and insurance of the Area of Common Responsibility, including the Common Area, and expenses otherwise incurred by the Association in accordance with its rights, powers, and privileges for the purposes of promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners and occupants of the Properties, and maintaining the Properties and improvements therein. The General Assessment levied against and payable by a Lot shall be equal to the General Assessment which is levied against and payable by each such other Lot. Despite anything contained herein to the contrary, the assessments against a Lot shall not commence until the Commencement Date for such Lot as set forth in Section 8.2.

(c) There are hereby created Parcel Assessments for Common Expenses as may from time to time be authorized by the Board of Directors. Parcel Assessments shall, from and after the Commencement Date relating to a specific Lot, be levied against such Lots within particular Parcels of the Properties for whose benefit expenses are incurred, such as maintaining and operating facilities and amenities within a Parcel reserved for use of the residents within that Parcel, expenses of enforcing all assessments, covenants, and conditions relating to a specific Parcel, and expenses determined by the Board to be for the benefit of a specific Parcel. Each Lot within a Parcel shall pay a Parcel Assessment equal to each other such Lot within such Parcel. Parcel Assessments established in one Parcel do not need to be equal to Parcel Assessments established in another Parcel. Despite anything contained herein to the contrary, the assessments against a Lot shall not commence until the Commencement Date for such Lot as set forth in Section 8.2.

(d) All such assessments, together with late charges, simple interest at the rate of eighteen percent (18%) per annum, costs and reasonable attorney's fees actually incurred to enforce or collect such assessments, shall be a charge on the Lot and shall, after remaining unpaid for a period of thirty (30) days or longer and upon the filing of a claim of lien in the office of the Buncombe County, North Carolina Superior Court Clerk, be a continuing lien upon the Lot against which each assessment is made regardless of conveyance thereof. The Association's lien shall be prior and superior to all other liens except the lien for real estate taxes and other governmental assessments and charges against the Lot and liens and encumbrances (specifically including, but not limited to, a mortgage or deed of trust on the Lot) recorded before the docketing of the claim of lien

in the office of the Buncombe County, North Carolina Superior Court Clerk. Each such assessment, together with late fees, interest, costs, and reasonable attorney's fees actually incurred, shall also be the personal obligation of the person who was the owner of such Lot at the time the assessment came due, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance; provided, however, any First Mortgagee or holder of a secondary purchase money Mortgage covering the Lot, provided that neither the grantee nor any successor grantee on the secondary purchase money Mortgage is the seller of the Lot who obtains title to a Lot subject to this Declaration pursuant to the remedies provided in such Mortgage or Foreclosure of the Mortgage, will not be liable for such Lot's unpaid assessments which accrued prior to the acquisition of title to such Lot by the Mortgagee. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors, which may include, without limitation, acceleration of the annual assessment for Owners who are delinquent in the payment of the their assessments. The assessments shall be paid annually in advance, unless otherwise provided by the Board. The Association shall, upon request, furnish to any Owner liable for any type of Assessment a written statement signed by the Association officer setting forth whether the Assessment has been paid. This statement shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such a statement.

(e) No Owner is exempt from liability for assessments by non-use of Common Area, including Exclusive Common Area reserved for such Owner's use, abandonment of his or her Lot, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner which runs with title to the Lot. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

8.2 Commencement of Assessments. Notwithstanding anything herein to the contrary, any and all assessments provided for in or otherwise assessed pursuant to this Declaration shall commence against a Lot as provided in this Section 8.2. Any and all assessments shall commence in respect to each respective Lot at the time of conveyance of the respective Lot by the Declarant to an Owner or Builder/Owner other than the Declarant; provided, however, that the commencement of the Assessment against a Lot conveyed to a Builder/Owner by Declarant may be delayed as determined by the Declarant from time to time for a term of twelve (12) months from and after the date of conveyance to such Builder/Owner or until substantial completion of the Residential Unit on such Lot, whichever first occurs. Declarant shall not be responsible or liable for the payment of assessments (whether General, Parcel, Special or Specific) in respect to Lots for which Declarant holds record title and which do not contain occupied Residential Units (except as hereinafter provided); provided that Declarant covenants and agrees to pay assessments in the same manner as Lots conveyed to Owners for each Lot owned by Declarant containing an occupied Residential Unit. The date of commencement of the assessment as to any particular Lot, as provided in this Section 8.2, is the "Commencement Date." The first annual assessment for a Lot payable to the Association with respect to such Lot shall be adjusted according to the number of months remaining in the calendar year as of the Commencement Date. Such prorated assessment shall be paid on the Commencement Date or such later date as provided by the Board.

8.3 Computation of General Assessments.

(a) General Assessments shall be levied equally against all Lots subject to assessment and shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including reserves. In determining the total funds to be generated through the levy of General Assessments, the Board, in its discretion, may consider other sources of funds available to the Association, including any surplus from prior years, any assessment income expected to be generated from any additional Lots reasonably anticipated to become subject to assessment during the fiscal year, and any income expected to be generated from any Cost Sharing Agreements.

(b) It shall be the duty of the Board at least forty-five (45) days prior to the commencement of a fiscal year to prepare and adopt a budget covering the estimated costs of operating the Association and the Properties during the coming year. The budget shall separately list General and Parcel Assessments, if any. Within thirty (30) days after adoption of the proposed budget, the Board shall provide to all Lot Owners a summary of the budget, the General Assessment to be levied therefrom and a notice of a meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. Such meeting shall be held not less than ten (10) nor more than sixty (60) days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget and assessment established by the Board shall be ratified at the meeting and become and be effective unless Lot Owners representing at least a sixty seven percent (67%) of the votes in the Association vote to reject the budget at the meeting. Notwithstanding the foregoing, in the event that the membership rejects the proposed budget or the Board fails for any reason so to determine the budget for the succeeding year, then the budget and assessments last ratified by the Lot Owners shall be continued until such time as the Lot Owners ratify a subsequent budget proposed by the Board.

