



137 FORKED PINE COURT
CHAPEL HILL

137 Forked Pine Court

Inside this booklet, you will find important documents and details related to the home, including:

- Residential Property Disclosure (RPD)
- Mineral and Oil and Gas Disclosure (MOG)
- Buyer Information Sheet
- Utility Information Sheet
- Floor Plan
- Golf Membership Information
- A Letter from the Sellers
- Other Community Documents (Bylaws, Rules, Regulations, etc)



NORTH CAROLINA REAL ESTATE COMMISSION

***Residential Property And Owners'
Association Disclosure Statement***

Protecting the Public Interest in Real Estate Brokerage Transactions

Property Address/Description: 137 Forked Pine Court, Chapel Hill, NC 27517

Owner's Name(s): Donald M Johnson Trustee and JoAnne Johnson Trustee

North Carolina law [N.C.G.S. 47E](#) requires residential property owners to complete this Disclosure Statement and provide it to the buyer prior to any offer to purchase. There are limited exemptions for completing the form, such as new home construction that has never been occupied. Owners are advised to seek legal advice if they believe they are entitled to one of the limited exemptions contained in N.C.G.S. 47E-2.

An owner is required to provide a response to every question by selecting Yes (Y), No (N), No Representation (NR), or Not Applicable (NA). An owner is not required to disclose any of the material facts that have a NR option, even if they have knowledge of them. However, failure to disclose latent (hidden) defects may result in civil liability. The disclosures made in this Disclosure Statement are those of the owner(s), not the owner's broker.

- If an owner selects Y or N, the owner is only obligated to disclose information about which they have actual knowledge. If an owner selects Y in response to any question about a problem, the owner must provide a written explanation or attach a report from an attorney, engineer, contractor, pest control operator, or other expert or public agency describing it.
- If an owner selects N, the owner has no actual knowledge of the topic of the question, including any problem. If the owner selects N and the owner knows there is a problem or that the owner's answer is not correct, the owner may be liable for making an intentional misstatement.
- If an owner selects NR, it could mean that the owner (1) has knowledge of an issue and chooses not to disclose it; or (2) simply does not know.
- If an owner selects NA, it means the property does not contain a particular item or feature.

For purposes of completing this Disclosure Statement: **"Dwelling"** means any structure intended for human habitation, **"Property"** means any structure intended for human habitation and the tract of land, and **"Not Applicable"** means the item does not apply to the property or exist on the property.

OWNERS: The owner must give a completed and signed Disclosure Statement to the buyer no later than the time the buyer makes an offer to purchase property. If the owner does not, the buyer can, under certain conditions, cancel any resulting contract. An owner is responsible for completing and delivering the Disclosure Statement to the buyer even if the owner is represented in the sale of the property by a licensed real estate broker and the broker must disclose any material facts about the property that the broker knows or reasonably should know, regardless of the owner's response.

The owner should keep a copy signed by the buyer for their records. If something happens to make the Disclosure Statement incorrect or inaccurate (for example, the roof begins to leak), the owner must promptly give the buyer an updated Disclosure Statement or correct the problem. Note that some issues, even if repaired, such as structural issues and fire damage, remain material facts and must be disclosed by a broker even after repairs are made.

BUYERS: The owner's responses contained in this Disclosure Statement are not a warranty and should not be a substitute for conducting a careful and independent evaluation of the property. **Buyers are strongly encouraged to:**

- Carefully review the entire Disclosure Statement.
- Obtain their own inspections from a licensed home inspector and/or other professional.

DO NOT assume that an answer of N or NR is a guarantee of no defect. If an owner selects N, that means the owner has no actual knowledge of any defects. It does not mean that a defect does not exist. If an owner selects NR, it could mean the owner (1) has knowledge of an issue and chooses not to disclose it, or (2) simply does not know.

BROKERS: A licensed real estate broker shall furnish their seller-client with a Disclosure Statement for the seller to complete in connection with the transaction. A broker shall obtain a completed copy of the Disclosure Statement and provide it to their buyer-client to review and sign. All brokers shall (1) review the completed Disclosure Statement to ensure the seller responded to all questions, (2) take reasonable steps to disclose material facts about the property that the broker knows or reasonably should know regardless of the owner's responses or representations, and (3) explain to the buyer that this Disclosure Statement does not replace an inspection and encourage the buyer to protect their interests by having the property fully examined to the buyer's satisfaction.

- **Brokers are NOT permitted to complete this Disclosure Statement on behalf of their seller-clients.**
- Brokers who own the property may select NR in this Disclosure Statement but are obligated to disclose material facts they know or reasonably should know about the property.

Buyer Initials
Buyer Initials

Owner Initials
Owner Initials

02/04/26 02/04/26
10:20 AM EST 1:07 PM EST
dotloop verified dotloop verified

REC 4.22
REV 5/24

SECTION A.
STRUCTURE/FLOORS/WALLS/CEILING/WINDOW/ROOF

	Yes	No	NR											
A1. Is the property currently owner-occupied? Date owner acquired the property: <u>June 2010</u> If not owner-occupied, how long has it been since the owner occupied the property? _____	☒	☐	☐											
A2. In what year was the dwelling constructed? <u>2009</u>			☐											
A3. Have there been any structural additions or other structural or mechanical changes to the dwelling(s)?	☒	☐	☐											
A4. The dwelling's exterior walls are made of what type of material? (Check all that apply) ☐ Brick Veneer ☐ Vinyl ☒ Stone ☒ Fiber Cement ☐ Synthetic Stucco ☐ Composition/Hardboard ☐ Concrete ☐ Aluminum ☐ Wood ☐ Asbestos ☐ Other: _____			☐											
A5. In what year was the dwelling's roof covering installed? <u>2020</u>			☐											
A6. Is there a leakage or other problem with the dwelling's roof or related existing damage?	☐	☒	☐											
A7. Is there water seepage, leakage, dampness, or standing water in the dwelling's basement, crawl space, or slab?	☐	☒	☐											
A8. Is there an infestation present in the dwelling or damage from past infestations of wood destroying insects or organisms that has not been repaired?	☐	☒	☐											
A9. Is there a problem, malfunction, or defect with the dwelling's:														
	NA	Yes	No	NR		NA	Yes	No	NR		NA	Yes	No	NR
Foundation	☐	☐	☒	☐	Windows	☐	☐	☒	☐	Attached Garage	☐	☐	☒	☐
Slab	☒	☐	☐	☐	Doors	☐	☐	☒	☐	Fireplace/Chimney	☐	☐	☒	☐
Patio	☐	☐	☒	☐	Ceilings	☐	☐	☒	☐	Interior/Exterior Walls	☐	☐	☒	☐
Floors	☐	☐	☒	☐	Deck	☐	☐	☒	☐	Other: _____	☐	☐	☐	☐

Explanations for questions in Section A (identify the specific question for each explanation):

Kitchen addition

SECTION B.
HVAC/ELECTRICAL

	Yes	No	NR
B1. Is there a problem, malfunction, or defect with the dwelling's electrical system (outlets, wiring, panels, switches, fixtures, generator, etc.)?	☐	☒	☐
B2. Is there a problem, malfunction, or defect with the dwelling's heating and/or air conditioning?	☐	☒	☐
B3. What is the dwelling's heat source? (Check all that apply; indicate the year of each system manufacture)			☐
☒ Furnace [<u>1</u> # of units] Year: <u>2010</u>			
☒ Heat Pump [<u>2</u> # of units] Year: <u>09/15</u>			
☐ Baseboard [_____ # of bedrooms with units] Year: _____			
☐ Other: _____ Year: _____			

Yes No NR

B4. What is the dwelling's cooling source? (Check all that apply; indicate the year of each system manufacture)

☒ Central Forced Air: _____ Year: 2010 ☐ Wall/Windows Unit(s): _____ Year: _____
☐ Other: _____ Year: _____

B5. What is the dwelling's fuel source? (Check all that apply)

☒ Electricity ☒ Natural Gas ☐ Solar ☐ Propane ☐ Oil ☐ Other: _____

Explanations for questions in Section B (identify the specific question for each explanation):

SECTION C.
PLUMBING/WATER SUPPLY/SEWER/SEPTIC

Yes No NR

C1. What is the dwelling's water supply source? (Check all that apply)

☒ City/County ☐ Shared well ☐ Community System ☐ Private well ☐ Other: _____

If the dwelling's water supply source is supplied by a private well, identify whether the private well has been tested for: (Check all that apply).

☐ Quality ☐ Pressure ☐ Quantity

If the dwelling's water source is supplied by a private well, what was the date of the last water quality/quantity test? _____

C2. The dwelling's water pipes are made of what type of material? (Check all that apply)

☐ Copper ☐ Galvanized ☐ Plastic ☐ Polybutylene ☒ Other: Unknown

C3. What is the dwelling's water heater fuel source? (Check all that apply; indicate the year of each system manufacture)

☒ Gas: 2020 ☐ Electric: _____ ☐ Solar: _____ ☐ Other: _____

C4. What is the dwelling's sewage disposal system? (Check all that apply)

☐ Septic tank with pump ☒ Community system ☐ Septic tank ☐ Drip system
☐ Connected to City/County System ☐ City/County system available ☐ Other: _____
☐ Straight pipe (wastewater does not go into a septic or other sewer system) *Note: Use of this type of system violates State Law.

If the dwelling is serviced by a septic system, how many bedrooms are allowed by the septic system permit? _____ ☐ No Records Available

Date the septic system was last pumped: _____

C5. Is there a problem, malfunction, or defect with the dwelling's:

	NA	Yes	No	NR		NA	Yes	No	NR
Septic system	☒	☐	☐	☐	Plumbing system (pipes, fixtures, water heater, etc.)	☐	☐	☒	☐
Sewer system	☐	☐	☒	☐	Water supply (water quality, quantity, or pressure)	☐	☐	☒	☐

Explanations for questions in Section C (identify the specific question for each explanation):

SECTION D.
FIXTURES/APPLIANCES

	Yes	No	NR																
D1. Is the dwelling equipped with an elevator system?	☐	☒	☐																
If yes, when was it last inspected?																			
Date of last maintenance service:																			
D2. Is there a problem, malfunction, or defect with the dwelling's:																			
	NA	Yes	No	NR		NA	Yes	No	NR		NA	Yes	No	NR		NA	Yes	No	NR
Attic fan, exhaust fan, ceiling fan	☐	☐	☒	☐	Irrigation system	☐	☐	☒	☐	Sump pump	☒	☐	☐	☐	Garage door system	☐	☐	☒	☐
Elevator system or component	☒	☐	☐	☐	Pool/hot tub /spa	☒	☐	☐	☐	Gas logs	☐	☐	☒	☐	Security system	☒	☐	☐	☐
Appliances to be conveyed	☐	☐	☒	☐	TV cable wiring or satellite dish	☐	☐	☐	☒	Central vacuum	☒	☐	☐	☐	Other:	☐	☐	☐	☐

Explanations for questions in Section D (identify the specific question for each explanation):

SECTION E.
LAND/ZONING

	Yes	No	NR
E1. Is there a problem, malfunction, or defect with the drainage, grading, or soil stability of the property?	☐	☒	☐
E2. Is the property in violation of any local zoning ordinances, restrictive covenants, or local land-use restrictions (including setback requirements?)	☐	☒	☐
E3. Is the property in violation of any building codes (including the failure to obtain required permits for room additions or other changes/improvements?)	☐	☒	☐
E4. Is the property subject to any utility or other easements, shared driveways, party walls, encroachments from or on adjacent property, or other land use restrictions?	☐	☒	☐
E5. Does the property abut or adjoin any private road(s) or street(s)?	☒	☐	☐
E6. If there is a private road or street adjoining the property, are there any owners' association or maintenance agreements dealing with the maintenance of the road or street?	☒	☐	☐

Explanations for questions in Section E (identify the specific question for each explanation):

E5: private roads throughout the neighborhood
E6: roads are maintained through the HOA

SECTION F.
ENVIRONMENTAL/FLOODING

	Yes	No	NR
F1. Is there hazardous or toxic substance, material, or product (such as asbestos, formaldehyde, radon gas, methane gas, lead-based paint) that exceed government safety standards located on or which otherwise affect the property?	☐	☒	☐

	Yes	No	NR
F2. Is there an environmental monitoring or mitigation device or system located on the property?	☐	☒	☐
F3. Is there debris (whether buried or covered), an underground storage tank, or an environmentally hazardous condition (such as contaminated soil or water or other environmental contamination) located on or which otherwise affect the property?	☐	☒	☐
F4. Is there any noise, odor, smoke, etc., from commercial, industrial, or military sources that affects the property?	☐	☒	☐
F5. Is the property located in a federal or other designated flood hazard zone?	☐	☒	☐
F6. Has the property experienced damage due to flooding, water seepage, or pooled water attributable to a natural event such as heavy rainfall, coastal storm surge, tidal inundation, or river overflow?	☐	☒	☐
F7. Have you ever filed a claim for flood damage to the property with any insurance provider, including the National Flood Insurance Program?	☐	☒	☐
F8. Is there a current flood insurance policy covering the property?	☐	☒	☐
F9. Have you received assistance from FEMA, U.S. Small Business Administration, or any other federal disaster flood assistance for flood damage to the property?	☐	☒	☐
F10. Is there a flood or FEMA elevation certificate for the property?	☐	☒	☐

NOTE: An existing flood insurance policy may be assignable to a buyer at a lesser premium than a new policy. For properties that have received disaster assistance, the requirement to obtain flood insurance passes down to all future owners. Failure to obtain flood insurance can result in an owner being ineligible for future assistance.

Explanations for questions in Section F (identify the specific question for each explanation):

SECTION G.
MISCELLANEOUS

	Yes	No	NR
G1. Is the property subject to any lawsuits, foreclosures, bankruptcy, judgments, tax liens, proposed assessments, mechanics' liens, materialmens' liens, or notices from any governmental agency that could affect title to the property?	☐	☒	☐
G2. Is the property subject to a lease or rental agreement?	☐	☒	☐
G3. Is the property subject to covenants, conditions, or restrictions or to governing documents separate from an owners' association that impose various mandatory covenants, conditions, and or restrictions upon the lot or unit?	☐	☒	☐

Explanations for question in Section G (identify the specific question for each explanation):

G3: ARB Guidelines and Restrictive Covenants

SECTION H.
OWNERS' ASSOCIATION DISCLOSURE

If you answer 'Yes' to question H1, you must complete the remaining questions in Section H. If you answered 'No' or 'No Representation' to question H1, you do not need to answer the remaining questions in Section H.

	Yes	No	NR
H1. Is the property subject to regulation by one or more owners' association(s) including, but not limited to, obligations to pay regular assessments or dues and special assessments? If "yes," please provide the information requested below as to each owners' association to which the property is subject [insert N/A into any blank that does not apply]: a. (specify name) <u>The Preserve POA</u> whose regular assessments ("dues") are \$ <u>800.00</u> per <u>semi annual</u> . The name, address, telephone number, and website of the president of the owners' association or the association manager are: <u>Omega Management</u> b. (specify name) <u>Donna Gorman</u> whose regular assessments ("dues") are \$ <u></u> per <u></u> . The name, address, telephone number, and website of the president of the owners' association or the association manager are: <u>https://omega.cincwebaxis.com/pj/documents</u> c. Are there any changes to dues, fees, or special assessment which have been duly approved and to which the lot is subject? If "yes," state the nature and amount of the dues, fees, or special assessments to which the property is subject: <u></u>	☒	☐	☐
H2. Is there any fee charged by the association or by the association's management company in connection with the conveyance or transfer of the lot or property to a new owner? If "yes," state the amount of the fees: <u>\$200.00 charged to sellers from the management company</u>	☒	☐	☐
H3. Is there any unsatisfied judgment against, pending lawsuit, or existing or alleged violation of the association's governing documents involving the property? If "yes," state the nature of each pending lawsuit, unsatisfied judgment, or existing or alleged violation: <u></u>	☐	☒	☐
H4. Is there any unsatisfied judgment or pending lawsuits against the association? If "yes," state the nature of each unsatisfied judgment or pending lawsuit: <u></u>	☐	☐	☒

Explanations for questions in Section H (identify the specific question for each explanation):

Owner(s) acknowledge(s) having reviewed this Disclosure Statement before signing and that all information is true and correct to the best of their knowledge as of the date signed.

Owner Signature:	<i>Donald M Johnson</i>	dotloop verified 02/04/26 10:20 AM EST MDL6-SBOW-2JLN-WOZG	Date <u>02/01/2026</u>
Owner Signature:	<i>JoAnne Johnson Trustee</i>	dotloop verified 02/04/26 1:07 PM EST ZUVR-RBBN-039S-LP5G	Date <u>02/01/2026</u>

Buyers(s) acknowledge(s) receipt of a copy of this Disclosure Statement and that they have reviewed it before signing.

Buyer Signature:			Date <u>02/04/2026</u>
Buyer Signature:			Date <u>02/04/2026</u>



STATE OF NORTH CAROLINA MINERAL AND OIL AND GAS RIGHTS MANDATORY DISCLOSURE STATEMENT

Instructions to Property Owners

1. The Residential Property Disclosure Act (G.S. 47E) ("Disclosure Act") requires owners of certain residential real estate such as single-family homes, individual condominiums, townhouses, and the like, and buildings with up to four dwelling units, to furnish purchasers a Mineral and Oil and Gas Rights Disclosure Statement ("Disclosure Statement"). This form is the only one approved for this purpose.
2. A disclosure statement is not required for some transactions. For a complete list of exemptions, see G.S. 47E-2(a). **A DISCLOSURE STATEMENT IS REQUIRED FOR THE TRANSFERS IDENTIFIED IN G.S. 47E-2(b)**, including transfers involving the first sale of a dwelling never inhabited, lease with option to purchase contracts where the lessee occupies or intends to occupy the dwelling, and transfers between parties when both parties agree not to provide the Residential Property and Owner's Association Disclosure Statement.
3. You must respond to each of the following by placing a check ☒ in the appropriate box.

MINERAL AND OIL AND GAS RIGHTS DISCLOSURE

Mineral rights and/or oil and gas rights can be severed from the title to real property by conveyance (deed) of the mineral rights and/or oil and gas rights from the owner or by reservation of the mineral rights and/or oil and gas rights by the owner. If mineral rights and/or oil and gas rights are or will be severed from the property, the owner of those rights may have the perpetual right to drill, mine, explore, and remove any of the subsurface mineral and/or oil or gas resources on or from the property either directly from the surface of the property or from a nearby location. With regard to the severance of mineral rights and/or oil and gas rights, Seller makes the following disclosures:

	Yes	No	No Representation
Buyer Initials 1. Mineral rights were severed from the property by a previous owner.	☐	☐	☒
Buyer Initials 2. Seller has severed the mineral rights from the property.	☐	☒	
Buyer Initials 3. Seller intends to sever the mineral rights from the property prior to transfer of title to the Buyer.	☐	☒	
Buyer Initials 4. Oil and gas rights were severed from the property by a previous owner.	☐	☐	☒
Buyer Initials 5. Seller has severed the oil and gas rights from the property.	☐	☒	
Buyer Initials 6. Seller intends to sever the oil and gas rights from the property prior to transfer of title to Buyer.	☐	☒	

Note to Purchasers

If the owner does not give you a Mineral and Oil and Gas Rights Disclosure Statement by the time you make your offer to purchase the property, or exercise an option to purchase the property pursuant to a lease with an option to purchase, you may under certain conditions cancel any resulting contract without penalty to you as the purchaser. To cancel the contract, you must personally deliver or mail written notice of your decision to cancel to the owner or the owner's agent within three calendar days following your receipt of this Disclosure Statement, or three calendar days following the date of the contract, whichever occurs first. However, in no event does the Disclosure Act permit you to cancel a contract after settlement of the transaction or (in the case of a sale or exchange) after you have occupied the property, whichever occurs first.

Property Address: 137 Forked Pine Court, Chapel Hill, NC 27517

Owner's Name(s): Donald M Johnson and JoAnne Johnson Trustee

Owner(s) acknowledge having examined this Disclosure Statement before signing and that all information is true and correct as of the date signed.

Owner Signature: *Donald M Johnson*

dotloop verified
02/02/26 12:55 PM EST
6TW6-CHFJ-OILL-QZQW

Date 02/01/2026

Owner Signature: *JoAnne Johnson Trustee*

dotloop verified
02/02/26 8:36 AM EST
ZZHS-ENOP-TD8U-EIR9

Date 02/01/2026

Purchaser(s) acknowledge receipt of a copy of this Disclosure Statement; that they have examined it before signing; that they understand that this is not a warranty by owner or owner's agent; and that the representations are made by the owner and not the owner's agent(s) or subagent(s).

Purchaser Signature:

Date

Purchaser Signature:

Date

Buyer's Information Sheet

Address: 137 Forked Pine Court, Chapel Hill NC 27517

Survey: ☐ Yes ☐ No

Roof: Age 6 ☐ Warranty: # of Years 30 Company Weather Guard

Attic: ☒ Yes/ ☐ No ☒ Un nished ☐ Finished ☐ Walk-up ☐ Pull Down ☐ Sealed Satellite Dish: ☐ Yes/ ☒ No

Foundation: ☐ Crawl (Sealed ☐ Yes/ ☐ No) ☐ Slab ☐ Un nished Basement ☒ Finished Basement

Humidi er: ☐ Yes/ ☒ No Crawl Space Checked for Moisture & Vapor Barrier Coverage: ☒ Yes/ ☐ No

HVAC:

☐ 1 Unit ☐ 2 Zone ☒ 3 Zone Unit 1 Age 15 yrs Unit 2 Age 15 yrs Unit 3 Age 12 yrs

Heat Type: ☐ Forced Air ☐ Heat Pump Heat Source: ☐ Electric Fuel ☒ Natural Gas ☐ Propane

Active Service Agreement: ☐ Yes/ ☒ No Company _____ Date Last Serviced 2025

Water Heater: Age 6 ☐ Electric ☒ Gas ☐ Tankless Location _____ Water Filter: ☐ Yes/ ☒ No

Fireplace: ☒ Yes/ ☐ No ☐ Wood Burning ☒ Gas Logs Do You Use It? ☒ Yes/ ☐ No Date Last Serviced 01/2026

Garage Door: Code? ☒ Yes/ ☐ No Code Working? ☒ Yes/ ☐ No # of Remotes 2 (To be left in the kitchen drawer)

Security System: ☐ Finished ☐ Pre-wired ☒ No Company _____ Cost _____ Per _____

Intercom System: ☐ Finished ☐ Pre-wired ☒ No Central Vac: ☐ Finished ☐ Pre-wired ☒ No

Irrigation System: ☒ Yes/ ☐ No In Working Condition? ☒ Yes/ ☐ No Date Last Serviced Oct 2025

Termite Warranty: ☐ Yes/ ☐ No Company _____ Date of Last Inspection quarterly

Fee to Transfer Termite Warranty ☐ Yes/ ☐ No If Yes, amount: _____

Home Warranty: ☐ Yes/ ☐ No Company _____ End Date of Current Warranty _____

Green Building Features:

Programmable Thermostats: ☒ Yes/ ☐ No Solar Panels: ☐ Yes/ ☒ No

Low E Windows: ☐ Yes/ ☐ No Energy-Star Appliances: ☒ Yes/ ☐ No

Sealed Crawlspace: ☐ Yes/ ☒ No

Maintenance - Date of Last Service:

Gutter Cleaning N/A Septic Pumping N/A Well Testing N/A

Permits/Finals for Renovation(s) Obtained as Required: ☒ Yes/ ☐ No / ☐ No renovation work done

Updates (e.g., appliances, countertops, paint-interior, paint-exterior & trim, carpet, light xtures, systems, etc.)

Year <u>2019</u>	Improvement <u>Kitchen addition</u>
<u>2023</u>	<u>Interior paint</u>
<u>2024</u>	<u>Quartzite countertops</u>
<u>2026</u>	<u>Carpet stairs lower level</u>
_____	_____
_____	_____
_____	_____
_____	_____



WATER

- ☐
- ☐
- ☐
- ☐
- ☐
- ☐
- ☒
- ☐
- ☐
- ☒

AVG MONTHLY COST	90
City of Cary	919-469-4050
City of Raleigh	919-890-3245
Town of Wake Forest	919-890-3245
Town of Apex	919-362-8676
Heater Utilities	919-467-7854
Chatham	919-542-8270
Hasty Utilities	919-266-4161
AQUA	877-987-2782
OTHER	
Tri River Water	919-775-8215



SEWER

- ☐
- ☐
- ☐
- ☐
- ☐
- ☐
- ☒
- ☐
- ☒
- ☐

AVG MONTHLY COST	90
City of Cary	919-469-4050
City of Raleigh	919-890-3245
Town of Wake Forest	919-890-3245
Town of Apex	919-362-8676
Heater Utilities	919-467-7854
Chatham	919-542-8270
Hasty Utilities	919-266-4161
AQUA	877-987-2782
OTHER	



CABLE/SAT

- ☒
- ☐
- ☐
- ☐
- ☐

AVG MONTHLY COST	130
Spectrum/Time Warner	855-243-8892
Dish Network	800-803-3388
Direct TV	855-842-4388
AT&T	844-723-0252
OTHER	

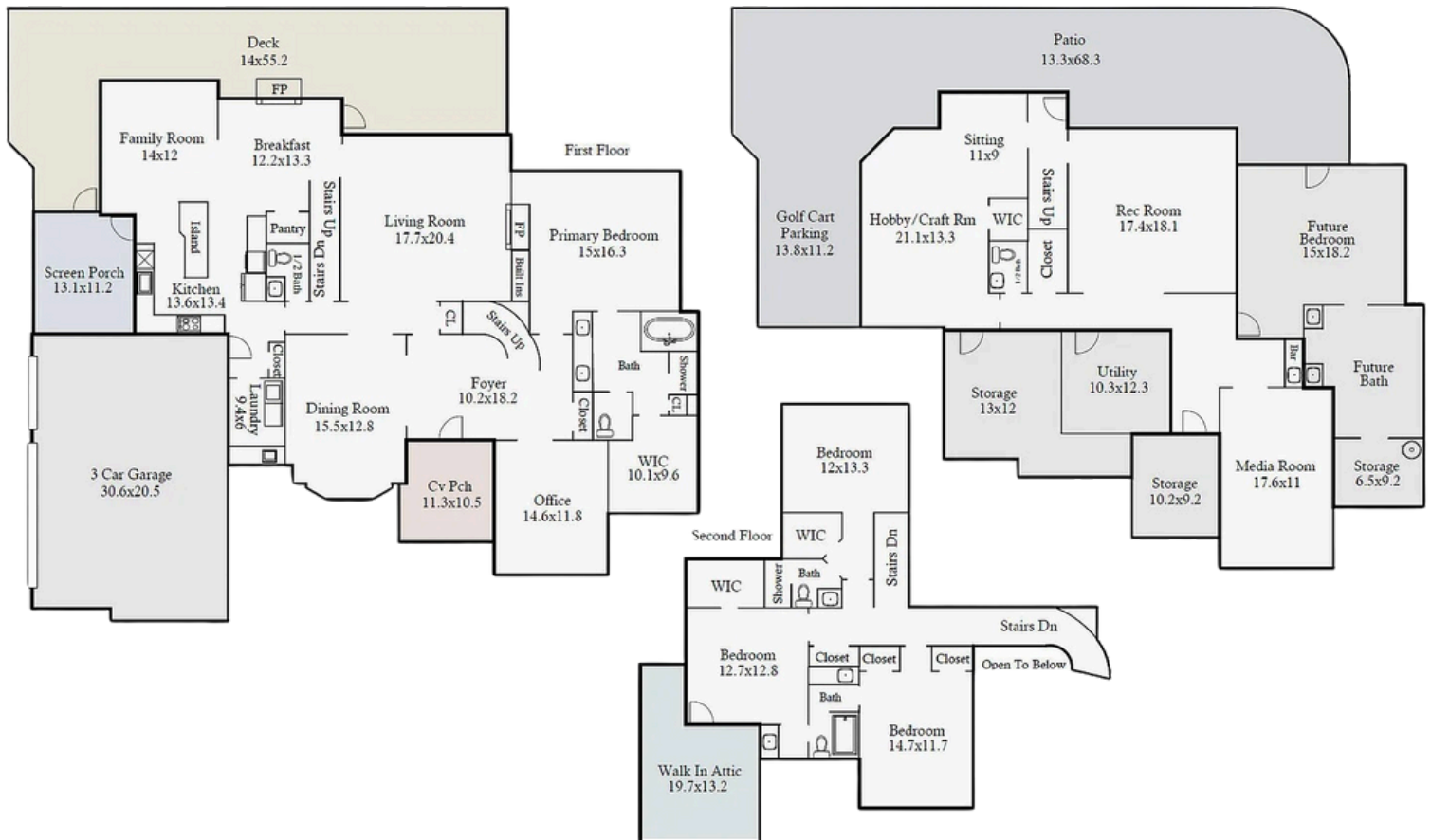


HOA

NAME	The Preserve at Jordan Lake HOA
PHONE	919-459-5793
DUES	\$800.00/semi annually
PERIOD	☐ MONTHLY ☐ ANNUALLY ☒ OTHER

137 Forked Pine Court

Floor Plan



Golf Membership | The Preserve at Jordan Lake

Initiation Fee	\$2,000 Single \$2,000 Family \$1,250 W/D
Individual Membership	\$245 per month
Family Membership	\$305 per month
Weekday Single Membership [M-F]	\$175 per month
Weekday Family Membership [M-F]	\$215 per month
Annual Cart Plan	\$175 Single / \$245 Family per month
Cart Fees (members not on plans)	\$22 for 18-Holes / \$11 for 9-Holes
Annual Range Plan	\$50 Single / \$70 Family per month
Handicap Service	\$32 Annual Payment

Includes:

- Unlimited Greens Fees
- 14 Day Advanced Tee Time Reservations
- 10% Merchandise & F&B Discount
- 20% Discount on Range Balls
- Golf Lesson Discounts
- Account Charging and Billing Automation
- Members Only Tournament Events
- No Food or Shop Minimums
- No Member Assessments
- Reciprocal Programs



SCAN FOR MORE INFORMATION

A Letter from the Sellers

137 Forked Pine Court, Chapel Hill

Purchasing our house was a spontaneous decision. We had bought a lot in the Preserve years before, but when we saw this house, we fell in love with it. Being tucked away and so private, gave us the serenity we needed after living outside of DC for 16 years.

It's been the gathering place for our family, where our children and eight grandchildren have celebrated countless Christmases, hunted for Easter eggs in the spring, and played countless pickup games under the basketball hoop. Evenings on the back deck, surrounded by so many beautiful trees, makes us feel as if we're in a treehouse.

The basement craft/music room has seen many family productions, plays and musical concerts that the whole family participated in. The theatre room has hosted many a movie night with friends and family as well as an escape for us to just sit back and relax to watch one of our favorite TV series.

We have shared countless holiday meals and special moments in the dining room, as we looked forward to our cherished traditions and familiar menus.

This home has given us so many wonderful memories, and we hope it becomes just as special for the next family who lives here.

Mick & JoAnne Johnson

BOOK 842 989

EXHIBIT "C"

BY-LAWS
OF
THE PRESERVE AT JORDAN LAKE
COMMUNITY ASSOCIATION, INC.

- TABLE OF CONTENTS -

	<u>Page</u>
Article 1. Name, Principal Office, and Definitions	1
1.1. Name	1
1.2. Principal Office	1
1.3. Definitions	1
Article 2. Association: Membership, Meetings, Quorum, Voting, Proxies	1
2.1. Membership	1
2.2. Place of Meetings	1
2.3. Annual Meetings	1
2.4. Special Meetings	1
2.5. Notice of Meetings	2
2.6. Waiver of Notice	2
2.7. Adjournment of Meetings	2
2.8. Voting	2
2.9. List for Voting	2
2.10. Proxies	2
2.11. Quorum	3
2.12. Conduct of Meetings	3
2.13. Action Without a Meeting	3
Article 3. Board of Directors: Number, Powers, Meetings	3
A. Composition and Selection	3
3.1. Governing Body; Composition	3
3.2. Number of Directors	4
3.3. Directors During Class "B" Control Period	4
3.4. Nomination and Election Procedures	4
3.5. Election and Term of Office	4
3.6. Removal of Directors and Vacancies	5
B. Meetings	5
3.7. Organizational Meetings	5
3.8. Regular Meetings	5
3.9. Special Meetings	5
3.10. Notice	5
3.11. Waiver of Notice	6
3.12. Participation in Meetings	6
3.13. Quorum of Board of Directors	6
3.14. Compensation	6
3.15. Conduct of Meetings	7
3.16. Open Meetings	7

3.17.	Action Without a Formal Meeting	7
C.	Powers and Duties	7
3.18.	Powers	7
3.19.	Duties	7
3.20.	Right of Class "B" Member to Disapprove Actions	8
3.21.	Management	9
3.22.	Accounts and Reports	9
3.23.	Borrowing	10
3.24.	Right to Contract	10
3.25.	Enforcement	10
Article 4.	Officers	11
4.1.	Officers	11
4.2.	Election and Term of Office	11
4.3.	Removal and Vacancies	11
4.4.	Powers and Duties	11
4.5.	Resignation	12
4.6.	Agreements, Contracts, Deeds, Leases, Checks, Etc	12
4.7.	Compensation	12
Article 5.	Committees	12
5.1.	General	12
5.2.	Covenants Committee	12
5.3.	Neighborhood Committees	12
Article 6.	Miscellaneous	13
6.1.	Fiscal Year	13
6.2.	Parliamentary Rules	13
6.3.	Conflicts	13
6.4.	Books and Records	13
6.5.	Notices	13
6.6.	Amendment	14

BY-LAWS
OF
THE PRESERVE AT JORDAN LAKE COMMUNITY ASSOCIATION, INC.

Article 1.
Name, Principal Office, and Definitions

1.1. Name. The name of the corporation is The Preserve at Jordan Lake Community Association, Inc. (the "Association"), a North Carolina nonprofit corporation.

1.2. Principal Office. The principal office of the Association shall be located in Chatham County, North Carolina. The Association may have such other offices, either within or outside the State of North Carolina, as the Board of Directors may determine or as the affairs of the Association may require.

1.3. Definitions. The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that certain Declaration of Covenants, Conditions, and Restrictions for The Preserve at Jordan Lake filed in the Public Records, as it may be amended (the "Declaration"), unless the context indicates otherwise.

Article 2.
Association: Membership, Meetings, Quorum, Voting, Proxies

2.1. Membership. The Association shall have three classes of membership, Class "A", Class "B," and Class "C" as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated by this reference.

2.2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as the Board may designate, either within the Properties or as convenient as possible and practical. Meetings may be held by means of telephone conference, video conference or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation by one of these methods shall constitute presence in person at such meeting.

2.3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Subsequent regular annual meetings shall be set by the Board on a date and at a time set by the Board.

2.4. Special Meetings. The president may call special meetings. In addition, it shall be the duty of the president to call a special meeting within thirty (30) Days if so directed by resolution of the Board or upon a petition signed by Members representing at least 10% of the total Class "A" votes of the Association or upon written request of the Declarant.

2.5. Notice of Meetings. Written notice stating the place, day, and time of any meeting of the Members shall be delivered to each Member entitled to vote at such meeting, not less than 10 nor

more than 60 Days before the date of such meeting, by or at the direction of the president or the secretary or the officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the Association, with postage prepaid.

2.6. Waiver of Notice. Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Association, either before or after such meeting. Attendance at a meeting by a Member shall be deemed a waiver by such Member of any objection as to notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, Members or their proxies holding a Majority of the votes represented at such meeting may adjourn the meeting to a time not less than five nor more than 30 Days from the time the original meeting was called. At the reconvened meeting, the quorum requirement shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous adjourned meeting, as previously reduced, until such time as a quorum is present and business can be conducted. At a reconvened meeting, once the appropriate quorum requirement has been established, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not set by those in attendance at the original meeting or if for any reason a new date is set for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

2.8. Voting. The voting rights of the Members shall be as set forth in the Declaration and in these By-Laws, and such voting rights provisions are specifically incorporated by this reference. The Board may adopt policies and procedures regarding the methods of casting votes, such as written ballots, secret ballots or computer access.

2.9. List for Voting. After fixing a record date for notice of a meeting, the Board shall prepare an alphabetical list of the names of the Members entitled to notice of such meeting. The list shall show the address of the Member and the number of votes each is entitled to vote at the meeting. The list for voting shall be made available for inspection in accordance with North Carolina law.

2.10. Proxies. Any Member may cast his vote in person or by proxy subject to any specific provision to the contrary in the Declaration or these By-Laws. Votes cast by proxy are subject to the limitations of North Carolina law relating to use of general proxies. Every proxy shall be in writing specifying the Unit for which it is given, signed by the Member or his or her duly authorized

attorney-in-fact, dated, and filed with the secretary of the Association prior to the meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon conveyance of any Unit for which it was given, upon receipt by the secretary of written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member who is a natural person, or 11 months from the date of the proxy, unless a shorter period is specified in the proxy.

2.11. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by proxy, of Members representing twenty percent (20%) of the total Class "A" votes in the Association shall constitute a quorum at all meetings of the Association.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that any action taken is approved by at least a Majority of the votes required to constitute a quorum.

2.12. Conduct of Meetings. The president shall preside over all meetings of the Association, and the secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

2.13. Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Association may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the proposed action is signed by all Members entitled to vote on such matter. Such consents shall be signed within 60 Days after receipt of the earliest dated consent, dated and delivered to the Association at its principal place of business in the State of North Carolina. Such consents shall be filed with the minutes of the Association, and shall have the same force and effect as a vote of the Members at a meeting.

Article 3.

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

3.1. Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one equal vote. Except with respect to directors appointed by the Class "B" Member or serving as a representative of the Declarant, the directors shall be eligible Class "A" Members or residents; provided, however, no Owner and resident representing the same Unit may serve on the Board at the same time. No Owner or resident shall be eligible to serve as a director if any assessment for such Owner's or resident's Unit is delinquent. A "resident" for purposes of these By-Laws shall mean any natural person 18 years of age or older whose principal residence is a Unit within the Properties. In the case of a Member which is not a natural person, any officer, director, partner, member, manager, employee or fiduciary of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association, signed by such Member, provided that no Member may have more than one such representative on the Board at a

time, except in the case of directors appointed by or serving as representatives of the Class "B" Member or the Declarant.

3.2. Number of Directors. The Board shall consist of three to five directors, as provided in Sections 3.3 and 3.5 below. The initial Board shall consist of three directors and shall be appointed as provided in Section 3.3.

3.3. Directors During Class "B" Control Period. Subject to the provisions of Section 3.5, the directors shall be selected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member during the Class "B" Control Period. Directors appointed by the Class "B" Member shall not be subject to the qualifications for directors set forth in Section 3.1.

3.4. Nomination and Election Procedures.

(a) Nomination of Directors. Except with respect to directors selected by the Class "B" Member, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a chairperson, who shall be a member of the Board of Directors, and three or more Members or representatives of Members. The Nominating Committee shall be appointed by the Board of Directors not less than 30 Days prior to each election to serve a term of one year or until their successors are appointed, and such appointment shall be announced at each such election. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled as provided in Section 3.5 below. Nominations shall also be permitted from the floor. In making its nominations, the Nominating Committee shall use reasonable efforts to nominate candidates representing the diversity which exists within the pool of potential candidates. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

(b) Election Procedures. Each Owner may cast all votes assigned to such Owner's Unit for each position to be filled. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms. No Class "C" Member shall be entitled to vote on any election of directors.