(b) During the Development Period, the Declarant may, but shall not be obligated to, reduce the General Assessment for any fiscal year by payment of a subsidy and/or contributions of services and materials, which may be treated as either a contribution or a loan, in the Declarant's discretion. Any such anticipated payment or contribution by the Declarant shall be disclosed as a line item in the Common Expense budget. Payments by the Declarant in any year shall under no circumstances obligate the Declarant to continue such payments in future years unless otherwise provided in a written agreement between the Association and the Declarant. To the extent that Declarant pays any amount or provides any in-kind services to the Association, any such payment or provision of services shall be a reduction and credit against any amount as may otherwise be claimed owed by Declarant to the Association with subparagraph 8.3(b) hereinabove.

8.4 Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Special Assessments shall be allocated equally among all Lots. Any Special Assessment shall become effective unless disapproved at a meeting by Members holding a Majority of the total Class "A" votes and, during the Development Period, by the Declarant. There shall be no obligation to call a meeting for the purpose of considering any Special Assessment except on petition of the Members as provided for in the By-Laws, which petition must be presented to the Board within twenty (20) Days after delivery of the notice of such Special Assessment. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.5 Specific Assessments.

(a) The Association shall have the power to levy Specific Assessments against a particular Lot or Lots to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Lot(s) or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners and occupants (which may include, without limitation, landscape maintenance, pest control, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner.

(b) The Association shall have the power to levy Specific Assessments against a particular Lot or Lots as a fine levied pursuant to Section 4.7 or to cover costs incurred in bringing the Lot(s) into compliance with the terms of the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their agents, contractors, employees, licensees, invitees, or guests.

8.6 Foreclosure of the Lien for Assessments. The lien, when delinquent, may be enforced by suit, judgment, and judicial or nonjudicial Foreclosure, as permitted under North Carolina law. The Association may bid for the Lot at the Foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following Foreclosure: (i) no right to vote shall be exercised on its behalf; (ii) no assessment shall be levied on it; and (iii) the other Lots shall be charged, in addition to the usual assessment, a pro rata share of the assessment allocated to the Lot owned by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without Foreclosing or waiving the lien securing the same. The sale or transfer of any Lot shall not affect the assessment lien or relieve a Lot from the lien for any subsequent assessments. However, the sale or transfer of any Lot pursuant to Foreclosure of the First Priority Mortgage shall extinguish the lien as to any installments of assessments due prior to Foreclosure. A Mortgagee or other purchaser of a Lot who obtains title pursuant to Foreclosure of the Mortgage shall not be personally liable for assessments on such Lot due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under Section 8.2, including such acquirer, its successors and assigns. All other Persons acquiring liens or encumbrances on any Lot after this Declaration has been recorded shall be deemed to consent that the liens or encumbrances shall be inferior to future liens for assessments, as provided

herein, whether or not prior consent is specifically set forth in the instruments creating the liens or encumbrances.

8.7 Failure to Assess. Failure of the Board to establish assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay General Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

8.8 Exempt Property. The following property shall be exempt from payment of assessments: (a) all Common Area and such portions of the property owned by the Declarant as are included in the Area of Common Responsibility pursuant to Section 5.1; and (b) any property dedicated to and accepted by any governmental or quasi-governmental authority or public utility.

8.9 Surplus Funds. Any surplus funds of the Association remaining after payment of or provision of Common Expenses, the funding of a reasonable operating expense surplus and any prepayment of reserves, shall be deposited in the reserves of the Association unless otherwise determined by resolution of the Board.

ARTICLE 9: ARCHITECTURAL STANDARDS

9.1 General. - In order to preserve the natural setting and beauty of the Properties, to establish and preserve a harmonious and aesthetically pleasing design for the Properties, and to protect and promote the character of the Properties, the Lots, the Residential Units and the Common Area and all improvements, structures, landscaping and items located thereon, all Lots, Residential Units and all improvements, structures, landscaping and items located thereon shall be subject to the restrictions set forth in this Article 9. Every grantee of an interest in the Properties, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article 9.

9.2 Design Review Board. No construction, improvements, landscaping, buildings, structures or development of any kind whatsoever, shall be commenced, carried out on, constructed, altered, added to or maintained upon any portion of the Properties, including Lots or Common Area, unless: (a) approved in writing by the Design Review Board; (b) developed, constructed or altered by Declarant; (c) developed, constructed or altered by the Association in respect to the Common Area; or (d) if a Modifications Committee is established pursuant to the terms hereof, approved by the Design Review Board after recommendation from the Modifications Committee. Approval of the Design Review Board shall be subject to such regulations, architectural standards and application procedures as may be promulgated by the Design Review Board and as set forth herein. The Design Review Board will charge a reasonable fee as determined by the Design Review Board, from time to time, to cover the administrative expense of its review and comment, such fee to be payable to the Design Review Board. The Design Review Board may require a deposit or the placement of a bond by an applicant to assure compliance with this Declaration and to cover any expenses of damages caused by construction or improvement activities required to be approved by it.



(a) During the Development Period, the Declarant, in its sole discretion, shall appoint the members of the Design Review Board. The members of the Design Review Board during the Development Period need not be residents of the Community or own property in the Community. All members of the Design Review board appointed by the Declarant shall serve at the pleasure of the Declarant. The Design Review Board shall act on behalf of the Declarant and the Association until such time as the Declarant no longer has the right to annex property to the Community pursuant to Article 7 hereof or the Declarant no longer owns any Lot upon which no Residential Unit has been constructed, whichever is later, unless sooner waived in writing by the Declarant. From and after the later of these events, the Design Review Board shall be appointed by the Board and function in the same manner as committees of the Association under the authority of the Board.

(b) Following the Development Period, members of the Design Review Board shall be appointed by the Board of Directors and the Design Review Board members shall be required to be Owners or their spouses. Members of the Design Review Board as are appointed by the Board shall serve at the pleasure of the Board. During the time that the Design Review Board members are appointed by the Board, the Design Review Board shall be comprised of not less than three (3) nor more than five (5) members.

(c) The Design Review Board shall elect a chairperson and the chairperson or in his absence, the vice-chairperson, shall be the presiding officer at its meetings. The Design Review Board shall meet as often as they so determine and shall be required to meet upon call of the chairperson, and all meetings shall be held at such places as may be designated by the chairperson. A majority of the Design Review Board members serving shall constitute a quorum for the transaction of business, and the affirmative vote of a majority of those present in person at a meeting of the Design Review Board shall constitute the action of the Design Review Board on any matter before it. The Design Review Board may, from its members, appoint one (1) such member to execute approval of plans as might be proposed by an applicant. The Design Review Board shall not be required to maintain minutes of its meetings and any approval of the Design Review Board may be evidenced by the members of the Design Review Board, or the designate appointed by such members, certifying to the approval of such plans by entry of an approval on the face thereof. Approvals of the Design Review Board may occur at meetings thereof or based upon communications by and between the members thereof, without call of a meeting, but with polling of each member thereof by the chairperson or his or her designate.

(d) The Design Review Board is authorized to retain services of consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise and assist the Design Review Board in performing its functions set forth herein and such costs shall be either the sole obligation of the applicants or a Common Expense of the Association as determined in the discretion of the Board.

(e) Any member of the Design Review Board appointed by the Declarant may be removed with or without cause by the Declarant at any time by written notice to such appointee, and a successor or successors appointed to fill such vacancy. Any member of the Design Review Board appointed by the Board may be removed with or without cause by the Board at any time by written



notice to such appointee and its successor or successors appointed to fill such vacancies shall serve at the pleasure of the Board.

(f) The Design Review Board is hereby authorized to promulgate from time to time written architectural standards, regulations, policies, procedures and guidelines (hereinafter referred to as the "Design Guidelines") governing the construction, location, landscaping, material and design of improvements, structures, the contents of submission of plans and specifications, and other information as may be required in order to evidence compliance with and obtain approval pursuant to this Article 9. The Design Review Board shall make its standards, regulations, policies, procedures and guidelines available to Owners, Builder/Owners, and developers who seek to engage in development or improvement of construction upon all or any portion of the Properties and shall conduct its operations in accordance therewith. Decisions of the Design Review Board shall take into account and be founded upon the nature, kind, shape, color, size, material and location of any construction, improvements, buildings, structures or development and the quality of workmanship planned, the design and harmony of external design and relation to surrounding structures, topography and elevation of such construction, improvements, buildings, structures and development and the Community-Wide Standard. The Design Guidelines shall be binding upon and enforceable against all Owners. The provisions hereof shall not be applicable to any of the Additional Property, provided such shall be applicable to those portions of the Additional Property annexed to this Declaration. From and after the time that the Board appoints the members of the Design Review Board, any Design Guidelines proposed by the Design Review Board and any approvals or denials by the Design Review Board shall first be approved by the Board before their being effective.

9.3 Submissions to Design Review Board.

(a) No construction, improvements, buildings, structures or development of any kind whatsoever, shall be commenced, carried out on, constructed, altered, added to or maintained on any Lot or Residential Unit, other than as developed, constructed or altered by Declarant unless and until three (3) copies of the plans and specifications and related data (including, if required by the Design Guidelines, shall have been submitted to and approved in writing by the Design Review Board or if a Modifications Committee is established pursuant to the terms hereof, approved by the Design Review Board after recommendation from the Modifications Committee.

(b) For purposes of this Article 9 and specifically Section 9.3(a), above, "construction, improvements, buildings, structures or development" shall include by way of example and not limitation the construction, installation or alteration of Residential Units, sidewalks, driveways, parking areas, mailboxes, decks, patios, courtyards, swimming pools, greenhouses, playhouses, play equipment, awnings, walls, steps, stoops, yard equipment, fences, exterior lights, garages, landscaping, hardscaping, lawns, guests or servants quarters, or other outbuildings. Plans, specifications and related data as submitted for any such construction, improvements, buildings, structures or development requested for approval shall show the nature, color, type, shape, height, materials and location of the same. One (1) copy of such plans, specifications and related data so submitted shall be retained in the records of the Design Review Board and the other copy shall be returned to the Owner marked "approved by the Design Review Board," or "approved as noted by the Design Review Board," or "disapproved by the Design

Review Board." Until the members of the Design Review Board are appointed by the Board, the Design Review Board shall have the sole discretion to determine whether the plans and specification submitted for approval are acceptable to the Design Review Board in connection with the approval rights. Any disapproval by the Design Review Board may be based upon any ground whatsoever so long as such disapproval is consistent with the objectives and purposes of this Declaration, including, but not limited to, purely aesthetic considerations, provided that such disapproval is not arbitrary or capricious.