3.5. Election and Term of Office. Notwithstanding any other provision of these By-Laws:

(a) Within 30 Days after the time that Class "A" Members other than Builders own 400 Units, or whenever the Class "B" Member earlier determines, the Association shall hold an election at which the Class "A" Members shall elect one of the three directors, who shall be an at-large director and shall serve a term of two years or until the occurrence of the event described in subsection (b), whichever is shorter. If such director's term expires prior to the occurrence of the event described in subsection (b), a successor shall be elected for a like term. The remaining two directors shall be appointees of the Class "B" Member.

(b) Not later than the first annual meeting occurring after the termination of the Class "B" Control Period, the Board shall be increased to five (5) directors and the Association shall hold an election at which the Class "A" Members shall be entitled to elect all five (5) directors, with the three

(3) directors receiving the largest number of Class "A" votes being elected for a term of two (2) years and the remaining two (2) directors being elected for a term of one (1) year.

Upon the expiration of the term of office of each director elected by the Class "A" Members, a successor shall be elected to] serve a term of two (2) years. The directors elected by the Class "A" Members shall hold office until their respective successors have been elected.

3.6. Removal of Directors and Vacancies. Any director elected by the Class "A" Members may be removed, with or without cause, by Members holding a Majority of the votes entitled to be cast for the election of such director, but shall not be subject to removal solely by the Class "B" Member. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Class "A" Members to fill the vacancy for the remainder of the term of such director.

Any director elected by the Class "A" Members who has three consecutive unexcused absences from Board meetings, or who is more than 30 Days delinquent (or is the resident of a Unit that is delinquent or is the representative of a Member who is delinquent) in the payment of any assessment or other charge due the Association, may be removed by a Majority of the directors, and the Board may appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A" Members may elect a successor for the remainder of the term.

In the event of the death, disability, or resignation of a director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A" Members shall elect a successor for the remainder of the term.

This Section shall not apply to directors appointed by the Class "B" Member nor to any director serving as a representative of the Declarant. The Class "B" Member or the Declarant shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by or elected as a representative of the Class "B" Member or the Declarant.

B. Meetings.

3.7. Organizational Meetings. Within thirty (30) Days after the election or appointment of new directors, the Board shall hold an organizational meeting at such time and place as the Board shall set.

3.8. Regular Meetings. Regular meetings of the Board may be held at such time and place as a Majority of the directors shall determine, but at least one such meeting shall be held during each quarter.

3.9. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the president or vice president or by any two directors.

3.10. Notice. Notice of a regular meeting shall be communicated to directors not less than four calendar Days prior to the meeting. Notice of the time and place of a special meeting shall be communicated to directors not less than 72 hours prior to the meeting. No notice need be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any

special business to be considered. Notices shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (d) telecopier transmission to the director's home or office, with confirmation of receipt by the receiving telecopier; (e) telegram, charges prepaid; (f) overnight or same day delivery charges prepaid; or (g) electronic mail or e-mail using Internet accessible equipment and services if the director has consented in writing to such method of delivery and has provided the Board with an electronic mail or e-mail address. All such notices shall be given at the director's telephone or telecopier number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deemed communicated when deposited into a United States mailbox. Notices given by personal overnight or courier delivery, telephone, telecopier, telegraph, e-mail or overnight or courier service shall be deemed communicated when delivered, telephoned, telecopied, emailed or given to the telegraph company.

3.11. Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.12. Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of telephone conference, video conference or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

3.13. Quorum of Board of Directors. At all meetings of the Board, a Majority of the directors shall constitute a quorum for the transaction of business, and the votes of a Majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these By-Laws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a Majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a Majority of the directors present at such meeting may adjourn the meeting to a time not less than five nor more than 30 Days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.14. Compensation. Directors shall not receive any compensation from the Association for acting as such unless approved by Members representing a Majority of the total Class "A" votes in the Association at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a Majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest

was made known to the Board prior to entering into such contract and such contract was approved by a Majority of the Board of Directors, excluding the interested director.

3.15. Conduct of Meetings. The president shall preside over all meetings of the Board, and the secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings. In the case of a tie vote on a motion or resolution before the Board, the motion or resolution is considered lost.

3.16. Open Meetings. Subject to the provisions of Sections 3.12 and 3.17, all meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on a Member's behalf by a director. In such case, the president may limit the time any Member may speak. Notwithstanding the above, the president may adjourn any meeting of the Board, reconvene in executive session and exclude persons other than directors, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

3.17. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.18. Powers. The Board of Directors shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Governing Documents, and as provided by law. The Board may do or cause to be done all acts and things which the Governing Documents, or North Carolina law do not direct to be done and exercised exclusively by the membership generally.

3.19. Duties. The duties of the Board shall include, without limitation:

- (a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses and any Neighborhood Expenses;
- (b) levying and collecting such assessments from the Owners;
- (c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;
- (d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (e) depositing all funds received on behalf of the Association in a bank depository which it shall approve, and using such funds to operate the Association, provided any reserve funds may be deposited, in the directors' best business judgment, in depositories other than banks;

- (f) making and amending use restrictions and rules in accordance with the Declaration;
- (g) opening of bank accounts on behalf of the Association and designating the signatories required;
- (h) contracting for repairs, additions, and improvements to or alterations of the Common Area in accordance with the Governing Documents;
- (i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- (j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;
- (k) paying the costs of all services rendered to the Association;
- (l) keeping books with detailed accounts of the receipts and expenditures of the Association;
- (m) making available to any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules and all other books, records, and financial statements of the Association as provided in Section 6.4;
- (n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties;
- (o) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association to the extent such indemnity is required by North Carolina law, the Articles of Incorporation or the Declaration; and
- (p) assisting in the resolution of disputes between owners and others without litigation, as set forth in the Declaration.

3.20. Right of Class "B" Member to Disapprove Actions. So long as the Class "B" membership exists, the Class "B" Member shall have a right to disapprove any action, policy or program of the Association, the Board and any committee which, in the sole judgment of the Class "B" Member, would tend to impair rights of the Declarant or Builders under the Declaration or these By-Laws, or interfere with development or construction of any portion of the Properties, or diminish the level of services being provided by the Association.

(a) The Class "B" Member shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, which notice complies with Section 3.10 and which notice shall, except in the case of the regular meetings held pursuant to the

By-Laws, set forth with reasonable particularity the agenda to be followed at such meeting. The Class "B" Member may waive its right to receive notice in the same manner as provided in Section 3.11; and

(b) The Class "B" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

No action, policy or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met.

The Class "B" Member, its representatives or agents may make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Class "B" Member, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove at any time within 10 Days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within 10 Days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, or the Board or the Association. The Class "B" Member shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

3.21. Management. The Board of Directors may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board of Directors may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policymaking authority or those duties set forth in Sections 3.19(a), 3.19(b), 3.19(f), 3.19(g) and 3.19(i). The Declarant or an affiliate of the Declarant may be employed as managing agent or manager.

The Board of Directors may delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

3.22. Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

- (a) cash or accrual accounting, as defined by generally accepted accounting principles, shall be employed;
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) cash accounts of the Association shall not be commingled with any other accounts;
- (d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any item of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(f) commencing at the end of the quarter in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly (such financial statements shall include an income statement reflecting all income and expense activity for the preceding period on an accrual basis and may include such other reports as deemed necessary by the Board); and

(g) an annual financial report shall be made available to all Class "A" Members within 120 Days after the close of the fiscal year. Such annual report may be prepared on an audited, reviewed, or compiled basis, as the Board determines; provided however, upon written request of any holder, guarantor, or insurer of any first Mortgage on a Unit, the Association shall provide an audited financial statement.

3.23. Borrowing. The Association shall have the power to borrow money for any legal purpose; provided however, the Board shall obtain Member approval in the same manner provided in Section 8.6 of the Declaration for Special Assessments if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed 10% of the budgeted gross expenses of the Association for that fiscal year.

3.24. Right to Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Neighborhood and other owners or residents associations, within and outside the Properties; provided, any common management agreement shall require the consent of a Majority of the total number of directors of the Association.

3.25. Enforcement.

(a) Notice. Prior to imposition of any sanction requiring compliance with these procedures as set forth in the Declaration, the Board or its delegate shall serve the alleged violator with written notice including (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a statement that the alleged violator may present a written request for a hearing to the Board or the covenants committee, if one has been appointed pursuant to Article 5, within 15 Days of the notice; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received within 15 Days of the notice. If a timely request is not received, the sanction stated in the notice shall be imposed; provided however, the Board or covenants committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 15-Day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person. In the event of a continuing violation, each day the violation continues beyond the 15-Day period constitutes a separate offense, and fines may be imposed on a per diem basis without further notice to the violator. In the event of a violation which recurs within one year from the date of any notice hereunder, the Board or covenants committee may impose a sanction without notice to the violator.

(b) Hearing. If a hearing is requested within the allotted 15-day period, the hearing shall be held before the covenants committee, or if none has been appointed, then before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may adopt a schedule of sanctions for violations of the Governing Documents.

(c) Appeal. If a hearing is held before a covenants committee, the violator shall have the right to appeal the committee's decision to the Board of Directors. To exercise this right, a written notice of appeal must be received by the manager, president, or secretary of the Association within 15 Days after the hearing date.

Article 4. **Officers**

4.1. Officers. The officers of the Association shall be a president, vice president, secretary, and treasurer. The president and secretary shall be elected from among the members of the Board; other officers may, but need not be members of the Board. The Board may appoint such other officers, including one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two or more offices may be held by the same person, except the offices of president and secretary.

4.2. Election and Term of Office. The Board shall elect the officers of the Association at the first meeting of the Board following each election of new directors. Such officers shall serve until their successors are elected.

4.3. Removal and Vacancies. The Board may remove any officer whenever in its judgment the best interests of the Association will be served, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The president shall be the chief executive officer of the Association. The treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The secretary shall be responsible for preparing minutes of meetings of the Members and the Board and for authenticating records of the Association.

4.5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two officers or by such other person or persons as may be designated by Board resolution.

4.7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.14.

Article 5. Committees

5.1. General. The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

5.2. Covenants Committee. In addition to any other committees which the Board may establish pursuant to Section 5.1, the Board may appoint a covenants committee consisting of at least three and no more than seven members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the covenants committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.25 of these By-Laws.

5.3. Neighborhood Committees. In addition to any other committees appointed as provided above, each Neighborhood which has no formal organizational structure or association may elect a Neighborhood Committee to determine the nature and extent of services, if any, to be provided to the Neighborhood by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A Neighborhood Committee may advise the Board on any other issue, but shall not have the authority to bind the Board. Such Neighborhood Committees, if elected, shall consist of three to five Members, as determined by the vote of at least a Majority of the Owners of Units within the Neighborhood.

Neighborhood Committee members shall be elected for a term of one year or until their successors are elected. Any director elected to the Board of Directors from a Neighborhood shall be an ex officio member of the Neighborhood Committee. The Neighborhood Committee shall elect a chairperson who shall preside at its meetings and shall be responsible for transmitting any and all communications to the Board.

In the conduct of its duties and responsibilities, each Neighborhood Committee shall abide by the meeting, notice and quorum requirements applicable to the Board under Sections 3.8, 3.9, 3.10, and 3.11, and each Neighborhood Committee shall elect a chairperson from among its members who shall preside at its meetings. Meetings of a Neighborhood Committee shall be open to all Owners of Units in the Neighborhood and their representatives. Members of a Neighborhood Committee may act by unanimous written consent in lieu of a meeting.

Article 6.
Miscellaneous

6.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Board establishes a different fiscal year by resolution.

6.2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order Newly Revised (current edition) shall govern the conduct of Association proceedings when not in conflict with North Carolina law, the Articles of Incorporation, the Declaration, or these By-Laws.

6.3. Conflicts. If there are conflicts between the provisions of North Carolina law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of North Carolina law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

6.4. Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Unit, any Class "A" Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Unit: the Declaration, By-Laws, and Articles of Incorporation, any amendments and supplements to the foregoing, the rules of the Association and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Properties as the Board shall designate during normal business hours.

(b) Rules for Inspection. The Board shall establish rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

6.5. Notices. Except as otherwise provided in the Declaration or these By-Laws, all notices, demands, bills, statements, and other communications under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the secretary or, if no such address has been designated, at the address of the Unit of such Member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

6.6. Amendment.

(a) By Declarant. Until termination of the Class "B" membership, Declarant may unilaterally amend these By-Laws for any purpose. Thereafter, the Declarant may unilaterally amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee Mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state, or federal governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing. In addition, during the Development Period, the Declarant may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon any right of any Member.

(b) By Members. Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members holding 67% of the total Class "A" votes in the Association, and during the Development Period, the written consent of the Declarant. Except as may be otherwise provided in these By-Laws, no Class "C" Member shall be entitled to vote on any amendment to the By-Laws.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Validity and Effective Date. Any amendment to these By-Laws shall become effective upon recordation in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within one year of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws. Any amendment to the Declaration or these By-Laws duly adopted by the Members shall be prepared, executed, certified and recorded in the Public Records by any two officers of the Association.

No amendment may remove, revoke, or modify any right or privilege of the Declarant or the Class "B" Member without the written consent of the Declarant, the Class "B" Member, or the assignee of such right or privilege.

FILED

2001 OCT 19 AM 11:39

RECEIVED
REGISTRY
CHATHAM COUNTY, N.C.

Upon recording, please return to:

M. Maxine Hicks, Esq.
Epstein Becker & Green, P.C.
3399 Peachtree Road
The Lenox Building, Suite 1400
Atlanta, Georgia 30326

Cross-reference to Deed Book
842, Page 930, Chatham County,
North Carolina Registry.

SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR THE PRESERVE AT JORDAN LAKE
(Phase Two)

THIS SUPPLEMENTAL DECLARATION is made this 19th day of October, 2001, by Jordan Lake Preserve Corporation, a North Carolina corporation (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant prepared and filed of record that certain Declaration of Covenants, Conditions and Restrictions for the Preserve at Jordan Lake in Deed Book 842, Page 930, et seq., in the North Carolina Registry (herein referred to as the "Declaration"); and

WHEREAS, pursuant to the terms of Section 7.1 of the Declaration, the Declarant may submit certain additional property described on Exhibit "B" of the Declaration to the terms of the Declaration; and

WHEREAS, Declarant is the owner of the real property described on Exhibit "A" attached hereto ("Additional Property"); and

WHEREAS, the Additional Property is a portion of that property described on Exhibit "B" to the Declaration; and

NOW, THEREFORE, pursuant to the powers retained by Declarant under the Declaration, Declarant hereby subjects the real property described on Exhibit "A" hereof to the provisions of the Declaration and this Supplemental Declaration, which shall apply to such property in addition to the provisions of the Declaration. Such property shall be sold, transferred, used, conveyed, occupied, and mortgaged or otherwise encumbered pursuant to the provisions of this Supplemental Declaration and the Declaration, both of which shall run with the title to such property and shall be binding upon all persons having any right, title, or any interest in such property, their respective heirs, legal representatives, successors, successors-in-title and assigns. The provisions of this Supplemental Declaration shall be binding upon in accordance with the terms of the Declaration.

ARTICLE 1

Definitions

The definitions set forth in Article 1 of the Declaration are incorporated herein by reference.

ARTICLE 2

Amendment to Supplemental Declaration

2.1 By Declarant. This Supplemental Declaration may be unilaterally amended by the Declarant in accordance with Section 15.2(a) of Declaration.

2.2 By Members. In addition to the requirements of Section 15.2(b) of the Declaration with respect to amendment by Members, any amendment to this Supplemental Declaration shall also require the written consent or affirmative vote, or any combination thereof, of Members holding at least sixty-seven percent (67%) of the total Class "A" votes allocated to the Units subject to this Supplemental Declaration, and the written consent of Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant.

ARTICLE 3

Declaration

Except as specifically amended hereby, the Declaration and all terms thereof shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Supplemental Declaration the day and year first above written.

DECLARANT:

Jordan Lake Preserve Corporation, a North Carolina corporation

By:

Name:

J. David Edwards

Title:

Vice President

Attest:

Name:

Patrice E. Perabo

Title:

Asst. Secretary

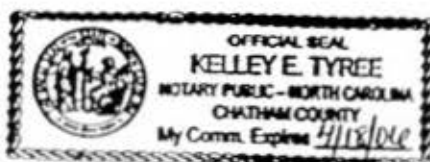
[Corporate Seal]

STATE OF North Carolina
COUNTY OF Chatham

I, a Notary Public of the County and State aforesaid, certify that Patrice E. Perabo personally came before me this day and acknowledged that he/she is the Asst. Secretary of Jordan Lake Preserve Corporation, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by him/her as its Asst. Secretary.

Witness my hand and official stamp or seal, this 19th day of October, 2001.

Kelley E. Tyree
Notary Public



My commission expires: 4/18/06

EXHIBIT "A"**Additional Property**

The following sections and lots are more particularly described on that certain Plat of Subdivision titled "The Preserve at Jordan Lake - Phase Two", prepared by Absolute Land Surveying and Mapping, P.C., Charles O. Eliason, North Carolina P.L.S. No. 3599, dated August 20, 2001, filed on October 2, 2001, in Plat Slide 2001-372 through 2001-376, of the Chatham County Registry:

Section H	Lots 362-392
Section I	Lots 357-361, 393-419
Section J	Lots 420-437
Section K	Lots 438-464
Section L	Lots 465-484, 506-516
Section M	Lots 485-505

The Preserve at Jordan Lake Community Association, Inc.

Policies, Rules, Regulations, and Charters

Creation Date:	April 17, 2018
Last Updated:	November 21, 2023
Version:	15

Document Control

Change Record

Date	Author	Version	Change Reference
03/01/18	Donald Ferranti	1	No previous document
04/17/18	Donald Ferranti	2	Submitted Charter Section for Board Approval and the Charter Section was approved
06/19/18	Donald Ferranti	3	Updated estate Sale Rules based upon the Attorney's comments. Added boat yard rules.
7/6/18	Donald Ferranti	4	Added Golf Cart & Vehicle Rule Section
7/10/18	Donald Ferranti	5	Rearranged sections and make minor corrections to text.
7/17/18	Donald Ferranti	6	Included minor textual corrections from Bob bell, changed Executive Committee to "President's Advisory Committee, eliminated the Traffic Advisory Committee (overlaps Safety Committee) This version was submitted for final adoption by the Board on 7/17/2018.
10/16/18	Donald Ferranti	7	Clarified the scope of the Spending Policy and removed Adopt-a-highway from Grounds Committee Charter
1/21/20	Donald Ferranti	8	Change trusted vendor spending limit to \$5000
3/26/20	Donald Ferranti	9	Made Pool hours generic and added Key Card Policy
5/5/20	Donald Ferranti	10	Clarified assessment interest and penalty process, minor typographical corrections
5/30/20	Donald Ferranti	11	Added Covid-19 Phase 2 pool policy as edited by the Association Attorney
7/21/2020	Donald Ferranti, Marina Martin	12	Added rules for display of signs and flags and eliminated old rules page revised Security Advisory Committee Charter, Added remedies for non-payment policy
7/21/2020	Board	12a	Increased spending limit per transaction, for committees to \$1500 per Board resolution
8/04/2020	Board	12b	Corrected Flag size to 48 x 72 inches
9/15/2020	Board	13	Road Infrastructure Advisory Committee Charter
4/01/2021	Board	14	Updated and modernized rules. Due process amendment.
11/21/2023	Board	15	Updated Committee Charters & Spending Rules Reinstated spending limit per transaction Removed Covid-19 Phase 2 pool policy Consolidated Assessment Enforcement provisions. Modified Sections for clarity and made minor corrections to text Added Racquet Sports Committee Charter

Reviewers

Version 15

Name	Position
Robert Bell	President
Jan Sherwin	Vice President
Bob Rand	Secretary
Carrie Rimolt	Director at Large
Lee Ann Clark	Director at Large

Originators:

Date 11.21.2023

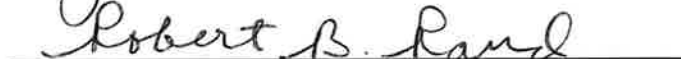
< Robert Bell >



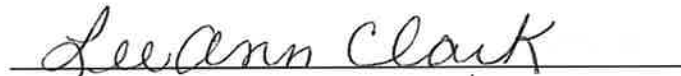
< Jan Sherwin >



< Bob Rand >



< Lee Ann Clark >



< Carrie Rimolt >



Preserve at Jordan Lake Community Association Policies and Rules Table of Contents

Overview.....	6
Definitions.....	7
Regulations.....	7
Board Meetings – Regularly Scheduled and Special.....	7
Annual Meeting of the Association Membership.....	8
Annual Meeting of the Association Membership– Election Process.....	9
Assessment - Types and Calculation.....	9
Remedies for Non-payment of Assessments, Fines, Penalties and Interest.....	10
Covenant and Rule Enforcement.....	11
Policies and Rules.....	13
Spending Policy – Accounts Payable and Committee Reimbursement.....	13
Spending Policy – All Expenditures Other Than Utilities.....	14
Funding Policy - Reserve and Capital Project Funding.....	15
Boat Yard Rules.....	16
Estate Sale Rules.....	17
Parking Regulations.....	18
Swimming Pool Rules.....	19
Key Card Rules.....	20
Vehicle Use Rules.....	21
Sign and Flag Display Rules.....	21
Community Association Charters.....	23
Architectural Review Committee Charter.....	23
Infrastructure & Roads Advisory Committee Charter.....	23
Grounds Committee Charter.....	24

Advisory Committee Charter.....	24
Long Range Planning Committee Charter	25
Finance ad hoc Committee Charter.....	25
Security and Information Technology Advisory Committee Charter.....	25
Amenity Committee Charter.....	26
Pool Committee Charter.....	26
Racquet Sports Committee Charter.....	27
Social Committee Charter.....	28
Communications Committee Charter.....	28
Neighborhood Outreach Committee Charter.....	29
Book of Resolutions.....	31

Overview

This document is intended to group together all the policies, rules, regulations, and resolutions approved by The Preserve at Jordan Lake, Inc.'s Boards of Directors. The policies and rules are based upon the covenants and by-laws of the Preserve at Jordan Lake Community Association, Inc., the North Carolina Planned Community Act, and the motions and resolutions passed by the various Boards of Directors of the Preserve at Jordan Lake Community Association, Inc. since its formation in 2002. Where appropriate, each policy and/or rule will reference the appropriate section of the governing documents, laws, or resolutions of the Board.

This document is not intended to override or infringe upon the official governing documents of the community, but, is intended to provide clarity and conciseness to otherwise complex rules and to, thereby, facilitate transitions between Boards of Directors in a consistent and orderly manner. It will also serve as an official record of all active rules and regulations for reference by property owners and elected Board members.

This policy document must be included in an annual Board packet to be distributed to all newly elected Board members. The document will be maintained by the Board's Secretary and be updated based upon Board resolutions and determinations made through legal review and amendments to existing rules and regulations.

Copies of version 1 of this document were provided to all residents and were considered sufficient notice of all rules and regulations and potential enforcement actions. The original document was posted to the community website, preserveatjordanlake.com.

Revisions to the document will be communicated to Members by email blast to the community and by posting to the Preserve at Jordan Lake Community Association, Inc.'s Town Square website. All property owners are strongly encouraged to sign up for access to the website so that they have a means of referencing the current rules and regulations.

The initial completed Policy, Rules, Regulations, and Charters Document shall be considered the current Rules, Regulations, and Charters of The Preserve at Jordan Lake Community Association, Inc. Prior rules, regulations, and charters will be revoked at the time of this document's approval. All future adoptions of rules, regulations, and charters as well as interpretations by legal counsel, shall become part of this document.

Nothing in this document is intended to override the Covenants, By-laws, or Federal and State laws, which will take precedence where applicable.

Definitions

Association	The Preserve at Jordan Lake Community Association, Inc.
Board	The Board of Directors of The Preserve at Jordan Lake Community Association, Inc.
Governing Documents	The Declarations, By-laws, and Rules of the Association and NC Planned Community Act
Membership / members	All property owners within The Preserve at Jordan Lake
PJL	The Preserve at Jordan Lake
PJLCA	The Preserve at Jordan Lake Community Association, Inc.

Regulations

Regulations are the processes for conducting the business of the association based upon the covenants, by-laws, and federal and state law. The governing documents give the Board a great deal of authority with respect to managing the affairs, appearance, and safety of the community. The Board is also granted a great deal of power to establish rules and policies for the Community.¹

Board Meetings – Regularly Scheduled and Special

Regulation – Regular Meeting Date, Time, Quorum

The Board of Directors of The Preserve at Jordan Lake Community Association, Inc. shall meet on a day and at a time voted upon by the Board. This day and time will remain in effect until a new day and time is voted upon by the Board.² A quorum, for Board meetings, is equal to a majority of the number of Board members.³ Currently, a quorum consists of 3 of the 5 Board members. Notice of such meetings must be sent not less than four days prior to the meeting.

Regulation – Conduct of business and voting at Board meetings

It is required that all business of PJLCA shall be conducted at regular Board meetings or duly scheduled special meetings. The covenants, and North Carolina State law, expect that the meetings be conducted under Robert's Rules of Order and that all Board members shall have an opportunity to ask and have answered questions regarding the business at hand. Board members and other persons may attend the meeting via phone, video, or other electronic means as long as that method allows them to hear and be heard.⁴

Regulation – Voting other than in regular Board meetings

It is expected that all voting take place at the actual Board or special meeting. However, if the Board has a serious matter under consideration, which must be resolved between meetings, the Board can approve, in advance, that that matter is voted upon via e-mail as the required information is shared. Voting, other than in regular Board meetings, can only be conducted if the right to meeting notice and the use of e-mail or other electronic means is approved by 100% of the Board members.⁵ Otherwise, voting between meetings can only occur if a special meeting is convened.

Regulation – Special Meetings of the Board

From time to time, it may become necessary for the Board to convene on specific matters at times other than the regularly scheduled monthly Board meetings. Special meetings may be held when called by written notice signed by the president, or vice-president, or by any two Directors. Notice of a special meeting and agenda must be communicated to the Directors not less than three calendar days prior to the meeting.⁶

¹ Covenants Section 4.

² Board Minutes for January 2018

³ By-Laws 3.13

⁴ By-laws 3.11

⁵ By-laws 3.17

⁶ By-laws 3.10

Annual Meeting of the Association Membership

Notice of the Annual Meeting of the Membership

Written notice of the annual meeting must be sent not less than 10 nor more than 60 days prior to the annual meeting at the direction of the President or the Secretary of the Board. Notice shall be deemed delivered when deposited, with postage, in the US mail. In the case of a Special Meeting, the purpose of the meeting must be stated in the notice and no other business may be transacted at the special meeting.⁷

The Board shall prepare a list of all those eligible to receive notice; at the time the date of the meeting notice is set.⁸

Proxies

Any member may cast his/her vote by proxy. Every proxy must be in writing. In the event of two or more proxies for the same voting matter, the later dated proxy is in effect. Every proxy is revocable by the person giving the proxy and shall cease to be valid should a property be sold and title conveyed. Proxies automatically expire 11 months from the date of the proxy.⁹

Quorum

Membership in attendance or through proxy representing 20% of the properties owned shall constitute a quorum for all meetings of the association.

Conduct of Meetings of the Association

The President shall preside over all meetings of the association and the Secretary shall keep the minutes of the meeting and shall record in the minute book, all resolutions adopted or other transactions occurring at the meeting¹⁰

Action Without a Meeting

Actions may be taken without a meeting, provided all members supply a written consent, within 60 days of the first such consent.¹¹

⁷ By-laws, 2.5

⁸ By-laws, 2.9

⁹ By-laws , 2.10

¹⁰ By-laws, 2.12

¹¹ By-laws, 2.13

Annual Meeting of the Association Membership– Election Process

Nomination of Directors

Nominations for election to the Board of Directors shall be made by a Nominating Committee appointed by the Board of Directors not less than 30 days prior to each election. The Nominating Committee shall serve for one year or until their successor committee is appointed. The committee shall consist of a chairperson, currently a Board member and at least three other members of the Association. The nominating committee for the following year shall be announced at the Annual Meeting of the membership.¹² Nominations may be made from the floor.

Election Procedure

Each owner may cast one vote for each property unit held for each candidate. There is no cumulative voting. The number of candidates receiving the highest number of votes, up to the number of positions being filled, shall be elected.

Elected Board Members Term of Office

Board members are elected for a term of 2 years. Elected Directors shall serve until their respective successors are elected.¹³

Removal of Directors

A director may be removed by a majority of the membership by calling a special meeting for that purpose. Should the director be removed, the membership will elect a replacement at the same meeting.

Any director who has three unexcused absences from Board Meetings, or who is 30 days delinquent in payment of assessments or other monies owed to the Association may be removed by a majority of the Directors. The Board may appoint a successor to fill that position until the next annual meeting of the membership.

The Board may appoint a successor for any other Board member unable or unwilling to serve the balance of their term. All such successors will serve until the next meeting of the membership.¹⁴

Organizational Meetings

Within 30 days of the election of new Board members, the Board shall hold an organizational meeting.¹⁵ The officers of the organization shall be: President, Vice-president, and Secretary. The Board members shall elect the President and the Secretary. The Treasurer may be appointed by the Board and need not be a Board member. Board Members may hold two positions but may not be both President and Secretary¹⁶

Assessments – Types and Calculation

There are three types of assessments, in force, in The Preserve at Jordan Lake Community:

General Assessment –

This assessment provides the funds necessary to support common expenses, reserve contributions and any reasonable contingency amounts. The Board, at its discretion, may use other sources of income and prior year surpluses in calculating the assessment. General Assessments are levied on all units. At least 30 days prior to the end of the fiscal year, the Board shall adopt a budget covering all estimated common expenses, which shall include capital contributions to the reserve fund. At least 30 days prior to the end of the fiscal year and no more than 30 days after adoption of the budget, the Board shall send a summary of the budget and notice of a meeting to ratify it to each Owner. The budget shall be ratified unless 51% of the owners vote to disapprove the budget. Should a budget fail to be approved, the prior year's budget shall remain in effect until such time as a new budget is approved.¹⁷

The Board must include the Reserve/Capital budget in the General Assessment, each year.¹⁸

¹² By-laws, 3.4(a)

¹³ By-laws, 3.5(b)

¹⁴ By-laws, 3.6

¹⁵ By-laws, 3.7

¹⁶ By-laws, 4.1

¹⁷ Covenants, 8.3 as amended 8/31/2023

¹⁸ Covenants, 8.5 as amended 8/31/2023

Special Assessments

The Board may, from time to time, declare Special Assessments to cover unanticipated expenses or expenses over budget. Special assessments shall be levied against all units. The Board does not require approval for special assessments, but they may be disapproved by vote of 67% of the units, at a special meeting called by the membership (see by-laws section 2.4). Such meeting must be called and the vote taken within 20 days of the notice of the special assessment. The Board is not obligated to call a meeting regarding the special assessment except on petition of the Members and it can determine the schedule for payments, which may extend beyond the current year.¹⁹

Specific Assessments

The Board has the authority to issue Specific Assessments against a particular unit or units as follows:

1. Cost and overhead associated with providing services to a unit or group of units as requested by owner(s). Services may include, but are not limited to, landscape maintenance, other maintenance, janitorial services, pest control, etc.
2. Cost associated with maintenance, repair, replacement, management, and insurance of an exclusive common area. (The boat yard is an example of a Specific Assessment.)
3. Cost of bringing the unit(s) into compliance with the terms of the Governing Documents or costs incurred due to the actions of owners, occupants, agents, contractors, employees, licensees, guests, etc. provide the owner is given written notice and the opportunity for a hearing, before levying the specific assessment.²⁰

Remedies for Non-payment of Assessments, Fines, Penalties and Interest

Assessments

Any Assessment, which is not paid when due, shall be delinquent. Delinquent payments, together with late fees, shall bear interest at a rate established by the Board or if not set by the Board, the highest rate permitted by law. Penalties and Interest shall be added monthly to all accounts delinquent for 30 days or more. Interest will be calculated on the total delinquent balance of each account, which includes all prior interest and penalties. Penalties shall be added each month an account is delinquent. No penalty, fee, or interest charge may be waived without authorization of the Board.

The Board may file a lien for any assessment that remains unpaid for 30 days or longer. The Association's lien may be foreclosed per Chapter 45 of the North Carolina general Statutes.²¹ See Administrative Resolution 2014-1, in the Resolution Section of this document, for the current collection policy.

Other Fines, Penalties and Interest

All other fines and penalties imposed by the Board, or its authorized committees, shall be added to the owner's accounts after due process. Penalties and interest shall accrue on all homeowner accounts for fines, penalties, and prior incurred interest not paid by their due date or remaining unpaid on their account at the end of each month. All remedies included in the above Assessment section also apply to unpaid fines, penalties, and interest.

Due Process Procedure

See the "Covenant and Rule Enforcement" section of the document for details on "due process."

Schedule of Fines and Interest

All fines levied for Covenant, Rule, and Assessment Payment violations shall be set at the maximum allowed under North Carolina Law, currently, \$100 per day.

Interest on total unpaid balances shall accrue at the maximum rate allowed by North Carolina State law, currently, 1.5% per month.

¹⁹ Covenants, 8.6

²⁰ Covenants, 8.7

²¹ Covenants, 8.8

Covenant and Rule Enforcement

Function of the Association

The Association is responsible for maintenance, operations, and control of common areas and improvements thereon. The Association shall be the primary entity responsible for enforcement of the Declaration and such rules regulating use of the Properties as the Board may adopt pursuant to Use Restrictions²² The Association is also responsible for administering and enforcing architectural standards and controls set forth in the declarations and Architectural Design Guidelines.²³

Powers of The Board of the Board

The Board of Directors has the power to administer all affairs of the Association as set forth in the Declarations and North Carolina State law. The Board may do all things that are not specified by the Covenants and NC Law as necessary for the membership²⁴

Duties of the Board

The duties of the Board include, without limitation:

1. Preparing and adopting the annual budget.
2. Levying and collecting assessments.
3. Providing for the operations, maintenance, and upkeep of the common areas.
4. Hiring and dismissing staff.
5. Depositing funds on behalf of the Association and using funds on behalf of the Association.
6. Making and amending use restrictions and rules.
7. Opening bank accounts on behalf of the Association and designating signatories.
8. Contracting for repairs, additions, and improvements to the Common areas.
9. Obtaining and carrying insurance policies.
10. Paying the costs of services rendered to the Association.
11. Keeping detailed books and receipts for the Association.
12. Making governing documents and financial records available to owners and other business entities.
13. Permitting utilities to use common areas as required.
14. Indemnifying Directors, officers, and committee members as required by NC law.
15. Assisting in the resolution of disputes between owners and others without litigation.²⁵

Enforcement

The Board, or any committee established by the Board, may impose sanctions for violation of the Governing Documents provided notice and hearing procedures are followed.²⁶ Such sanctions may include without limitation²⁷, after notice and an opportunity to be heard, imposing reasonable fines or suspending privileges or services provided by the Association (except rights of access to lots) for reasonable periods for violations of the declaration, bylaws, and rules and regulations of the Association.²⁸ Such sanctions may include, without limitation:

1. Imposing fines on any occupant or owner
2. Filing liens for non-payment of assessments
3. Filing notices of violations in the Public Record
4. Suspending an owner's right to vote
5. Suspending any person's right to use recreational facilities within the common area.
6. Suspending any services provided to the owner or the owner's unit.
7. Levying Specific Assessments to recover costs incurred in bringing a Unit into compliance with maintenance, repair, or insurance.²⁹

²² Covenants, 10

²³ Covenants, 4.1

²⁴ By-laws, 3.18

²⁵ By-laws, 3.19

²⁶ By-laws, 3.25

²⁷ Covenants, 4.3

²⁸ NC Planned Community Act, 47F-3-102 (12)

²⁹ Covenants, 4.3, By-laws, 8.7(b)

Additionally, the Board or Covenants Committee may elect to enforce the Governing Documents by, but not limited to:

1. Towing of vehicles in violation of parking rules.
2. Removal of pets in violation of pet rules.
3. Correction of maintenance, construction or other violations.
4. Suit, at law or in equity, to enjoin any violation or to recover monetary damages.

Notice

Prior to imposition of any sanction requiring compliance with these procedures as set forth in the declaration, the Board or its delegate shall serve the alleged violator with written notice including (I) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a statement that the alleged violator may present a written request for a hearing to the Board or the covenants committee, if one has been appointed pursuant to article 5, within 15 days of the notice; and (iv) a statement that the imposed sanction shall be imposed, provided, however, the Board or covenants committee may, but shall not be obliged to, suspend any proposed sanction if the violation is cured within the 15 day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any person. In the event of a continuing violation, each day the violation continues beyond the 15-day period constitutes a separate offense, and fines may be imposed on a per diem basis without further notice to the violator. In the event of a violation, which recurs within one year from the date of any notice hereunder, the Board or covenants committee may impose a sanction without notice to the violator.³⁰

Hearing

If a hearing is requested within the allotted 15-day period, the hearing shall be held before the covenant committee, or if none has been appointed, then before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirements shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may adopt a schedule of sanctions for violations of the Governing Documents.³¹

Recovery of Cost

The Association is entitled to recover all costs, including, without limitation:

1. Attorney's fees.
2. Court costs
3. Other costs associated with enforcement.³²

Obligation to Take Action

The Association shall not be obligated to enforce any covenant, restriction, or rule which the Board judges to not be in the interest of the Association. Election not to take action is not a waiver of the right of the Association to enforce a provision, under any circumstances or does it prevent the Association from enforcing any other covenant, restriction, or rule.

Implied Rights

The Association may exercise any right or privilege expressly given by the Covenants or By-laws or reasonable implied to effect such right or privilege. The Board, without further vote of the membership, may exercise all rights and privileges of the Association.³³

Indemnification

The Association shall indemnify every officer, director, ARB member and committee member against all damages, liability, and expenses in connection with any action, suit, or proceeding to which they are a party due to their being a officer, director, or committee member of the Association.³⁴

³⁰ By-laws, 3.25 (a)

³¹ By-laws, 3.25 (b)

³² Covenants, 4.3

³³ Covenants, 4.4

³⁴ Covenants, 4.6

Policies and Rules

Spending Policy – Accounts Payable and Committee Reimbursement

Maintenance, Repair, and Operations

The purpose of this process is to ensure that the Community Association properly approves all expenditures and that their management company records them properly. Listed below are types of expenses and the related processes for approval, payment and reimbursement.

1. Recurring utility, service, and operating expenses (Monthly or annual expected expenses – electric, gas, lights, management company fee, etc.)
 - a. Utilities and services - the management company is authorized to pay recurring service and utility bills without further Board approval. Expenses must be charged to the appropriate expense account.
 - b. The management company is authorized to withdraw their contracted monthly fee from the operating account. Expenses, over and above the contracted rate, must be sent to the treasurer for approval.
 - c. Board approved ongoing expenses – once the Board approves a new, ongoing, contract, the management company is authorized to make the recurring payments against that contract.
2. Budgeted Committee Expenses
 - a. Committee chairs are authorized to spend funds budgeted for their committee functions. All expenditures that fall within their total budget limit may be made at the Committee Chairperson's discretion.
 - b. Any expenditure, which will cause the annual budget amount to be exceeded or will cause a specific itemized budget line to be exceeded by 10%, cannot be made without additional Board approval.
 - c. Committee chairpersons must notify the Board prior to committing to any individual expenditure of \$1,000³⁵ or more.
 - d. All committee expenditures must be sent to the community manager for final review and coding of the proper expense account.
 - e. All **disbursements for amounts** greater than \$500 should be made by the Association and not by committee members so that there is a clear identification of the vendor in the Association's records.
3. The management company is authorized to make maintenance, repair, operations, and committee expenses in the following preferential order:
 - a. By check from the Community Association operations Checking Account
 - b. By auto draft for recurring utility payments
 - c. By credit card in the name of the Association or the management Company
 - d. By reimbursement to Association members

ARB Reporting and Expenses

The management company is required to submit a report that allocates ARB expenditures by project at each Board Meeting.