(c) Any and all plans submitted for the construction of a Residential Unit on a Lot, shall depict thereon the proposed Residential Unit in such detail as requested by the Design Review Board, including all driveways, parking areas, mailboxes, basketball goals, decks, patios, courtyards, swimming pools, tennis courts, greenhouses, playhouses or equipment, walls or fences, awnings, steps, stoops, yard equipment, lighting, garages, out buildings, landscaping, hardscaping, lawns, guest or servants quarters and such other structures, out buildings and items as determined by the Design Review Board or as contemplated by the applicant to be a part of the improvements on the Lot. Any and all requests for alterations or additions to a Lot or Residential Unit, including alterations or additions to existing structures or improvements or the addition of additional structures, items or improvements shall depict thereon the proposed addition or alteration in its proposed location with all height, material, location and other specifics as may be requested by the Design Review Board.

(d) The Design Review Board shall have the right to establish a maximum percentage of a Lot which can be cleared or graded and a maximum percentage of a Lot which may be covered by Residential Units, buildings, structures or other improvements, which standard shall be promulgated on the basis of topography, percolation data, soil types and conditions, vegetation cover and other environmental factors taken into account by the Design Review Board. Following approval of any plans and specifications by the Design Review Board, representatives of the Design Review Board shall have the right, without notice, during reasonable hours to enter upon and inspect any Lot, Residential Unit or other improvements or structures with respect to which construction is underway to determine whether or not the plans and specifications thereof have been approved and are complied with. In the event that Design Review Board shall determine that such plans and specifications have not been approved or are not being complied with, the Design Review Board, acting in the name and at the expense of the Association, shall be entitled to enjoin further construction and to require the removal or correction of any work, improvement or structure in place which does not comply with the approved plans and specifications. The Design Review Board, acting in the name and at the expense of the Association, shall be entitled to set applicable fines for non-compliance of Architectural and Design Guidelines requirements and criteria.

(e) In the event that the Design Review Board fails to approve or disapprove in writing any proposed plans and specifications within sixty (60) days after such plans and specifications have been submitted, such plans and specifications will be deemed to have been expressly approved, provided the proposed improvements are generally in harmony with the Community Wide Standard and comply with the provisions of the Design Guidelines. Upon the approval of plans and specifications by the Design Review Board, no further approval under this Article 9 shall be required with respect thereto, unless construction has not substantially commenced within one hundred eighty (180) days of approval of such plans and specifications or

unless such plans and specifications are materially altered or changed. For purposes of this section, "substantially commenced" shall mean any clearing, grading, pouring of footing or any other type of affirmative action to commence with the construction of a Residential Unit. After one hundred eighty (180) days without substantial commencement of construction, all plans and specifications must be re-submitted and additional applicable fees paid.

(f) No landscaping, grading, excavation or filling of any nature whatsoever shall be implemented and installed on a Lot, other than by Declarant, unless and until the plans therefor have been submitted to and improved in writing by the Design Review Board. The provisions of this Article 9 regarding the time for approval of plans, the right to enjoin and/or require removal, etc. shall also be applicable to any proposed landscaping, clearing, grading, excavation or filling. The Design Review Board shall be permitted to promulgate Design Guidelines with regard to any such landscaping, grading, excavation or filling as set forth in the Design Guidelines.

(g) Before construction of any Residential Unit on any Lot begins and as part of the approved plan regarding such Residential Unit as submitted to the Design Review Board, the Design Review Board shall be provided a general landscape design which shall be reviewed and approved by it before commencement of the installation of landscape with respect to such Residential Unit. The landscaping as shown on such landscape design plan shall be installed and in place as part of the construction of the Residential Unit.

9.4 The Modifications Committee.

(a) By way of example and not limitation of the terms of this Article 9, the Design Review Board shall have the right to approve upon submission of a request pursuant to the terms of this Article any and all modifications, additions or alterations made on or to a Lot. Notwithstanding this authority of the Design Review Board, the Design Review Board, may authorize, continue and discontinue a Modifications Committee to review any and all proposed modifications, additions or alterations to a Lot on which a Residential Unit has been completed, or affecting the exterior portion of the Residential Unit thereon.

(i) If such Modifications Committee is established, such Committee's authority shall be limited to review of proposed modifications, additions or alterations made on or to such Lot or affecting the exterior portion of the Residential Unit thereon, following (a) completion of the construction of the initially proposed Residential Unit and the improvements thereon as approved by the Design Review Board (b) occupancy of such Residential Unit and (c) issuance of a certificate of occupancy if such is issued by the local jurisdiction. The Modifications Committee shall not have authority to review modifications, additions or alterations made by the Declarant or by Builder/Owners, which modifications, additions or alterations shall be subject, at all times, only to review and approval of the Design Review Board.

(ii) The results of any and all review by the Modifications Committee shall be submitted to the Design Review Board with a recommendation, in writing, by the Modifications Committee for approval, approval as noted with comments, or disapproval. The recommendation of the Modifications Committee shall not be binding until adopted by the Design Review Board, who

may accept, accept with comment or reject such recommendation. If any recommendation of the Modifications Committee is rejected by the Design Review Board, the Design Review Board may substitute its own response to any such proposed modification, addition or alteration, which shall then be binding.

(iii) Review and recommendation by the Modifications Committee shall be based upon the terms of this Declaration and the Design Guidelines.

(b) The Modifications Committee shall, if established, consist of at least three (3) and no more than five (5) members, all of whom shall be appointed by the Declarant until such time as the members of the Design Review Board are appointed by the Board of Directors. At such time that the members of the Design Review Board are appointed by the Board of Directors, the Board of Directors shall also appoint the members of the Modifications Committee, if existing. If the Design Review Board determines that it has jurisdiction over and in respect to any submission to the Modifications Committee, the Design Review Board shall be authorized to review and approve such submission to the exclusion of Modifications Committee. The Modifications Committee shall, as soon as practical after receipt by it of any submission hereunder review the same and deliver its recommendation to the Design Review Board. If the Design Review Board fails to approve or disapprove, in writing, any proposed modification, addition or alteration within sixty (60) days after such have been submitted, such plans and specifications will be deemed expressly approved, provided the proposed modification, addition or alteration is in general harmony with the Community Wide Standard. The provisions hereof shall not be applicable to the Additional Property provided such shall be applicable to those portions of the Additional Property as have been annexed to this Declaration.

(c) Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his or her Residential Unit or to paint the interior of his or her Residential Unit any color desired, so long as the same is not visible from outside the Residential Unit.

9.5 Commencement of Construction and Occupancy of Residential Units. Residential Units may not be temporarily or permanently occupied until the exteriors thereof and the landscaping of the Lot on which the Residential Unit is located have been completed and a certificate of occupancy for such Residential Unit, if issued by the local jurisdiction, has been issued. Once commenced, the construction of a Residential Unit and original improvements contemplated therewith on a Lot shall diligently be continued and shall be completed within twelve (12) months from the date of commencement. For the purposes of this Section 9.5, commencement of construction shall mean that (a) all plans for such construction have been approved by the Design Review Board; (b) a building permit has been issued for the Lot by the appropriate jurisdiction; and (c) construction of a structure has physically commenced beyond site preparation. Completion of a structure shall mean that a certificate of occupancy has been issued by the appropriate jurisdiction for the Lot. During the continuation of construction of any Residential Unit, structure or improvements respecting a Lot or any modifications, additions or alterations thereto, any and all contractors in respect to the construction thereof shall maintain the Lot, the Residential Unit, and the surrounding Common Area in a reasonably clean and uncluttered condition and, to the extent possible, all construction trash and debris shall be kept within refuse containers. Upon completion of construction, the Owner of the Lot shall cause such contractors to immediately remove all

equipment, tools and construction material and debris from the Lot and Residential Unit on which such construction has been completed.

9.6 Approval of Plans. No approval of plans and specifications and no publication of Design Guidelines pursuant to the terms of this Declaration by the Design Review Board shall be construed as representing or implying that such plans, specifications or standards will, if followed, result in properly designed improvements. Such approvals and standards shall in no event be construed as representing or guaranteeing that any Residential Unit or other improvement built in accordance therewith will be built in a good workmanlike manner. The Declarant, the Association, the Design Review Board and the Modifications Committee, if acting, shall not be responsible or liable for (i) any defects in any plans or specifications submitted, revised, or approved pursuant to the terms of this Declaration, (ii) any loss or damages to any person rising out of the approval or disapproval of any plans or specifications, (iii) any loss or damage arising from the non-compliance of such plans and specifications as with any governmental ordinances and regulations, nor (iv) any defects in construction undertaken pursuant to such plans and specifications.

9.7 Construction Criteria and Requirement of Compliance With Law. All Residential Units and other structures and improvements shall be constructed, modified, altered or added to in compliance with any and all applicable state, county and municipal zoning and building restrictions and any applicable regulations and restrictions as might apply to the real estate. All grading, clearing, construction of impervious surfaces, building and other construction activity performed on Lots or Residential Units that are subject to the rules, regulations, guidelines and restrictions of any regulatory authority shall be performed in accordance with such rules, regulations, guidelines and restrictions.

9.8 Land Use and Building Type. Unless otherwise set forth by Declarant in a Supplemental Declaration applicable to a Phase, the following shall be applicable to all Lots.

(a) Structures and Improvements. For purposes of lending assistance to define structures and improvements as required to be approved by the Design Review Board, such structures and improvements shall include, but shall not be limited to, staking, clearing, excavation, grading and other site work; initial construction of any Residential Unit or accessory building; exterior alteration of existing improvements; installation or replacement of mailboxes; swing sets and similar sports and play equipment; garbage cans, wood piles; swimming pools; gazebos or playhouses; hot tubs; wells; satellite dishes or any other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind; hedges, walls, dog runs or fences of any kind, including invisible fences; artificial vegetation or sculpture; and planting or removal of landscaping materials. Notwithstanding the foregoing, the Declarant and the Association shall regulate size and placement of antennas, satellite dishes, or any other apparatus for the transmission or reception of television, radio, satellite or other signals of any kind only in strict compliance with all federal laws and regulations.

(b) In addition to the foregoing activities requiring prior approval, the following items are strictly regulated, and the Design Review Board shall have the right, in its sole discretion, to prohibit or restrict these items within the Properties. Each owner must strictly comply with the terms of this Section 9.8 unless approval or waiver in writing is obtained from

the Design Review Board. The Design Review Board may, but is not required to, adopt specific guidelines as part of the Design Guidelines or rules and regulations which address the following items.

(i) Signs. No sign of any kind shall be erected by an Owner without the prior written consent of the Design Review Board, except (1) such signs as may be required by legal proceedings; and (2) not more than one (1) professional security sign of such size deemed reasonable by the Design Review Board in its sole discretion. No signs, banners, or marketing identifications items, including but not limited to: For Sale, For Rent, For Lease, are permitted on any home site, in windows of homes or structures, on any deck or any road right of way unless placed at the direction of the Declarant. The Declarant and the Design Review Board reserve the right to adopt additional restrictions with respect to the size, content, color, lettering, design and placement of any approved signs. All signs must be professionally prepared. This provision shall not apply to entry, directional, or other signs installed by the Declarant or its duly authorized agent as may be necessary or convenient for the marketing and development of the Properties.