The management company is authorized to pay the ARB fees that are presented to the Board, and approved for payment by the Board, at each monthly Meeting.

Such payments shall be presented on a monthly financial report. The management company will seek prior approval for any ARB invoices that appear to be unusually large or greater than the expected fee being charged to cover such expenses.

Other Invoices

Any maintenance, repair, operations, or committee invoice received that does not fall into one of the categories above or seems unusual, shall be submitted to the Treasurer for review prior to payment. The Treasurer will review the invoice with the Board if deemed necessary, prior to payment. All such invoices will be reported to the Board at the next, following, Board meeting.

³⁵ Limit changed from \$1500 to prior 2018 amount of \$1000 per Board Resolution 10/17/2023.

Spending Policy – All Expenditures Other Than Utilities

Besides ongoing maintenance, repair, operations, and committee expenditures, there is a need for accumulating and spending reserve funds for major repairs and replacements as well as spending funds to perform capital improvements for the community. The Board will authorize that reserve studies be performed with a two to four year period between studies depending on the condition of the community infrastructure as it relates to reserve study expectations. The Board will also contract for specialized studies for major replacements, such as roads and capital expansions, such as adding facilities or previously non-existent infrastructure.

Reserve Expenditures

The Treasurer will keep a record of reserve expenditure expectations and will track the actual expenditures against the reserves. The projected reserve balances and authorizations will be reported to the Board in the monthly treasurer's report. All reserve expenditures will require Board approval and the following of the RFP (request for proposal) / RFQ (request for quotation) process.

New Capital Expenditures

The Board may authorize capital improvements for the community. These are additions to the infrastructure, which increase the footprint of some part of the infrastructure or completely replace an existing facility or infrastructure item. All capital expenditures will be approved by the Board and will require the following steps to take place prior to initiating a capital project or reserve expenditure project greater than \$100,000:

1. A Town Hall meeting will be conducted to present the conceptual project to the community.
2. Community members will be given the opportunity to comment on the project at the Town Hall meeting.
3. The Board has the sole discretion of whether to proceed with the project or not.
4. An additional Town Hall will be scheduled for projects over \$100,000. The following will be presented at that Town Hall meeting:
 - a. RFQ responses
 - b. Vendor selection process
 - c. Method of financing
 - d. Impact on assessments
 - e. Projected timeline

Other Expenditures

In addition to Capital and Reserve Expenditures, all other expenditures authorized by the Board must follow the purchasing policy outlined below:

Purchasing Policy – Capital and Reserve Expenditures

When the Board determines the need for a reserve or capital expenditure, the following Purchasing Process is required:

1. Requests for quotation are required under the following guidelines:

Project Cost from:	Project Costs to:	Number solicited	Number proposing
\$ 0	\$ 1,999	1	1 (trusted vendor) ³⁶
\$ 2,000	\$24,999	2 or more	2
\$25,000	\$ 99,999	4 or more	2
\$100,000	Above	5 or more	3

³⁶ As defined in the Trusted Vendor List in this section

RFQ's must anticipate all required tasks and provide a required timeline and final acceptance criteria. Every effort must be made to ensure that the RFQ does not lead to unanticipated costs greater than a planned contingency amount.

1. The responsible Board member or authorized committee chair will summarize all proposals and quotations received.
2. The Board will weigh cost, reliability, reviews, recommendations, and any other pertinent factors in the selection of the vendor for a particular project.
3. The responsible Board member, with the assistance of appropriate committee chairs, will prepare a presentation for the community when a Town Hall meeting is warranted per the Reserve and Capital Expenditure processes noted above.
4. The Board will consider community input from Town Hall meetings but the Board is solely responsible for making decisions regarding these expenditures.³⁷
5. A list of trusted vendors who have done quality work for the Association in the past or who come highly recommended by residents, the management company, or other associations will be maintained and can be used for emergency projects under \$2000, without competitive quotes upon approval by the Board.

Trusted Vendor List

Yardnique	Landscaping services
Pinnacle Pool	Pool maintenance

Funding Policy - Reserve and Capital Project Funding

Expenditures for reserve and capital projects may be funded by the following means:

1. Payment of reserve project expense from accumulated reserve fund accounts.
2. Establishment of a capital reserve account and funding capital projects.
3. Allocation of year end surplus funds to reserves or capital reserve accounts.
4. Increases in general assessments to increase the reserve funds available.
5. Increases in general assessments to fund the capital project reserve account.
6. Levying a special assessment to fund an unanticipated major repair or replacement project or a desired capital project.
7. Borrowing funds and increasing assessments to cover the cost of loan interest and payments.

Year End Surpluses

When the revenue of the Community Association exceeds the expenses in any given year, the excess funds should be allocated in the following order:

1. Fund an operations contingency account equal up to 5% of the prior year's budget.
2. The contingency account being funded at the discretion of the Board, contribute an additional 5% of the prior year's budgeted reserve contribution to the reserve account.
3. The prior two items being completed, fund a capital reserve account for future capital projects up to the maximum permitted by law.
4. All excess funds allocated for use in a subsequent year must be utilized in calculating the General Assessment for the subsequent year. Surplus funds may not be carried over to the second subsequent year per NC Tax Law.

³⁷ By-laws 3.19 (h)

Boat Yard Rules

Spaces in The Preserve Boat Yard may be reserved by residents, on a first come first served basis, by requesting such space, signing the required waiver, and payment of a specific assessment for the annual use of this space. Once an assessment goes past due, the assigned lot owner has 10 days to pay the balance owed or will immediately forfeit the spot. Upon forfeiture, the resident has 10 days to remove items from the spot, subject to a \$100 daily fine subsequently. If a forfeited spot is not cleared of items after 30 days then the Association may arrange for the removal of the items at the owner's expense. The Boat Yard is limited to the storage of vehicles, only.

Conditions of Rental

Assigned spaces, in The Preserve Boat Yard, may be used for the following purposes:

1. Storage of boats, trailers, mobile homes, jet skis, golf carts, and other motorized or non-motorized vehicles.
2. Any vehicle stored in the boat yard must have a valid, current registration.
3. Items stored in the boat yard must be free of debris or additional items loaded into or onto the vehicles.
4. Items, which are visibly deteriorating or in disrepair, are not permitted.
5. No vehicle may extend beyond the dimensions of the boat yard space boundary
6. Cement and wooden markers and dividers may not be moved to create more space or to in any other way alter the dimensions of an assigned space.
7. Boat yard spaces are intended for the use of the resident to which they are assigned. No sub-leasing is permitted.
8. The Management Company must be advised if the item in the boat yard changes, i.e., new boat replaces old boat, etc.
9. Any open trailers or containers must be empty.
10. Hazardous materials may not be stored in any part of the boat yard.
11. Yard waste, scrap materials, defective appliances, and all other non-vehicle materials are not allowed in the boat yard.
12. Each boat yard space is limited to one vehicle, unless the vehicles to be stored are small and the Management Company approves the storage of two items, such as two jet skis.
13. Items, other than those described in (1), require approval of the Board before they may be stored in the boat yard.

Information Required

1. Property Owner Name
2. Property Owner Address
3. E-mail
4. Item(s) being stored
5. Tag numbers, license numbers, etc.
6. Description of the item.

Wait List Process

1. When the boat yard is completely full, a resident wait list will be established.
2. Newly vacated spaces, will be assigned on a first come, first served basis.
3. No resident will be assigned a second space unless there is no one on the waiting list.

Penalties

1. Any infraction of the rules outlined in the Conditions of rental shall be subject to a fine.
2. Residents will be given 10 days to remedy any violation.
3. After 10 days, the resident shall be subject to a fine of \$100 per infraction, per day.
4. The Association may arrange for removal of all violations, at the owner's expense, should the owner fail to comply within 30 days.

Estate Sale Rules

Statement of Intent

The Declaration of Covenants for The Preserve at Jordan Lake prohibits uses that are inconsistent with residential purposes and prohibits the on street parking of vehicles and display of signage except as may be allowed by the Board. The intent of this regulation is to set forth guidelines that will allow residents of the Preserve to conduct Estate Sales in a manner consistent with the Covenants and the character of the community.

Definition

“Estate Sale” is a sale or auction to dispose of a substantial portion of personal property owned by a person who is recently deceased or who must dispose of their personal property to facilitate a move. By allowing Estate Sales, it should not be inferred that any other type of sale is permissible on the Properties other than those specifically allowed by the governing documents or additional rules.

Responsibility

The property owner is responsible for adherence to all rules and regulations associated with an Estate Sale and they are also responsible for informing all third parties involved in the sale on their behalf of the required adherence to these regulations.

Authorization for an Estate Sale

1. Request - A written request for Estate Sale approval must be submitted to the Community Management Company at least 20 business days prior to the date of the sale. The request must contain the following information:
 - a. Requested dates, two day maximum
 - b. Alternate date in case there is already a sale scheduled.
 - c. Requested start and end time on each day, 6 hours maximum per day.
 - d. No more than one Estate Sale may occur within the community on the same day.
 - e. Requested location and directional signs. Maximum of two signs on common areas and one at the site of the sale. Signs may be no larger than 11 x 17 inches, or 187 sq. inches in total. The Community Manager will make the final determination of placement of signs.
 - f. No advertising may be placed on the permitted Estate Sale signs. They are for direction and location purposes only.
 - g. Signs may be placed 30 minutes prior to the scheduled start time of the sale and must be removed within 60 minutes of the end of the sale, each day.
 - h. A deposit of \$500 is required to accompany the application. Applications will not be processed until the deposit has been deposited and cleared.
2. Acknowledgement of rules – by submitting the application for Estate Sale, the applicant certifies that they have seen these regulations and that they will comply with them and will require that any third party involved in the sale will also comply with these regulations. The parking regulation should be included in any announcement of the Estate Sale.
 - a. Parking – On street parking of vehicles will be permitted during Estate Sales as follows:
 - i. Short-term parking is limited to the side of the street on which the sale is conducted to allow passage and access by emergency vehicles and residents.
 - ii. “Parking Permitted” signs may be placed 200 feet to the right, at the homeowner’s home, and 200 feet to the left of the home at which the Estate Sale is being conducted.
 - iii. The homeowner is responsible for notifying all sale attendees of the parking regulations.
 - iv. On-street parking will be allowed for the duration of the hours of the approved sale only. On-street parking after sale hours is not permitted.
 - v. “Parking Permitted” signs may be placed 30 minutes prior to the scheduled start time of the sale and must be taken in within 60 minutes of the end of the sale, each day.
 - b. Parking violation penalties
 - i. If there is a violation of the parking restriction, each individual violation is subject to a fine of \$100 per vehicle per day following due process.
 - c. Signage penalties
 - i. If more than the allowed number of directional and location signs is set out for the Estate sale, a fine of \$100 will be incurred for each infraction.

- ii. Signs provided by the Association that are not returned or that are returned damaged will incur a replacement charge of \$150.
 - iii. If signs of a greater size than allowed are displayed, a fine of \$100 per occurrence will be incurred.
3. Reconciliation of Deposit
- a. Upon completion of the sale and return of borrowed materials the balance of the deposit, less \$25 and incurred fines, will be returned to the owner. The \$25 charge withheld is to cover administrative expenses.
 - b. Should the fines and lost materials exceed the amount of the deposit, the deposit will be retained and the owner will be assessed the balance of fines and charges without further notice.
 - c. A statement of the amounts deposited and funds withheld will be sent to the owner, along with the refund check, within 30 days of the conclusion of the Estate sale.

Parking Regulations

Covenant Parking Rule

The Covenant Specifically states the following as the rule for parking in the Preserve:³⁸

"Automobiles and non-commercial trucks and vans shall be parked in the garages or driveways, if any, serving the units unless otherwise approved by the ARB."

The following additional rules are specified in the covenants:

- 1. No unlicensed vehicles may be parked unless in the garage.
- 2. No non-operational vehicles may be parked unless in a garage.
- 3. No motorized vehicles shall be left on pathways or unpaved common areas.
- 4. Recreational and commercial vehicles, owned or visiting, motorized or towed, may only be parked in garages.
- 5. Only licensed drivers may operate recreational vehicles.
- 6. The Board may establish reasonable rules and regulations regarding parking of storage of vehicles.

Rule Modifications

In order to clarify parking regulations, the Board has adopted the following rules regarding parking:

- 1. In any situation where street parking is allowed, no vehicles should park opposite each other, across any street. This rule is intended to ensure that emergency vehicles will be able to pass the parked vehicles should the need arise.
- 2. Commercial vehicles performing construction or work at a homeowner's property may park on the street, in front of the owner's home, if driveway parking is not practical or may cause damage to the property. Such vehicles may only park during the time they are on site and may not remain on site during non-working hours.
- 3. Persons visiting a homeowner should park in the homeowner's driveway. If overflow parking is needed, the visitor should be asked to park on the same side of the street as the homeowner's home but not to park opposite a vehicle already parked on the opposite side of the street.
- 4. Parking for community events, such as the community garage sale, should follow the guidelines in 3 above.
- 5. Estate sale parking restrictions are outlined in the estate sale rule section.
- 6. Sponsors of all events, and homeowners, should make every effort to inform those persons or businesses coming to their home or event of the "no opposite car" parking restriction.
- 7. On-street, overnight parking of any vehicle is not permitted. Overnight shall be defined as between the hours of 12 AM and 5 AM.
- 8. Fines, in the amount of \$100 per occurrence per day, will be imposed for each infraction in accordance with due process. No warning is required if an offense is repeated within one year of the initial warning.

The Board reserves the right to revert to strict interpretation of the covenants should the modifications become unmanageable.

³⁸ Covenants, Section 10.4(a)

Swimming Pool Rules

A lifeguard is not in attendance at the Preserve at Jordan Lake Community Pool. Swimming and other use is at the user's own risk.

As The Preserve pool is a non-lifeguarded facility, with a Certified Pool Operator in attendance, The Preserve at Jordan Lake Community Association, Inc., and the Association's management company, assume no responsibility for loss or damage to personal property or any accident, injury, or illness that occurs in or around the pool and the Community Association's Clubhouse and Fitness facilities.

1. Admission

- a. Admittance is only permitted to property owners in good standing.
- b. No guests are allowed in the pool facility without accompanying Property Owners.
- c. Renters residing in the community must have permission of the owner to utilize the amenities. Such permission must be on file with the Association's management company.
- d. No person under the influence of alcohol or drugs is permitted in the pool.
- e. The entry gate will be opened by the pool attendant and will remain open for the duration of the pool day.
- f. Pool attendant will check in a person or family unit by verifying the receipt of a waiver and release of liability and checking that they are in good standing.
- g. The pool attendant has the authority to call law enforcement in the event a member fails to follow the rules. The attendant also has the authority to clear the pool in case of threatening weather and is required by law to do so. Failure to comply with the pool rules or the instructions of the pool attendant may result in law enforcement being contacted, suspension of pool privileges, and/or fines.

2. Pool Attendant Duties. At all times, when persons are present in the pool enclosure, the attendant must focus attention on the activities in the pool. No distracting activities are to be performed by the attendant (including but not limited to use of electronic devices, reading, hosting friends). The following pool attendants' duties to be included in the attendants' job description:

- a. Checking in pool attendees
- b. Verifying waiver received and eligibility for pool use
- c. Ensuring all capacity, conduct, and safety rules are being followed
- d. Checking restrooms for cleanliness and supplies

3. Rules of Conduct

- a. All incontinent persons must wear swim diapers and plastic-lined swim pants.
- b. Bathing suits must be worn in the pool. Cut-offs, street clothes, and inappropriate swimwear are not allowed in the pool.
- c. Children's water safety devices are permitted - Water wings, water vest, or small round floats.
- d. All other toys, sports equipment, devices, throw toys, etc. are not permitted anywhere in the facility.
- e. No horseplay in the pool area, such as: running, pushing, jumping in the pool onto others, dunking, wrestling, or holding others under water is permitted. No sitting on, standing on, or tampering with the swim lane and safety ropes, playing in the skimmers, or removing the skimmer lids is permitted.
- f. No pool furniture is to be placed in the water.
- g. No sitting on the pool staircase is permitted.
- h. Diving is NOT permitted.
- i. No pets, bicycles, skateboards, rollerblades, or skates are allowed in the pool area.
- j. No glass is permitted in the pool area.

Key Card Rules

The following rules are set forth for the distribution and request of key cards to access the pool, gym, and, as required, the Amenity Center.

Key Card Issuance

1. Two key cards are authorized per lot and shall be issued for \$20 per card at the time a new home is occupied. The Management Company will record the names of the owner and authorize resident access. Current assessments and any fees or fines must be paid in full in order to receive a card.
2. When a home is sold, the seller shall pass their key cards on to the new owner. The management company shall change the names of the key card owner to the new owners' names.
3. When a property is rented, the owners may either pass their key cards on to the renters or retain the cards for their own use. If retained, the renters do not have access to community amenities. Renters can only obtain a card if they have written permission from the property owner on file with the management company.
4. Resident access shall provide access to the following amenities during regular operating hours
 - a. Pool
 - b. Gym
5. Access to the Amenity Center shall be authorized either by dedicated Clubhouse access card or on the key cards of those reserving or renting the Amenity Center for a period of time allowing for set up, conducting the event, and clean up. After this period, access will again be set to regular resident status.
6. In no event shall a resident or renter provide their access cards to persons who are not also residents.

Key Card Replacement

1. Lost cards can be replaced by requesting such from the Management Company and paying the current replacement fee. The Management Company will deactivate the lost card and activate the replacement.
2. In no case shall more than two key cards be active for any property.
3. New residents of resale properties shall be allowed to request replacement cards at the current replacement fee if they did not secure cards from the prior residents.

Key Card Deactivation

1. The Board reserves the right, as specified in the covenants, to deactivate and restrict use of amenities for various violations of the covenants, rules, and regulations of the community.
2. Anyone violating existing and future rules imposed by the Board shall also be in jeopardy of being fined for such abuse and misuse.
3. Access cards may be deactivated if any assessments, fees or fines are not paid within 30 days of being imposed.

Special Key Card Access

1. In order to have access to all facilities, in the event of an emergency, all Board members shall be granted access to all facilities upon election to the Board.
2. Upon completing their term of office, Board members key cards shall revert to Resident Access.
3. The Board may authorize certain committee chairs to have access to the Board Key Box that contains an "All Access" key card.
4. Certain service providers, such as the cleaning service, may be granted a key card for the duration of their service contract.
5. The Community Manager will also have an "All Access" key card for the duration of their management contract.

Vehicle Use Rules

1. No motorized vehicles shall be permitted on sidewalks, pathways or unpaved Common Area except for maintenance vehicles authorized by the Board.³⁹
2. Recreational Vehicles as used herein include motor homes, mobile homes, boats, jet skis or other watercraft, trailers, other towed vehicles, motorcycles, mini-bikes, scooters, go-carts, ATV's, golf carts, campers, buses, commercial vehicles, and commercial vans.⁴⁰
3. Only a licensed driver, in accordance with North Carolina Law, may operate Recreational Vehicles on the streets, within the Properties.⁴¹
4. No electric vehicle may be plugged into the electrical outlets of the common areas without express Board permission.

Vehicles operated outside of these guidelines (1 to 4 above) will be subject to a \$100 fine per occurrence and, repeat offenders, may have their amenity privileges revoked as well as additional fines.

Sign and Flag Display Rules

Signage

1. A single builder sign is permitted on the property under construction and must be identical to the builder's sign described in the Architectural Guidelines. No sub-contractor signs are permitted for new construction projects. This sign must be removed prior to release of construction deposits.⁴²
2. A single home for sale or rent sign is permitted and must be identical to the "marketed by" sign described in the Architectural Guidelines.⁴³
3. No signs shall be permitted on any common area of the properties except such signs as may be permitted by the Board in support of community, committee, social, or official matter.
4. Any sign permitted by the Board must be professionally prepared and the Board may restrict the size, color, lettering or other design criteria of such permitted signs.
5. Except as noted below, no other of any kind shall be erected within the properties⁴⁴
 - a. Signs required by legal proceedings⁴⁵
 - b. One professional security sign of a size no larger than 12 x 12 in.
 - c. One contractor sign, no larger than 24 x 24 may be displayed at a home site at which work is in progress. Such signs must be removed when the contractor is not present and at the end of each workday. If multiple contractors are present, only one sign may be displayed.
 - d. Estate sales may have up to three signs as specified in the Estate Sale rule section.
 - e. Two seasonal celebration signs may be displayed surrounding the corresponding seasonal holiday for a maximum of 45 days.
 - f. Political signs may only be displayed during specific time periods defined by current North Carolina Law. Such signs are prohibited at all other times.⁴⁶

³⁹ Covenants 10.4(a)

⁴⁰ Covenants 10.4(b)

⁴¹ Covenants 10.4©

⁴² Architectural Guidelines 13.0

⁴³ Architectural Guidelines 14.0

⁴⁴ Covenants 9.4(b)(1)

⁴⁵ Covenants 9.4(b)(1)

⁴⁶ NC Statute 47F-3-121

Flags

1. In ground exterior flag poles are not permitted at residences within the properties:⁴⁷
2. One community flagpole is permitted, as approved by the Board, within the Common Area
3. Additional community flags, approved by the Board, are permitted in the common areas to celebrate national holidays of the United States.
4. Up to two flags from the following list, not larger than 48 x 72" may be displayed on at individual's homes on a pole attached to the first level of the home and not to exceed 6 feet in length or a height greater than 10 feet from the ground.⁴⁸ Garden-style flags, no more than two and no larger than 14 x 20", are permitted from the following list:
 - a. Flag of the United States of America⁴⁹
 - b. North Carolina State Flag
 - c. Seasonal Flag
 - d. Sports Team Flag
5. Flags that include text, logo, advertising, phone numbers, and other advertising information are not permitted.
6. Political flags may only be displayed during specific time periods defined by current North Carolina Law. Such flags are prohibited at all other times.⁵⁰

General Provisions

1. All other outdoor display items, including, but not limited to banners, flyers, pick up boxes, dispensers, etc., are prohibited. Decorative outdoor display items are subject to Architectural Guidelines.
2. Any Federal or State or local law overriding any of these rules will take precedence over such rules.
3. The covenants and by-laws take precedence over this summary.

⁴⁷ Architectural Guidelines 8.04

⁴⁸⁻⁵⁰ NC Statute 47F-3-121

Community Association Charters

Architectural Review Committee Charter.

The committee has been suspended and terminated. An External ARB Committee performs these functions⁵¹
The Architectural review Board (ARB) will review all construction of new homes and any additions or alterations to existing homes that require any type of permits, change the exterior color, exterior layout, or landscaping of a home.

Residents will make application, for projects to be reviewed, to the current management company for The Preserve at Jordan Lake Community Association. The management company, after reviewing the nature of the application, and verifying completeness, will direct it for review to the ARB.

Infrastructure & Roads Advisory Committee Charter

The "Infrastructure & Roads Advisory Committee" of PJLCA is established to oversee the safe and efficient operation of the roads, curbs, parking lots, stormwater ponds and other basic infrastructure structures described in Committee Responsibilities below.

The committee shall be comprised of a Chair and other such members as necessary to accomplish the duties of the Infrastructure & Roads Advisory Committee. All committee members shall be members of PJLCA in good standing. All members shall be appointed to serve by PJLCA Board of Directors. Official actions of Committee members are covered under PJLCA Directors' and Officers' insurance policy.

Committee Responsibilities:

1. Manage the long term and short-term road, curbs, parking lots, stormwater ponds and infrastructure strategies.
2. Solicit Bids for each year's road and infrastructure project(s).
3. Assist the Board in finalizing contracts for each approved phase of the project.
4. Recommend hiring road experts to assess road and infrastructure conditions as future phases evolve.
5. Update Street Saver software with the results of each road project.
6. Solicit community volunteers to oversee on-site work being performed in the community.
7. Train management company employee(s) and additional committee members to be proficient in Street Saver.
8. Assist the Board in managing the actual roadwork utilizing hired professionals, committee members, and community volunteers.
9. Evaluate alternatives to materials in the original plan should that be necessary.
10. Evaluate new road technologies as they become available.
11. Develop and recommend solutions to traffic control issues within the community.
12. Draft rules to resolve traffic issues, as required.
13. Participate with PJLCA Board in selection of contractors and negotiation of contract terms for PJLCA roadways.
14. Identify and recommend an annual budget for road, curb, parking lot, and infrastructure repairs. This budget recommendation shall include the following:
 - a. Maintenance;
 - b. Repairs; and
 - c. Community Improvement Projects.
15. Monitor expenditures from budget line items for areas for which Committee is responsible.
16. Prepare monthly status updates for Board Meetings as appropriate.
17. Prepare and present an Annual Report of Committee Operations at the PJLCA Annual Meeting.

⁵¹ This document has a number of corrections and clarifications from the original charter.

Grounds Committee Charter⁵²

The “Grounds Committee” of PJLCA is established to oversee the safe and efficient operation of the facilities/areas identified in Committee Responsibilities described below. The committee shall be comprised of a Chair and other such members as necessary to accomplish the duties of the Grounds Committee. All committee members shall be members of PJLCA. All members shall be appointed to serve by PJLCA Board of Directors. Official actions of Committee members are covered under PJLCA Directors’ and Officers’ insurance policy.

Committee Responsibilities include PJLCA common areas, except those areas included in other committees’ responsibilities.

The Grounds Committee shall:

1. Ensure areas for which it is responsible are operated for the safety, health, and benefit of all residents.
2. Assist the Board and management company in:
 - a. Establishing rules for proper use of areas for which it is responsible.
 - b. Overseeing the maintenance of areas for which it is responsible.
3. Identify and report needed repairs or enhancement of areas for which it is responsible.
4. Assist the PJLCA Board in selection of contractors/lease companies and negotiation or contract terms for facilities or areas for which it is responsible.
5. Assist the management company in monitoring and overseeing the operations of the contracts required for maintenance of the common areas of PJLCA.
6. Identify and recommend an annual budget for areas for which it is responsible. This budget recommendation shall include the following:
 - a. Contracts and Leases
 - b. Maintenance
 - c. Repairs
 - d. Community Improvement Projects
7. Monitor expenditures from budget line items for areas for which it is responsible.
8. Recommend expenditures to the Board in accordance with PJLCA operating procedures.
9. Plan for future improvements for areas for which it is responsible.
10. Report committee operations to PJLCA Board of Directors on a regular basis.
11. Prepare and present an Annual Report of Committee Operations at PJLCA Annual Meeting.

Advisory Committee Charter⁵³

The President’s Advisory Committee of the Preserve at Jordan Lake Community Association is established to provide advice and assistance to the sitting Board of Directors. The committee shall be chaired by the current president of the Board of Directors and composed of past Board presidents who agree to serve. All President’s Advisory Committee members shall be members in good standing of the Preserve at Jordan Lake Community Association. All members shall be appointed to serve by the Preserve Board. Official actions of the President’s Advisory Committee members shall be covered under the Preserve at Jordan Lake Community Association’s Directors’ and Officers’ insurance policy.

The President’s Advisory Committee shall:

1. Provide a historical frame of reference on matters of current interest to the Board.
2. Be bound by the same rules of privacy with respect to current Board matters.
3. Meet at the request of the current Board President.
4. Meet with newly elected Board members at their orientation meeting.

⁵²The Grounds Committee charter is the same as the 2021 version except for correction of the Association name, and removal of road and stormwater system related tasks.

⁵³The Advisory Committee charter is the same as the 2014 “executive Committee” except for correction of the Association name and change of committee name. The Advisory Committee was suspended as of 03/01/2021 and reinstated as of October 2023.

Long Range Planning Committee Charter

The "Long Range Planning Committee" of PJLCA is established to assess and recommend to the Board capital and/or strategic improvements for the benefit of PJLCA homeowners with a timeframe of between one to five years in the future described in Committee Responsibilities below. The Board shall appoint the Chair of the Committee. The committee members will be appointed by the Chair. All committee members shall be members of PJLCA in good standing. All members shall be appointed to serve by PJLCA Board of Directors. Official actions of Committee members are covered under PJLCA Director's and Officers' insurance policy.

Committee Responsibilities:

1. Seek PJLCA homeowner input from time to time on its work to reflect and represent the best interests of PJLCA homeowners in general.
2. Identify and explore ideas and projects that support the property owners' priorities.
3. Perform analyses and provide quantified assessments of the impact of projects that are proposed.
4. Recommend projects to the Board, but the Committee has no decision-making authority.
5. Focus on projects that are potential capital and/or operational improvements, which impact the enjoyment, quality of life, maintenance, protection, and enhancement of the PJLCA homeowners.
6. Conduct surveys, solicit property owner's priorities, gather information from other PJLCA Committees, consider external influences and perform project related feasibility studies.

Finance ad hoc Committee Charter⁵⁴

Security and Information Technology Advisory Committee Charter

The Security and Information Technology Advisory Committee ("Committee") of PJLCA is established under provisions of Section 4.8 of the Declaration of Covenants, Conditions, and Restrictions for The Preserve at Jordan Lake to provide advice and assistance to the Board of Directors. The Committee shall be comprised of property owners in good standing with the Association. All Committee members shall be appointed to serve by the Board of Directors. Committee members shall be covered under the Association's Directors' and Officers' Liability Insurance policy or policies.

The Security and Information Technology Advisory Committee shall:

1. Perform an on-going review of the security and technology issues within the community;
2. Provide recommendations to the Board on actions it may consider to provide security for Association common areas and/or improve technology resources.
3. Recommend an annual budget for areas related to the Committee's Charter which may, but is not required, to include the following:
 - a. Contracts and Leases;
 - b. Maintenance and Repairs;
 - c. Community Improvement Projects;
 - d. Other security and technology related expenses.

⁵⁴ This Committee was an ad hoc committee formed in December 2017 for reviewing financial processes. Committee Charter was revoked as of 10/17/2023.

4. Recommend expenditures to the Association Board in accordance with Association operating procedure and spending policies.
5. Meet with the Board as requested to advise and update Board members. Provide an update of committee activities at the Annual Meeting.

Amenity Committee Charter⁵⁵

The “Amenities Committee” of The Preserve at Jordan Lake Community Association (CA) is established to oversee the safe and efficient operation of the facilities/areas identified in Committee Responsibilities described below. The committee shall be comprised of a Chair and other such members as necessary to accomplish the duties of the Amenities Committee. All committee members shall be members of CA. All members shall be appointed to serve by CA Board of Directors. Official actions of Committee members are covered under the CA Directors’ and Officers’ insurance policy.

The Amenities Committee shall:

1. Ensure facilities or areas for which responsible are operated for the safety, health, and benefit of all residents.
2. Assist the CA Board & Management Company in drafting rules for proper use of facilities.
3. Assist the CA Board & Management Company in overseeing the maintenance of facilities.
4. Identify and report needed repairs to facilities or areas for which responsible.
5. Participate with the CA Board in selection of contractors and negotiation of contract terms for maintenance of facilities or areas for which responsible.
6. Assist the CA Board & Management Company overseeing the operations of the maintenance company or companies required for operation of the facilities.
7. Identify and recommend an annual budget for facilities or areas for which responsible.
8. Monitor expenditures from budget line items for facilities or areas for which responsible.
9. Recommend expenditures to the CA Board in accordance with CA operating procedure.
10. Plan for future improvements for facilities or areas for which responsible.
11. Report committee operations to the CA Board of Directors on a regular basis.
12. Prepare and present an Annual Report of Committee Operations at the CA Annual Meeting.

Committee Responsibilities:

1. Playground.
2. Basketball Court.
3. Field.
4. Clubhouse.
5. Fitness Center.

Pool Committee Charter⁵⁶

The “Pool Committee” of The Preserve at Jordan Lake Property Owner’s Association (CA) is established to oversee the safe and efficient operation of the facilities/areas identified in Committee Responsibilities described below. The committee shall be comprised of a Chair and other such members as necessary to accomplish the duties of the Pool Committee. All committee members shall be members of CA. All members shall be appointed to serve by CA Board of Directors.

⁵⁵ This charter is the same as the 2009 version except for correction of the Association name.

⁵⁶ This charter is the same as the 2009 charter except for the correction of the Association name. As of 2018, the Amenities Committee is administering the pool committee responsibilities.

The Pool Committee shall:

1. Ensure facilities or areas for which responsible are operated for the safety, health, and benefit of all residents.
2. Draft rules for proper use of facilities or areas for which responsible.
3. Oversee the maintenance of facilities or areas for which responsible.
4. Identify and report needed repairs to facilities or areas for which responsible.
5. Participate with the CA Board in selection of contractors and negotiation of contract terms for the Pool Management Company.
6. Assist the Association management company in monitoring and overseeing the operations of the Pool Management Company required for operation of the facilities.
7. Identify and recommend an annual budget for facilities or areas for which responsible. This budget recommendation shall include the following:
 - a. Contracts and Leases
 - b. Maintenance
 - c. Repairs
 - d. Community Improvement Projects
8. Monitor expenditures from budget line items for facilities or areas for which responsible.
9. Recommend expenditures to the CA Board in accordance with CA operating procedure.
10. Plan for future improvements for facilities or areas for which responsible.
11. Report committee operations to the CA Board of Directors on a regular basis.
12. Prepare and present an Annual Report of Committee Operations at the CA Annual Meeting.

Committee Responsibilities:

1. Swimming Pool;
2. Chemical and Pump Rooms;
3. Bathrooms inside pool fence;
4. Pavilion, including grills and tables.

Racquet Sports Committee Charter⁵⁶

The "Racquet Sports Committee" of The Preserve at Jordan Lake Community Association (CA) is established to oversee the safe and efficient operation of the facilities/areas identified in Committee Responsibilities described below. The committee shall be comprised of two Co-Chairs, one tennis player and one pickleball player. The co-chairs may add additional members as necessary to accomplish the duties of the Racquet Sports Committee. Additional members shall be added on a one-to-one basis, one pickleball member and one tennis member. All committee members shall be members of CA. All members shall be appointed to serve by CA Board of Directors. Official actions of Committee members are covered under the CA Directors' and Officers' insurance policy.

The Racquet Sports Committee shall:

1. Ensure the tennis and pickleball courts for which it is responsible are operated for the safety, health, and benefit of all residents.
2. Propose rules for Board approval covering proper use of the tennis and pickleball courts.
3. Coordinate the maintenance of the tennis and pickleball courts with the CA management company.
4. Identify and report needed repairs to the tennis and pickleball courts.
5. Participate with the CA Board in selection of contractors and negotiation of contract terms for maintenance of the tennis and pickleball courts.
6. Recommend an annual budget for the tennis and pickleball courts.
7. Monitor expenditures from budget line items for the tennis and pickleball courts.
8. Recommend expenditures to the CA Board in accordance with CA operating procedure.
9. Recommend future improvements for the tennis and pickleball courts.
10. Report committee operations to the CA Board of Directors on a regular basis.
11. Prepare and present an Annual Report of Committee Operations at the CA Annual Meeting.

Social Committee Charter⁵⁷

Social Committee of the Preserve at Jordan Lake Community Association is established to promote social interaction among the residents of the community. The Board of Directors shall appoint the committee and all official actions of the committee shall be covered under the Preserve at Jordan Lake Community Association Director's and Officer's insurance policies.

The Social Committee chairperson may create various sub-committees for specific events. Periodic meetings of the Social Committee are open to all residents and everyone is encouraged to participate in organizing or assisting in as many events as possible.

The major events of the Social Committee shall include:

1. Pool opening party
2. Annual adult holiday party
3. Children's holiday parties (Christmas, Halloween)
4. Annual neighbor welcome party

Other events as interest and volunteers allow:

1. Food truck
2. Chili cook-off
3. Pool closing party
4. Pizza parties
5. Mac and Cheese cook-off
6. Independence Day party
7. Etc.

Duties of the committee shall include:

1. Advising the Board, on a monthly basis, as to the status of events
2. Submitting an annual budget for social events
3. Preparing an annual report of activities for the annual meeting of the membership.

Communications Committee Charter⁵⁸

The "Communications Committee" of The Preserve at Jordan Lake Community Association (CA) is established to enhance the communications between the CA and the owners. The committee shall be comprised of a Chair and other such members as necessary to accomplish the duties of the Communications Committee. All committee members shall be members in good standing of the CA. All members shall be appointed to serve by CA Board of Directors. Official actions of Committee members are covered under the CA Directors and Officers' insurance policy.

The Communications Committee shall:

1. Advise the CA Board regarding all aspects of communication to and from owners. Those communication tools available to the Communications Committee include, but are not limited to:
 - a. The CA Website.
 - b. Management Company's email to owners.
 - c. Email notices to Owners and Residents.
 - d. "Preserve Perspective" Monthly Newsletter.
2. Serve as liaison with the Chatham County Sheriff's Office for the purpose of providing pertinent law enforcement information to the community.
3. Support other CA Committees in communicating their messages to the community.
4. Assist the CA Board in selection of contracts and negotiation of contract terms for Communications Contracts.
5. Identify and recommend an annual budget for expenses necessary to operate the communication tools.

⁵⁷ This committee has been separated out of the Amenities Committee and modified by the Board as of 1/17/2023.

⁵⁸ This Charter was expanded from the 2013 version to include current functions and website.

6. Monitor expenditures from budget line items for which it is responsible and recommend expenditures to the CA Board in accordance with CA operating procedures.
7. Report committee operations to the CA Board of Directors on a regular basis.
8. Prepare and present a Report of Committee Operations at the CA Annual Meeting.

Committee Responsibilities:

1. Communications to Owners and Residents.
2. "Preserve Perspective" Monthly Newsletter.
3. preserveatjordanlake.com Community Website
4. Preserve at Jordan Lake Community Directory.

NOTES:

The Communications Committee will not publish any communication without the express approval of the President of the PJLCA or a Board member designated by the President.

Neighborhood Outreach Committee Charter⁵⁹

The "Neighborhood Outreach Committee" of The Preserve at Jordan Lake Community Association, Inc., is established to welcome new residents to the community and to reach out to residents who might need some temporary emotional support. The committee shall be comprised of a Welcome Committee Chair, Block Captains, Welcome Gift Bag Coordinator, Caring Card Chair, Caring Meals Co-Chairs, New Neighbors Pizza Party Co-Chairs and other such members as necessary to accomplish the duties of the Neighborhood Outreach Committee. All committee members shall be members in good standing of The Preserve at Jordan Lake Community Association, Inc. All members shall be appointed to serve by the Board of Directors. Official actions of Committee members are covered under The Preserve at Jordan Lake Community Association's director's and officer's insurance policy.

The Neighborhood Outreach Committee shall perform its functions thru various sub-committees, as follows:

1. The Chair of the Welcome Committee works with the community management company and the local realtors to determine who is new in the community. Individual Block Captains also monitor their own blocks to determine when someone new moves into the community.
2. When a new resident is identified, the Block Captain contacts the Welcome Gift Bag Coordinator who puts together a gift bag. The Block Captain then reaches out to the new family and provides them with a welcome gift bag containing community and area information. The information consists of information about how to access the CA website, community management company contact information, how to get a pool pass, who the President is and how to contact the President; an Activities interest sheet where the new resident can indicate which activities they find of interest; local maps, magazines and information about restaurants and activities in the area. A few small gifts are also included in the bag.
3. When a new resident returns their Activities information form, the Chair will contact those Activities chairs and provide the new resident's name and contact information so that the Activities chair may contact them and invite the new residents to join the activity.
4. When a Directory form is received, the Chair forwards the form to the Communications Committee member responsible for Directory publication for inclusion in the upcoming Directory.
5. The Chair puts an article in the monthly newsletters welcoming the newcomers by name and address and encourages other residents to reach out to their new neighbors.
6. Provide contact information of new residents to the annual New Neighbors Pizza Party committee.
7. The Caring Committee Card Chair sends cards to neighbors for various situations, most commonly births, illnesses and deaths.
8. The Caring Committee Meals Co-Chairs maintains a list of residents who are willing to donate meals to families who are experiencing a need, such as an illness in the family or the death of a family member.
9. The Caring Committee Meals Co-Chairs identifies and coordinate meals for those neighbors who have a need.