(ii) Tree Removal. No trees that are more than six (6) inches in diameter at a point three (3) feet above the ground shall be removed without the prior written consent of the Design Review Board, *provided, however*, any trees, regardless of their diameter, that are located within ten (10) feet of a drainage area, a sidewalk, a residence, or a driveway, or any diseased or dead trees needing to be removed to promote the growth of other trees or for safety reasons may be removed without the written consent of the Design Review Board. The Design Review Board may adopt or impose requirements for, or condition approval of, tree removal upon the replacement of any tree removed. Additional clearing or pruning of tree canopies may be required on some home sites as per fire ordinance recommendations.

(iii) Lighting. Exterior lighting visible from the street shall not be permitted except for: (1) approved lighting as originally installed on a Lot; (2) one (1) approved decorative post light; (3) pathway lighting; (4) street lights in conformity with an established street lighting program for the Properties; (5) seasonal decorative lights during the usual and common season; or (6) front house illumination of model homes pursuant to criteria set forth in the Design Guidelines.

(iv) Accessory Structures. With the approval of the Design Review Board, detached accessory structures may be placed on a Lot to be used for a playhouse, swimming pool, tool shed, dog house, garage or other approved use. A garage may also be an attached accessory structure. Such accessory structures shall conform in exterior design and quality to the dwelling on the Lot. With the exception of a garage that is attached to a dwelling and except as may be provided otherwise by the Design Review Board, an accessory structure placed on a Lot shall be located only behind the dwelling as such dwelling fronts on the street abutting such Lot or in a location approved by the Design Review Board. All accessory structures shall be located within side and rear setback lines as may be required by the Design Review Board or by applicable zoning law.

(v) Garages. Garages having courtyard, side or rear entry based upon lot type and grade are preferred. See Design Guidelines for front entry garage parameters. All garages must have doors and each garage door must be coordinated in design and color with the Residential Unit to which it is appurtenant pursuant to the Design Guidelines. Each Owner shall provide in respect to each of such Owner's Residential Units parking of at least two (2) automobiles within garages. The garage shall be constructed at the same time that the Residential Unit is constructed and occupancy of the Residential Unit shall not be authorized until the garage is complete without Design Review Board approval for a variance.

(vi) Utility Lines. Overhead utility lines, including lines for cable television, are not permitted except for temporary lines as required during construction and lines installed by or at the request of Declarant.

(vii) Minimum Dwelling Size. Each Residential Unit located on any Lot shall have established in the Design Guidelines a minimum square footage of enclosed, heated and cooled living space. Upon written request of an Owner, the Design Review Board may waive the square footage requirement if, in the Design Review Board's sole discretion, the resulting appearance of such Residential Unit will preserve and conform to the overall appearance, scheme, design, value and quality within the Properties.

(viii) Sight Distance at Intersections. All property located at street intersections or driveways shall be landscaped and improved so as to permit safe sight across such areas. No fence, wall, hedge or shrub shall be placed or permitted to remain where it would cause a traffic or sight problem. The Design Guidelines may include additional sight line limitations.

(ix) Air Conditioning Facilities. No window or wall type air conditioners shall be permitted to be used, erected, placed, or maintained on or in any Residential Unit, building, improvement or structure within the Properties.

(x) Utility Location. The Owners shall ascertain the location of utility service lines and keep the area over the route, if underground, of said service drops free of excavations and clear of structures, trees and other obstructions; it being understood that the lighting and power company may install, maintain, repair, replace and remove said underground service drops, if any, and open the ground for any such purpose or purposes; and no payment will be due or made by any utility for such use or activity.

(xi) Walls, Fences, and Hedges. No walls or fences shall be erected or maintained on any Lot nearer to the street front than the front building line as set forth and as may be shown on the Subdivision Plat unless approved, in writing, by the Design Review Board. All fences and walls shall be approved by the Design Review Board pursuant to standards adopted by it prior to installation. All walls and fences on any Lot must be no higher than as might be approved and must be of a material the same as the house (i.e. brick, stone or stucco) or as otherwise approved by the Design Review Board. No fence may be installed which will impede the natural flow of water across the Lot. All fences, walls and hedges must be approved by the Design Review Board. Ownership of any wall, fence, or hedge erected as a protective screening on a Lot shall pass with

title to the Lot. Each Owner shall be responsible for maintaining any wall, fence or hedge as may exist on his or her Lot and must not block site views for safe vehicular ingress and egress to the Lot.

(xii) Parking. Each Lot shall have provided thereon adequate off street parking as determined by the Design Review Board.

(xiii) Mailboxes. Only one (1) mailbox may be located on each Lot, which mailbox shall be uniform as to style and materials consistent with the Design Guidelines. Each mailbox shall be located and thereafter maintained in a location approved by the Design Review Board consistent with the requirements, if any, of the United States Postal Service.

(xiv) Driveway Construction. No driveway shall be placed on any Lot nor be connected to any street or road within the Properties until the location and materials on the Lot and street access of such driveway are approved by the Design Review Board. In the event there are any concrete curbs in the Properties and such curbs are chipped, cracked and/or broken on the street front side as a result of driveway installation or otherwise such shall be repaired or replaced at the expense of the Owner of the Residential Unit prior to occupancy of the Residential Unit on said Lot.

(c) Building Setback Requirements. Setback requirements which govern specific home site sections as referenced in the Design Guidelines shall apply.

9.9 No Waiver of Future Approvals. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval. Non-compliance will result in the levy of fines by the Design Review Board as set forth in the Design Guidelines.