⁵⁹ This charter is the same as the 2013 version except for correction of the Association name and elimination of redundancy.

10. Meals Co-Chairs coordinate what is being brought; by whom and the time the family is requesting the meal.
11. The New Neighbors Pizza Party Co-Chairs schedule and carry out the annual event. The event is intended to provide an opportunity for new residents to meet each other, various other residents and members of the Board of Directors.
12. Report committee operations to The Preserve at Jordan Lake Community Association's Board of Directors on a regular basis.
13. Submit a Budget for the following year as requested by the Treasurer.
14. Collect and approve payment for activities of the various Neighborhood Outreach committees and forward to the treasurer.
15. Prepare and present an Annual Report of Committee Operations for presentation at the POA Annual Meeting and/or inclusion in the Annual Meeting Minutes.

Book of Resolutions

This section of the rules and regulations will list all resolutions of the Board of Directors of the Preserve at Jordan Lake Community Association, Inc. that affect the community and its residents. Only those resolutions affecting rules, regulations, charters, and assessments will be included in this section. Board meeting procedural and other minor motions will not be documented here but may be found in the minutes of the Board Meetings, Annual Meetings, and Special Meetings recorded and posted to the community website, preserveatjordanlake.com. All prior Board minutes are being reviewed so prior Board decisions can be included here as well.

Date	Proposed by	Approved	Resolution
11/17/2015	Donald Ferranti	yes	Administrative Resolution 2014-1 Assessment Collections See below:
04/17/18	Donald Ferranti	yes	Adoption of this document
			Prior resolutions to be inserted

Administrative Resolution No. 2014-1, Assessment Collections

**The Preserve at Jordan Lake Property Owners Association, Inc.
Administrative Resolution No. 2014-1
Assessment Collections**

WHEREAS, Article III Section C of the Bylaws assigns the Board of Directors all of the powers and duties necessary for the administration of the affairs of the Association and further states that the Board may do all such acts and things as are permitted by the Declaration or the Bylaws to be exercised and done by the Association;

WHEREAS, Article VIII of the Declaration of Covenants, Conditions, and Restrictions creates assessments and outlines the procedures to be followed for non-payment of assessments for members of the Association;

WHEREAS, The North Carolina Planned Community Act (N.C.G.S. 47-F) further clarifies the collection of delinquent assessments and allows for the collection of reasonable attorney fees;

WHEREAS, the Board recognizes the need for specific procedures to be set and followed in the collection of assessments from members of the Association;

NOW, THEREFORE, BE IT RESOLVED THAT, the assessment collection procedure shall be outlined as below:

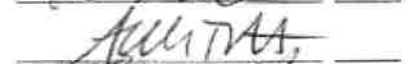
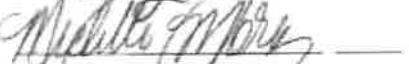
1. Statements will be sent to homeowners in advance of the assessment collection year. Assessments are due the first day of January and July in the year for which they are due and are considered late (past due) if received by the managing agent after the last day of the month for which they are due.
2. Assessments not received by the last day of January and July will be charged an interest fee of 1.5% and a \$10.00 late fee. Assessment Notices/Statements will be sent from the managing agent by the tenth (10th) day of the following month in which they are due free of charge. Such charges shall become a part of the assessment charged for such unit in default.
3. If the past due assessments and charges are not received by the last day of the second month in which they are due, an interest fee of 1.5% and a late fee of \$10.00 will be charged and a First Delinquency Letter will be sent from the managing agent free of charge. This letter will contain a notation, "To avoid collection charges and possible legal action, remit entire balance due no later than (the date given on the letter which will be no more than ten (10) days)".
4. If the past due assessments and related charges are not received by the date given on the Delinquency Letter, a Demand Letter will be sent adding a collection charge of \$100.00 in addition to monthly late fees of \$10.00 and interest. This letter will contain a notation, "If your account is not paid within (30) days, it will be transferred to an attorney and a lien will be filed against the property".
5. If payment is not received after thirty (30) days of mailing the Demand Letter referenced in step #4 above, the delinquent account will be transferred to the Association's attorney, Free of Charge, for further collection. Legal action will begin and all costs associated with this collection, including all legal fees, will be borne by the homeowner. Upon referral of a collection file, the Association's attorney will double-check current ownership of the property and verify that the mortgage company has not started foreclosure proceedings. A lien will then be filed against the property and sent to the homeowner by first class and certified mail.

6. After the lien is filed, the homeowner has twenty one (21) days to respond to the Attorney (pay, set up payment plan, dispute balance, etc.) If they do not pay within twenty one (21) days, a Board decision is needed to proceed with foreclosure.
7. Assessment checks returned to the Association for insufficient funds will result in a charge of \$30.00 or the current bank rate against the owner and will be added to his/her outstanding balance as of the date of return to the Association.
8. The managing agent is further empowered to notify such defaulting unit owner with past due invoices of such default until the account has been transferred to the Association's attorney. In the event the assessment is considered uncollectable by reason of bankruptcy, etc., the managing agent will advise the Board of Directors.

RESOLUTION ACTION RECORDED

Resolution Type: Administrative No. 2014-1
 Pertaining to: Assessment Collections
 Duly adopted at a meeting of the Board of Directors held: NOVEMBER 17, 2014

VOTE:

	YES	NO	ABSTAIN	ABSENT
	✓			
	✓			
	✓			
	✓			
	✓			

ATTEST:

Secretary

Date

FILE:

Book of Minutes: _____

Book of Resolutions: _____

Book No. _____

Page No. _____

Type: Policy, Administrative, Special, General _____

Resolution effective: JANUARY 1, 2015

Charter Replacement Resolution⁶⁰

It is hereby resolved that all prior versions of committee charters are revoked and replaced with the versions contained in the Preserve at Jordan Lake Community Association's "Policies, Rules, Regulations, and Charters" Document. The Secretary will maintain all future revisions, additions, and deletions of Committee Charters, by revising the above document

Approved on 4/17/2018

Robert Bell
Donald Ferranti
Elizabeth Cornwall
John Bartelme
Greg Sheets

⁶⁰ Board Minutes of April 2018

Adoption of the Policies, Rules, Regulations, and Charters Document

WHEREAS, Article III Section C of the Bylaws of The Preserve at Jordan lake Community Association assigns the Board of Directors all of the powers and duties necessary for the administration of the affairs of the Association and further states that the Board may do all such acts and things as are permitted by the declaration or the Bylaws to be exercised and done by the Association;

WHEREAS, Article 10 of the Declarations of Covenants, Conditions, and Restrictions of the Associations allows the Board, without consent of the membership, to, from time to time, promulgate, modify, or delete rules and regulations applicable to the properties;

WHEREAS, The North Carolina Planned Communities Act (47F-3-102 (1) allows the Association to Adopt and amend bylaws, rules, and regulation and (10) Impose and receive any payments, fees, or charges for use, rental, or operation of the common elements;

LET IT BE NOTED that this document does not override and rules and regulations specified in the Governing Documents of The Preserve at Jordan Lake Community Association or any aspect of North Carolina State Law.

NOW THEREFORE LET IT BE RESOLVED THAT, The "Policies, Rules, Regulations, and Charters" document shall be adopted immediately as rules and regulations of the Preserve at Jordan Lake Community Association

Duly Adopted by the Board of Directors on July 17, 2018.
Effective date: July 23, 2018

Vote:	Signature	Yea	Nay	Date
Robert Bell	_____	_____	_____	_____
Donald Ferranti	_____	_____	_____	_____
Elizabeth Cornwall	_____	_____	_____	_____
John Bartelme	_____	_____	_____	_____
Greg Sheets	_____	_____	_____	_____

Revision 7 approved by the Board on 10/16/2018

Future revisions will be approved in Board Minutes and noted in the record of changes portion of this document.

The Preserve at Jordan Lake Community Association, Inc. Policy Regarding Sanctions for Violations

If a homeowner is in violation of one or more of the covenants, the following procedural requirements for imposing sanctions for violations are to be followed:

1. Pursuant to Section 3.25 of the Bylaws, the Association must provide the alleged violator with notice of the alleged violation, the proposed sanction (such as a fine) and a statement that the alleged violator may present a written request for a hearing within 15 days of the notice.
2. Fines may not be imposed until after the hearing (if a hearing is requested) or after the 15-day time period has expired for which the alleged offender has the ability to ask for a hearing.
3. If the alleged violator does not request a hearing within 15 days of the notice, then the fine shall be imposed.
4. The Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 15-Day period. Such a suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules.
5. Section 1.16 of the Declaration defines "Days" as calendar days, but if the time period by which an action must be performed expires on a Saturday, Sunday, or legal holiday, then the time period is extended to the close of business on the next regular business day.

The procedural requirements for imposing sanctions for violations are based on Section 3.25 (a) of the Bylaws. This section provides the following:

*(a) **Notice. Prior to imposition of any sanction** requiring compliance with these procedures as , **written notice** including (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a statement that the alleged violator may present a written request for a hearing to the Board or the covenants committee, ... within 15 days of the notice; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received within 15 Days of the notice. If a timely request is not received, the sanction stated in the notice shall be imposed; provided however, the Board or covenants committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 15-Day period. Such a suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person. In the event of a continuing violation, each day the violation continues beyond the 15-Day period constitutes a separate offense, and fines may be imposed on a per diem basis without further notice to the violator. In the event of a violation which recurs within one year from the date of any notice hereunder, the Board or covenants committee may impose a sanction without notice to the violator.*

In addition, Article 4, Section 4.3 of the Declaration for The Preserve at Jordan Lake provides that "the Board may impose sanctions for violation of the Governing Documents after compliance with the notice and hearing procedures set forth in Section 3.25 of the By-Laws."

Suppl Decln
BK 906 PG 98

Notice of Setback
BK 906 PG 487

Prepared by:
Cofer, Beauchamp, Stradley & Hicks
M. Maxine Hicks
99 West Paces Ferry Road NW
Atlanta, GA 30305

010249

BOOK 842... 930

After Recording Return To:
Kilpatrick Stockton LLP
ATN: Jeff Benson
3737 Glenwood Ave.
Suite 400
Raleigh, NC 27612

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

THE PRESERVE AT JORDAN LAKE

FILED
2000 OCT 27 P 12:29
JMS
SEDS
T.M.C.

TABLE OF CONTENTS

Article 1.	Definitions	1
1.1	"Additional Property"	1
1.2	"Adjacent Properties"	1
1.3	"ARB"	1
1.4	"Area of Common Responsibility"	2
1.5	"Articles of Incorporation or Articles"	2
1.6	"Association"	2
1.7	"Board of Directors" or "Board"	2
1.8	"Builder"	2
1.9	"By-Laws"	2
1.10	"Class "B" Control Period"	2
1.11	"Common Area"	2
1.12	"Common Expenses"	2
1.13	"Community-Wide Standard"	2
1.14	"Cost Sharing Agreement"	2
1.15	"Declarant"	3
1.16	"Days"	3
1.17	"Design Guidelines"	3
1.18	"Development Period"	3
1.19	"Exclusive Common Area"	3
1.20	"General Assessment"	3
1.21	"Governing Documents"	3
1.22	"Majority"	3
1.23	"Master Plan"	3
1.24	"Member"	3
1.25	"Mortgage"	3
1.26	"Mortgagee"	3
1.27	"Neighborhood"	4
1.28	"Neighborhood Assessments"	4
1.29	"Neighborhood Association"	4
1.30	"Neighborhood Expenses"	4
1.31	"Owner"	4
1.32	"Person"	4
1.33	"Private Amenity"	4
1.34	"Private Sewer System"	4
1.35	"Properties"	5
1.36	"Public Records"	5
1.37	"Sewer Charge"	5
1.38	"Special Assessment"	5
1.39	"Specific Assessment"	5
1.40	"Supplemental Declaration"	5
1.41	"Unit"	5
Article 2.	Property Rights	5
2.1	Common Area.	5
2.2	Exclusive Common Area.	6

2.3	No Partition.	7
2.4	Condemnation.	7
Article 3.	Membership and Voting Rights	8
3.1	Membership.	8
3.2	Voting.	8
3.3	Neighborhoods.	9
Article 4.	Rights and Obligations of the Association	10
4.1	Function of Association.	10
4.2	Personal Property and Real Property for Common Use.	10
4.3	Enforcement.	10
4.4	Implied Rights; Board Authority.	11
4.5	Governmental Interests.	11
4.6	Indemnification.	12
4.7	Dedication of or Grant of Easement on Common Area.	12
4.8	Security.	12
4.9	Street Lighting Agreement.	12
4.10	Golf Course.	13
4.11	Presence and Management of Wildlife	13
Article 5.	Maintenance	14
5.1	Association's Responsibility.	14
5.2	Owner's Responsibility.	15
5.3	Neighborhood's Responsibility.	16
5.4	Standard of Performance.	16
5.5	Party Walls and Similar Structures.	16
5.6	Cost Sharing Agreements.	17
Article 6.	Insurance and Casualty Losses	17
6.1	Association Insurance.	17
6.2	Owners' Insurance.	20
6.3	Limitation of Liability.	21
Article 7.	Annexation and Withdrawal of Property	21
7.1	Annexation by Declarant.	21
7.2	Annexation by Membership.	22
7.3	Withdrawal of Property.	22
7.4	Additional Covenants and Easements.	22
7.5	Amendment.	22
Article 8.	Assessments	22
8.1	Creation of Assessments.	22
8.2	Declarant's Obligation for Assessments.	23

8.3	Computation of General Assessment.	24
8.4	Computation of Neighborhood Assessments.	24
8.5	Reserve Budget and Capital Contribution.	25
8.6	Special Assessments.	25
8.7	Specific Assessments.	25
8.8	Remedies for Non-Payment of Assessments.	26
8.9	Date of Commencement of Assessments.	27
8.10	Failure to Assess.	27
8.11	Exempt Property.	27
8.12	Capitalization of Association.	28
Article 9.	Architectural Standards	28
9.1	General.	28
9.2	Architectural Review.	28
9.3	Guidelines and Procedures.	29
9.4	Specific Guidelines and Restrictions.	29
9.5	Construction Period.	32
9.6	No Waiver of Future Approvals.	32
9.7	Variance.	32
9.8	Limitation of Liability.	32
9.9	Enforcement.	32
Article 10.	Use Restrictions	33
10.1	General.	33
10.2	Rules and Regulations.	33
10.3	Residential Use.	33
10.4	Vehicles.	34
10.5	Leasing.	35
10.6	Occupants Bound.	35
10.7	Animals and Pets.	35
10.8	Nuisance.	35
10.9	Streams.	36
10.10	Drainage and Grading.	36
10.11	Sight Distance at Intersections.	36
10.12	Storage of Materials, Garbage, Dumping, Etc.	36
10.13	Subdivision of Unit.	37
10.14	Guns.	37
10.15	Combustible Liquid.	37
10.16	Completion of Construction; Occupancy of Unfinished Units.	37
10.17	Lakes, Ponds and Streams.	37
10.18	Irrigation Systems and Wells.	37
10.19	Golf Course Areas.	38
10.20	Wetlands.	38
Article 11.	Easements	38
11.1	Easements of Encroachment.	38
11.2	Easements for Utilities, Etc.	38

11.3	Easement for Slope Control, Drainage and Waterway Maintenance.	39
11.4	Easements to Serve Additional Property.	40
11.5	Easement for Entry.	40
11.6	Easements for Maintenance and Enforcement.	40
11.7	Easements for Lake and Pond Maintenance and Flood Water.	40
11.8	Lateral Support.	41
11.9	Easements for Private Amenities.	41
11.10	Easement for Special Events.	42
11.11	Rights to Stormwater Runoff, Effluent and Water Reclamation.	43
11.12	Liability for Use of Easements.	43
Article 12.	Mortgagee Provisions	43
12.1	Notices of Action.	43
12.2	No Priority.	44
12.3	Notice to Association.	44
12.4	Failure of Mortgagee to Respond.	44
12.5	Construction of Article 12.	44
Article 13.	Declarant's Rights	44
13.1	Transfer or Assignment.	44
13.2	Development and Sales.	44
13.3	Improvements to Common Areas.	45
13.4	Additional Covenants.	45
13.5	Amendments.	45
Article 14.	Private Amenities	45
14.1	General.	45
14.2	Conveyance of Private Amenities.	45
14.3	View Impairment.	46
14.4	Cost Sharing Agreements.	46
14.5	Architectural Control.	46
14.6	Use Restrictions.	46
14.7	Limitations on Amendments.	46
14.8	Jurisdiction and Cooperation.	46
Article 15.	General Provisions	47
15.1	Duration.	47
15.2	Amendment.	47
15.3	Severability.	48
15.4	Dispute Resolution.	48
15.5	Litigation.	48
15.6	Non-Merger.	49
15.7	Grants.	49
15.8	Cumulative Effect; Conflict.	49
15.9	Use of the Words "The Preserve at Jordan Lake".	49
15.10	Compliance.	49

15.11	Right of First Refusal.	49
15.12	Exhibits.	51

TABLE OF EXHIBITS

<u>Exhibit</u>	<u>Subject Matter</u>	<u>Page First Appearing</u>
"A"	Land Initially Submitted	1
"B"	Land Subject to Annexation	2
"C"	By-Laws	2

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

THE PRESERVE AT JORDAN LAKE

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made as of the date on the signature page hereof by Jordan Lake Preserve Corporation, a North Carolina corporation (the "Declarant").

Declarant is the owner of the real property described in Exhibit "A," which is attached and incorporated by reference. This Declaration imposes upon the Properties (as defined in Article 1 below) mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the Properties and establishes a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Properties. In furtherance of such plan, this Declaration provides for the creation of The Preserve at Jordan Lake Community Association, Inc. to own, operate and maintain Common Areas and to administer and enforce the provisions of this Declaration, the By-Laws, and the Design Guidelines (as these terms are defined below).

Declarant hereby declares that all of the property described in Exhibit "A" and any additional property subjected to this Declaration by Supplemental Declaration (as defined in Article 1 below) shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, and conditions, which shall run with the title to the real property subjected to this Declaration. This Declaration shall be binding upon all parties having any right, title, or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of the Properties.

Article 1.

DEFINITIONS

The terms in this Declaration and the exhibits to this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1 "Additional Property": All of that certain real property which is more particularly described on Exhibit "B", which is attached and incorporated herein by this reference, and which real property is subject to annexation to the terms of this Declaration in accordance with Article 7.

1.2 "Adjacent Properties": Any residential, nonresidential, or recreational areas, including without limitation single family residential developments, assisted living facilities, retail, office, commercial, or institutional areas and Private Amenities, which are located adjacent to, in the vicinity of, or within the Properties; which are owned and operated, in whole or in part, by Persons other than the Association; which are not subject to this Declaration; and which are neither Units nor Common Area as defined in this Declaration.

1.3 "ARB": The Architectural Review Board, as described in Section 9.2.

1.4 "Area of Common Responsibility": The Common Area, together with those areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration or other applicable covenant, contract, or agreement. The Area of Common

Responsibility shall include any real property and improvements which are designated as areas to be maintained by the Association on a recorded subdivision plat for any portion of the Properties.

1.5 "Articles of Incorporation" or "Articles": The Articles of Incorporation of The Preserve at Jordan Lake Community Association, Inc., as filed with the Secretary of State of the State of North Carolina.

1.6 "Association": The Preserve at Jordan Lake Community Association, Inc., a North Carolina nonprofit corporation, its successors or assigns.

1.7 "Board of Directors" or "Board": The body responsible for administration of the Association, selected as provided in the By-Laws and generally serving the same role as the board of directors under North Carolina corporate law.

1.8 "Builder": Any Person who purchases one or more Units for the purpose of constructing improvements for later sale to consumers or purchases one or more parcels of land within the Properties for further subdivision, development, and/or resale in the ordinary course of such Person's business. Any Person occupying or leasing a Unit for residential purposes shall cease to be considered a Builder with respect to such Unit immediately upon occupancy of the Unit for residential purposes, notwithstanding that such Person originally purchased the Unit for the purpose of constructing improvements for later sale to consumers.

1.9 "By-Laws": The By-Laws of The Preserve at Jordan Lake Community Association, Inc., attached as Exhibit "C", as they may be amended.

1.10 "Class "B" Control Period": The period of time during which the Class "B" Member is entitled to appoint a Majority of the members of the Board of Directors as provided in Section 3.2.

1.11 "Common Area": All real and personal property, including easements and licenses, which the Association owns, leases or holds possessory or use rights in for the common use and enjoyment of the Owners. The term also shall include the Exclusive Common Area, as defined below.

1.12 "Common Expenses": The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents.

1.13 "Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard shall initially be established by the Declarant and may be more specifically determined by the Board of Directors and the ARB.

1.14 "Cost Sharing Agreement": Any agreement, contract or covenant between the Association and an owner or operator of property adjacent to, in the vicinity of, or within the Properties, including any Private Amenity, for the allocation of expenses that benefit both the Association and the owner or operator of such property.

1.15 "Declarant": Jordan Lake Preserve Corporation, a North Carolina corporation, or any successor, successor-in-title, or assign who takes title to any portion of the property described on Exhibits "A" or "B" for the purpose of development and/or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant; provided however, there shall be only one Person entitled to exercise the rights and powers of the "Declarant" hereunder at any one time.

1.16 "Days": Calendar Days; provided however, if the time period by which any action required hereunder must be performed expires on a Saturday, Sunday or legal holiday, then such time period shall be automatically extended to the close of business on the next regular business day.

1.17 "Design Guidelines": The design and construction guidelines and application and review procedures applicable to the Properties promulgated and administered pursuant to Article 9.

1.18 "Development Period": The period of time during which the Declarant owns any property which is subject to this Declaration, any Additional Property, or any Private Amenity, or has the unilateral right to subject Additional Property to this Declaration pursuant to Section 7.1.

1.19 "Exclusive Common Area": A portion of the Common Area intended for the exclusive use or primary benefit of one or more, but less than all, Neighborhoods or Units, as more particularly described in Article 2.

1.20 "General Assessment": Assessments levied on all Units subject to assessment under Article 8 to fund Common Expenses for the general benefit of all Units, as more particularly described in Sections 8.1 and 8.3.

1.21 "Governing Documents": The Declaration, By-Laws, Articles of Incorporation, all Supplemental Declarations, the Design Guidelines and rules of the Association, or any of the above, as each may be amended from time to time.

1.22 "Majority": Those votes, Owners, Members, or other group, as the context may indicate, totaling more than 50% of the total eligible number.

1.23 "Master Plan": The land use plan or development plan for "The Preserve at Jordan Lake," prepared by the land planning firm of DeVactor Langham, 45 West Crossville Road, Suite 502, Roswell, Georgia, 30075, as such plan may be amended from time to time, which includes the property described on Exhibit "A" and all or a portion of the property described on Exhibit "B" that Declarant may from time to time anticipate subjecting to this Declaration. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the exclusion of property described on Exhibit "B" from the Master Plan bar its later annexation in accordance with Article 7.

1.24 "Member": A Person entitled and subject to membership in the Association pursuant to Section 3.2.

1.25 "Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Unit.

1.26 "Mortgages": A beneficiary or holder of a Mortgage.

1.27 "Neighborhood": A separately developed area within the Properties, whether or not governed by a Neighborhood Association (as defined below), in which the Owners of Units may have common interests other than those common to all Members of the Association. For example, and by way of illustration and not limitation, each single-family attached or detached housing development may constitute a separate Neighborhood, or a Neighborhood may be comprised of more than one housing type with other features in common.

Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Committee, if any, (established in accordance with the By-Laws) or Neighborhood Association if any, (as defined below) having concurrent jurisdiction over the property within the Neighborhood. Neighborhood boundaries may be established and modified as provided in Section 3.3.

1.28 "Neighborhood Assessments": Assessments levied against the Units in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses, as described in Sections 8.1 and 8.4.

1.29 "Neighborhood Association": Any owners association having concurrent jurisdiction with the Association over any Neighborhood.

1.30 "Neighborhood Expenses": The actual and estimated expenses incurred or anticipated to be incurred by the Association for the benefit of Owners of Units within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and replacements, as the Board may specifically authorize from time to time and as may be authorized herein or in Supplemental Declarations applicable to such Neighborhood(s).

1.31 "Owner": One or more Persons who hold the record title to any Unit, including the Declarant and any Builder but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded land sales contract, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner. If a Unit is owned by more than one Person, all such Persons shall be jointly and severally obligated to perform the responsibilities of such Owner.

1.32 "Person": A natural person, a corporation, a partnership, a limited liability company, a fiduciary acting on behalf of another person or any other legal entity.

1.33 "Private Amenity": Certain real property and any improvements and facilities thereon located adjacent to, in the vicinity of, or within the Properties, designated by the Declarant and which are owned and operated, in whole or in part, by Persons other than the Association for recreational or other purpose. The use of the term "Private Amenity" shall not be construed to imply or require a private club. Private Amenities may be operated on a daily fee, use fee, public, or private basis or otherwise, and may include, without limitation, any golf course(s), so located and all related and supporting facilities and improvements. The Preserve at Jordan Lake Club is hereby designated as a Private Amenity and Declarant reserves the right to designate additional Private Amenities in its sole discretion.

1.34 "Private Sewer System": Any sanitary sewer system providing sewer service to the Members located within or abutting the Properties, including sanitary sewer gravity based and pressure based collector lines and pressure pumping mechanisms installed by Declarant and sanitary sewer service connections and pressure lines to or within a Unit and any related components or equipment required for the collection, transmission, treatment or processing of waste effluent, including the wastewater treatment plant, grinder pumps, motors, casings, electrical lights and switches, whether installed by a Builder or Owner to the extent such lines and equipment are not conveyed to, or owned by a public or private utility company.

1.35 "Properties": The real property described on Exhibit "A," together with such additional property as is subjected to this Declaration in accordance with Article 7.

1.36 "Public Records": The Office of the Register of Deeds and/or the Clerk of Superior Court of Chatham County, North Carolina.

1.37 "Sewer Charge": Any fee or charge established by the Association and paid to the Association to connect a Unit to the Private Sewer System, and thereafter any charge to any Owner required to maintain, repair or replace the Private Sewer System located upon a Unit.

1.38 "Special Assessment": Assessments levied in accordance with Section 8.6.

1.39 "Specific Assessment": Assessments levied in accordance with Section 8.7.

1.40 "Supplemental Declaration": An instrument filed in the Public Records which subjects additional property to this Declaration, designates Neighborhoods, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

1.41 "Unit": A portion of the Properties, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use, and occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, which is part of the Unit as well as any improvements thereon. The term shall include within its meaning, by way of illustration but not limitation, townhouse units, cluster homes, patio or zero lot line homes, and single-family detached houses on separately platted lots, as well as vacant land intended for development as such, but shall not include Common Area, common property owned by any Neighborhood Association, or property dedicated to the public. In the case of a building within a condominium or other structure containing multiple dwellings, each dwelling shall be deemed to be a separate Unit.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to be a single Unit until such time as a subdivision plat or condominium plat is filed of record on all or a portion of the parcel. Thereafter, the portion encompassed by such plat shall contain the number of Units determined as set forth in the preceding paragraph and any portion not encompassed by such plat shall continue to be treated in accordance with this paragraph.

Article 2. PROPERTY RIGHTS

2.1 Common Area. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area, which is appurtenant to and shall pass with the title to each Unit, subject to:

- (a) This Declaration and all Governing Documents;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Association;
- (c) The right of the Board to adopt, amend and repeal rules regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;
- (d) The right of the Board to suspend the right of an Owner to use recreational facilities within the Common Area pursuant to Section 4.3;

(e) The right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;

(f) The right of the Board to impose reasonable requirements and charge reasonable admission or other use fees for the use of any facility situated upon the Common Area;

(g) The right of the Board and the Declarant to permit use of any facilities situated on the Common Area by persons other than Owners, their families, lessees and guests upon payment of reasonable use fees, if any, established by the Board;

(h) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(i) The rights of certain Owners to the exclusive use of those portions of the Common Area designated "Exclusive Common Areas," as more particularly described in Section 2.2;

(j) The right of the Declarant to conduct activities within the Common Area, such as tournaments, charitable events, and promotional events and to restrict Owners from using the Common Area during such activities, provided such activities shall be conducted in a manner to minimize (to the extent reasonably possible) any substantial interference with the Owners' use and enjoyment of the Common Area and shall not exceed seven consecutive Days; and

(k) The rights of the Harris family as set forth in that certain Contract for Purchase and Sale between E.M. Harris, Jr. Family Land Trust, as Seller, and Bluegreen Golf, Inc., as Buyer, dated July 20, 1999, which gives Edward M. Harris, III, Camille Harris Cunnup, and Gene K. Harris, their spouses and their children, until the children reach the age of 22, the right to use the swim center. The three memberships granted to Edward M. Harris, III, Camille Harris Cunnup and Gene K. Harris shall be free of charge. No initiation fees, dues or assessments shall apply. The memberships shall not be assignable to third parties and shall terminate as follows: the membership rights reserved in favor of Edward M. Harris, III shall terminate upon the death of Edward M. Harris, III. The membership rights reserved for Camille Harris Cunnup shall terminate upon the death of Camille Harris Cunnup and the membership rights reserved for Gene K. Harris shall terminate upon the death of Gene K. Harris.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Unit shall be deemed to have assigned all such rights appurtenant to the leased Unit to the lessee of such Unit.

2.2 Exclusive Common Area. Certain portions of the Common Area may be designated as Exclusive Common Area and reserved for the exclusive use or primary benefit of Owners and occupants of specified Units or Neighborhoods. By way of illustration and not limitation, Exclusive Common Areas may include entry features, recreational facilities, roads, landscaped medians and cul-de-sacs, ponds, lakes and other portions of the Common Area within a particular Neighborhood or Neighborhoods. All costs associated with maintenance, repair, replacement, and insurance of an Exclusive Common Area shall be assessed against the Owners of Units to which the Exclusive Common Areas are assigned either as a Neighborhood Assessment or as a Specific Assessment, as applicable.

Initially, any Exclusive Common Area shall be designated as such, and the exclusive use thereof shall be assigned, in the deed by which the Common Area is conveyed to the Association or in this Declaration or any Supplemental Declaration and/or on the subdivision plat relating to such Common Area;

provided however, any such assignment shall not preclude the Declarant from later assigning use of the same Exclusive Common Area to additional Units and/or Neighborhoods during the Development Period. Thereafter, a portion of the Common Area may be assigned as Exclusive Common Area of particular Units or a particular Neighborhood or Neighborhoods and Exclusive Common Area may be reassigned upon approval of the Board and the vote of a Majority of the total Class "A" votes in the Association, including, if applicable, a Majority of the Class "A" votes within the Neighborhood(s) to which the Exclusive Common Area is assigned, if previously assigned, and within the Neighborhood(s) to which the Exclusive Common Area is to be assigned or reassigned.

The Association may, upon approval of a Majority of the Class "A" votes within the Neighborhood(s) to which any Exclusive Common Area is assigned, permit Owners of Units in other Neighborhoods to use all or a portion of such Exclusive Common Area upon payment of reasonable user fees, which fees shall be used to offset the Neighborhood Expenses or Specific Assessments attributable to such Exclusive Common Area.

2.3 No Partition. Except as permitted in this Declaration, there shall be no judicial partition of the Common Area. No Person shall seek any judicial partition unless the portion of the Common Area which is the subject of such partition action has been removed from the provisions of this Declaration. This Article shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

2.4 Condemnation. If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of at least 67% of the total Class "A" votes in the Association and the written consent of the Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within 60 Days after such taking the Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant, and at least 67% of the total Class "A" vote of the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board and the ARB. The provisions of Section 6.1(c) regarding funds for the repair of damage or destruction shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

Article 3. MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Every Owner of a Unit shall be a Member of the Association. In addition, owners of Adjacent Properties may be Members of the Association as set forth in Section 3.2(c). There shall be only one membership per Unit. If a Unit is owned by more than one Person, all Persons shall

share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 3.2(e) and in the By-Laws. The membership rights of any Member which is not a natural person may be exercised by any officer, director, member, manager, partner or trustee, or by any individual designated from time to time by the Owner in a written instrument delivered to the secretary of the Association.

3.2 Voting. The Association shall have three classes of membership, Class "A", Class "B" and Class "C" as set forth below.

(a) Class "A". Class "A" Members shall be all Owners except the Class "B" Member, if any. Class "A" Members shall have one equal vote for each Unit in which they hold the interest required for membership under Section 3.1; provided however, there shall be only one vote per Unit and no vote shall be exercised for any property which is exempt from assessment under Section 8.11. All Class "A" votes shall be cast as provided in Section 3.2(e) below.

(b) Class "B". The sole Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve, or withhold approval of, actions proposed under this Declaration, the By-Laws and the Articles, are specified in the relevant sections of this Declaration, the By-Laws and the Articles. The Class "B" Member may appoint a Majority of the members of the Board of Directors during the Class "B" Control Period which shall continue until the first to occur of the following:

(i) when 90% of the total number of Units permitted by the Master Plan for the property described on Exhibits "A" and "B" have certificates of occupancy issued thereon and have been conveyed to Persons other than Builders;

(ii) December 31, 2010; or

(iii) when, in its discretion, the Class "B" Member so determines and voluntarily relinquishes such right in a written instrument executed by Declarant and recorded in the Public Records.

After termination of the Class "B" Control Period, the Class "B" Member shall have a right to disapprove actions of the Board and committees as provided in the By-Laws. The Class "B" membership shall terminate upon the earlier of:

(i) two years after expiration of the Class "B" Control Period; or

(ii) when, in its discretion, the Declarant so determines and declares in a written instrument executed by Declarant and recorded in the Public Records.

Upon termination of the Class "B" membership, the Declarant shall be a Class "A" Member entitled to Class "A" votes for each Unit which it owns.

(c) Class "C". Class "C" Members shall be those owners or operators of any portion of the Adjacent Properties, including but not limited to any Private Amenities, that have entered into an agreement with the Association for the Association to provide sewerage treatment services to such owner's or operator's portion of the Adjacent Properties. Such agreement shall set forth the number of votes that any such owner or operator is entitled to cast on any matters requiring a vote of the Class "C" Members; provided however, that each Class "C" Member shall be entitled to at least one vote. Class "C" Members shall not have the right to vote on any matters except as specifically set forth in the Governing Documents.

(d) Additional Classes of Membership. The Declarant may, by Supplemental Declaration, create additional classes of membership for the owners of Units within any additional property made subject to this Declaration pursuant to Article 7, with such rights, privileges and obligations as may be specified in such Supplemental Declaration, in recognition of the different character and intended use of the property subject to such Supplemental Declaration.

(e) Exercise of Voting Rights by Class "A" Members. If there is more than one Owner of a Unit, the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the secretary of the Association in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it. No vote shall be exercised on behalf of any Unit if any assessment for such Unit is delinquent.

3.3 Neighborhoods. Every Unit shall be located within a Neighborhood; provided however, unless and until additional Neighborhoods are established, the Properties shall consist of one Neighborhood. The Declarant, in its sole discretion, may establish Neighborhoods within the Properties by designation on Exhibit "A" to this Declaration, a Supplemental Declaration, or a plat. During the Development Period, the Declarant may unilaterally amend this Declaration or any Supplemental Declaration from time to time to assign property to a specific Neighborhood, to redesignate Neighborhood boundaries, or to remove property from a specific Neighborhood.

The Owner(s) of a Majority of the total number of Units within any Neighborhood may at any time petition the Board of Directors to divide the property comprising the Neighborhood into two or more Neighborhoods. Such petition shall be in writing and shall include a survey of the entire parcel which indicates the proposed boundaries of the new Neighborhoods or otherwise identifies the Units to be included within the proposed Neighborhoods. Such petition shall be deemed granted 30 Days following the filing of all required documents with the Board unless the Board of Directors denies such application in writing within such 30 Day period. The Board may deny an application only upon determination that there is no reasonable basis for distinguishing between the areas proposed to be divided into separate Neighborhoods. All applications and copies of any denials shall be filed with the books and records of the Association and shall be maintained as long as this Declaration is in effect.

The Units within a particular Neighborhood may be subject to additional covenants and/or the Unit Owners may be members of a Neighborhood Association in addition to the Association. However, a Neighborhood Association shall not be required except as required by law. Any Neighborhood which does not have a Neighborhood Association may, but shall not be obligated to, elect a Neighborhood Committee, as described in the By-Laws, to represent the interests of Owners of Units in such Neighborhood.

Any Neighborhood may request that the Association provide a higher level of service or special services for the benefit of Units in such Neighborhood and, upon the affirmative vote, written consent, or a combination thereof, of Owners of a Majority of the Units within the Neighborhood, the Association may, in its sole discretion, provide the requested services. The cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate (provided any such administrative charge shall apply at a uniform rate per Unit to all Neighborhoods receiving the same service), shall be assessed against the Units within such Neighborhood as a Neighborhood Assessment pursuant to Article 8 hereof.

Article 4.

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

4.1 Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility and all improvements thereon. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable rules regulating use of the Properties as the Board may adopt pursuant to Article 10. The Association shall also be responsible for administering and enforcing the architectural standards and controls set forth in this Declaration and in the Design Guidelines. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of North Carolina.

4.2 Personal Property and Real Property for Common Use. The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Declarant and its designees, with the Declarant's prior written consent, may convey to the Association improved or unimproved real estate, or interests in real estate, located within the property described in Exhibits "A" or "B," personal property and leasehold and other property interests. Such property shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association. Declarant shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this Section. Upon written request of Declarant, the Association shall reconvey to Declarant any unimproved portions of the Properties originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make adjustments in property lines.

4.3 Enforcement. The Board, or any committee established by the Board, may impose sanctions for violation of the Governing Documents after compliance with the notice and hearing procedures set forth in Section 3.25 of the By-Laws. Such sanctions may include, without limitation:

- (a) imposing monetary fines which shall constitute a lien upon the Unit of the violator (In the event that any occupant, guest or invitee of a Unit violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the occupant; provided however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Board.);
- (b) filing liens in the Public Records for nonpayment of any assessments or fees;
- (c) filing notices of violations in the Public Records providing record notice of any violation of the Governing Documents;
- (d) suspending an Owner's right to vote;
- (e) suspending any Person's right to use any recreational facilities within the Common Area; provided however, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit;
- (f) suspending any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than 30 Days delinquent in paying any assessment or other charge owed to the Association; and
- (g) levying Specific Assessments to cover costs incurred in bringing a Unit into compliance in accordance with Section 8.7(b).

In addition, the Board, or the covenants committee if established, may elect to enforce any provision of the Governing Documents by entering the Unit and exercising self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules, the removal of pets that are in violation of pet rules or the correction of any maintenance, construction or other violation of the Governing Documents) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedures set forth in the By-Laws.

All remedies set forth in this Declaration and the By-Laws shall be cumulative of any remedies available at law or in equity. In any action to enforce the provisions of the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

The Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board in the exercise of its business judgment determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action. Any such determination shall not be construed a waiver of the right of the Association to enforce such provision under any circumstances or prevent the Association from enforcing any other covenant, restriction or rule.

The Association, by contract or other agreement, may enforce county, city, state and federal ordinances, if applicable, and permit local and other governments to enforce ordinances on the Properties for the benefit of the Association and its Members.

4.4 Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by this Declaration or the By-Laws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in this Declaration, the By-Laws, the Articles, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

4.5 Governmental Interests. During the Development Period, the Declarant may designate sites within the Properties for public or quasi-public facilities. No membership approval shall be required for such designation. The sites may include Common Area, in which case the Association shall take whatever action is required with respect to such site to permit such use, including conveyance of the site, if so directed by Declarant. The sites may include other property not owned by Declarant provided the owner consents.

Notwithstanding anything contained herein to the contrary, the Declarant may, in its sole discretion, convey any sewerage treatment facilities serving the properties to a private utility company or governmental entity and any value received shall be the sole property of Declarant.

4.6 Indemnification. The Association shall indemnify every officer, director, ARB member and committee member against all damages, liability, and expenses, including attorneys fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, ARB member or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section, the Articles of Incorporation and North Carolina law.

The officers, directors, and ARB and other committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance,

misconduct, or bad faith. The officers, directors and ARB and other committee members shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers, directors or ARB or other committee members may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director and ARB and other committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or ARB or other committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

4.7 Dedication of or Grant of Easement on Common Area. The Association may dedicate portions of the Common Area to Chatham County, North Carolina, or to any other local, state, or federal governmental or quasi-governmental entity or private utility provider.

4.8 Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. Neither the Association, the original Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Properties, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any security system or measure, including any mechanism or system for limiting access to the Properties, can not be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all occupants of its Unit that the Association, its Board of Directors and committees, Declarant, and any successor Declarant are not insurers and that each Person using the Properties assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

4.9 Street Lighting Agreement. Declarant reserves the right to subject the Properties to a contract with an electric utility company for the installation of underground electric cables and/or the installation of street lighting, either or both which may require an initial payment and/or a continuing monthly payment to an electric utility company by each Owner or the Association. All street lights shall be installed or aimed so as to minimize a disabling glare to drivers or pedestrians or a nuisance glare to neighboring properties.

4.10 Golf Course. By acceptance of a deed to any Unit, each Owner acknowledges and agrees that owning property adjacent to a golf course has benefits as well as detriments and that the detriments include: (a) the risk of damage to property or injury to persons and animals from golf balls which are hit onto an Owner's Unit or other portion of the Properties; (b) the entry by golfers onto an Owner's Unit or other portion of the Properties utilized by the Owner to retrieve golf balls; (c) over spray in connection with the watering of the roughs, fairways and greens on the golf course; (d) noise from golf course maintenance and operation equipment (including, without limitation, compressors, blowers, mulches, tractors, utility vehicles and pumps, all of which may be operated at all times of the day and night and/or continuously); (e) odors arising from irrigation and fertilization of the turf situated on the golf course; and (f) disturbance and loss of privacy resulting from golf cart traffic and golfers. Additionally each Owner acknowledges that pesticides and chemicals may be applied to the golf course throughout the year and that reclaimed water, treated waste water or other sources of non-potable water may be used for irrigation of the golf course.

Each Owner expressly assumes such detriments and risks and agrees that neither the Declarant or any successor Declarant; the Association or its Members (in their capacity as such); the owner(s) of any golf course or their successors, successors-in-title, or assigns; any officer, director or partner of any of the foregoing; nor any officer or director of any partner of any of the foregoing shall be liable to any Owner or anyone claiming any loss or damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury, destruction of property, trespass or any other alleged wrong or entitlement to remedy based upon, due to, arising from or otherwise related to the proximity of an Owner's Unit to any golf course, including, without limitation, any claim arising in whole or in part from the negligence of Declarant, the owner of any golf course, or their successors or assigns. Each Owner hereby agrees to indemnify and hold harmless the Declarant and any successor Declarant; the Association and its Members (in their capacity as such); the owner(s) of the Private Amenities and their successors, successors-in-title, and assigns; any officer, director or partner of any of the foregoing; and any officer or director of any partner of the foregoing against any and all such claims by Owner's invitees.

4.11 Presence and Management of Wildlife. Each Owner and occupant, and each tenant, guest and invitee of any Owner or occupant acknowledges that the Properties are located adjacent to and in the vicinity of wetlands, bodies of water and other natural areas. Such areas may contain wildlife, including without limitation, deer, and raccoons. Neither the Association, the Board, the original Declarant, nor any successor Declarant shall be liable or responsible for any personal injury, illness or any other loss or damage caused by the presence of such wildlife on the Properties. Each Owner and occupant of a Unit and each tenant, guest, and invitee of any Owner or occupant shall assume all risk of personal injury, illness, or other loss or damage arising from the presence of such wildlife and further acknowledges that the Association, the Board, the original Declarant or any successor Declarant have made no representations or warranties, nor has any Owner or occupant, or any tenant, guest, or invitee of any Owner or occupant relied upon any representations or warranties, expressed or implied, relative to the presence of such wildlife.

The Declarant, acting in its sole and absolute discretion, retains the right, but not the obligation, to engage in wildlife and fishery management plans and practices on the Properties to the extent that such practices are permitted by applicable state and federal law. For the purpose of illustration and not limitation, this includes the right to manage and control any populations of deer, raccoons, and other wildlife through a variety of techniques, including organized hunting, shooting and trapping. The Declarant hereby reserves the right to assign these management rights to the Association.

Article 5. MAINTENANCE

5.1 Association's Responsibility.

(a) The Association shall maintain and keep in good condition, order and repair the Area of Common Responsibility, which shall include, but need not be limited to:

- (i) Common Area;
- (ii) The Private Sewer System;
- (iii) all landscaping and other flora, parks, lakes, ponds, structures, and improvements, including any entry features, private streets, bike and pedestrian pathways/trails, situated upon the Common Area;

- (iv) all furnishings, equipment and other personal property of the Association;
- (v) any street trees, landscaping and other flora, buffers (unless such areas are maintained by the owner of the Private Amenity), parks, bike and pedestrian pathways/trails, structures and improvements within public rights-of-way within or abutting the Properties or upon such other public land adjacent to the Properties as deemed necessary in the discretion of the Board;
- (vi) any sewerage treatment plant within or abutting the Properties which provides services to the Members of the Association unless such facilities have been conveyed to a private utility company;
- (vii) such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, any Cost Sharing Agreement, or any contract or agreement for maintenance thereof entered into by the Association;
- (viii) all streams and/or wetlands located within the Properties which serve as part of the drainage and storm water retention system for the Properties, including any retaining walls, bulkheads or dams (earthen or otherwise) retaining water therein, and any fountains, lighting, pumps, conduits, and similar equipment installed therein or used in connection therewith unless such facilities are located within a Private Amenity and are maintained by the owner of the Private Amenity; and
- (ix) any property and facilities owned by the Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from the Declarant to the Association and to remain a part of the Area of Common Responsibility and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

The Association may, as a Common Expense, maintain other property and improvements which it does not own, including, without limitation, property dedicated to the public, or provide maintenance or services related to such property over and above the level being provided by the property owner, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. For example, the Association may maintain any fence, wall, entry feature or sign serving to enhance or designate the entry to The Preserve at Jordan Lake regardless that such improvements are not located within the Common Area or the Properties.

The Private Sewer System shall receive the highest priority for expenditures by the Association except for federal, state and local taxes and insurance.

(b) The Association may be relieved of all or any portion of its maintenance responsibilities herein to the extent that (a) such maintenance responsibility is otherwise assumed by or assigned to an Owner, a Neighborhood Association or the owner of a Private Amenity or (b) such property is dedicated to any other local, state or federal governmental or quasi-governmental entity; provided however, that in connection with such assumption, assignment or dedication, the Association may reserve or assume the right or obligation to continue to perform all or any portion of its maintenance responsibilities, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. Notwithstanding the above, the Association shall not be relieved of the obligation of maintaining the Private Sewer System until a new permit is issued to another entity by the Division of Water Quality of the State of North Carolina Department of Environmental and Natural Resources.

(c) The Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless Members holding 67% of the Class "A" votes in the Association and the Class "B" Member, if any, agree in writing to discontinue such operation; provided, however, the Association shall not be permitted to discontinue operation of the Private Sewer System.

Except as provided above, the Area of Common Responsibility shall not be reduced by amendment of this Declaration or any other means during the Development Period except with the written consent of the Declarant.

(d) Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Units as part of the General Assessment, without prejudice to the right of the Association to seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, any Cost Sharing Agreements, any recorded covenants, or any agreements with the owner(s) thereof. All costs associated with maintenance, repair and replacement of Exclusive Common Areas shall be a Neighborhood Expense assessed as a Neighborhood Assessment solely against the Units within the Neighborhood(s) to which the Exclusive Common Areas are assigned, or a Specific Assessment against the particular Units to which the Exclusive Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

(e) The Association may mow and maintain on each unimproved Unit any grass within that portion of the Unit located between the lot boundary adjacent to the street to the rear property line. For purposes of this section, unimproved Unit shall mean a Unit without a dwelling.

5.2 Owner's Responsibility. Each Owner shall maintain his or her Unit, and all structures, parking areas, landscaping and other flora and other improvements comprising the Unit in a manner consistent with the Community-Wide Standard and all Governing Documents, unless such maintenance responsibility is otherwise assumed by or assigned to the Association or a Neighborhood Association. With respect to any Unit upon which a dwelling has not yet been constructed, such maintenance responsibility shall include, but is not limited to, the removal of all litter and trash and lawn mowing on a regular basis. In addition to any other enforcement rights, if an Owner fails to perform properly his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner in accordance with Section 8.7. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

5.3 Neighborhood's Responsibility. Upon resolution of the Board of Directors, the Owners of Units within each Neighborhood shall be responsible for paying, through Neighborhood Assessments, the costs of operating, maintaining and insuring certain portions of the Area of Common Responsibility within or adjacent to such Neighborhood. This may include, without limitation, the costs of maintaining any signage, entry features, right-of-way and greenspace between the Neighborhood and adjacent public roads; provided however, all Neighborhoods which are similarly situated shall be treated the same.

Any Neighborhood Association having responsibility for maintenance within a particular Neighborhood pursuant to additional covenants applicable to such Neighborhood shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If it fails to do so,

the Association may perform such responsibilities and assess the costs as a Specific Assessment against all Units within such Neighborhood as provided in Section 8.7.

5.4 Standard of Performance. Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and all Governing Documents. Neither the Association, any Owner nor any Neighborhood Association shall be liable for any damage or injury occurring on, or arising out of the condition of, property which such Person does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

5.5 Party Walls and Similar Structures.

(a) General Rules of Law to Apply. Each wall, fence, driveway or similar structure built as a part of the original construction on the Units which serves and/or separates any two adjoining Units shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make use of the party structure.

(c) Damage and Destruction. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

5.6 Cost Sharing Agreements. The Association may enter into Cost Sharing Agreements with the owners or operators of portions of the Adjacent Properties:

(a) to obligate the owners or operators of such Adjacent Properties to share in certain costs associated with the maintenance, repair, replacement and insuring of portions of the Area of Common Responsibility, if any, which are used by or benefit jointly the owners or operators of such Adjacent Properties and the owners within the Properties;

(b) to permit the use of any recreational and other facilities located on such Adjacent Properties by the Owners of all Units or by the Owners of Units within specified Neighborhoods; and/or

(c) to obligate the Association to share in certain costs associated with the maintenance, repair, replacement and insuring of portions of such Adjacent Properties, if any, which are used by or benefit jointly the owners of such Adjacent Properties and the owners within the Properties.

The owners of such Adjacent Properties shall not be Members of the Association and shall not be entitled to vote on any Association matter unless any such owner qualifies as a Class "C" Member of the Association as set forth in Section 3.2(c) of this Declaration.

The owners of such Adjacent Properties shall be subject to assessment by the Association only in accordance with the provisions of such Cost Sharing Agreement(s). If the Association is obligated to share costs incurred by the owners of such Adjacent Properties, the Cost Sharing Agreement shall provide whether such payments by the Association shall constitute Common Expenses or Neighborhood Expenses of the Association. The owners of the Adjacent Properties shall not be subject to the restrictions contained in this Declaration except as otherwise specifically provided herein.

Article 6.
INSURANCE AND CASUALTY LOSSES

6.1 Association Insurance.

(a) **Required Coverages.** The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect such types of insurance as set forth in Section 47F-3-113 of the North Carolina Planned Community Act (the "Act"), including the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area, if any, and on other portions of the Area of Common Responsibility to the extent that it has assumed responsibility for maintenance, repair and/or replacement in the event of a casualty. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The Association shall have the authority to and interest in insuring any property for which it has maintenance or repair responsibility, regardless of ownership. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements;

(ii) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, the commercial general liability coverage (including primary and any umbrella coverage) shall have a limit of at least \$1,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage, provided should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) Directors and officers liability coverage;

(v) Fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment but not less than an amount equal to one-sixth of the annual General Assessments on all Units plus reserves on hand. Fidelity insurance policies

shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) Such additional insurance as the Board, in its best business judgment, determines advisable, which may include, without limitation, flood insurance, boiler and machinery insurance, and building ordinance coverage.

In addition, the Association may obtain and maintain property insurance on the insurable improvements within any Neighborhood in such amounts and with such coverages as the Owners in such Neighborhood may agree upon pursuant to Section 3.3(a). Any such policies shall provide for a certificate of insurance to be furnished to the Neighborhood Association and to the Owner of each Unit insured upon request.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses and shall be included in the General Assessment, except that (i) premiums for property insurance obtained on behalf of a Neighborhood shall be charged to the Owners of Units within the benefitted Neighborhood as a Neighborhood Assessment; and (ii) premiums for insurance on Exclusive Common Areas may be included in the Neighborhood Assessment of the Neighborhood(s) benefitted unless the Board of Directors reasonably determines that other treatment of the premiums is more appropriate. The Association shall have no insurance responsibility for any portion of the Private Amenities.

(b) Policy Requirements. The Association shall arrange for an annual review of the sufficiency of insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in Chatham County, North Carolina.

All Association policies shall provide for a certificate of insurance to be furnished to each Member insured and to the Association upon request.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 6.1(a). In the event of an insured loss, the deductible shall be treated as a Common Expense or a Neighborhood Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Units pursuant to Section 8.7.

All insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in the State of North Carolina which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the benefitted parties. Policies on the Common Areas shall be for the benefit of the Association and the Owners. Policies secured on behalf of a Neighborhood shall be for the benefit of the Owners of Units within the Neighborhood and their Mortgagees, as their interests may appear;

(iii) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

- (iv) contain an inflation guard endorsement; and
- (v) include an agreed amount endorsement, if the policy contains a co-insurance clause.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

- (i) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;
- (ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;
- (iii) an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;
- (iv) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;
- (v) an endorsement requiring at least 30 Days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;
- (vi) a cross liability provision; and
- (vii) a provision vesting the Board with the exclusive authority to adjust losses; provided however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Damage and Destruction. Immediately after damage or destruction to all or any part of the Properties covered by insurance written in the name of the Association, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this subsection means repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Any damage to or destruction of the Common Area shall be repaired or reconstructed unless at least 80% of the total Class "A" votes in the Association, and the Class "B" Member, if any, decide within 60 Days after the loss not to repair or reconstruct. If such damage or destruction affects any sewerage treatment plant maintained by the Association, then the Association shall also obtain the approval of Class "C" Members holding at least 67% of the total Class "C" votes in the Association of any decision not to repair or reconstruct.

If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such 60-Day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed 60 additional Days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. If any portion of the community is not repaired or reconstructed as set forth above, any insurance proceeds shall be distributed to all the Members (of, if appropriate, their Mortgagees) of the Association or the Neighborhood, as appropriate.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association or the Neighborhood, as appropriate, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 6.1(a).

6.2 Owners' Insurance. By virtue of taking title to a Unit, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on his or her Unit, less a reasonable deductible, unless either the Neighborhood Association (if any) for the Neighborhood in which the Unit is located or the Association carries such insurance (which they may, but are not obligated to do hereunder). If the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners, the premiums for such insurance shall be levied as a Specific Assessment against the benefitted Unit and the Owner thereof pursuant to Section 8.7.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article 9. The ARB shall have the authority to establish time periods for commencing and completing any repair or reconstruction. Alternatively, the Owner shall clear the Unit of all debris and ruins and maintain the Unit in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

The requirements of this Section shall apply to any Neighborhood Association that owns common property within the Neighborhood in the same manner as if the Neighborhood Association were an Owner and the common property were a Unit. Additional recorded covenants applicable to any Neighborhood may establish more stringent requirements for insurance and more stringent standards for rebuilding or reconstructing structures on the Units within such Neighborhood and for clearing and maintaining the Units in the event the structures are not rebuilt or reconstructed.

6.3 Limitation of Liability. Notwithstanding the duty of the Association to maintain and repair portions of the Common Area, neither the Association, its Board of Directors, its successors or assigns, nor any officer or director or committee member, employee, agent, contractor (including the management company, if any) of any of them shall be liable to any Member or any member of a Member's immediate household for any injury or damage sustained in the Area of Common Responsibility, the Common Area or other area maintained by the Association, or for any injury or damage caused by the negligence or misconduct of any Members or their family members, guests, invitees, agents, servants, contractors or lessees, whether such loss occurs in the Common Area or in individual Units.

Each Owner, by virtue of the acceptance of title to his or her Unit, and each other Person having an interest in or right to use any portion of the Properties, by virtue of accepting such interest or right to use, shall be bound by this Section and shall be deemed to have automatically waived any and all rights, claims, demands, and causes of action against the Association arising from or connected with any matter for which the liability of the Association has been disclaimed under this Section.

Article 7.

ANNEXATION AND WITHDRAWAL OF PROPERTY

7.1 Annexation by Declarant. Until 20 years after the recording of this Declaration in the Public Records, Declarant may from time to time unilaterally subject to the provisions of this Declaration all or any portion of the Additional Property. The Declarant may transfer or assign this right to annex property, provided that the transferee or assignee is the developer of at least a portion of the real property described in Exhibits "A" or "B" and that such transfer is memorialized in a written, recorded instrument executed by Declarant.

Such annexation shall be accomplished by filing a Supplemental Declaration in the Public Records describing the property being annexed. Such Supplemental Declaration shall not require the consent of Members, but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

Nothing in this Declaration shall be construed to require the Declarant or any successor to annex or develop any of the Additional Property in any manner whatsoever.

7.2 Annexation by Membership. The Association may annex any real property to the provisions of this Declaration with the consent of the owner of such property, the affirmative vote of Members representing a Majority of the Class "A" votes of the Association represented at a meeting duly called for such purpose, and the written consent of the Declarant during the Development Period.

Such annexation shall be accomplished by filing a Supplemental Declaration describing the property being annexed in the Public Records. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the annexed property, and by the Declarant, if the Declarant's consent is required. Any such annexation shall be effective upon filing unless otherwise provided therein.

7.3 Withdrawal of Property. The Declarant reserves the right to amend this Declaration during the Development Period, for the purpose of removing any portion of the Properties from the coverage of this Declaration, provided such withdrawal is not contrary to the overall, uniform scheme of development for the Properties. By way of example, and not limitation, of the foregoing, a removal of property for the purpose of (i) adjusting boundary lines, (ii) complying with any applicable governmental statute, rule, regulation or judicial determination, (iii) enabling any reputable title insurance company to issue title coverage regarding the Properties or on any portion thereof, (iv) enabling any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee Mortgage loans on the Units, (v) satisfying the requirements of any local, state or federal governmental agency, or (vi) exempting any tracts of land, either designated now or in the future for nonresidential development, from the provisions of this Declaration, shall be deemed as a permissible withdrawal which is not inconsistent with the overall uniform scheme of development. Such amendment

shall not require the consent of any Person other than the Owner of the property to be withdrawn, if not the Declarant. If the property is Common Area, the Association shall consent to such withdrawal.

7.4 Additional Covenants and Easements. The Declarant may unilaterally subject any portion of the Properties to additional covenants and easements, including covenants obligating the Association to maintain and insure such property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Association through Neighborhood Assessments. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrently with or after the annexation of the subject property, and shall require the written consent of the owner(s) of such property, if other than the Declarant. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

7.5 Amendment. This Article shall not be amended during the Development Period without the prior written consent of Declarant.

Article 8. ASSESSMENTS

8.1 Creation of Assessments. There are hereby created assessments for Association expenses as the Board may specifically authorize from time to time. There shall be four types of assessments: (a) General Assessments to fund Common Expenses for the general benefit of all Units; (b) Neighborhood Assessments for Neighborhood Expenses benefiting only Units within a particular Neighborhood or Neighborhoods; (c) Special Assessments as described in Section 8.6; and (d) Specific Assessments as described in Section 8.7. Each Owner, by accepting a deed or entering into a contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments.

All assessments and fees, together with interest, late charges, costs of collection, and reasonable attorneys fees, shall be a charge and continuing lien upon each Unit against which the assessment is made until paid, as more particularly provided in Section 8.8. Each such assessment, together with interest, late charges, costs, and reasonable attorneys fees, also shall be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no first Mortgagee who obtains title to a Unit by exercising the remedies provided in its Mortgage or through a deed in lieu of foreclosure shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon written request, furnish to any Owner liable for any type of assessment a written statement signed by an Association officer setting forth whether such assessment has been paid. Such statement shall be furnished within 10 business days after receipt of the request and shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such statement.

Assessments shall be paid in such manner and on such dates as the Board may establish, which may include discounts for early payment or similar time/price differentials. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the General Assessment and any Neighborhood Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require any

unpaid installments of all outstanding assessments to be paid in full immediately. Any assessment or installment thereof shall be considered delinquent on the 15th day following the due date unless otherwise specified by Board resolution.

No Owner may exempt himself from liability for assessments by non-use of Common Area, including Exclusive Common Area reserved for such Owner's use, abandonment of his Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. 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.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with the Declarant or other entities for payment of Common Expenses.

8.2 Declarant's Obligation for Assessments. During the Class "B" Control Period, Declarant may annually elect either to pay an amount equal to regular assessments on all of its unsold Units or to pay the difference between the amount of assessments levied on all other Units subject to assessment and the amount of actual expenditures by the Association during the fiscal year. Unless the Declarant otherwise notifies the Board in writing at least 60 Days before the beginning of each fiscal year, the Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. The Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these.

8.3 Computation of General Assessment. At least 30 Days before the beginning of each fiscal year, the Board shall adopt a budget covering the estimated Common Expenses during the coming year, which may include a capital contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 8.5.

General Assessments shall be levied equally against all Units 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 and any assessment income expected to be generated from any additional Units reasonably anticipated to become subject to assessment during the fiscal year.

During the Class "B" Control 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 (in addition to any amounts paid by Declarant under Section 8.2), which may be treated as either a contribution or an advance against future assessments due from the Declarant, 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 and the treatment of such payment shall be made known to the membership, unless otherwise provided in a written agreement between the Association and the Declarant.

At least 30 Days prior to the beginning of the fiscal year for which a budget is to be effective, and no more than 30 Days after the budget's adoption by the Board, the Board shall send a summary of the

budget and notice of a meeting to consider its ratification to each Owner. The notice shall include a statement that the budget may be ratified without a quorum. Such budget and related assessment amount shall become effective and ratified unless disapproved at said meeting by Members representing at least 67% of the total Class "A" votes in the Association and by the Declarant, during the Development Period. Assessments pursuant to such proposed budget shall not become effective until after such meeting is held, provided such assessments shall be retroactive to the original effective date of the budget if the budget is not disapproved at such meeting.

If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. The Board shall send a copy of the revised budget to each Owner at least 30 Days prior to its becoming effective. The revised budget shall become effective unless disapproved in accordance with the above procedure.

8.4 Computation of Neighborhood Assessments. At least 30 Days before the beginning of each fiscal year, the Board shall adopt a separate budget covering the estimated Neighborhood Expenses for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration, any Supplemental Declaration, or the By-Laws specifically authorizes the Board to assess certain costs as a Neighborhood Assessment. Any Neighborhood may request that additional services or a higher level of services be provided by the Association and, upon approval of Owners in accordance with Section 3.3(a), any additional costs shall be added to such budget. Such budget shall include a contribution establishing a reserve fund for repair and replacement of capital items maintained as a Neighborhood Expense, if any, within the Neighborhood. Neighborhood Expenses shall be allocated equally among all Units within the Neighborhood(s) benefitted thereby and levied as a Neighborhood Assessment.

At least 30 Days prior to the beginning of the fiscal year, and no more than 30 Days after the budget's adoption by the Board, the Board shall cause a copy of such budget and notice of a meeting to consider its ratification to be delivered to each Owner of a Unit in the Neighborhood. The notice shall include a statement that the budget may be ratified without a quorum. Such budget and related assessment shall become effective and ratified unless disapproved by Owners of a Majority of the Units in the Neighborhood to which the Neighborhood Assessment applies and by the Declarant, during the Development Period. This right to disapprove shall only apply to those line items in the Neighborhood budget which are attributable to services requested by the Neighborhood. Assessments pursuant to such proposed budget shall not become effective until after such meeting is held, provided such assessments shall be retroactive to the original effective date of the budget if the budget is not disapproved at such meeting.

If the Owners within any Neighborhood disapprove any line item of a Neighborhood budget, the Association shall not be obligated to provide the services anticipated to be funded by such line item of the budget. If the Board fails for any reason to determine a Neighborhood budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

8.5 Reserve Budget and Capital Contribution. The Board may annually prepare reserve budgets for both general and Neighborhood purposes which take into account the number and nature of replaceable assets within the Area of Common Responsibility, the expected life of each asset, and the expected repair or replacement cost; such assets shall include, without limitation, the Private Sewer System. If a reserve budget is prepared, the Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect

both to amount and timing by annual General Assessments or Neighborhood Assessments, as appropriate, over the budget period.

8.6 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. Any such Special Assessment may be levied against all Units, if such Special Assessment is for Common Expenses, or against the Units within any Neighborhood if such Special Assessment is for Neighborhood Expenses. Special Assessments shall be allocated equally among all Units subject to such Special Assessment. Any Special Assessment shall become effective unless disapproved at a meeting of Members representing at least 67% of the total Class "A" votes allocated to Units which will be subject to such Special Assessment and by the Declarant during the Development Period. 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 special meetings in Section 2.4 of the By-Laws, which petition must be presented to the Board within 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.

8.7 Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Unit or Units as follows:

- (a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Unit(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 might include, without limitation, landscape maintenance, janitorial service, 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) to cover the costs associated with maintenance, repair, replacement and insurance of any Exclusive Common Area assigned to one or more Units; and
- (c) to cover costs incurred in bringing the Unit(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 Unit, their agents, contractors, employees, licensees, invitees, or guests; provided however, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing, in accordance with the By-Laws, before levying any Specific Assessment under this subsection (c).

The Association may also levy a Specific Assessment against the Units within any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the provisions of the Declaration, any applicable Supplemental Declaration, the Articles, the By-Laws, and rules; provided however, the Board shall give prior written notice to the Owners of Units in the Neighborhood and an opportunity for such Owners to be heard before levying any such assessment.

8.8 Remedies for Non-Payment of Assessments. Any assessments or other charges which are not paid when due shall be delinquent. Delinquent assessments shall bear interest from the due date at the rate established by the Board of Directors of the Association, or if not set by the Board, at the highest rate allowed by law, together with such late fees as may be set by the Board. The Association may file a lien of record against any Unit where there remains an assessment unpaid for a period of thirty (30) Days or longer. Said lien shall be filed in the Public Records in a manner provided therefor by Section 47F-3-116 of the Act. Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first

Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. The Association may bring an action at law against any Owner personally obligated to pay any assessments, charges, interest or other costs. Costs and reasonable attorneys' fees for the prosecution of any such action shall be added to the amount due. In the event of such action at law and in the further event that such action results in a judgment being entered against the Owner and in favor of the Association, then, and in that event, the Association shall collect on such judgment in such manner and to the extent provided and permitted by the laws of the State of North Carolina.

The Association's lien may be foreclosed in like manner as a mortgage on real estate under power of sale under Chapter 45 of the North Carolina General Statutes. All fees, charges, late charges, fines, and interest are enforceable as assessments.

In any foreclosure action brought under the power of sale provisions, the Association shall be deemed to be the holder and owner of the obligation secured by this Declaration. The registered agent of the Association shall be the trustee for all purposes of the foreclosure proceeding, and the Association shall have the power to appoint a substitute trustee if for any reason the Association desires to replace the trustee, and the substitute trustee shall succeed to all rights, powers and duties thereof. The Association shall request of the trustee to sell the Unit subject to the lien at public auction for cash, after having first given such notice and advertising the time and place of such sale in such manner as may then be provided by law for mortgages and deeds of trust, and upon such sale and upon compliance with the law then relating to foreclosure proceedings under power of sale to convey to the purchaser in as full and ample manner as authorized by Chapter 45. The trustee shall be authorized to retain an attorney to represent such trustee in such proceedings. The proceeds of the sale shall, after the trustee retains its commission, together with any additional attorneys' fees incurred by the trustee, be applied to the costs of the sale, including but not limited to costs of collection, taxes, assessments, costs of recording, service fees, and incidental expenditures, the amount due on any note secured by the Unit, and any advancements made by the Association in the protection of the security.

The Association may bid for the Unit, at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Unit had it not been acquired 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 Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to such sale or transfer. A Mortgagee or other purchaser of a Unit who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 8.9, including such acquirer, its successors and assigns.

8.9 Date of Commencement of Assessments. The obligation to pay assessments shall commence as to each Unit on the date that such Unit is conveyed to a Person other than a Builder or Declarant. With respect to any Unit owned by a Builder, assessments shall commence upon the earlier of (a) actual occupancy of such Unit, excluding any period that such Unit is being used exclusively as a model home or a sales office approved by Declarant; or (b) one year from the date that such Builder or any entity or Person related to such Builder acquired title to such Unit. The first annual General Assessment and

Neighborhood Assessment, if any, levied on each Unit shall be adjusted according to the number of Days remaining in the fiscal year at the time of assessments commence on the Unit.

8.10 Failure to Assess. Failure of the Board to fix 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 and Neighborhood 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.

8.11 Exempt Property. The following property shall be exempt from payment of General Assessments, Neighborhood Assessments, and Special 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;
- (b) Any property dedicated to and accepted by any governmental authority or public utility; and
- (c) Property owned by any Neighborhood Association for the common use and enjoyment of its members, or owned by the members of a Neighborhood Association as tenants-in-common.

8.12 Capitalization of Association. Upon acquisition of record title to a Unit by the first Owner thereof other than the Declarant, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to the greater of one hundred dollars or one-sixth of the annual General Assessment per Unit for that year. This amount shall be in addition to, not in lieu of, the annual General Assessment and shall not be considered an advance payment of such assessment. This amount shall be collected and disbursed to the Association at closing of the purchase and sale of the Unit to the first owner, the capital contribution shall be paid immediately upon demand by the Association. Capital contributions shall be used by the Association in covering operating expenses and other expenses incurred by the Association pursuant to the Governing Documents.

Article 9.

ARCHITECTURAL STANDARDS

9.1 General. No exterior structure or improvement, as described in Section 9.4 shall be placed, erected, installed or made upon any Unit or adjacent to any Unit where the purpose of the structure is to service such Unit, and no improvements shall be permitted except in compliance with this Article, and with the prior written approval of the appropriate reviewing body under Section 9.2, unless exempted from the application and approval requirements pursuant to Section 9.3.

Any Owner may remodel, paint or redecorate the interior of structures on his Unit without approval. However, modifications to the interior of porches, screened porches, patios, and similar portions of a Unit visible from outside the structures on the Unit shall be subject to approval.

All dwellings constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications of a licensed architect unless Declarant or its designee otherwise approves in its sole discretion.

This Article shall not apply to the activities of the Declarant, nor to improvements to the Common Area by or on behalf of the Association or to improvements to any Private Amenity.

This Article may not be amended without the Declarant's written consent during the Development Period.

9.2 Architectural Review. Responsibility for administration of the Design Guidelines and review of all applications for construction and modifications under this Article shall be handled by the ARB, the members of which need not be Members of the Association or representatives of Members, and may, but need not, include architects, landscape architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the ARB. The ARB may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred by the ARB in having any application reviewed by architects, engineers or other professionals.

The ARB shall have exclusive jurisdiction over all construction on any portion of the Properties. Until 100% of the Properties have been developed and conveyed to Owners other than Builders, and initial construction on each Unit has been completed in accordance with the Design Guidelines, the Declarant retains the right to appoint all members of the ARB which may consist of one or more Persons, who shall serve at the Declarant's discretion. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration or surrender of such right, the Board shall appoint the members of the ARB who shall thereafter serve and may be removed in the Board's discretion.

9.3 Guidelines and Procedures.

(a) Design Guidelines. The Declarant shall prepare the initial Design Guidelines for the Properties. The Design Guidelines may contain general provisions applicable to all of the Properties, as well as specific provisions which vary according to land use and from one portion of the Properties to another depending upon the location, unique characteristics, and intended use. For example, by way of illustration but not limitation, the Design Guidelines may impose stricter requirements on those portions of the Properties adjacent to or visible from any Private Amenity or any lake, pond, river, stream or other body of water. The Design Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the committees in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the committees and compliance with the Design Guidelines does not guarantee approval of any application.

The ARB shall adopt the Design Guidelines prior to closing on the first Unit and thereafter shall have sole and full authority to amend them. Any amendments to the Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines; the ARB is expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines less restrictive. The ARB shall make the Design Guidelines available to Owners and Builders who seek to engage in development or construction within the Properties.

(b) Procedures. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed structures and improvements shall be submitted to the appropriate committee for review and approval (or disapproval). In addition, information concerning irrigation systems, drainage, lighting, landscaping and other features of proposed construction shall be submitted as

applicable and as required by the Design Guidelines. In reviewing each submission, the committees may consider the quality of workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation, among other considerations. Decisions of the committees may be based solely on aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary over time.

In the event that the ARB fails to approve or to disapprove any application within 30 Days after submission of all information and materials reasonably requested, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the ARB pursuant to Section 9.7.

Notwithstanding the above, the ARB by resolution may exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

9.4 Specific Guidelines and Restrictions.

(a) Exterior Structures and Improvements. Exterior structures and improvements shall include, but shall not be limited to, staking, clearing, excavation, grading and other site work; installation of utility lines or drainage improvements; initial construction of any dwelling or accessory building; exterior alteration of existing improvements; installation or replacement of mailboxes; basketball hoops; swing sets and similar sports and play equipment; clotheslines; garbage cans; wood piles; swimming pools; gazebos or playhouses; window air-conditioning units or fans; hot tubs; solar panels; antennas; 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, animal pens, 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 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 reviewing body 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 unless approval or waiver in writing is obtained from the appropriate reviewing body. The ARB 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 "for sale" or "for rent" signs are permitted on the Properties. No other sign of any kind shall be erected by an Owner or occupant without the prior written consent of the ARB, as applicable, 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 ARB in its sole discretion. Unless in compliance with this Section, no signs shall be posted or erected by any Owner or occupant within any portion of the Properties, including the Common Area, any Unit, any structure or dwelling located on the Common Area or any Unit (if such sign would be visible from the exterior of such structure or dwelling as determined in the reviewing body's sole discretion) or from any Private Amenity.

The Declarant and the ARB reserve the right to prohibit signs and to restrict the size, content, color, lettering, design and placement of any approved signs. All authorized 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, including, without limitation, "for sale" signs installed by Declarant and Builder signs installed in accordance with the Design Guidelines.

(ii) Tree Removal. No trees that are more than six (6) inches in diameter at a point two (2) feet above the ground shall be removed without the prior written consent of the ARB; provided however, 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 ARB. The ARB may adopt or impose requirements for, or condition approval of, tree removal upon the replacement of any tree removed.

(iii) Lighting. Exterior lighting visible from a public street shall not be permitted except for: (1) approved lighting as originally installed on a Unit; (2) one (1) approved decorative post light; (3) pathway lighting; (4) porch lighting (5) street lights in conformity with an established street lighting program for the Properties; (6) seasonal decorative lights during the usual and common season; or (7) front house illumination of model homes. All lights shall be installed or aimed so that they do not present a disabling glare to drivers or pedestrians or create a nuisance by projecting or reflecting objectionable light onto a neighboring property.

(iv) Temporary or Detached Structures. Except as may be permitted by the Declarant during initial construction, or the ARB thereafter, no temporary house, dwelling, garage, barn or other building shall be placed or erected on any Unit.

No mobile home, trailer home, travel trailer, camper or recreational vehicle shall be stored, parked or otherwise allowed to be placed on a Unit as a temporary or permanent dwelling. These recreational vehicles shall be subject to the restrictions set forth in Section 10.4 of the Declaration.

In addition, no modular home or manufactured home shall be placed, erected, constructed or permitted within the Properties. "Modular home and manufactured home" shall include any prefabricated or pre-build dwelling which consists of one or more transportable sections or components and shall also be deemed to include manufactured building, manufactured home, modular building, modular home, modular construction, and prefabricated construction as defined by the North Carolina State Building Code, 1994 Edition, published by The North Carolina State Building Code Council. The placement of prefabricated and transportable sections onto a permanent foundation and the inspection of the resulting structure by the building inspector under the North Carolina State Building Code shall not exempt such structure from this prohibition. Prefabricated accessory structures, such as sheds and gazebos, must be reviewed and approved in strict accordance with Article 9 of the Declaration.

(v) 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.

(vi) Standard Mailboxes. The ARB reserves the right to approve the style, design, color and location prior to any original installation or replacement of any mailbox and may require the installation of a standard mailbox which may vary from one Neighborhood to another. Application shall be made to the ARB prior to installation or replacement. By accepting a deed to a Unit, each Owner agrees that the ARB may remove any nonapproved mailbox in a reasonable manner; all costs for same shall be paid by Owner of such Unit, and all claims for damages caused by the ARB are waived.

(vii) Minimum Dwelling Size. The Design Guidelines may establish a minimum square footage of enclosed, heated and cooled living space for residential dwellings, which minimum may vary

from one (1) Neighborhood to another. Upon written request of an Owner, the ARB may waive the minimum square footage requirement if, in the ARB's sole discretion, the resulting appearance of such residential dwelling will preserve and conform to the overall appearance, scheme, design, value and quality within the Properties.

(viii) Water Facilities. No individual water supply system shall be permitted within the Properties.

(ix) Private Sewer Equipment. No sewer equipment may be installed on any Unit without the prior approval of the ARB. All grinder pumps and other equipment used in connection with the Private Sewer System must satisfy the specifications set forth in the Design Guidelines including but not limited to standards for grinder pumps as to the manufacturer and model, power, clean-out criteria, and location. ARB reserves the right to prohibit the use of any equipment and/or vendor that does not meet the minimum requirements of the Design Guidelines which may change from time to time.

(x) Fences and Hedges. All fences and hedges shall be installed in accordance with the Design Guidelines and unless otherwise approved by the ARB, shall be located at least two feet inside the property line.

(xi) Impervious Area and Lawns. Impervious areas per lot shall be limited to 6,500 square feet. Lawn areas shall be limited to 35% of the total lot size.

9.5 Construction Period. After commencement of construction, each Owner shall diligently continue construction to complete such construction in a timely manner. The initial construction of all structures must be completed within one (1) year after commencement of construction, unless extended by the ARB in its sole discretion. All other construction shall be completed within the time limits established by the ARB at the time the project is approved by the ARB.

For the purposes of this Section, commencement of construction shall mean that (a) all plans for such construction have been approved by the ARB; (b) a building permit has been issued for the Unit by the appropriate jurisdiction; and (c) clearing and grading has physically commenced. Completion of a structure shall mean that a final certificate of occupancy has been issued by the appropriate jurisdiction for the Unit.

9.6 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.