9.10 Variance. The Design Review Board may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) prevent the Design Review Board from denying a variance in other circumstances. For purposes of this Section 9.10, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

9.11 Limitation of Liability. The standards and procedures established pursuant to this Article 9 are intended to provide a mechanism for maintaining and enhancing the overall aesthetics of the Properties only, and shall not create any duty on the part of the Declarant, the Association, the Board or the Design Review Board to any Person. Review and approval of any application pursuant to this Article 9 is made on the basis of aesthetic considerations only and neither the Declarant, the Association, nor the Design Review Board shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, the



adequacy of soils or drainage, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board, the Design Review Board or any committee, or member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot. In all matters, the committees and their members shall be defended and indemnified by the Association as provided in Section 4.9.

9.12 Enforcement.

(a) The Declarant, any member of the Design Review Board or the Board, or the representatives of each shall have the right, during reasonable hours and after reasonable notice, to enter upon any Lot to inspect for the purpose of ascertaining whether any structure or improvement is in violation of this Article 9. Any structure, improvement or landscaping placed or made in violation of this Article 9 shall be deemed to be nonconforming. Upon written request from the Design Review Board, Owners shall, at their own cost and expense, remove such structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore the property as required, any authorized agent of Declarant, the Design Review Board or the Board shall have the right to enter the property pursuant to Section 11.4, remove the violation, and restore the property to substantially the same condition as previously existed. Entry for such purposes and in compliance with this Section 9.12 shall not constitute a trespass. In addition, the board may enforce the decisions of the Declarant, and the Design Review Board by any means of enforcement described in Section 4.4. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Lot and collected as a Specific Assessment.

(b) Unless otherwise specified in writing by the Design Review Board, all approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. If, after commencement, any Person fails to diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Lot and an opportunity to be heard in accordance with the By-Laws, to enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and the Owner thereof as a Specific Assessment.

(c) Neither the Design Review Board, the Association, the Declarant, nor their respective members, officers or directors shall be held liable to any Person for exercising the rights granted by this Article 9. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article 9 or the Design Guidelines may be excluded by the Design Review Board from the Properties, subject to the notice and hearing procedures contained in the By-Laws.

(d) In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article 9 and the decisions of the Design Review Board.

ARTICLE 10: USE RESTRICTIONS

10.1 Use Restrictions. This Article 10 sets out certain use restrictions which must be complied with by all Owners and occupants of any Lot. The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, model homes, sales offices, an information center and/or a sales office for any real estate broker retained by the Declarant to assist in the sale of property described on Exhibit A, offices for any property manager retained by the Association, business offices for the Declarant or the Association or related parking facilities) consistent with this Declaration and any Supplemental Declaration.

10.2 Occupants Bound. All provisions of the Declaration, By-Laws, and of any rules and regulations, use restrictions or Design Guidelines governing the conduct of Owners and establishing sanctions against Owners shall also apply to all occupants even though occupants are not specifically mentioned.

10.3 Leasing. Lots with a completed home may be leased for residential purposes only and must be for a lease period of not less than three (3) months and all leases must be in writing. All leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Declaration, By-Laws, use restrictions, and rules and regulations of the Association. The lease shall also obligate the tenant to comply with the foregoing. The Board may require notice of any lease together with such additional information deemed necessary by the Board. The Board may also adopt rules regarding the leasing of homes. Such rules may include a limitation on the maximum number of times a home may be leased in any calendar year as well as minimum lease terms (e.g., three (3) months).

10.4 Residential Use.

(a) Subject to the rights of Declarant as set out herein, Lots may be used only for residential purposes of a single family, and for ancillary business or home office uses so long as: (i) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Lot; (ii) the activity conforms to all zoning requirements for the Properties; (iii) the activity does not involve door-to-door solicitation of residents of the Properties; (iv) the activity does not increase traffic or include frequent deliveries within the Properties; and (v) the activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

(b) Subject to the rights of Declarant set out herein, no other business, trade, or similar activity shall be conducted upon a Lot without the prior written consent of the Board. The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation,

work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.

(c) The leasing of a Lot shall not be considered a business or trade within the meaning of this Section 10.4. This Section 10.4 shall not apply to any activity conducted by the Declarant with respect to its development and sale of the Properties or its use of any Lots which it owns within the Properties, including the operation of a timeshare or similar program.

(d) No garage sale, moving sale, rummage sale, or similar activity shall be conducted upon a Lot without the prior written consent of the Board.

10.5 Vehicles. All vehicles shall be subject to such reasonable rules and regulation as the Board of Directors may adopt. In addition, the following shall apply.

(a) Automobiles and non-commercial trucks and vans shall be parked only in the garages or in the driveways, if any, serving the Lots unless otherwise approved by the Design Review Board; provided however, the Declarant and/or the Association may designate certain on-street parking areas for visitors or guests subject to reasonable rules. No automobile or non-commercial truck or van may be left upon any portion of the Properties, except in a garage, if it is unlicensed or if it is in a condition such that it is incapable of being operated upon the public highways. Such vehicle shall be considered a nuisance and may be removed from the Properties. No motorized vehicles shall be permitted on trails, paths, or unpaved Common Area except for public safety vehicles and as specifically authorized by the Board. For purpose of the foregoing, a non-commercial truck shall be deemed to be a truck upon which there is contained no commercial lettering, phone numbers, or business advertisement on the exterior thereof and which does not contain commercial license tags.

(b) Recreational vehicles belonging to Owners or occupants of the Lots shall be parked only in the garage serving the Lot. Guests of an Owner or occupant may park a motor home on the driveway serving the Owner's or occupant's Lot for a period not to exceed seven (7) Days each calendar year. The term "recreational vehicles", as used herein, shall include, without limitation, motor homes, boats, "jet skis" or other watercraft, trailers, other towed vehicles, motorcycles, minibikes, scooters, go-carts, golf carts, campers, buses, and camper trucks and vans. Any recreational vehicle parked or stored in violation of this provision in excess of seven (7) Days shall be considered a nuisance and may be removed from the Properties. Fees and costs for removal and storage under this provision shall be assessed against the Lot as a Specific Assessment.