9.7 Variance. The ARB 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) stop the ARB from denying a variance in other circumstances. For purposes of this Section, 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.

9.8 Limitation of Liability. The standards and procedures established pursuant to this Article are intended to provide a mechanism for maintaining and enhancing the overall aesthetics of the Properties

only, and shall not create any duty to any Person. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the ARB shall bear no 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 ARB 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 Unit. In all matters, the committees and their members shall be defended and indemnified by the Association as provided in Section 4.6.

9.9 Enforcement. The Declarant, any member of the ARB, or the Board, or the representatives of each shall have the right, during reasonable hours and after reasonable notice, to enter upon any Unit to inspect for the purpose of ascertaining whether any structure or improvement is in violation of this Article. Any structure, improvement or landscaping placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the ARB, 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 as required, any authorized agent of Declarant, the ARB, or the Board shall have the right to enter the property, 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 shall not constitute a trespass. In addition, the Board may enforce the decisions of the Declarant and the ARB by any means of enforcement described in Section 4.3. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Unit and collected as a Specific Assessment.

Unless otherwise specified in writing by the committee granting approval, 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 Unit, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Unit and an opportunity to be heard in accordance with the By-Laws, to enter upon the Unit and remove or complete any incomplete work and to assess all costs incurred against the Unit and the Owner thereof as a Specific Assessment.

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

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 and the decisions of the ARB.

Article 10. USE RESTRICTIONS

10.1 General. This Article sets out certain use restrictions which must be complied with by all Owners and occupants of any Unit. The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, model homes, sales offices for Builders, 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 Exhibits "A" or "B," 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 Rules and Regulations. In addition to the use restrictions set forth in this Article, the Board may, from time to time, without consent of the Members, promulgate, modify, or delete rules and regulations applicable to the Properties. Such rules shall be distributed to all Owners and occupants prior to the date that they are to become effective and shall thereafter be binding upon all Owners and occupants until and unless overruled, canceled, or modified in a regular or special meeting by a Majority of the Members, and during the Development Period the written consent of the Declarant.

10.3 Residential Use. All Units may be used only for residential purposes of a single family and for ancillary business or home office uses. A business or home office shall be considered ancillary so long as: (a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (b) the activity conforms to all zoning requirements for the Properties; and limits the number of employees on the premises to not more than (2) at any given time; provided, further that there is reasonable parking to accommodate such employees; (c) the activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other invitees or door-to-door solicitation of residents of the Properties; (d) the activity does not increase traffic or include frequent deliveries within the Properties; and (e) 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.

No real estate brokerage firms, real estate sales offices, or any other business directly or indirectly selling and/or managing real property or improvements shall be permitted within the Properties except with the Declarant's prior written approval which may be denied in Declarant's sole discretion. No other trade or business activity shall be conducted upon a Unit without the prior written approval 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: (a) such activity is engaged in full or part-time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

The leasing of a Unit shall not be considered a business or trade within the meaning of this Section. This Section shall not apply to any activity conducted by the Declarant or a Builder approved by the Declarant with respect to its development and sale of the Properties or its use of any Units which it owns within the Properties.

10.4 Vehicles.

(a) Automobiles and non-commercial trucks and vans shall be parked only in the garages or in the driveways, if any, serving the Units unless otherwise approved by the ARB. 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 pathways or unpaved Common Area except for public safety vehicles authorized by the Board and vehicles used by the Association or the owner of a Private Amenity in maintenance of all or a portion of the Properties or Private Amenity.

(b) Recreational vehicles shall be parked only in the garages, if any, serving the Units. The term "recreational vehicles," as used herein, shall include, without limitation, motor homes, mobile homes, boats, jet skis or other watercraft, trailers, other towed vehicles, motorcycles, minibikes, scooters, go-carts, golf carts, campers, buses, commercial trucks and commercial vans. Any recreational vehicle parked or stored in violation of this provision shall be considered a nuisance and may be removed from the Properties.

(c) Recreational vehicles may be operated on the streets within the Properties only by a licensed driver in accordance with North Carolina law.

(d) All vehicles shall be subject to such reasonable rules and regulations as the Board of Directors may adopt, including, without limitation, the right to limit the number of vehicles permitted on each Unit.

10.5 Leasing. Units may be leased for residential purposes only. 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.

10.6 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. Fines may be levied against Owners or occupants. If a fine is first levied against an occupant and is not paid timely, the fine may then be levied against the Owner.

10.7 Animals and Pets. No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any Unit, with the exception of dogs, cats, or other usual and common household pets in reasonable number, as determined by the Board. No animals shall be kept, bred or maintained for commercial purposes. All pets shall be on a leash or otherwise reasonably controlled by the owner whenever outside a Unit and shall be kept in such a manner as to not become a nuisance by barking or other acts. The owners of the pet shall be responsible for all of the pet's actions. Pets shall not be permitted on any golf course, in any lake, or within any Private Amenity except in compliance with conditions established by the owner of such Private Amenity. If, in the sole opinion of the Board, any animal becomes dangerous or an annoyance or nuisance in the Properties or to nearby property or destructive of wildlife, they shall be removed from the Properties. By way of explanation and not limitation, this Section may be enforced by exercising self-help rights provided in Section 4.3.

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. No property within the Properties shall be used, in whole or in part, for the storage of any property or thing that will cause such Unit 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 obnoxious 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.

Each Owner shall maintain its Unit in a neat and orderly condition throughout initial construction of a residential dwelling and not allow trash and debris from its activities to be carried by the wind or otherwise scattered within the Properties. Storage of construction materials on the Unit shall be subject to such conditions, rules, and regulations as may be set forth in the Design Guidelines. Each Owner shall

keep roadways, easements, swales, and other portions of the Properties clear of silt, construction materials and trash from its activities at all times. Trash and debris during initial construction of a residential dwelling shall be contained in standard size dumpsters or other appropriate trash receptacles and removed regularly from Units and shall not be buried or covered on the Unit. Owners shall remove trash and debris from the Unit upon reasonable notice by Declarant in preparation for special events.

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 using any property 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 ARB, shall be located, installed or maintained upon the exterior of any Unit unless required by law.

The reasonable and normal development, construction and sales activities conducted or permitted by the Declarant shall not be considered a nuisance or a disturbance of the quiet enjoyment of any Owner or occupant.

10.9 Streams. No streams which run across any Unit may be dammed, or the water therefrom impounded, diverted, or used for any purpose without the prior written consent of the Board, except that the Declarant shall have such rights as provided in Article 11.

10.10 Drainage and Grading. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner or occupant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains.

No Person shall alter the grading of any Unit without prior approval pursuant to Article 9 of this Declaration. No Person may fill in or pipe any roadside or lot-line swale, except as necessary to provide a minimum driveway crossing, nor may any Person pipe, fill in, or alter any lot line swale used to meet Chatham County regulations. The Declarant hereby reserves for itself and the Association a perpetual easement across the Properties for the purpose of altering drainage and water flow. However, the exercise of such an easement shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent.

The Chatham County regulations applicable to the Properties provides that no more than a certain portion of each Unit shall be covered by impervious structures, including asphalt, gravel, concrete, stone, slate or similar material, not including wood decking or the water surface of swimming pools. The impervious structure requirements shall be set forth in the Design Guidelines.

10.11 Sight Distance at Intersections. No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain on any corner Unit within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply on any Unit within 10 feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

10.12 Storage of Materials, Garbage, Dumping, Etc. All garbage cans shall be located or screened so as to be concealed from view of neighboring streets and property. All rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate. There shall be no dumping of grass clippings, leaves or other debris; rubbish, trash or garbage; petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake within the Properties, except that fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff. Due to the sensitivity of the surrounding land, Owners shall use their best efforts to avoid excessive use of fertilizers.

No lumber, metals, bulk materials, refuse, trash or other similar materials shall be kept, stored, or allowed to accumulate outside the buildings on any Unit, except during the initial construction period of the improvements to the Unit. In addition, during construction the building materials on any Unit shall be placed and kept in an orderly fashion. Any Unit on which construction is in progress shall be policed prior to each weekend and during the weekend all materials shall be neatly stacked or placed and any trash or waste materials shall be removed.

10.13 Subdivision of Unit. No Unit shall be subdivided or its boundary lines changed after a subdivision plat including such Unit has been approved and filed in the Public Records without the Declarant's written consent. Declarant, however, hereby expressly reserves the right to replat any Unit or Units which it or any Builder owns, with the written prior consent of the owner of the Unit or Units affected. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations, if any.

10.14 Guns. The discharge of firearms on the Properties is prohibited. The term "firearms" includes without limitation "B-B" guns, pellet guns, and firearms of all types. The Board may impose fines and exercise other enforcement remedies as set forth in this Declaration to enforce this restriction, but shall not be obligated to exercise self-help to prevent any such discharge.

10.15 Combustible Liquid. There shall be no storage of gasoline, propane, heating or other fuels, except for a reasonable amount of fuel that may be stored in containers appropriate for such purpose on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment and except as may be approved in writing by the ARB. The Association shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

10.16 Completion of Construction; Occupancy of Unfinished Units. No dwelling erected upon any Unit shall be occupied in any manner before commencement of construction or while in the course of construction, nor at any time prior to the dwelling being fully completed. After commencement of construction, each Owner shall diligently continue construction to complete such construction in a timely manner. With respect to construction of a residential dwelling, such construction shall be completed within one year from commencement.

For the purposes of this Section, commencement of construction shall mean that (i) all plans for such construction have been approved by the ARB; (ii) a building permit has been issued for the Unit by the appropriate jurisdiction; and (iii) construction of a residential dwelling on the Unit has physically commenced beyond site preparation. Completion of a dwelling shall mean that a certificate of occupancy has been issued by the appropriate jurisdiction for the Unit.

10.17 Lakes, Ponds and Streams. Swimming, boating and other active uses of lakes, ponds or streams within or adjacent to the Properties shall be prohibited. The Association shall not be responsible

for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, or streams within the Properties.

10.18 Irrigation Systems and Wells. Sprinkler or irrigation systems shall be installed only in accordance with the Design Guidelines. Declarant shall have the right to install sprinkler or irrigation systems or nonpotable wells within or abutting the Properties which draw upon water from lakes, streams, rivers, ponds, wetlands, canals, or other ground or surface waters within the Properties and the Declarant and the owner of any golf course shall have the right to draw water from such sources within the Properties.

10.19 Golf Course Areas. Owners of Units adjacent to any golf course, as well as their families, tenants, guests, invitees, and pets, shall be obligated to refrain from any actions which would distract from the playing qualities of any golf course adjacent to the Properties. Such prohibited activities shall include, but shall not be limited to, burning materials where the smoke will cross the golf course property, maintenance of dogs or other pets under conditions which interfere with golf course play due to their loud barking or other actions, playing of loud radios, televisions, stereos or musical instruments, running, bicycling, skateboarding, walking or trespassing in any way on the golf course property, picking up balls or similar interference with play. In addition, no Person shall, by virtue of this Declaration, have any right to (a) prune or otherwise alter any landscaping located on the golf course property or (b) use any portion of any golf cart path system, including any portion thereof which may be situated upon Common Area. This covenant is for the benefit of any golf course adjacent to the Properties and the owner thereof and persons playing golf on said golf courses and shall be enforceable by the owner of such golf course.

10.20 Wetlands. All areas designated on any recorded plat as "wetlands" shall be generally left in a natural state, and any proposed alteration of the wetlands must be in accordance with any restrictions or covenants recorded against such property and be approved by the Army Corps of Engineers (COE) and the North Carolina Department of Environmental and Natural Resources, as applicable. Notwithstanding anything contained in this Section, the Declarant, the Association, and the successors, assigns, affiliates and designees of each may conduct such activities as have been or may be permitted by the U.S. Army Corps of Engineers or any successor thereof responsible for the regulation of wetlands. All areas designated on any recorded plat as "wetlands" shall be generally left in a natural state, and any proposed alteration of the wetlands must be in accordance with any restrictions or covenants recorded against such property and be approved by the Army Corps of Engineers (COE) and North Carolina Department of Environment and Natural Resources, as applicable.

Article 11. EASEMENTS

Declarant reserves, creates, establishes, promulgates, and declares the non-exclusive, perpetual easements set forth herein for the enjoyment of the Declarant, the Association, the Members, the Owners, and the owners of any Private Amenities, and their successors-in-title.

11.1 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between adjacent Units, between each Unit and any adjacent Common Area, and between each Unit and any adjacent Private Amenity due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment

occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.2 Easements for Utilities, Etc.

(a) There are hereby reserved to the Declarant during the Development Period, the Association, and the designees of each (which may include, without limitation, any governmental or quasi-governmental entity and any utility company) perpetual non-exclusive easements upon, across, over, and under all of the Properties to the extent reasonably necessary for the purpose of installing, constructing, monitoring, replacing, repairing, maintaining, operating and removing cable television systems, master television antenna systems, and other devices for sending or receiving data and/or other electronic signals; security and similar systems; roads, walkways, pathways and trails; lakes, ponds, wetlands, irrigation, and drainage systems; street lights and signage; and all utilities, including, but not limited to, the Private Sewer System, water, sewer, telephone, gas, and electricity, and utility meters; and an easement for access of vehicular and pedestrian traffic over, across, and through the Properties, as necessary, to exercise the easements described above.

Declarant specifically grants to the local water supplier, sewer service provider, electric company, telephone company, cable company, and natural gas supplier the easements set forth herein across the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility lines, meters and boxes, as applicable.

(b) There is hereby reserved to the Declarant during the Development Period, the non-exclusive right and power to grant such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described on Exhibits "A" or "B."

(c) Any damage to a Unit resulting from the exercise of the easements described in subsections (a) and (b) of this Section shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit, and except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

(d) Declarant reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in the Properties, or at any other time, (i) to release all or any portion of the Properties from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (ii) to define the limits of any such easements.

11.3 Easement for Slope Control, Drainage and Waterway Maintenance. The Declarant, for itself and the Association, and their respective representatives, successors and assigns, contractors and agents, hereby establishes and reserves a permanent and perpetual non-exclusive easement appurtenant over, across, under, through and upon each Unit for the purposes of:

(a) controlling soil erosion, including grading and planting with vegetation any areas of any Unit which are or may be subject to soil erosion;

(b) drainage of natural or man-made water flow and water areas from any portion of the Properties or any Private Amenity;

(c) changing, modifying or altering the natural flow of water, water courses or waterways on or adjacent to any Unit or Common Area;

(d) dredging, enlarging, reducing or maintaining any water areas or waterways within the Properties; and

(e) installing such pipes, lines, conduits or other equipment as may be necessary for slope control, drainage and waterway maintenance of any portion of the Properties or any Private Amenity.

11.4 Easements to Serve Additional Property. The Declarant hereby reserves for itself and its duly authorized agents, representatives, and employees, successors, assigns, licensees, and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the Additional Property, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads, for the posting of signs, and for connecting and installing utilities serving the Additional Property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of vehicular traffic connected with development of the Additional Property.

11.5 Easement for Entry. The Association shall have the right, but not the obligation, and a perpetual easement is hereby granted to the Association, to enter all portions of the Properties, including each Unit, for emergency, security, and safety reasons. Such right may be exercised by the authorized agents, employees and managers of the Association, any member of its Board or committees, and its officers, and by all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in emergencies, entry onto a Unit shall be only during reasonable hours and after notice to and permission from the Owner. This easement includes the right to enter any Unit to cure any condition which may increase the possibility of fire, slope erosion, immediate risk of personal injury, or other hazard if an Owner fails or refuses to cure the condition within a reasonable time after request by the Board, but shall not authorize entry into any dwelling without permission of the Owner, except by emergency personnel acting in their official capacities. Any entry by the Association or its authorized agents, employees or managers of the Association, any member of its Board or committees, or its officers onto a Unit for the purposes specified herein shall not constitute a trespass.

11.6 Easements for Maintenance and Enforcement. Authorized agents of the Association shall have the right, and a perpetual easement is hereby granted to the Association, to enter all portions of the Properties, including each Unit to (a) perform its maintenance responsibilities under Article 5, and (b) make inspections to ensure compliance with the Governing Documents. Except in emergencies, entry onto a Unit shall be only during reasonable hours. This easement shall be exercised with a minimum of interference to the quiet enjoyment to Owners' property, and any damage shall be repaired by the Association at its expense. Entry under this Section shall not constitute a trespass.

The Association also may enter a Unit to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the Governing Documents. All costs incurred, including reasonable attorneys fees, may be assessed against the violator as a Specific Assessment.

11.7 Easements for Lake and Pond Maintenance and Flood Water. The Declarant reserves for itself and its successors, assigns, and designees the nonexclusive right and easement, but not the obligation, to enter upon the lakes, ponds, streams, and wetlands located within the Area of Common Responsibility to (a) install, keep, maintain, and replace pumps and irrigation systems in order to provide water for the

irrigation of any of the Area of Common Responsibility or any Private Amenity; (b) construct, maintain, and repair any bulkhead, wall, dam, or other structure retaining water; and (c) remove trash and other debris therefrom and fulfill their maintenance responsibilities as provided in this Declaration. Declarant and its designees shall have an access easement over and across any of the Properties abutting or containing any portion of any pond, stream, or wetland to the extent reasonably necessary to exercise their rights under this Section.

Declarant further reserves for itself and its successors, assigns and designees, a perpetual, nonexclusive right and easement of access and encroachment over the Common Area and Units (but not the dwellings thereon) adjacent to or within 20 feet of ponds, streams and wetlands in order to (a) temporarily flood and back water upon and maintain water over such portions of the Properties; (b) fill, drain, dredge, deepen, clean, fertilize, dye, and generally maintain the ponds, streams, and wetlands within the Area of Common Responsibility; (c) maintain and landscape the slopes and banks pertaining to such ponds, streams, and wetlands; and (d) enter upon and across such portions of the Properties for the purpose of exercising its rights under this Section. All persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural disasters.

Declarant reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in the Properties, or at any other time, (i) to release all or any portion of the Properties from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (ii) to define the limits of any such easements.

11.8 Lateral Support. Every portion of the Common Area, every Unit, and any improvement which contributes to the lateral support of another portion of the Common Area or of another Unit shall be burdened with an easement for lateral support, and each shall also have the right to lateral support which shall be appurtenant to and pass with title to such property.

11.9 Easements for Private Amenities.

(a) Every Unit and the Common Area and the common property of any Neighborhood Association adjacent to any Private Amenity are burdened with an easement permitting golf balls unintentionally to come upon such Common Area, Units or common property of a Neighborhood and for golfers at reasonable times and in a reasonable manner to come upon the Common Area, common property of a Neighborhood, or the exterior portions of a Unit to retrieve errant golf balls; provided however, if any Unit is fenced or walled, the golfer shall seek the Owner's permission before entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from any activity relating to the Private Amenity, including but not limited to, any errant golf balls or the exercise of this easement: the Declarant, or any successor Declarant; the Association or its Members (in their capacity as such); the owner(s) of the Private Amenities or their successors, successors-in-title, or assigns; any Builder or contractor (in their capacities as such); the golf course designer or builder; or any officer or director, member, manager or partner of any of the foregoing.

(b) The owner(s) of the Private Amenities, their respective successors and assigns, shall have a perpetual, exclusive easement of access over the Properties for the purpose of retrieving golf balls from bodies of water within the Common Area and any Unit lying reasonably within range of golf balls hit from any golf course within such Private Amenity.

(c) The owner of any Private Amenity within or adjacent to any portion of the Properties, its agents, successors and assigns, shall at all times have a right and non-exclusive easement of access and use over those portions of the Common Area reasonably necessary to the operation, maintenance, repair and replacement of its Private Amenity.

(d) Declarant hereby reserves for itself, its successors and assigns and the Owner(s) of any Private Amenities over, across and upon each and every Unit, a twenty (20) foot easement as measured from the boundary line of the Unit that separates such Unit from any golf course to a line running parallel thereto being located twenty (20) feet into the interior of such Unit. Such easement may be used for the purposes of operation and maintenance of any golf course, including, without limitation, installation and maintenance of cart paths. By way of example and not limitation, such easement shall be for the purpose of authorizing entry onto such portions of the Unit to maintain or landscape the area encumbered by such easement. Such maintenance and landscaping shall include planting of grass, irrigation, fertilizer application, mowing and edging, and removal of any underbrush, trash, debris and trees of less than two (2) inches in diameter.

(e) There is hereby established for the benefit of the Private Amenities and their members (regardless of whether such members are Owners hereunder), guests, invitees, employees, agents, contractors, and designees, a right and nonexclusive easement of access and use over all roadways located within the Properties reasonably necessary to travel between the entrance to the Properties and the Private Amenities and over those portions of the Properties (whether Common Area or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Private Amenities. Without limiting the generality of the foregoing, members of the Private Amenities and guests and invitees of the Private Amenities shall have the right to park their vehicles on the roadways located within the Properties at reasonable times before, during, and after special events, tournaments and other similar functions held by or at the Private Amenities.

(f) Any portion of the Properties immediately adjacent to the Private Amenities are hereby burdened with a non-exclusive easement in favor of the adjacent Private Amenities for over spray of water from the irrigation system serving the Private Amenities. Under no circumstances shall the Association or the owner(s) of the Private Amenities be held liable for any damage or injury resulting from such over spray or the exercise of this easement.

(g) The Declarant hereby reserves for itself, its successors and assigns, and may assign to the owner(s) of the Private Amenities, an easement and all rights to draw water from the lakes and ponds within or adjacent to the Properties for purposes of irrigation of the Private Amenities and for access to and the right to enter upon the lakes and ponds within or adjacent to the Properties, if any, for installation and maintenance of any irrigation systems.

(h) Any Private Amenity may include an extensive system of paths for use by pedestrians, golf carts and maintenance vehicles. To the extent such paths are not located on the Private Amenity, Declarant hereby reserves a nonexclusive easement appurtenant to the Private Amenity on, over, under and across the Properties as reasonably necessary for the installation, maintenance, repair, replacement, reconstruction, use and enjoyment of such paths. The owner(s) of the Private Amenities shall be solely responsible for maintaining such paths at its sole cost and expense, including those portions which are located on a private street, a Unit, or Common Area. The aforesaid easements are reserved for the benefit of the owner(s) of the Private Amenities, and their respective members, guests, invitees, employees, contractors, agents, and designees and shall be appurtenant to the Private Amenity.

11.10 Easement for Special Events. Declarant hereby reserves for itself, its successors, assigns and designees a perpetual, non-exclusive easement over the Common Area for the purpose of conducting educational, cultural, entertainment, or sporting events, and other activities of general community interest at such locations and times as Declarant, in its sole discretion, deems appropriate. Each Owner, by accepting a deed or other instrument conveying any interest in a Unit, acknowledges and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each Owner agrees on behalf of itself and the occupants of its Unit to take no action, legal or otherwise, which would interfere with the exercise of such easement or to recover damages for or as the result of any such activities.

11.11 Rights to Stormwater Runoff, Effluent and Water Reclamation. Declarant hereby reserves for itself and its designees, including but not limited to the owner of any Private Amenity, all rights to ground water, surface water, storm water runoff, and effluent located or produced within the Properties, and each Owner agrees, by acceptance of a deed to a Unit, that Declarant shall retain all such rights. Such right shall include an easement over the Properties for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff and effluent.

11.12 Liability for Use of Easements. No Owner shall have a claim or cause of action against the Declarant, its successors or assigns, including without limitation the owner(s) of any Private Amenities, arising out of the exercise or non-exercise of any easement reserved hereunder or shown on any subdivision plat for the Properties, except in cases of willful or wanton misconduct.

Article 12. MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in the Properties. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

12.1 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;
- (b) Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 Days, or any other violation of the Declaration or By-Laws relating to such Unit or the Owner or Occupant which is not cured within 60 Days;
- (c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or
- (d) Any proposed action which would require the consent of a specified percentage of Eligible Holders pursuant to Federal Home Loan Mortgage Corporation requirements.

12.2 No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

12.3 Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

12.4 Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30 Days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

12.5 Construction of Article 12. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or North Carolina law for any of the acts set out in this Article.

Article 13. DECLARANT'S RIGHTS

13.1 Transfer or Assignment. Any or all of the special rights and obligations of the Declarant set forth in the Governing Documents may be transferred or assigned in whole or in part to the Association or to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that which the Declarant has under this Declaration or the By-Laws. Upon any such transfer, the Declarant shall be automatically released from any and all liability arising with respect to such transferred rights and obligations. No such transfer or assignment shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Public Records.

13.2 Development and Sales. The Declarant and Builders authorized by Declarant may maintain and carry on the Properties such activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the development of the Properties and/or the construction or sale of Units, such as sales activities, tournaments, charitable events, and promotional events, and restrict Members from using the Common Area during such activities. Such activities shall be conducted in a manner to minimize (to the extent reasonably possible) any substantial interference with the Members' use and enjoyment of the Common Area. In the event that any such activity necessitates exclusion of Owners from Common Areas, such activities shall not exceed seven (7) consecutive Days. The Declarant and authorized Builders shall have easements over the Properties for access, ingress and conducting such activities.

In addition, the Declarant and Builders authorized by Declarant may establish within the Properties, including any clubhouse, such facilities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the development of the Properties and/or the construction or sale of Units, including, but not limited to, business offices, signs, model homes, tents, sales offices, sales centers and related parking facilities. During the Development Period, Owners may be excluded from use of all or a portion of such facilities in the Declarant's sole discretion. The Declarant and authorized Builders shall have easements over the Properties for access, ingress, and egress and use of such facilities.

Declarant may permit the use of any facilities situated on the Common Area by Persons other than Owners without the payment of any use fees.

13.3 Improvements to Common Areas. The Declarant and its employees, agents and designees shall also have a right and easement over and upon all of the Common Area for the purpose of making, constructing and installing such improvements to the Common Area as it deems appropriate in its sole discretion.

13.4 Additional Covenants. No Person shall record any declaration of covenants, conditions and restrictions, declaration of condominium, easements, or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the Public Records. No such instrument recorded by any Person, other than the Declarant pursuant to Section 7.4, may conflict with the Declaration, By-Laws or Articles.

13.5 Amendments. Notwithstanding any contrary provision of this Declaration, no amendment to or modification of any use restrictions and rules or Design Guidelines made after termination of the Class "B" Control Period shall be effective without prior notice to and the written consent of the Declarant, during the Development Period. This Article may not be amended without the written consent of the Declarant. The rights contained in this Article shall terminate upon the earlier of (a) twenty-five (25) years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

Article 14. PRIVATE AMENITIES

14.1 General. Private Amenities shall not be a portion of the Common Area, and neither membership in the Association nor ownership or occupancy of a Unit shall confer any ownership interest in or right to use any Private Amenity. Rights to use the Private Amenities will be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the respective owners of the Private Amenities. The owners of the Private Amenities shall have the right, from time to time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of their respective Private Amenities, including, without limitation, eligibility for and duration of use rights, categories of use, extent of use privileges, and number of users, and to require the payment of a purchase price, membership contribution, initiation fee, membership deposit, dues, use charges, and other charges for use privileges and to change, eliminate, or lease operation of any or all facilities; and to reserve use rights and to terminate use rights altogether, subject to the terms of any written agreements.

14.2 Conveyance of Private Amenities. All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Declarant, the Association, any Builder, or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership or operation of any Private Amenity, and no purported representation or warranty in such regard, either written or oral, shall be effective unless specifically set forth in a written instrument executed by the record owner of the Private Amenity. Further, the ownership or operation of the Private Amenities may change at any time by virtue of, but without limitation, (a) the sale to or assumption of operations of any Private Amenity by a Person other than the current owner or operator; or (b) the conveyance of any Private Amenity to one or more affiliates, shareholders, employees, or independent contractors of the Declarant. No consent of the Association, any Neighborhood Association, or any Owner shall be required to effectuate

any change in ownership or operation of any Private Amenity, for or without consideration and subject to or free of any mortgage, covenant, lien or other encumbrance.

14.3 View Impairment. Neither the Declarant, the Association, nor the owner of any Private Amenity, guarantees or represents that any view over and across any Private Amenity, the Common Area or any public facilities from Units will be preserved without impairment. The owners of such property, shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in their sole and absolute discretion, to add trees and other landscaping or to install improvements or barriers (both natural and artificial) to the Private Amenities, the Common Area or the public facilities from time to time. In addition, the owner of any Private Amenity which includes a golf course may, in its sole and absolute discretion, change the location, configuration, size and elevation of the trees, bunkers, fairways and greens from time to time. Any such additions or changes may diminish or obstruct any view from the Units and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

14.4 Cost Sharing Agreements. The Association may enter into a Cost Sharing Agreement with any Private Amenity obligating the Private Amenity or the Association to contribute funds for, among other things, shared property or services and/or a higher level of Common Area maintenance.

14.5 Architectural Control. Neither the Association, nor any committee thereof, shall approve or permit any construction, addition, alteration, change, or installation on or to any portion of the Properties which is contiguous to or within one hundred (100) feet of, any Private Amenity without giving the owner of such Private Amenity at least fifteen (15) Days prior written notice of its intent to approve or permit the same together with copies of the request and all other documents and information finally submitted in such regard. The owner of such Private Amenity shall then have fifteen (15) Days to approve or disapprove the proposal in writing delivered to the appropriate committee or Association, stating in detail the reasons for any disapproval. The failure of the owner of such Private Amenity to respond to the notice within the fifteen (15) Day period shall constitute a waiver of the owner of such Private Amenity's right to object to the matter. If in the reasonable opinion of the owner of the Private Amenity whether by restriction of view, hazards to person or otherwise, the requesting party shall resubmit to the ARB the proposed construction or modification so as to take into account the objection of the Private Amenity, and the review and approval process set forth in this Section shall apply to the resubmitted plans and specifications. This Section shall also apply to any work on the Common Area contiguous to the Private Amenity.

14.6 Use Restrictions. Upon request of the owner of any Private Amenity, the Association shall enforce its use restrictions and rules against any Owner or occupant violating such regulations within such Private Amenity, including but not limited to the exercise of the Association's self-help rights for violation of sign and pet restrictions.

14.7 Limitations on Amendments. In recognition of the fact that the provisions of this Article are for the benefit of the Private Amenity, no amendment to this Article, and no amendment in derogation of any other provisions of this Declaration benefitting any Private Amenity, may be made without the written approval of the owner(s) of the affected Private Amenity. The foregoing shall not apply, however, to amendments made by the Declarant.

14.8 Jurisdiction and Cooperation. It is Declarant's intention that the Association and the Private Amenities shall cooperate to the maximum extent possible in the operation of the Properties and the Private Amenities. Each shall reasonably assist the other in upholding the Community-Wide Standard as it pertains to maintenance and the Design Guidelines. The Association shall have no power to

promulgate rules or regulations affecting activities on or use of the Private Amenities without the prior written consent of the owners of the Private Amenities affected thereby.

Article 15.

GENERAL PROVISIONS

15.1 Duration.

(a) Unless terminated as provided in Section 15.1(b), this Declaration shall run with the land and shall be binding on all parties and Persons claiming under them for a period of 20 years from the date this Declaration is recorded. This Declaration shall automatically be extended at the expiration of such period for successive periods of 10 years each, unless terminated as provided herein. Notwithstanding the above, if any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

(b) Unless otherwise provided by North Carolina law, in which case such law shall control, this Declaration may not be terminated within 20 years of the date of recording without the consent of all Owners. Thereafter, it may be terminated only by an instrument signed by Owners of at least 75% of the total Units within the Properties and by the Declarant, if the Declarant owns any portion of the Properties, which instrument is recorded in the Public Records. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

15.2 Amendment.

(a) By Declarant. Until termination of the Class "B" membership, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, the Declarant may unilaterally amend this Declaration at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee Mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state or federal governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent in writing. In addition, so long as the Declarant owns property which is subject to this Declaration or which may be unilaterally subjected to the Declaration by the Declarant, it may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.

(b) By Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing 67% of the total Class "A" votes in the Association, including 67% of the Class "A" votes held by Members other than the Declarant, and the written consent of the Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant. Except as provided in this Declaration, no Class "C" Member shall be entitled to vote on any amendment to the Declaration.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Validity and Effective Date. Any amendment to the Declaration shall become effective upon recordation in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within one year of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration. No amendment may remove, revoke, or modify any right or privilege of the Declarant or the Class "B" Member without the written consent of the Declarant, the Class "B" Member, or the assignee of such right or privilege.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

15.3 Severability. Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

15.4 Dispute Resolution. It is the intent of the Association and the Declarant to encourage the amicable resolution of disputes involving the Properties and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, the Association, the Declarant and each Owner covenants and agrees that it shall attempt to resolve all claims, grievances or disputes involving the Properties, including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of this Declaration, the By-Laws, the Association rules, or the Articles through alternative dispute resolution methods, such as mediation and arbitration. To foster the amicable resolution of disputes, the Board may adopt alternative dispute resolution procedures.

Participation in alternative dispute resolution procedures shall be voluntary and confidential. Should either party conclude that such discussions have become unproductive or unwarranted, then the parties may proceed with litigation.

15.5 Litigation. Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of Members representing 75 % of the total Class "A" votes in the Association. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article 8; (c) proceedings involving challenges to ad valorem taxation; (d) counter-claims brought by the Association in proceedings instituted against it or (e) actions brought by the Association against any contractor, vendor, or supplier of goods and services arising out of a contract for services or supplies. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

15.6 Non-Merger. Notwithstanding the fact that Declarant is the current owner of the Properties, it is the express intention of Declarant that the easements established in the Declaration for the benefit of the Properties and Owners shall not merge into the fee simple estate of individual lots conveyed by Declarant or its successor, but that the estates of the Declarant and individual lot owners shall remain as separate and distinct estates. Any conveyance of all or a portion of the Properties shall be subject to the terms and provisions of this Declaration, regardless of whether the instrument of conveyance refers to this Declaration.

15.7 Grants. The parties hereby declare that this Declaration, and the easements created herein shall be and constitute covenants running with the fee simple estate of the Properties. The grants and

reservations of easements in this Declaration are independent of any covenants and contractual agreements undertaken by the parties in this Declaration and a breach by either party of any such covenants or contractual agreements shall not cause or result in a forfeiture or reversion of the easements granted in this Declaration.

15.8 Cumulative Effect; Conflict. The provisions of this Declaration shall be cumulative with any additional covenants, restrictions, and declarations applicable to any Neighborhood, and the Association may, but shall not be required to, enforce the covenants, conditions, and provisions applicable to any Neighborhood; provided however, in the event of a conflict between or among this Declaration and such covenants or restrictions, and/or the provisions of any articles of incorporation, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, this Declaration, the By-Laws, Articles, and use restrictions and rules of the Association shall prevail over those of any Neighborhood. In the event of a conflict between this Declaration and the Act, the Act shall prevail. The foregoing priorities shall apply, but not be limited to, the lien for assessments created in favor of the Association. Nothing in this Section shall preclude any Supplemental Declaration or other recorded declaration, covenants and restrictions applicable to any portion of the Properties from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration, and the Association shall have the standing and authority to enforce the same.

15.9 Use of the Words "The Preserve at Jordan Lake". No Person shall use the words "The Preserve at Jordan Lake" or any logo of The Preserve at Jordan Lake or any derivative in any printed or promotional material without the Declarant's prior written consent. However, Owners may use the term "The Preserve at Jordan Lake" in printed or promotional matter where such term is used solely to specify that particular property is located within The Preserve at Jordan Lake and the Association and any other community association located on The Preserve at Jordan Lake shall be entitled to use the words "The Preserve at Jordan Lake" in its name.

15.10 Compliance. Every Owner and occupant of any Unit shall comply with the Governing Documents. Failure to comply shall be grounds for an action by the Association or by any aggrieved Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association in Section 4.3.

15.11 Right of First Refusal.

(a) Each Owner acknowledges, and the deed of conveyance to each Owner may provide, that the Declarant shall retain a right of first refusal for any Unit within the Properties on the terms and conditions set forth below. This Section shall not restrict an Owner's right to enter into a binding contract for the sale of a Unit, provided that, for so long as this right of first refusal exists, the contract provides that the Owner may not convey a Unit to any third party without giving the Declarant the right of first refusal on the terms and conditions set forth below. This right of first refusal shall not apply to any transfer or conveyance in connection with a Mortgage foreclosure or deed in lieu of foreclosure except where the intent of the parties is to circumvent this right of first refusal. The failure by Declarant to exercise its right of first refusal with respect to a Unit shall not be deemed a waiver of such right with respect to any other transfer or conveyance.

(b) If any Owner desires to convey any Unit to a third party, the Owner proposing to transfer said Unit shall deliver to Declarant within seven Days of its execution a copy of the executed, binding real estate sales contract between the Owner and the prospective purchaser. The real estate sales contract shall provide that Declarant shall have 30 Days after actual receipt of the executed binding real estate contract upon which to exercise its right of first refusal for the Unit on the same terms and conditions as the real

estate sales contract between the Owner and prospective purchaser. Declarant shall provide written notice of the exercise of the right of first refusal to the transferor. If the Declarant fails to exercise such right as provided herein, the right of first refusal shall be waived and extinguished. Upon request and receipt of a release in form and content satisfactory to Declarant, Declarant shall execute a release of such right of first refusal in recordable form if the Declarant does not intend to exercise such right.

(c) If Declarant exercises its right of first refusal, the owner of the Unit shall convey the Unit by general warranty deed (subject to such exceptions and easements of record as are standard and customary) to the Declarant within 30 Days after the date of receipt of the Declarant's notice the right of first refusal has been exercised. The remaining terms of the real estate sales contract shall remain in full force and effect.

(d) If Declarant does not exercise its right to repurchase, the Owner of the Unit shall give the Board written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require not later than the date of closing. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

(e) The right of first refusal set forth in this Section shall automatically terminate as to each Unit upon the issuance of a certificate of occupancy by the County of Chatham, North Carolina building department for a residential dwelling on such Unit. Upon issuance of a certificate of occupancy and receipt from any Owner of such Unit by Declarant of a written request and a release in form and content satisfactory to Declarant, Declarant shall execute a release of such right of first refusal as to such Unit in recordable form; however, issuance of such a release shall not be necessary to terminate this right of first refusal.

This right of first refusal shall automatically terminate as to all Units five (5) years from the date that this Declaration is recorded in the Public Records, or when, in its sole discretion, the Declarant so determines and declares in a recorded instrument.

15.12 Exhibits. Exhibits "A", "B" and "C" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by the provisions of this Declaration. All other exhibits are attached for informational purposes and may be amended as provided therein.

[EXECUTIONS BEGIN ON FOLLOWING PAGE]

BOOK 842-985

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 27
day of October, 2000.

Jordan Lake Preserve Corporation, a
North Carolina corporation

By: James S. Rowland [SEAL]

Its: President

(CORPORATE SEAL)

ATTEST:
W. Randy Skimbeck
Asst. Secretary

~~NOTARIAL PUBLIC~~ FLORIDA
COUNTY OF PALM BEACH

I, a Notary Public of the County and State aforesaid, certify that W. Randy Skimbeck personally came before me this day acknowledged that he/she is Asst. Secretary of Jordan Lake Preserve Corporation, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him/her as its Asst. Secretary.

Witness my hand and official stamp or seal, this 25 day of October, 2000.

Notary Public

My commission expires: 11/11/01



BOOK 842 PAGE 986

STATE OF _____

Re: Register of Deeds at _____

COUNTY OF _____

MORTGAGEE CONSENT

Branch Banking & Trust Company, ("BB&T") beneficiary under a _____ dated _____, and recorded on _____ in the Public Records at _____ (as amended from time to time, the "Security Deed"), for itself and its successors and assigns, approves the foregoing Declaration of Covenants, Conditions, and Restrictions for The Preserve at Jordan Lake (the "Declaration"), and BB&T agrees and acknowledges that, upon recordation of the Declaration, the restrictive covenants contained in the Declaration will run with the land which serves as security for the debt evidenced by the Security Deed and further agrees that any foreclosure or enforcement of any other remedy available to BB&T under the Security Deed will not render void or otherwise impair the validity of the Declaration.

Dated: _____, 2000.

BB&T: BRANCH BANKING & TRUST COMPANY

By: _____
Title: _____

(CORPORATE SEAL)

ATTEST:

Secretary

I, a Notary Public of the County and State aforesaid, certify that _____, personally came before me this day acknowledged that he/she is _____ Secretary of BRANCH BANKING & TRUST COMPANY, a _____ corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by him/her as its _____ Secretary.

Witness my hand and official stamp or seal, this _____ day of _____, 2000.

Notary Public

My commission expires: _____

BOOK 842-987

Exhibit "A"

Land Initially Submitted

PARCEL ONE:

All those tracts or parcels of land, together with the improvements and appurtenances belonging thereto, lying and being in the Township of Williams, County of Chatham, State of North Carolina, and being more particularly described as follows:

All of Lots 1 through 34, Section A
All of Lots 35 through 75, Section B
All of Lots 76 through 205, Section C
All of Lots 206 through 245, Section D
All of Lots 246 through 279, Section E
All of Lots 280 through 317, Section F
All of Lots 318 through 356, Section G

All within the subdivision known as "The Preserve At Jordan Lake - Phase I" as shown on plat recorded in Plat Slide 2000 - ~~367~~ - 375, of the Chatham County Registry.

PARCEL TWO:

Lying and being in the Township of Williams, County of Chatham, State of North Carolina, and being described as:

Conservation Easement Area "1"	1.514 Acres
Conservation Easement Area "2"	1.522 Acres
Conservation Easement Area "3"	2.312 Acres
Conservation Easement Area "4"	4.658 Acres
Conservation Easement Area "5"	.677 Acres

All as shown on that map entitled "Easement Survey for The Preserve" by Absolute Land Surveying and Mapping, P.C. dated June 26, 2000, revised August 9, 2000 and recorded in the records of the Chatham County Register of Deeds at Plat Slide ~~2000~~ - 368

BOOK 842 968

EXHIBIT "B"

Land Subject to Annexation

Any property located within a five (5) mile radius of the perimeter boundary of the land described on Exhibit A attached hereto.

BOOK 842-989

EXHIBIT "C"

BY-LAWS
OF
THE PRESERVE AT JORDAN LAKE
COMMUNITY ASSOCIATION, INC.

- TABLE OF CONTENTS -

	Page
Article 1. Name, Principal Office, and Definitions	1
1.1. Name	1
1.2. Principal Office	1
1.3. Definitions	1
Article 2. Association: Membership, Meetings, Quorum, Voting, Proxies	1
2.1. Membership	1
2.2. Place of Meetings	1
2.3. Annual Meetings	1
2.4. Special Meetings	1
2.5. Notice of Meetings	2
2.6. Waiver of Notice	2
2.7. Adjournment of Meetings	2
2.8. Voting	2
2.9. List for Voting	2
2.10. Proxies	2
2.11. Quorum	3
2.12. Conduct of Meetings	3
2.13. Action Without a Meeting	3
Article 3. Board of Directors: Number, Powers, Meetings	3
A. Composition and Selection	3
3.1. Governing Body; Composition	3
3.2. Number of Directors	4
3.3. Directors During Class "B" Control Period	4
3.4. Nomination and Election Procedures	4
3.5. Election and Term of Office	4
3.6. Removal of Directors and Vacancies	5
B. Meetings	5
3.7. Organizational Meetings	5
3.8. Regular Meetings	5
3.9. Special Meetings	5
3.10. Notice	5
3.11. Waiver of Notice	6
3.12. Participation in Meetings	6
3.13. Quorum of Board of Directors	6
3.14. Compensation	6
3.15. Conduct of Meetings	7
3.16. Open Meetings	7

3.17.	Action Without a Formal Meeting	7
C.	Powers and Duties	7
3.18.	Powers	7
3.19.	Duties	7
3.20.	Right of Class "B" Member to Disapprove Actions	8
3.21.	Management	9
3.22.	Accounts and Reports	9
3.23.	Borrowing	10
3.24.	Right to Contract	10
3.25.	Enforcement	10
Article 4.	Officers	11
4.1.	Officers	11
4.2.	Election and Term of Office	11
4.3.	Removal and Vacancies	11
4.4.	Powers and Duties	11
4.5.	Resignation	12
4.6.	Agreements, Contracts, Deeds, Leases, Checks, Etc	12
4.7.	Compensation	12
Article 5.	Committees	12
5.1.	General	12
5.2.	Covenants Committee	12
5.3.	Neighborhood Committees	12
Article 6.	Miscellaneous	13
6.1.	Fiscal Year	13
6.2.	Parliamentary Rules	13
6.3.	Conflicts	13
6.4.	Books and Records	13
6.5.	Notices	13
6.6.	Amendment	14

BY-LAWS
OF
THE PRESERVE AT JORDAN LAKE COMMUNITY ASSOCIATION, INC.

Article 1.
Name, Principal Office, and Definitions

- 1.1. Name. The name of the corporation is The Preserve at Jordan Lake Community Association, Inc. (the "Association"), a North Carolina nonprofit corporation.
- 1.2. Principal Office. The principal office of the Association shall be located in Chatham County, North Carolina. The Association may have such other offices, either within or outside the State of North Carolina, as the Board of Directors may determine or as the affairs of the Association may require.
- 1.3. Definitions. The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that certain Declaration of Covenants, Conditions, and Restrictions for The Preserve at Jordan Lake filed in the Public Records, as it may be amended (the "Declaration"), unless the context indicates otherwise.

Article 2.
Association: Membership, Meetings, Quorum, Voting, Proxies

- 2.1. Membership. The Association shall have three classes of membership, Class "A", Class "B," and Class "C" as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated by this reference.
- 2.2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as the Board may designate, either within the Properties or as convenient as possible and practical. Meetings may be held by means of telephone conference, video conference or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation by one of these methods shall constitute presence in person at such meeting.
- 2.3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Subsequent regular annual meetings shall be set by the Board on a date and at a time set by the Board.
- 2.4. Special Meetings. The president may call special meetings. In addition, it shall be the duty of the president to call a special meeting within thirty (30) Days if so directed by resolution of the Board or upon a petition signed by Members representing at least 10% of the total Class "A" votes of the Association or upon written request of the Declarant.
- 2.5. Notice of Meetings. Written notice stating the place, day, and time of any meeting of the Members shall be delivered to each Member entitled to vote at such meeting, not less than 10 nor

more than 60 Days before the date of such meeting, by or at the direction of the president or the secretary or the officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the Association, with postage prepaid.

2.6. Waiver of Notice. Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Association, either before or after such meeting. Attendance at a meeting by a Member shall be deemed a waiver by such Member of any objection as to notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, Members or their proxies holding a Majority of the votes represented at such meeting may adjourn the meeting to a time not less than five nor more than 30 Days from the time the original meeting was called. At the reconvened meeting, the quorum requirement shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous adjourned meeting, as previously reduced, until such time as a quorum is present and business can be conducted. At a reconvened meeting, once the appropriate quorum requirement has been established, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not set by those in attendance at the original meeting or if for any reason a new date is set for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

2.8. Voting. The voting rights of the Members shall be as set forth in the Declaration and in these By-Laws, and such voting rights provisions are specifically incorporated by this reference. The Board may adopt policies and procedures regarding the methods of casting votes, such as written ballots, secret ballots or computer access.

2.9. List for Voting. After fixing a record date for notice of a meeting, the Board shall prepare an alphabetical list of the names of the Members entitled to notice of such meeting. The list shall show the address of the Member and the number of votes each is entitled to vote at the meeting. The list for voting shall be made available for inspection in accordance with North Carolina law.

2.10. Proxies. Any Member may cast his vote in person or by proxy subject to any specific provision to the contrary in the Declaration or these By-Laws. Votes cast by proxy are subject to the limitations of North Carolina law relating to use of general proxies. Every proxy shall be in writing specifying the Unit for which it is given, signed by the Member or his or her duly authorized

attorney-in-fact, dated, and filed with the secretary of the Association prior to the meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon conveyance of any Unit for which it was given, upon receipt by the secretary of written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member who is a natural person, or 11 months from the date of the proxy, unless a shorter period is specified in the proxy.

2.11. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by proxy, of Members representing twenty percent (20%) of the total Class "A" votes in the Association shall constitute a quorum at all meetings of the Association.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that any action taken is approved by at least a Majority of the votes required to constitute a quorum.

2.12. Conduct of Meetings. The president shall preside over all meetings of the Association, and the secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

2.13. Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Association may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the proposed action is signed by all Members entitled to vote on such matter. Such consents shall be signed within 60 Days after receipt of the earliest dated consent, dated and delivered to the Association at its principal place of business in the State of North Carolina. Such consents shall be filed with the minutes of the Association, and shall have the same force and effect as a vote of the Members at a meeting.

Article 3.

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

3.1. Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one equal vote. Except with respect to directors appointed by the Class "B" Member or serving as a representative of the Declarant, the directors shall be eligible Class "A" Members or residents; provided, however, no Owner and resident representing the same Unit may serve on the Board at the same time. No Owner or resident shall be eligible to serve as a director if any assessment for such Owner's or resident's Unit is delinquent. A "resident" for purposes of these By-Laws shall mean any natural person 18 years of age or older whose principal residence is a Unit within the Properties. In the case of a Member which is not a natural person, any officer, director, partner, member, manager, employee or fiduciary of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member, provided that no Member may have more than one such representative on the Board at a

time, except in the case of directors appointed by or serving as representatives of the Class "B" Member or the Declarant.

3.2. Number of Directors. The Board shall consist of three to five directors, as provided in Sections 3.3 and 3.5 below. The initial Board shall consist of three directors and shall be appointed as provided in Section 3.3.

3.3. Directors During Class "B" Control Period. Subject to the provisions of Section 3.5, the directors shall be selected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member during the Class "B" Control Period. Directors appointed by the Class "B" Member shall not be subject to the qualifications for directors set forth in Section 3.1.

3.4. Nomination and Election Procedures.

(a) Nomination of Directors. Except with respect to directors selected by the Class "B" Member, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a chairperson, who shall be a member of the Board of Directors, and three or more Members or representatives of Members. The Nominating Committee shall be appointed by the Board of Directors not less than 30 Days prior to each election to serve a term of one year or until their successors are appointed, and such appointment shall be announced at each such election. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled as provided in Section 3.5 below. Nominations shall also be permitted from the floor. In making its nominations, the Nominating Committee shall use reasonable efforts to nominate candidates representing the diversity which exists within the pool of potential candidates. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

(b) Election Procedures. Each Owner may cast all votes assigned to such Owner's Unit for each position to be filled. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms. No Class "C" Member shall be entitled to vote on any election of directors.

3.5. Election and Term of Office. Notwithstanding any other provision of these By-Laws:

(a) Within 30 Days after the time that Class "A" Members other than Builders own 400 Units, or whenever the Class "B" Member earlier determines, the Association shall hold an election at which the Class "A" Members shall elect one of the three directors, who shall be an at-large director and shall serve a term of two years or until the occurrence of the event described in subsection (b), whichever is shorter. If such director's term expires prior to the occurrence of the event described in subsection (b), a successor shall be elected for a like term. The remaining two directors shall be appointees of the Class "B" Member.

(b) Not later than the first annual meeting occurring after the termination of the Class "B" Control Period, the Board shall be increased to five (5) directors and the Association shall hold an election at which the Class "A" Members shall be entitled to elect all five (5) directors, with the three

(3) directors receiving the largest number of Class "A" votes being elected for a term of two (2) years and the remaining two (2) directors being elected for a term of one (1) year.

Upon the expiration of the term of office of each director elected by the Class "A" Members, a successor shall be elected to serve a term of two (2) years. The directors elected by the Class "A" Members shall hold office until their respective successors have been elected.

3.6. Removal of Directors and Vacancies. Any director elected by the Class "A" Members may be removed, with or without cause, by Members holding a Majority of the votes entitled to be cast for the election of such director, but shall not be subject to removal solely by the Class "B" Member. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Class "A" Members to fill the vacancy for the remainder of the term of such director.

Any director elected by the Class "A" Members who has three consecutive unexcused absences from Board meetings, or who is more than 30 Days delinquent (or is the resident of a Unit that is delinquent or is the representative of a Member who is delinquent) in the payment of any assessment or other charge due the Association, may be removed by a Majority of the directors, and the Board may appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A" Members may elect a successor for the remainder of the term.

In the event of the death, disability, or resignation of a director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A" Members shall elect a successor for the remainder of the term.

This Section shall not apply to directors appointed by the Class "B" Member nor to any director serving as a representative of the Declarant. The Class "B" Member or the Declarant shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by or elected as a representative of the Class "B" Member or the Declarant.

B. Meetings.

3.7. Organizational Meetings. Within thirty (30) Days after the election or appointment of new directors, the Board shall hold an organizational meeting at such time and place as the Board shall set.

3.8. Regular Meetings. Regular meetings of the Board may be held at such time and place as a Majority of the directors shall determine, but at least one such meeting shall be held during each quarter.

3.9. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the president or vice president or by any two directors.

3.10. Notice. Notice of a regular meeting shall be communicated to directors not less than four calendar Days prior to the meeting. Notice of the time and place of a special meeting shall be communicated to directors not less than 72 hours prior to the meeting. No notice need be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any

special business to be considered. Notices shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (d) telecopier transmission to the director's home or office, with confirmation of receipt by the receiving telecopier; (e) telegram, charges prepaid; (f) overnight or same day delivery charges prepaid; or (g) electronic mail or e-mail using Internet accessible equipment and services if the director has consented in writing to such method of delivery and has provided the Board with an electronic mail or e-mail address. All such notices shall be given at the director's telephone or telecopier number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deemed communicated when deposited into a United States mailbox. Notices given by personal overnight or courier delivery, telephone, telecopier, telegraph, e-mail or overnight or courier service shall be deemed communicated when delivered, telephoned, telecopied, emailed or given to the telegraph company.

3.11. Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.12. Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of telephone conference, video conference or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

3.13. Quorum of Board of Directors. At all meetings of the Board, a Majority of the directors shall constitute a quorum for the transaction of business, and the votes of a Majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these By-Laws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a Majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a Majority of the directors present at such meeting may adjourn the meeting to a time not less than five nor more than 30 Days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.14. Compensation. Directors shall not receive any compensation from the Association for acting as such unless approved by Members representing a Majority of the total Class "A" votes in the Association at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a Majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest

was made known to the Board prior to entering into such contract and such contract was approved by a Majority of the Board of Directors, excluding the interested director.

3.15. Conduct of Meetings. The president shall preside over all meetings of the Board, and the secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings. In the case of a tie vote on a motion or resolution before the Board, the motion or resolution is considered lost.

3.16. Open Meetings. Subject to the provisions of Sections 3.12 and 3.17, all meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on a Member's behalf by a director. In such case, the president may limit the time any Member may speak. Notwithstanding the above, the president may adjourn any meeting of the Board, reconvene in executive session and exclude persons other than directors, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

3.17. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.18. Powers. The Board of Directors shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Governing Documents, and as provided by law. The Board may do or cause to be done all acts and things which the Governing Documents, or North Carolina law do not direct to be done and exercised exclusively by the membership generally.

3.19. Duties. The duties of the Board shall include, without limitation:

- (a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses and any Neighborhood Expenses;
- (b) levying and collecting such assessments from the Owners;
- (c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;
- (d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (e) depositing all funds received on behalf of the Association in a bank depository which it shall approve, and using such funds to operate the Association, provided any reserve funds may be deposited, in the directors' best business judgment, in depositories other than banks;

- (f) making and amending use restrictions and rules in accordance with the Declaration;
- (g) opening of bank accounts on behalf of the Association and designating the signatories required;
- (h) contracting for repairs, additions, and improvements to or alterations of the Common Area in accordance with the Governing Documents;
- (i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- (j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;
- (k) paying the costs of all services rendered to the Association;
- (l) keeping books with detailed accounts of the receipts and expenditures of the Association;
- (m) making available to any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules and all other books, records, and financial statements of the Association as provided in Section 6.4;
- (n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties;
- (o) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association to the extent such indemnity is required by North Carolina law, the Articles of Incorporation or the Declaration; and
- (p) assisting in the resolution of disputes between owners and others without litigation, as set forth in the Declaration.

3.20. Right of Class "B" Member to Disapprove Actions. So long as the Class "B" membership exists, the Class "B" Member shall have a right to disapprove any action, policy or program of the Association, the Board and any committee which, in the sole judgment of the Class "B" Member, would tend to impair rights of the Declarant or Builders under the Declaration or these By-Laws, or interfere with development or construction of any portion of the Properties, or diminish the level of services being provided by the Association.

(a) The Class "B" Member shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, which notice complies with Section 3.10 and which notice shall, except in the case of the regular meetings held pursuant to the

By-Laws, set forth with reasonable particularity the agenda to be followed at such meeting. The Class "B" Member may waive its right to receive notice in the same manner as provided in Section 3.11; and

(b) The Class "B" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

No action, policy or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met.

The Class "B" Member, its representatives or agents may make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Class "B" Member, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove at any time within 10 Days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within 10 Days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, or the Board or the Association. The Class "B" Member shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

3.21. Management. The Board of Directors may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board of Directors may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policymaking authority or those duties set forth in Sections 3.19(a), 3.19(b), 3.19(f), 3.19(g) and 3.19(i). The Declarant or an affiliate of the Declarant may be employed as managing agent or manager.

The Board of Directors may delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

3.22. Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

- (a) cash or accrual accounting, as defined by generally accepted accounting principles, shall be employed;
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) cash accounts of the Association shall not be commingled with any other accounts;
- (d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any item of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(f) commencing at the end of the quarter in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly (such financial statements shall include an income statement reflecting all income and expense activity for the preceding period on an accrual basis and may include such other reports as deemed necessary by the Board); and

(g) an annual financial report shall be made available to all Class "A" Members within 120 Days after the close of the fiscal year. Such annual report may be prepared on an audited, reviewed, or compiled basis, as the Board determines; provided however, upon written request of any holder, guarantor, or insurer of any first Mortgage on a Unit, the Association shall provide an audited financial statement.

3.23. Borrowing. The Association shall have the power to borrow money for any legal purpose; provided however, the Board shall obtain Member approval in the same manner provided in Section 8.6 of the Declaration for Special Assessments if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed 10% of the budgeted gross expenses of the Association for that fiscal year.

3.24. Right to Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Neighborhood and other owners or residents associations, within and outside the Properties; provided, any common management agreement shall require the consent of a Majority of the total number of directors of the Association.

3.25. Enforcement.

(a) Notice. Prior to imposition of any sanction requiring compliance with these procedures as set forth in the Declaration, the Board or its delegate shall serve the alleged violator with written notice including (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a statement that the alleged violator may present a written request for a hearing to the Board or the covenants committee, if one has been appointed pursuant to Article 5, within 15 Days of the notice; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received within 15 Days of the notice. If a timely request is not received, the sanction stated in the notice shall be imposed; provided however, the Board or covenants committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 15-Day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person. In the event of a continuing violation, each day the violation continues beyond the 15-Day period constitutes a separate offense, and fines may be imposed on a per diem basis without further notice to the violator. In the event of a violation which recurs within one year from the date of any notice hereunder, the Board or covenants committee may impose a sanction without notice to the violator.

(b) Hearing. If a hearing is requested within the allotted 15-day period, the hearing shall be held before the covenants committee, or if none has been appointed, then before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may adopt a schedule of sanctions for violations of the Governing Documents.

(c) Appeal. If a hearing is held before a covenants committee, the violator shall have the right to appeal the committee's decision to the Board of Directors. To exercise this right, a written notice of appeal must be received by the manager, president, or secretary of the Association within 15 Days after the hearing date.

Article 4.

Officers

4.1. Officers. The officers of the Association shall be a president, vice president, secretary, and treasurer. The president and secretary shall be elected from among the members of the Board; other officers may, but need not be members of the Board. The Board may appoint such other officers, including one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two or more offices may be held by the same person, except the offices of president and secretary.

4.2. Election and Term of Office. The Board shall elect the officers of the Association at the first meeting of the Board following each election of new directors. Such officers shall serve until their successors are elected.

4.3. Removal and Vacancies. The Board may remove any officer whenever in its judgment the best interests of the Association will be served, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The president shall be the chief executive officer of the Association. The treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The secretary shall be responsible for preparing minutes of meetings of the Members and the Board and for authenticating records of the Association.

4.5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two officers or by such other person or persons as may be designated by Board resolution.

4.7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.14.

Article 5. Committees

5.1. General. The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

5.2. Covenants Committee. In addition to any other committees which the Board may establish pursuant to Section 5.1, the Board may appoint a covenants committee consisting of at least three and no more than seven members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the covenants committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.25 of these By-Laws.

5.3. Neighborhood Committees. In addition to any other committees appointed as provided above, each Neighborhood which has no formal organizational structure or association may elect a Neighborhood Committee to determine the nature and extent of services, if any, to be provided to the Neighborhood by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A Neighborhood Committee may advise the Board on any other issue, but shall not have the authority to bind the Board. Such Neighborhood Committees, if elected, shall consist of three to five Members, as determined by the vote of at least a Majority of the Owners of Units within the Neighborhood.

Neighborhood Committee members shall be elected for a term of one year or until their successors are elected. Any director elected to the Board of Directors from a Neighborhood shall be an ex officio member of the Neighborhood Committee. The Neighborhood Committee shall elect a chairperson who shall preside at its meetings and shall be responsible for transmitting any and all communications to the Board.

In the conduct of its duties and responsibilities, each Neighborhood Committee shall abide by the meeting, notice and quorum requirements applicable to the Board under Sections 3.8, 3.9, 3.10, and 3.11, and each Neighborhood Committee shall elect a chairperson from among its members who shall preside at its meetings. Meetings of a Neighborhood Committee shall be open to all Owners of Units in the Neighborhood and their representatives. Members of a Neighborhood Committee may act by unanimous written consent in lieu of a meeting.

Article 6.
Miscellaneous

6.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Board establishes a different fiscal year by resolution.

6.2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order Newly Revised (current edition) shall govern the conduct of Association proceedings when not in conflict with North Carolina law, the Articles of Incorporation, the Declaration, or these By-Laws.

6.3. Conflicts. If there are conflicts between the provisions of North Carolina law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of North Carolina law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

6.4. Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Unit, any Class "A" Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Unit: the Declaration, By-Laws, and Articles of Incorporation, any amendments and supplements to the foregoing, the rules of the Association and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Properties as the Board shall designate during normal business hours.

(b) Rules for Inspection. The Board shall establish rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

6.5. Notices. Except as otherwise provided in the Declaration or these By-Laws, all notices, demands, bills, statements, and other communications under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the secretary or, if no such address has been designated, at the address of the Unit of such Member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

6.6. Amendment.

(a) By Declarant. Until termination of the Class "B" membership, Declarant may unilaterally amend these By-Laws for any purpose. Thereafter, the Declarant may unilaterally amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee Mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state, or federal governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing. In addition, during the Development Period, the Declarant may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon any right of any Member.

(b) By Members. Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members holding 67% of the total Class "A" votes in the Association, and during the Development Period, the written consent of the Declarant. Except as may be otherwise provided in these By-Laws, no Class "C" Member shall be entitled to vote on any amendment to the By-Laws.

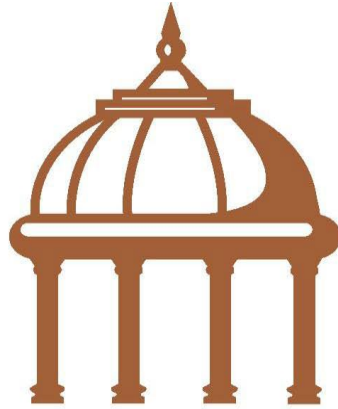
Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Validity and Effective Date. Any amendment to these By-Laws shall become effective upon recordation in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within one year of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws. Any amendment to the Declaration or these By-Laws duly adopted by the Members shall be prepared, executed, certified and recorded in the Public Records by any two officers of the Association.

No amendment may remove, revoke, or modify any right or privilege of the Declarant or the Class "B" Member without the written consent of the Declarant, the Class "B" Member, or the assignee of such right or privilege.

NORTH CAROLINA, CHATHAM COUNTY

The foregoing Certificate(s) of JEFFREY C. LORENZ, Notary(ies)
Public is (are) certified to be correct. This instrument was presented for registration at 12:29 o'clock
P.M., on October 27, 2000 and recorded in Book 842 Page 930.
By REBA G. THOMAS, Assistant - Registrar of Deeds
REGISTER OF DEEDS FOR CHATHAM COUNTY



THE PRESERVE

AT JORDAN LAKE

ARCHITECTURAL AND SITE DESIGN
GUIDELINES FOR
NEW AND EXISTING RESIDENCES

AMENDED & RESTATED
EFFECTIVE JULY 1, 2025

THE PRESERVE AT JORDAN LAKE
ARCHITECTURAL AND SITE DESIGN GUIDELINES

TABLE OF CONTENTS

1.0	Introduction	5
	Objective of the Design Guidelines	
	Relationship to Legal Documents	
	Community Master Plan	
2.0	Organization and Responsibilities of the Architectural Review Board (ARB).....	5
	Mission and Function	
	Membership	
	Scope of Responsibility	
	Enforcement Powers	
	Limitation of Liability	
3.0	The Design Review Process	6
	Review of Plans	
	Conditions of Approval / Rejection of Plans	
	Architectural and Contractor Requirements	
	Review Process	
	Representation and Warranty	
	Additional Meetings with the ARB	
	Variances	
	Design Review Fees	
	Construction Deposit	
	Renovation / Additions to Existing Structures	
	Approval	
	Completion/Occupancy	
4.0	The Construction Process	7
	Construction Time Limit	
	Builder's Sign	
	Port -a -John	
	Tree Protection	
	Construction Site Barricades	
	Erosion Control	
	Site Maintenance	
	Construction Parking Limitations	
	Right to Inspect Property for Compliance	
	Conduct of Workers	
	Revisions and Changes during Construction	
	Termination / Replacement of Builder	
	Return of Construction Deposit	
	Alterations / Remodeling / Improvements / Repainting of Approved Structures	
5.0	Specific Submission Requirements	10
6.0	Architectural Design Guidelines	12
	General Standards	
	Modular Construction	
	Dwelling Size / Minimum Standards	
	Impervious Coverage / Lawn Area	
	Setback Requirements	
	Height Requirements	
	Home Design	
	Front Porches	
	Approved Exterior Siding Material	
	Exterior Colors	
	Finished Floor Elevation	

	Roofs	
	Chimneys	
	Solar Panels	
	Garage / Garage Doors	
	House Identification	
	Doors	
	Windows	
	Decks and Patios	
	Cornices and Exterior Trim	
	Awnings and Shutters	
	Gutters and Downspouts	
7.0	Site Requirements: Utilities	15
	Service Area	
	Grinder Pump / Sewer Tap	
	Antennas and Satellite Dishes	
8.0	Site Requirements: Accessory and Decorative Structures	16
	Outbuildings	
	Arbors and Trellises	
	Fences and Walls	
	Flagpoles	
	Swimming Pools / Hot Tubs	
	Decorative Objects	
	Clothesline	
	Tennis Courts	
	Pet Enclosures / Houses	
	Mailboxes	
	Swing Sets / Play Structures	
9.0	Site Requirements: Grading and Drainage	17
10.0	Site Requirements: Driveways and Walks	18
	Driveways	
	Walks	
11.0	Site Requirements: Landscaping, Irrigation and Lighting	18
	Landscape Budget and Submission Requirements	
	Landscape Plan Requirements	
	Irrigation Requirements	
	Wells/rain barrels/cisterns	
	Lighting	
12.0	Additional Requirements	19
	Storage of Recreational Vehicles and Equipment	
	Signage	
	Property Maintenance	

DETAILS AND STANDARDS

13.0	Standard Builder's Sign	20
14.0	'Marketed By' Sign	21
15.0	Tree Protection – Individual Tree Protection	22
16.0	Tree Protection – Tree Save Area	23
17.0	Erosion Control – Silt Fence Detail	24
18.0	Erosion Control – Construction Entrances	25
19.0	Driveway Standards – Minimum Turn Around Dimensions	26
20.0	Driveway Standards – Construction Details	27
21.0	Construction Site Plan	28
22.0	Construction Site Barricades	29
23.0	Street Tree Planting Schedule	30
24.0	Fine Schedule	31
25.0	Compliance Request	32
26.0	Citation/Violation	33
27.0	ARB Fee Schedule	34/35/36

FORMS:

HOA Application Form	37/38/39
ARB Checklist	40
Color Selection Form	41
ARB Alterations and Additions Submittal Checklist	42
Variance Application	43
Final Construction Inspection Review Application and Checklist	44
Certificate of Compliance	45
ARB Landscape Submittal Checklist	46/47
Landscape Plan Example for Submittal	48
A Grinder Pump Installation Checklist	49
Grinder Pump Specifications / Details	50
Mailbox Order Form	51
Chatham County House Identification Ordinance	52
Chatham County 911 Form	53
ARB Contact Information	54

THE PRESERVE AT JORDAN LAKE

ARCHITECTURAL AND SITE DESIGN GUIDELINES

1.0 Introduction

1.01 Objective of the Design Guidelines

This document has been prepared by The Preserve at Jordan Lake Community Association (“The Association”) for promoting the development of a residential golf community known as The Preserve at Jordan Lake (the “Development”). The standards of design expressed in this document are intended to describe our “vision” of the Development through procedures that are clearly outlined and informative. Our intent is to expedite your process of building an exceptionally high-quality residence. Throughout the course of the Development, we may review and revise these Design Guidelines, as necessary to reflect changing conditions. Although many of the guidelines set forth in this documents are described in the context of new home construction, unless otherwise indicated, similar standards apply to any resident’s post-construction renovation, modification, or addition to its “exterior structure and improvements” as that term is defined in section 9.4(a) of the Declaration of Covenants, Conditions, and Restrictions (the “Covenants”) for The Preserve at Jordan Lake, recorded in the Chatham County, North Carolina public records.

1.02 Relationship to Legal Documents

These Design Guidelines are supplementary to the “Covenants”. The criteria are intended to complement the Covenants and should a conflict arise, the Covenants shall prevail.

1.03 Community Master Plan

The Preserve at Jordan Lake is a Master Planned Golf Community that includes approximately 597 acres. The site includes an 18-hole golf course and associated clubhouse, as well as swim, tennis, basketball, fitness center, and recreational fields. Each of these amenities will be linked with sidewalks and a nature trail. The concept behind this Development is reflected in its name, The Preserve. It is the intent of the developer to protect the natural features of the community throughout the course of development. Consequently, these Design Guidelines will also reflect that sensitivity in its approach toward the design review and construction of residences within the Development.

2.0 Organization and Responsibilities of the Architectural Review Board (ARB)

2.01 Mission and Function

The Covenants state that no structure is to be erected in the Development without being approved by the Architectural Review Board pursuant to Article 9.2 of the Covenants. The ARB works with the Design Guidelines and Covenants to ensure an attractive, compatible, and aesthetically pleasing community. The Design Guidelines are used by the ARB for the evaluation of projects submitted to them. **The final decision of the ARB may be based on purely aesthetic considerations. It is important to note that these opinions are subjective and may vary as committee members change over time. The Association reserves the right to revise and update the Design Guidelines as well as the performance and quality standards to respond to future changes.**

2.02 Membership

The Board of Directors of the Association shall hire the ARB in accordance with Article 9.2 of the covenants.

2.03 Scope of Responsibility

The ARB has the following responsibilities:

1. Reviewing and evaluating each of the plans submitted by an owner for adherence to the Design Guidelines and compatibility of the design with the adjoining sites and common spaces.
2. Approving all new construction.
3. Monitoring the construction in order to ensure compliance with Covenants and approved construction documents.
4. Enforcing the Design Guidelines through special assessment or remedy as per the Covenants.
5. Interpreting the Covenants and Design Guidelines at the request of the Owners.
6. Approving all modifications to existing structures, including but not limited to walls, fences, exterior painting, material replacements, window tinting, renovations, additions, play structures and landscaping.
7. If a member of the Board of Directors is called upon to review and evaluate a plan for a structure to be located on a property adjacent to where that board member resides, said member may comment on that structure but may not vote on its acceptability. An adjacent property shall be defined as the three properties directly in front of and the three properties directly behind as well as the property directly to the sides of the board member’s property.

2.04 Enforcement Powers

Any structure or improvement that is placed on any home site without ARB approval is in violation of these Design Guidelines and the Covenants. The Association has the power to fine and/or direct that the non-conforming structure be brought into compliance at the owner’s expense. Should the owner fail to comply, The Association will act in accordance with Article 9.9 of the Covenants to bring the non-conforming item into compliance.

2.05 Limitation of Liability

Design and plan decisions by the ARB do not constitute a representation of warranty as to the quality, fitness, or suitability of the design or materials specified in the plans. Owners should work with their architect and or contractor to determine whether the design and materials are appropriate for the intended use. In addition, decisions by the ARB do not ensure approval by any governmental agencies. Owners are responsible for obtaining or ensuring that their agent or contractor obtains all required permits before commencement of construction. The Association, the Board of Directors, any committee, or member of any of the foregoing shall not be held liable for any injury, damages, or loss arising out of the manner or quality of approved plans for construction on or modifications to any home site. In all matters, the committees and their members shall be defended and indemnified by The Association as provided in Article 4.6 of the Covenants.

3.0 The Design Review Process

3.01 Review of Plans

The application needs to be submitted to the ARB administrator. Each submission will be dated and signed in by the administrator. Submission requirements are outlined in section 9.3 of the Covenants and section 5.02 of these Design Guidelines. Once all documents and payments are received, the administrator will forward all documents to the ARB. These will be approved/rejected within 30 days after submission of all information and requested materials. Each submission must include, among other items, engineering drawings for all elevations, site development/grading plans, and material samples. Builders must submit final plans reflecting any required changes/conditions imposed by the ARB to the ARB administrator in order to schedule a clearing inspection. Approval must be obtained from the ARB before beginning construction.

3.02 Conditions of Approval / Rejection of Plans

Approval by the ARB shall in no way relieve the owner and/or builder of responsibility and liability for the adherence to any applicable ordinances and codes. Construction documents submitted for review or any portion thereof, may be disapproved upon any grounds, which are consistent with the purpose and objectives of the ARB. **The final decision of the ARB may be based on purely aesthetic considerations.**

3.03 Architectural and Contractor Requirements

All plans for the construction of dwellings and other buildings or significant structures in the Development must be designed and drawn by a licensed architect or a professional, experienced home designer. The plans must meet, at a minimum, the building codes of Chatham County and the State of North Carolina.

3.04 Review Process

The design review process is divided into two steps, a Preliminary Assessment, and an Approval by the ARB. The purpose of the Preliminary Assessment is to allow the Owner and ARB to work together to arrive at an approved design that complies with the Design Guidelines and Covenants. For the Preliminary Assessment, the applicant or authorized agent must submit accurate engineering drawings of the proposed building and site layout. The ARB reviews these plans for design and technical issues as set forth in the Design Guidelines, and may approve, approve with conditions, or reject the plans. The applicant or authorized agent must revise the plans, as required, and re-submit to the ARB for Approval. The ARB may, at its sole discretion, grant Approval based on its Preliminary Assessment. Upon Approval by the ARB, the plans shall be deemed final. No contractor may commence construction prior to obtaining ARB Approval. Upon meeting these requirements, a clearing inspection will be scheduled immediately.

3.05 Representation and Warranty

Each application to the ARB shall contain a representation and warranty by the owner that use of the plans submitted does not violate any copyright associated with the plans. Neither the submission of the plans to the ARB, nor the distribution and review of the plans by the ARB shall be construed as publication in violation of the designer's copyright, if any

3.06 Additional Meetings with the ARB

If an application for approval is denied, in whole or in part, the applicant may make the changes and re-submit the construction documents to the ARB representative. If the application for approval is denied and the owner/builder wishes to appeal the decision without making any changes to the application, they must submit this to the Board for a decision.

3.07 Variances

From time to time, the Design Guidelines or existing site conditions may impose an undue hardship that may inhibit construction on a particular home site. In such case, the applicant may submit a variance application (in addition to the construction application) to the ARB. The ARB will grant or deny the variance request in writing. No variances are allowed unless the applicant has received a written notice of approval from the ARB. **Any variances or exceptions granted are unique and do not set any precedent for future decisions of the ARB.**

3.08 Fees

3.08.1 Design Review Fees

Design review fees include document submittal, preliminary document assessment, and document approval. Design fees will be established and published by the Association. The ARB reserves the right to change these

design review fees at any time without notice.

The purpose of these Design Review Fees is to cover all expenses related to the processing of applications and construction. Unscheduled final presentations will be considered on a case-by-case basis for projects not requiring major engineering or site development changes. The ARB reserves the right to refuse an unscheduled review for any reason. The Board reserves the right to change or waive these fees from time to time without prior notice. The design review fee must be included in the preliminary submission. Submissions received without the design review fee will be considered incomplete and returned to the owner.

An application, sample materials, and payment according to the Design Review Fee schedule must be received prior to any required submittal being placed on the ARB agenda for review.

Items listed on the Design Review Fee schedule which do not require written ARB approval, require submission of an application to the HOA Representative at, 833 The Preserve Trail, Chapel Hill, NC, 27517.

CURRENT FEES ARE LOCATED ON OMEGA CONNECT

3.08.2 Road Impact Fee

Each builder shall be assessed a road impact fee per dwelling constructed to cover consequential damages to Preserve roads and landscaping. Such fee is non-refundable.

3.09 Construction Bond:

The builder will post a refundable construction bond before receiving approval for construction. The ARB will not accept payment from property owners for the construction bond. The builder may not transfer the ownership of this construction bond to the property owner unless authorized in writing by the Association.

Should the builder accrue any fines during construction, the amount of the fine will be deducted from the construction bond. The builder will then be required to replenish the amount deducted from the construction bond within fifteen days of incurring the fine or be subject to the conditions of Article 8.8 in the Declaration of Covenants.

3.10 Renovations / Additions to Existing Structures

All renovations, additions, or improvements to existing dwelling structures, inclusive of landscape structures and the [material] planting or removal of landscape materials, must be approved by the ARB. The applicant or authorized agent shall submit plans showing the nature of the work to be performed, including an application for the revisions. A review fee for additions of heated space to existing dwelling structures shall be payable at the time of application. There will be no review fee for all other modifications. There will be a review fee for landscape modifications, fence, swimming pool, and outdoor hardscape modifications. No fee will be charged for applications for dead tree removal.

3.11 Approval

Once the preliminary conditions have been met and a set of approved plans is submitted and verified by the ARB Administrator, approval is issued. Prior to beginning construction, the contractor must schedule a clearing inspection by the ARB Administrator.

3.12 Completion/Occupancy

Upon completion, all structures, landscaping, and drainage must be inspected for compliance with the approved final plans and a stamped final "As-Built" survey that includes the location of the house, driveway, walkways, patios, decks, and impervious coverage calculations. Upon passing inspection, a Certificate of Compliance will be issued to the homeowner and copied to the file. See Section 27.0.

4.0 The Construction Process

4.01 Construction Time Limit

All dwellings and other structures must be completed within one year from the date of clearing. Extensions may be granted by the ARB in its sole discretion. If an extension is needed, the builder may submit an extension request, including projected completion date, in writing to the ARB. Failure to complete the project within the deadline will result in special assessments or other enforcement rights as set forth in the Covenants.