(c) Service and delivery vehicles may be parked in the Properties during daylight hours for such periods of time as are reasonably necessary to provide service or to make a delivery within the Properties.

(d) Without prior written approval and authorization of the Board of Directors, no boats, boat trailers, campers, canoes, motorcycles, mopeds, all terrain vehicles, vehicles used

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primarily for recreational purposes, vehicles primarily used for commercial purposes, abandoned vehicles, vehicles which are either dismantled, partially dismantled, inoperative, discarded or one which does not have a valid license plate attached thereto, shall be stored, allowed to remain, or repeatedly parked on the Properties subject to this Declaration, except in any area, if any, designated by the Board of Directors. No vehicles shall be parked on the Common Area other than in authorized parking areas. No vehicles shall be parked or stored on blocks or other such devices on the Common Area or other portion of the Properties visible from the Common Area. No vehicles shall be parked so as to obstruct the fire lanes or roadways within the Properties. If permitted, boat trailers, boats, campers, motorcycles, mopeds, all terrain vehicles, vehicles primarily used for recreational or commercial purposes, travel trailers or inoperative automobiles are to be stored out of view from the streets and shall not be stored in any street right-of-way or on driveways. The Association is expressly authorized to remove, by towing or other methods, at the Owner's expense, any unlawful or prohibited vehicle in violation hereof.

(e) All vehicular traffic on the private streets and roads within the Properties shall be subject to the provisions of the laws of the State of North Carolina and County concerning operation of motor vehicles on public streets. The Board is hereby authorized to promulgate, administer, and enforce reasonable Rules and Regulations governing vehicular and pedestrian traffic, including reasonable safety measures and speed limits including modifications of those in force on public streets, within the Properties. The Association shall be entitled to enforce same by establishing such enforcement procedures as it deems appropriate, including levying fines for the violation thereof. In the event of a conflict between such provisions of the laws of the State of North Carolina and County and such Rules and Regulations promulgated by the Association, the Rules and Regulations of the Association shall control unless the laws of the State of North Carolina or County are determined by the Board to be more restrictive. Only drivers licensed to operate motor vehicles by the State of North Carolina or by any other state in the United States may operate any type of motor vehicle, including golf carts, mopeds, all terrain vehicles, motorcycles, motor driven bicycles within the Properties. All vehicles of any kind and nature which are operated on the streets of the Properties shall be operated in a careful, prudent, safe, and quiet manner with due consideration for the rights of all Owners within the Properties.

10.6 Use of Common Area.

(a) There shall be no obstruction of the Common Area, including without limitation any recreational vehicle and boat storage area, nor shall anything be kept, parked or stored on any part of the Common Area without the prior written consent of the Association, except as specifically provided herein. With the prior written approval of the Board of Directors, and subject to any restrictions imposed by the Board, an Owner or Owners may reserve portions of the Common Area for use for a period of time as set by the Board. Any such Owner or Owners who reserve a portion of the Common Areas as provided herein shall assume all risks associated with the use of the Common Area and all liability for any damage or injury to any person or thing as a result of such use. The Association shall not be liable for any damage or injury resulting from such use unless such damage or injury is caused solely by the willful acts or gross negligence of the Association, its agents or employees.

(b) Owners of Lots, as well as their families, tenants, guests, invitees, and pets shall refrain from any actions which deter from the enjoyment by other Owners of areas within the Properties designated as Common Area. Prohibited activities shall include without limitation, maintenance of dogs or other pets under conditions which interfere with the use of the specified areas by other Owners, playing of loud radios or musical instruments, holding of large gatherings without advance approval of the Board, and use of portable outdoor grills, cooking facilities, tents or other temporary structures, stages, vending machines or facilities, except for events approved in advance by the Board. The Board may promulgate other rules and restrictions for the use of these areas.

10.7 Animals and Pets. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Lot nor within any Residential Unit, except that dogs, cats or other usual household pets may be kept by the respective Owners on their respective Lots and within their respective Residential Unit, provided that they are not kept, bred or maintained for any commercial purpose and do not endanger the health of or unreasonably disturb the Owner of any Lots within the Community; provided that the Board of Directors may, by adoption of Rules and Regulations, (i) prohibit from the Properties animals which are determined by the Board to be dangerous or detrimental to the health, safety or welfare of the Owners and (ii) prohibit any respective pet from travel upon or use of the Common Area unless the owner of such pet pays a user fee to the Association in an amount determined by the Board. In addition, Rules and Regulations may include but not be limited to the prohibition of animals as to size, weight or type. No more than three (3) dogs or cats may be kept on any Lot at any time. No pet enclosure shall be erected, placed or permitted to remain on any Lot subjected to this Declaration except as approved pursuant to Article 9. No dog runs shall be constructed and maintained on any Lot. In the event a pet or pets become a nuisance in the opinion of the Declarant or the Board, they shall be removed from the Properties. All animals, as are permitted herein, shall be kept and maintained in accordance with the Rules and Regulations established by the Board.

10.8 Nuisance. It shall be the responsibility of each Owner and occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her property. The Properties shall not be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will emit foul or noxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the Properties, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person within the Properties. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes or as approved by the Design Review Board, shall be located, installed or maintained upon the exterior of any Lot unless required by law. Any siren or device for security purposes shall contain a device or system which causes it to shut off automatically within a reasonable period of time. The reasonable and normal