4.02 Builder's Sign

If a builder sign is used it is to be installed at the completion of clearing and grading. The sign shall remain properly installed throughout construction. Signs shall be removed prior to the release of the construction deposit. Specifications for the standard builder's sign can be found in section 13.0. Builder signs may be purchased from one of the vendors listed below or other sign company of choice meeting the sign specifications contained in Section 13.

4.03 Port-A-John

A port-a-john will be required for each job site. The port-a-john must be placed behind the builder's sign, with the door opening toward the rear of the lot. If a builder sign is not purchased, then lattice shall be used to screen the port-a-john.

4.04 Tree Protection

As mentioned in the introduction, one of the primary goals of these Design Guidelines is the preservation of the property's existing natural features. Because of this, tree removal outside of the building envelope should be kept to an absolute minimum. All hardwood trees that are more than 6" inches caliper at a point of 2 feet above ground and greater are considered protected. Developers are encouraged to protect and preserve pine trees that are 6" inches caliper and greater; however, potential adverse storm damage impacts from such trees may be a consideration. Each applicant must submit a tree survey, inclusive of accurate tree locations, species, and caliper. Trees proposed to be removed prior to commencing construction shall be shown on the survey. Tree protection requirements are as follows:

- A. Protective fencing shall be installed at the drip line, prior to any clearing, site work, or construction activity. (See section 16.0 for tree protection details.)
- B. The barricade shall be constructed of suitable post extending a minimum of 4 feet above grade. Posts shall be spaced appropriately and shall be joined continuously by orange plastic mesh fencing.
- C. The barricade shall remain in place and in good condition for the duration of the construction activity and shall be the last item removed from the site during final cleanup.
- D. Storage, temporary, or otherwise, of equipment or materials is not permitted under the drip line of trees.
- E. No signs shall be nailed to trees.
- F. No controlled fires will be allowed in a tree save area or elsewhere in the Development.
- G. No concrete washout shall be allowed in a tree save area.
- H. No petroleum-based products or other potentially hazardous or toxic substances may be disposed of underneath any tree save area.
- I. All trees shall be maintained, cared for and repaired in the event of damage by builders until the property is transferred by lease or sale to a third party.
- J. Failure to follow any of the tree protection standards listed above will result in a fine of \$200 per incident.
- K. If trees designated for preservation are cleared or removed during construction, the builder shall be subject to a fine of \$1000 for each tree removed. In addition, replacement trees may also be required. The replacement trees shall be of the same species at a replacement rate of 0.5 caliper for every caliper removed. (For example, if 3-8" caliper trees totaling 24" caliper is removed, they shall be replaced by 12" total caliper of replacement trees).

4.05 Construction Site Barricades

Prior to beginning construction, a temporary barricade shall be installed on the property line between the construction site and any contiguous homesites. See section 22.0. It must be constructed of suitable post extending a minimum of 4 feet above grade. Posts shall be spaced appropriately and shall be joined continuously by orange plastic mesh fencing. The barricade shall remain in place and in good condition for the duration of the construction activity and shall be the last item removed from the site during final cleanup. Storage and passage, temporary, or otherwise, of heavy equipment or materials is not permitted on adjacent properties, golf, utility, or conservation easements, and must be kept within constructed barriers.

4.06 Erosion Control

The Development is required by the State of North Carolina to maintain high water quality standards within the development. The following erosion control measures shall be followed on all job sites.

- 1. Silt fence shall be installed on the lower portion of the disturbed area, as per the detail provided in section 17.0 of these Design Guidelines.
- 2. A rock/gravel construction entrance shall be established at the time of initial clearing and grading (see section 18.0 for construction entrance detail.)
- 3. All roof drains shall be tied to underground piping.
- 4. All underground piping shall daylight a minimum of 10 feet from the property line.
- 5. All disturbed areas must be seeded and stabilized within 20 days of establishing final grade around the house.
- 6. All drainage shall be routed to avoid damage or erosion on adjacent properties, the golf course, and/or

conservation easements.

7. Removal of any mud or dirt from the job site that is deposited on the streets or sidewalks of the neighborhood must be removed within 24 hours.

Furthermore, erosion control measures submitted to the ARB shall be maintained by the builder during construction. Failure to properly maintain erosion control measures will result in a fine in accordance with Fine Schedule 24, contained herein, or as levied by the Environmental Protection Agency. Each offense thereafter will also incur a comparable fine. In addition, multiple offenders will reimburse the Development for any costs incurred in bringing job site erosion control measures into compliance, as well as for repairing any damage to adjacent properties due to a lack of maintenance. The Association reserves the right to inspect and require modifications /corrections to existing drainage systems adversely affecting adjacent properties and/or easements.

4.07 Site Maintenance

Contractors and subcontractors must maintain the job site in a clean and orderly condition. Care shall be exercised in the storage of materials and debris. Should it become necessary for the Association to clean a site or have a site cleaned, the cost will be levied as a special assessment.

1. No fires are allowed on construction sites. No petroleum-based products or other potentially hazardous or toxic substances may be disposed of on any lot or any drainage ditch, stream, or lake.
2. No materials may be stored or placed in the streets, swale, right-of-way, natural areas, or golf course frontages.
3. Construction materials, materials to be discarded, equipment or vehicles shall not be placed in a designated tree save area
4. Only usable construction materials may be stored on a construction site. They must be neatly stacked or placed in a way that they are not visible from adjacent sites or the street.
5. **All wrapping, and packaging materials and food containers must be placed in a covered/enclosed trash receptacle to prevent debris from blowing onto adjacent property.**
6. Discarded construction materials and debris must be removed daily or contained within a dumpster or solid-walled trash enclosure.
7. Dumpsters, debris bins and other trash receptacles shall not exceed capacity. Schedule prompts pick up for bins and receptacles exceeding 75% of capacity to avoid overflow.

4.08 Construction Parking Limitations

Construction parking on Preserve streets is limited to trade and delivery vehicles only. Personal vehicles should be parked on the jobsite where possible. If there is not sufficient room on the job site, personal vehicle parking is permissible on the street. All construction vehicles, delivery vehicles, and personal vehicles associated with a given job site must be parked on one side of the street. Overnight parking of any construction vehicle (i.e. personal vehicle, van, trade/delivery vehicle, etc.) is prohibited on the site or street except for locked storage trailers used for tools or equipment, which may be kept on the lot only. If construction is in progress on multiple job sites in proximity, builders shall coordinate parking with their contractors to ensure that parking shall be on only one side of the street. In general, contractors should exercise good judgment in all areas of The Preserve to avoid dangerous traffic congestion in neighborhoods where multiple homes are under construction. Failure to observe these parking requirements will be subject to a fine in accordance with Section 24.

4.09 Right to Inspect Property for Compliance

Inspection is specifically reserved by the ARB, The Association, and its representatives to visit the Owner's property for verifying compliance with the requirements of the ARB. A representative of the ARB may make periodic inspections during the entire construction period; however, it is the builder's responsibility to conform to all construction documents and applicable building codes. The Owner will be notified in writing with a copy to the builder of any items and exceptions noted in the inspection report. Such items and exceptions must be resolved to the satisfaction of the ARB.

4.10 Conduct of Workers

Contractors shall be allowed to work from 7 a.m. to 7 p.m. on Monday – Friday, and 8 a.m. to 12 p.m. on Saturday. No work shall be performed on Sunday and holidays (New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, Christmas Eve, and Christmas Day). No alcohol or drugs are permitted on site. Animals are prohibited. Firearms are prohibited. No harassing or loud behavior is permitted. Contractors and workers shall not travel recklessly or at speeds in excess of posted limits. Workers shall not be allowed to travel the property unnecessarily or use the amenities. Any contractor whose workers are in violation of these regulations will be fined in accordance with the Fine Schedule, see Section 24.0. Additional violations may result in the contractor being denied access to the property.

4.11 Revisions and Changes during Construction

All revisions and changes made during construction shall be submitted in writing to the ARB for approval prior to the implementation of such change. All revised drawings, material and color samples must be submitted along with the revision request. When the ARB grants approval, it will be in writing. Failure to obtain written approval for any

revision during construction will result in fines being deducted from the construction deposit. Any deviation by a builder or his/her subcontractors from initial submissions without a granted approval change will result in applicable fines being levied and carry the potential of rejections by the ARB of any or all that builder's future submissions.

4.12 Termination / Replacement of Builder

The ARB shall receive written notification of any decisions by the Owner to terminate or replace a builder during the construction phase. Before continuing with construction, the new builder shall post a construction deposit. Once this deposit is received, the ARB will refund the construction deposit, less outstanding fines, and assessments, to the builder who was terminated. In addition, the new builder shall remove the terminated builder's sign on the home site and replace it with a sign bearing the new builder's information. Unique situations may arise whereby a residence initially under construction by a builder may be completed by an entity other than another builder upon written approval of the ARB.

4.13 Return of Construction Deposit

When all construction is complete, including landscaping and a stamped final "As-Built" survey that includes the location of the house, driveway, walkways, patios, decks, and impervious coverage calculations, is submitted to the ARB, the builder must request a compliance inspection by the ARB. At this time, a member of the ARB will inspect the project for compliance with the approved plans. If the site complies, the ARB representative will return the construction deposit and provide the owner with a certificate stating that they comply.

If the site is not in compliance, the ARB will submit a letter to the owner and the builder stating all deviations from the approved plan to the builder. The owner and/or builder shall submit a plan and time schedule for bringing the property into compliance. At the sole discretion of the ARB, extenuating circumstances may dictate the granting of a variance. **Note:** Any unapproved deviation from approved plans may result in fines as prescribed in Section 24 or other measures as described in Article 9.9 of the Covenants.

4.14 Alterations / Remodeling / Improvements / Repainting of Approved Structures

Any exterior change to an existing structure requires approval from the ARB before commencing with work. All exterior changes or renovations shall be submitted to the ARB for approval as stated herein or as outlined in Article 9 of the Covenants. All construction shall be subject to the construction regulations set forth in Section 4.0 of these Design Guidelines.

5.0 Specific Submission Requirements

5.01 Plan submission Requirements for Design Review

The following submission requirements must be met prior to obtaining final approval for construction. A design review checklist can be found elsewhere in these Design Guidelines.

1. Existing conditions – reduced digital file is needed and must include the following information:

- A. Owner's name
- B. Designer's name
- C. North Arrow and scale
- D. Property lines with dimensions and bearings
- E. Setback lines
- F. Wetland lines
- G. Easement lines
- H. Existing two-foot contour lines
- I. Existing trees 6" and greater in caliper inclusive of the tree type
- J. Identify trees that will be removed
- K. Adjacent Street names
- L. Existing Utility structures
- M. Outline of exterior walls, decks, and driveways on adjacent lots

2. Site Plan – reduced digital file is needed and must be professionally prepared and include the following information: (May be added to the existing conditions map)

- A. Proposed location of home
- B. Dimensions from corner of foundation to adjacent property line
- C. Proposed driveway and walks, setbacks.
- D. Spot elevations on corners of driveway and walk (with flow arrows showing drainage)
- E. All dimensions and material calls
- F. Proposed fences.
- G. Proposed retaining walls (indicate wall material, top of wall and bottom of wall elevation)
- H. Proposed pool or spa location.

- I. Location / materials/ finish of all outdoor living spaces (patios, decks, and terraces)
- J. Proposed accessory structures (out building, trellis, etc.)
- K. Finish Floor Elevation (FFE) of first floor and garage
- L. Proposed two-foot contour lines.
- M. Drain locations, sizes, flow direction, and invert elevation.
- N. Locations and inverts of day lighted drainpipe
- O. Location of service area and service area screen wall
- P. Location of grinder pump
- Q. Location of all silt fencing and any erosion control structures.
- R. Total impervious area. (Cannot exceed 6500 square feet.)
- S. Impervious area as a percentage of the site area
- T. Show barricade fencing.
- U. Proposed Solar Panels

3. Architectural Plans – reduced digital file is needed

A. FLOOR PLANS

- 1. Interior rooms dimensioned and named.
- 2. All window and door openings shown
- 3. Roof overhang with a dashed line
- 4. Total square footage per level and total per home.
- 5. Heated square footage of structure (as defined in section 6.02.)

B. BUILDING ELEVATIONS

- 1. Front, rear and two side elevations
- 2. All elevations labeled so they correspond with site plan
- 3. Finish grade line shown against house
- 4. Brick courses shown
- 5. All materials and finishes called out
- 6. Fascia, Trim and handrail details
- 7. All decks and terraces shown
- 8. Service Area Screen wall detail
- 9. Average roof height as measured from the four corners. Not to exceed 35'.

4. Material Samples – Include all materials, names, manufacturer numbers, etc. on the ARB Color Selection Form.

- A. Siding material (brick sample and mortar colors, if applicable)
- B. Roofing cut sheet
- C. Garage door type and color including garage lite selection.
- D. Front door type and color
- E. Window cut sheet.
- F. Site lighting
- G. Color samples
- H. Body color
- I. Trim color
- J. Shutter color
- K. Pictures of driveway samples

5. Landscape Plans – reduced digital file

- A. Owner's name
- B. Designer's name, address, telephone, and fax number
- C. North arrow and scale
- D. Property lines with dimensions and bearings
- E. Location of all existing trees over 6" in diameter and tree type
- F. Location of all structures (including decks, trellises, fences, gazebos, etc.), pavement, and utilities
- G. Location of all lawn areas and shrub bed lines
- H. Location of all proposed plant material
- I. Plant list with quantities, botanical names, common names, sizes, and specifications
- J. Additional drainage requirements not indicated on the submitted site plan.
- K. See section 4.05.1-.5 for drainage plan requirements.
- L. Location and specifications of all exterior lighting fixtures
- M. Total area of lawn in square feet

N. Total area of lawn as percentage of site

O. At a minimum, the following landscaping will be required for all homes:

1. One or more 3-inch caliper street tree (Street trees shall be installed per the schedule in Section 23). Street trees shall be 30 feet on center, located an equal distance from the sidewalk so that the trees are in line (Approximately 3 feet behind the right-of-way)
2. Evergreen shrubs (3 gal. minimum, 36-48 inches on center) shall be required around the entire foundation of the home, except in areas of ingress and egress
3. Blank areas of walls shall be landscaped with upright shrubs or small trees (4 feet min. height)
4. Sod shall be required in front yard area and the two-foot area between the sidewalk and curb
5. Sod will also be required for 2 feet behind the curb or sidewalk
6. Where two driveways are adjacent, sod shall extend 10 feet from the back of the sidewalk or curb line
7. The rear yard may be seeded or sodded. If seed is used, the construction bond will not be released until the seed has been established to the ARB's satisfaction.
8. Hardwood mulch shall be used in all plant beds and areas without grass, to be maintained in a weed-free condition. Pine Straw will be accepted but use with caution because it can catch fire quickly.
9. Side loaded garages shall be screened with shrubs along the property line

6.0 ARCHITECTURAL DESIGN GUIDELINES

6.01 General Standards

Homes must be designed in conformity with the standards, requirements and guidelines set forth in the Covenants and the Design Guidelines. All footprints and garages must be sited within the setbacks. Plans submitted for review, or any portion thereof, may be disapproved upon any grounds which are consistent with the purpose and objectives of the ARB, including purely aesthetic considerations.

6.02 Modular Construction

No modular home or manufactured home shall be placed, erected, constructed, or permitted within the development. "Modular home and manufactured home" shall include any prefabricated or pre-built dwelling which consists of one or more transportable sections or components and shall also be deemed to include manufactured building, manufactured home, modular building, modular home, modular construction, and prefabricated construction as defined by the North Carolina State Building Code, 1994 Edition, published by The North Carolina State Building Code Council. The placement of prefabricated and transportable sections onto a permanent foundation and the inspection of the resulting structure by the building inspector under the North Carolina State Building Code shall not exempt such structure from this prohibition. Prefabricated accessory structures, such as sheds and gazebos, must be reviewed and approved in strict accordance with Article 9 of the Covenants.

6.03 Dwelling Size / Minimum Standards

Minimum square footage shall be defined as a heated floor space of 1800 square feet for a one-story home. Two story homes shall have a heated floor space of 2000 square feet, with a minimum of 1400 square feet on the first floor. Heated floor space does not include garages, covered walks, and or porches. Variances for minimum floor space may be granted if the site conditions present a hardship. Variances may also be granted if, in the ARB's sole discretion, the resulting appearance of such residential dwelling will preserve and conform to the existing architectural aesthetic.

6.04 Impervious Coverage / Lawn Area

Impervious areas per home site shall be limited to 6,500 square feet. In addition, lawn areas shall be limited to 35% of the total lot size.

6.05 Setback Requirements

Setback requirements are as follows:

1. Front yard setback: 40 feet
2. Side yard setback: 10 feet
3. Rear yard setback: *Rear yard setback varies depending upon home site location.*
 - A. Standard rear yard setback: 30feet
 - B. Adjacent to buffer zone / conservation easement: 20feet
 - C. Adjacent to golf course: 40 feet
4. Any structure or impervious surface (other than driveways pursuant to Section 10.01) encroaching in any setback will be subject to a fine.

6.06 Height Requirements

No building shall exceed 35 feet in height above the average finished ground level when measured at the corners.

6.07 Home Design

While variety is encouraged, a strong emphasis should be placed on following traditional tastes. All elevations should be congruent and architecturally pleasing. There are to be no “front only” facades and the wrap around technique is to be enforced. Materials and surfaces should be consistent and at a reasonable limit emphasizing architectural detail and features.

6.08 Front Porches

All covered porches visible from the street shall have a minimum depth of eight feet. Corner lots are recommended to have a porch follow the street wall around the corner to occupy a minimum of 30% of the side yard elevation facing the adjoining street. All railings will be dark metal, or wood painted the same color as the trim.

6.09 Approved Exterior Siding Material

1. Approved exterior siding materials:
 - A. Brick
 - B. Cement Stucco
 - C. Cedar Shakes
 - D. Horizontal Wood Siding
 - E. Stone
 - F. Hardie Plank or approved equal
2. The following exterior siding materials are not approved:
 - A. Vinyl Siding
 - B. Vinyl Shakes

6.09.1 Exterior Colors:

One color scheme must be selected and submitted to the ARB for review and approval prior to painting house. In case of conflict with existing homes, another color choice may be required for ARB review and approval. Review the adjacent house colors for color coordination and prevention of color duplication prior to submittal. Color schemes outside of the recommended color spectrum will only be considered on a case-by-case basis. Brighter colors that are not common to the community and / or these color schemes will not be considered. Colors other than those selected from the color selections shall be submitted with color chip samples (minimum 2” square in size) for ARB review and approval. Larger color samples or actual samples painted on the house may be required. Colors should be submitted with the original house submittal to best assure your first-choice selection. Color selection approval based on a first come first-serve basis.

No same or similar (“similar” as determined by the ARB) color will be allowed and approved within 3 houses each side of street. Houses of the same or similar (as determined by the ARB) design and elevation should not have the same color scheme on any street and within view of the other same or similar elevation.

Brick colors should be in the red / brown range only and shall be submitted for ARB review and approval with the formal lot submittals / proposals. Painted brick is also allowed. All other brick colors (especially lighter colored brick) will be reviewed on a case-by-case basis. All mortar shall be buff colored unless approved by the ARB on a case-by-case basis.

Stone colors should be in the tan, brown and / or gray range only and shall be submitted for ARB review and approval with the formal lot submittals/proposals. Stucco and parging is also allowed and shall be a compatible color with the proposed other exterior colors. All other stone colors and uncommon stone profiles will be reviewed on a case-by-case basis. All mortar shall be buff colored unless approved by the ARB on a case-by-case basis.

Some architectural styles historically may have various exterior colors (i.e., siding, siding in gable ends, dormers, doors, shutters, window sashes, etc.) and will be reviewed and approved by the ARB on a case-by-case basis.

Front door, window and shutter colors shall be included on the ARB submittal and as noted examples on the color schemes. Brighter colors and colors not compatible with the other exterior colors will not be considered.

Garage doors should be painted to match the trim color typically but also appropriate as other compatible colors (match siding color, front door color, accent color, etc.) or as directed and approved by the ARB to minimize the impact of the garage doors on streetscape. The garage door color shall be designated / requested on the ARB submittal.

Asphalt shingles (dimensional architectural shingles only) and metal standing seam roof materials are allowed, and the color and texture shall be consistent with the house’s design and detailing and within the black, dark gray and brown color range. Factory baked enamel, copper and other natural roof materials will be reviewed on a case-by-case basis. Roof colors shall be noted on the ARB submittal for review and approval.

All roof mounted equipment and penetrations (i.e., plumbing vents, HVAC vents, ridge vents, skylights, attic fans, etc.) other than solar panels, shall be located on rear slopes of roofs (not visible from streets as possible) and shall be painted or finished to match the roof color. **See section 6.12.1 for special rules applicable to solar panels.**

Gutters and downspouts should be painted to match the color of the adjacent trim or compatible accent color (i.e., black, or other accent color). Aluminum and copper gutters and downspouts are allowed. Vinyl gutters and downspouts are typically not allowed and will be reviewed on a case-by-case basis.

6.10 Finished Floor Elevation

All homes shall be constructed with a minimum dimension of 24" from finished grade to the first floor. Foundations shall be brick, stone, or stucco. Stucco foundations, when not consistent with exterior materials, may only be stepped down at minimum. Stucco foundations should be "true stucco" or at a minimum "parged" with mortar to give the appearance of true stucco.

6.11 Roofs

Pitch of the main roof structure should be no less than 6/12. Pitches for porches, breezeways and other secondary structures may be less, provided they are approved by the ARB. No mansard roofs will be allowed. Contemporary or other irregularly pitched roof styles will not be allowed. All roof penetrations (gas flues, exhaust vents, plumbing vents, skylights, etc.) shall be located on the rear roof slopes so they are not visible from the street. Roof penetrations must be painted a color that is compatible with the roof color. Failure to paint roof penetrations will result in fines being deducted from the construction bond. Roof penetrations visible from the street must be approved in writing by the ARB. A replacement roof must match the original approved roof plan including color and materials unless approved by the ARB.

Approved roof materials shall consist of the following:

1. 25-year or better dimensional fiberglass shingles.
2. Cedar shakes.
3. Slate
4. Synthetic-Slate
5. Standing seam metal (accent areas only).

6.12 Chimneys

Chimney finishes are restricted to brick, stucco, dry stack, or cultured stone. No exterior metal fireboxes are allowed unless encased in masonry surrounds.

6.12.1 Solar Panels

Section 9.4 of the Covenants allows solar panels if they are approved by the ARB or Board. Solar panels are subject to the following restrictions:

A. No solar collectors may be installed that are visible by a person on the ground:

- i. on the façade of a structure that faces areas open to common or public access.
- ii. on a roof surface that slopes downward toward the same areas open to common or public access that the façade of the structure faces; or
- iii. within the area set off by a line running across the façade of the structure extending to the property boundaries on either side of the façade, and those areas of common or public access faced by the structure.

For purposes of clause (i) above, the façade of a structure shall refer to any side of a structure which faces an area open to common or public access and shall not necessarily be limited to the "front" façade.

B. All solar collectors shall be subject to prior review and approval of the ARB pursuant to Section 9.1 of the Covenants for compliance with subsection (A) and this subsection (B). Except to the extent that compliance with this subsection (B) would prevent the reasonable use of solar collectors in any permitted location on the Unit, any solar collectors not otherwise prohibited under subsection (A), and all plumbing, supports, and other components thereof, must be: (i) located as inconspicuously as possible; and (ii) screened or colored so as to appear to be an integral and harmonious part of the architectural design of the dwelling or garage on the Unit, using materials, color and manner of screening specified by or otherwise approved by the ARB.

6.13 Garage \ Garage Doors

All garages should be side, or rear loaded. Carports are not allowed. Front loaded garages are permitted if the site conditions and or setbacks do not provide adequate space for a side or rear-loading garage. Front loaded garages shall be set back 15 feet from the front elevation of the house. The street side elevation of a courtyard garage must incorporate windows, louvers, or shutters as necessary to provide variety. Garages on corner lots shall not face the main collector road. A raised panel garage door with windows is required for all garage doors. Front loading two-

car garages shall have a separate garage door for each car.

6.14 House Identification

Chatham County requires that 4" Arabic house numbers be used to identify homes from the street. Metallic and or wooden house numbers are approved for this use. The ARB reserves the right to approve or deny the use of any house numbering that detracts from the appearance of the home.

6.15 Doors

Exterior doors shall be appropriate to the architectural theme. Exterior sliding doors shall only be permitted on rear elevations. They shall not be visible from the street. Storm and screen doors are not permitted unless they are of the appearance of a typical exterior door. All storm and screen doors must be approved by the ARB.

6.16 Windows

The use of snap in grilles is acceptable. Window muntins (or grills) will be the same color as the window trim. Single hung and double hung windows are acceptable. Casement windows are acceptable where such windows are essential to the architectural style of a residence. Storm windows shall not be permitted. Exterior window screens will be consistent with the trim color. Use of glass block shall be reviewed on a case-by-case basis. Skylights and or roof windows will not be allowed on the street side elevations of the home. Dormer windows must also maintain an alignment balance with the home.

6.17 Decks and Patios

Detailing of all patios and decks must be architecturally compatible with the home. Patios and decks shall be designed to serve as an extension of the house. Vinyl underpinning, deck railing and decking is not permitted. Views to the underside of decks and porches must be screened with underpinning and landscaping. Porch screen colors must be submitted to the ARB for approval.

6.18 Cornices and Exterior Trim

The use of traditional crown molding and detailing at cornices, as well as authentic detailing around window and door openings will be an important part of the overall appearance. Such detailing must be consistent on all elevations.

6.19 Awnings and Shutters

Awnings and canopies shall not be affixed to the exterior of the residence. Exterior shutters shall be used consistently on all windows. Shutter size should be proportional to the window size. Shutter colors must be submitted to the ARB for approval. Replacements shutters must match the original approved shutter plan including material and color unless approved by the ARB.

6.20 Gutters and Downspouts

Gutters and downspouts shall be required for all homes. All gutters shall be seamless and shall be painted to match the trim color of the house. Downspouts should be connected to an underground pipe which daylight a minimum of 10 feet from the property line and directed away from the adjacent lot.

7.0 SITE REQUIREMENTS: UTILITIES

7.01 Service Area

Each home is required to have an enclosed service area. The service area shall contain all utility connections, HVAC units, grinder pump control box, electrical meter, and irrigation control boxes, and screen the from view from the golf course, street, and neighboring properties. The location of the service area shall be shown on the architectural and site drawings. The service area shall be screened with a wall that is architecturally compatible with the house. This screen wall shall be constructed of brick, stone, wood, stucco, or cement siding (i.e., Hardee board or an approved equal.) Vinyl and/or wood lattice shall not be allowed to screen a service yard. In addition, the screen wall shall be planted with shrubs. The service area screen wall must be at least 4" higher than the units installed and serve as a noise buffer for adjacent properties and the golf course.

7.02 Grinder Pump / Sewer Tap

According to our wastewater permit (NCDENR Permit # WQ0018562,) each home is required to have a grinder pump. A grinder pump installation details can be found on pages 46-48. The location of the grinder pump unit shall be shown on the site and/or landscape plans. Grinder pump alarm boxes shall be attached to the house within the service area.

Builders must install a grinder pump in accordance with the directives of Aqua of North Carolina.

The cost of the grinder pump includes setting the grinder, the alarm box, and running 100 linear feet of pipe from the sewer tap

to the grinder pump. If your grinder pump is located farther than 100 feet from the sewer tap, or if installation requires the use of special equipment due to geographic location (rocky areas), you will have to pay additional fees. The State has approved a specific grinder pump unit for each lot within the development. The pump model and cost should be obtained from Aqua of North Carolina prior to submitting a plan for construction.

All grinder pumps must be purchased through PDA (919-245-5080), and the installation made by Vaughan Utilities or Water Waste. These are Aqua North Carolina requirements.

After installation, the grinder pump must be maintained in accordance with the requirements of our wastewater permit. The cost of this maintenance and service to your grinder pump will be charged by Aqua directly to you.

NOTE: All individual pump station pump sizes are based upon placement of the pump in the back half of the lot at the existing grade. A homeowner may elect to alter the grading on the lot or construct a finished basement which would lower the proposed pump station elevation. In this instance the next size pump should be utilized to accommodate the increase in dynamic head.

7.03 Antennas and Satellite Dishes

Satellite dishes are permitted within the Development. All satellite dishes shall have a maximum diameter of 1 meter. Satellite dishes shall be mounted behind the front line of the dwelling and in a location not visible from any street. Satellite dishes on homes located on a corner property shall not be visible from the main through street. The location of any satellite dish must be submitted to the ARB for approval.

8.0 SITE REQUIREMENTS: ACCESSORY AND DECORATIVE STRUCTURES

8.01 Outbuildings

Each home site is limited to one outbuilding (including a detached garage, where applicable.) The location and appearance of outbuildings shall be submitted and approved by the ARB prior to construction. Outbuildings should be architecturally compatible with the home, and similar in color. All outbuildings shall be within the building setback lines. The buildings shall be oriented so that access is indirect, and they do not open on to the street.

8.02 Arbors and Trellises

Arbors and Trellises are permitted. Location, elevations, and finishes must be submitted to the ARB for approval prior to beginning construction.

8.03 Fences and Walls

Fences and walls must harmonize in character and color with the house. All fences shall be a minimum height of 30" and maximum height of 60". Fencing of the entire lot is not permitted. Fencing shall be restricted to the rear yard of the home. The ARB reserves the right to approve or require the use of fences along the side yard of the home. All fences must be metal; however, chain link fences are not allowed. Fences shall be located at least two feet inside the property line unless otherwise approved by the ARB. All Fences and walls must be approved by the ARB before installation.

Location and materials used for all retaining walls must be submitted for approval. See section 5.01(2) for plan submission requirements. Retaining walls may be constructed of timber, crossties, stone, or an interlocking wall system (i.e., keystone or an approved equal.)

8.03A. Plant Protection Devices

Plant protection devices may be installed without the approval of the ARB within the following guidelines: Netting directly applied over the plants. Netting must be clear, black, or the color of the plant. Deer fencing is also allowed in black or green.

8.03B. Visible stakes/posts/wires/string and/or chicken wire are prohibited.

All other materials and placements will need to be approved by the ARB in advance of installation. All property owners are encouraged to plant deer/animal resistant plants.

8.04 Flagpoles

1. In ground exterior flag poles are not permitted at residences within the property provided however, these Design Guidelines shall not regulate or prohibit the display of the flag of the United States or North Carolina.
2. One community flagpole is permitted, as approved by the board, within the common area.
3. Additional community flags, approved by the board, are permitted in the common area to celebrate national holidays of the United States.
4. A flag from the list, not larger than 48"x72" may be displayed on an individual's home on a pole attached to the first level of the home and not to exceed 6 ft in length or a height greater than 10 ft from the ground.
 - A. Flag of the United States of America

B. North Carolina State Flag

5. All other flags are prohibited from display except a seasonal flag. One seasonal celebration flag may be displayed for 30 days before and 15 days after the seasonal holiday.
6. Flags that include text, logo, advertising, phone numbers, and other advertising information are not permitted.

8.05 Swimming Pools / Hot Tubs / Water Features

Any proposed swimming pools, hot tubs, fountains, etc. must comply with North Carolina State Law in addition to the Design Guidelines.

Above ground swimming pools are prohibited. Bubble covers for below ground swimming pools are prohibited. Pools may not be installed on the front or side yard of any home. All plans for swimming pools must be submitted to the ARB for approval. Swimming pools which are installed in the rear yards of lots that are adjacent to the golf course or other lots will be subject to additional screening requirements as imposed by the ARB.

Outdoor hot tubs are approved. Location of a hot tub shall be shown on the site plan and or landscape plan. Hot tubs shall not be installed on the front or side yard of any home. Hot tubs installed in the rear of lots adjacent to the golf course or other lots will be subject to additional screening requirements as imposed by the ARB.

8.06 Decorative Objects

All decorative objects placed on the property are subject to ARB approval. Decorative planters may be placed around the home. However, the size, number and type of planters are subject to ARB approval.

8.07 Clothesline

There shall be no outdoor clothesline on any home site.

8.08 Tennis Courts

Private tennis courts shall be prohibited.

8.09 Pet Enclosures / Houses

Birdhouses are allowed if they are not placed in the side or street side yard.

Pet enclosures / houses and dog runs are not allowed. All pets shall be kept on a leash when not in your yard.

8.10 Mailboxes

Mailboxes in the community are restricted to the type and style approved by the ARB. Mailboxes should be ordered and installed during the construction process. No other type of mailbox is permitted. The mailbox should be mounted in the right of way on the side of the driveway that is closest to the property line. The mailbox application can be found on page 47. **All mailboxes must be maintained functionally and aesthetically which includes replacing missing parts, cleaning, and painting. If your mailbox is not maintained, notifications will be sent out.**

8.11 Swing Sets/Play Structures/Trampolines

Swing sets, play structures and trampolines are allowed under certain conditions. The swing sets and play structures must be made of wood or similar material with a natural finish. The swing set, play structure or trampoline is not permitted in front and side yards and generally should not be visible from any street. All swing sets, play structures or trampolines located adjacent to the golf course must be ground level and be approved by the ARB prior to installation and subject to additional screening requirements as imposed by the ARB. Plans showing the location and finish of all play structures must be submitted and approved prior to construction.

Basketball goals are permitted. Basketball courts are not permitted. Specific lighting for the basketball goal is not allowed. If the goal is a permanent structure, the location of basketball goal shall be submitted and approved prior to construction. No portable basketball goals or bike and skateboard ramps shall be placed on any roads within the community at any time. If the goal or ramp is portable, it must remain on the driveway in the garage area away from the street. No permanent bike or skate ramps is allowed.

8.12 Window air conditioning or heating units

Window units are allowed but must not be visible from the street at any time of year.

9.0 SITE REQUIREMENTS: GRADING AND DRAINAGE

A proposed grading and drainage plan must be submitted in order to obtain ARB approval for construction. Drainage from your home site must flow to the lowest elevation on your property. Drainage shall not flow onto adjacent lots. You will be held responsible to repair any adverse effects (i.e., erosion) of improper or excessive storm water runoff. Gutters and downspouts shall be required for all homes. Downspouts shall be connected to an underground pipe which daylight on to your property (min. 10 feet from nearest property line.) Erosion control measures – including silt fencing – shall be installed and maintained by the Owner during construction. Failure to construct/maintain erosion control measures and drainage systems shall result in fines. (Refer to section 4.06 for specific erosion control requirements.)

10.0 SITE REQUIREMENTS: DRIVEWAYS AND WALKS

10.01 Driveways

All driveways shall be constructed of concrete with a uniform pattern of scoring joints. Other driveway materials shall be brick or pavers. Colored or stamped concrete must be submitted and approved by the ARB prior to installation. A minimum 3-foot landscape strip shall separate the drive from the property line. Driveways shall have a minimum width of 12 feet. Driveways shall be connected to the street using a standard curbing detail shown in section 20.0. Driveways shall provide a minimum turnaround space of 24' from the face of the garage plus 3-foot landscape strip or 27' from the face of the garage to the property line. (See section 19.0 for turnaround details.) Entry statements used in conjunction with the driveway are subject to ARB approval. The entry must be discrete and reflect the architectural details and materials of other site elements and the home. This element must be setback off the street behind the right-of-way line.

10.02 Walks

Walkways shall be constructed using the same materials as the driveway. All walks shall be a maximum of four feet in width. All material selections and location of walks shall be approved by the ARB.

11.0 SITE REQUIREMENTS: LANDSCAPING IRRIGATION, AND LIGHTING

11.01 Landscape Budget and Submission requirements

Generally, your landscaping budget should be 5-10 % of your total construction budget. Landscape plans shall be submitted at dry-in and must be ARB approved prior to installation. Submission requirements for landscape plans are in Section 5.01(5) and are included in the Design Review Checklist.

11.02 Landscape Plan Requirements

At a minimum, the following landscaping will be required for all homes:

1. One or more 3-inch caliper street tree(s). (Installed per the schedule in Section 23.)
2. Street trees shall be 30 feet on center, located an equal distance from the sidewalk so that the trees are in line. (Approximately 3 feet behind the right-of-way)
3. Evergreen shrubs (3 gal. minimum, 36-48 inches on center) shall be required around the entire foundation of the home, except in areas of ingress and egress.
4. Blank areas of walls shall be landscaped with upright shrubs or small trees (4 feet min. height.)
5. Sod shall be required in front yard area and the two-foot area between the sidewalk and curb.
6. Sod will also be required for 2 feet behind the curb or sidewalk.
7. Where two driveways are adjacent, sod shall extend 10' from the back of the sidewalk or curb line.
8. The rear yard may be seeded or sodded. If seed is used, the construction bond will not be released until the seed has been established to the ARB's satisfaction.
8. Bark mulch or pine straw shall be used in all plant beds and areas without grass. This shall be maintained in a weed-free condition. Beds can be lined with rocks, but black/brown mulch or pine straw must be around all plants/trees.
9. Side loaded garages shall be screened with shrubs along the property line.
10. No artificial turf, plants, or trees in front of homes.

11.03 Irrigation Requirements

An automatic, underground irrigation system shall irrigate all landscape areas including lawn areas and plant beds. Each landscape area shall incorporate a design for a closed looped system with automatic zones. Irrigation over spray is not permitted. Irrigation strips may be installed between the sidewalk and curb. It will be the responsibility of the owner to repair sidewalks damaged by irrigation installation.

11.04 Wells/rain barrels/cisterns

All above ground water collection devices of a non-decorative nature, including rain barrels and cisterns, shall be pre-approved by the ARB and screened with plantings. Wells are not permitted within the community in accordance with the restrictive covenants.

11.05 Lighting

All driveway and pathway lights shall consist of fixtures that prevent light from escaping through the top and sides of the fixture. Down lighting will reduce glare, better light drives and paths and protect neighboring properties from bright light sources.

Colored lights are prohibited. Spotlights / Floodlights will be considered on a case-by-case basis, depending on orientation and location. Pole lights will be reviewed on a case-by-case basis.

All path and landscape lighting must consist of low voltage lamps. Path and landscape lighting shall have a maximum height of 26". Landscape lighting must be concealed in daytime.

Holiday lighting and decorations may only be displayed no more than 30 days before and 15 days after the corresponding seasonal holiday and must be tastefully done. The Board reserves the right to reject any holiday decorations that they deem not tastefully done.

12.0 ADDITIONAL REQUIREMENTS

12.01 Storage of Recreational Vehicles and Equipment

All recreational vehicles and equipment, (boats, motor homes, jet skis, all trailers, including BBQ/smoker trailers, campers, golf carts and similar types of vehicles and equipment) must be stored in the garage. Any other vehicles or equipment that cannot be stored in the garage, may be removed from the property at the owner's expense.

12.02 Signage

All builder signs must be identical to the sign shown in section 13.0. Subcontractor signs are not allowed on the property. Any additional signage or displays found on a jobsite may be removed at any time without warning. Builder signs shall be removed prior to release of the construction deposit.

Homes for sale within the property are allowed one "marketed by" sign. This sign shall be identical to the example in section 14.0. Additions to this sign ("take one" boxes, balloons, etc.) shall not be permitted.

Undeveloped home sites may not have a "marketed by" or "for sale" sign placed on them under any circumstances.

No other signs, except those provided in Article 9.4(b)(i) of the Declaration of Covenants, are permitted on the property.

12.03 Property Maintenance

Landscaping of residential and vacant lots is the responsibility of the property owner. The Association has enforcement power over these areas of owner maintenance responsibility.

12.03A. Yard Debris

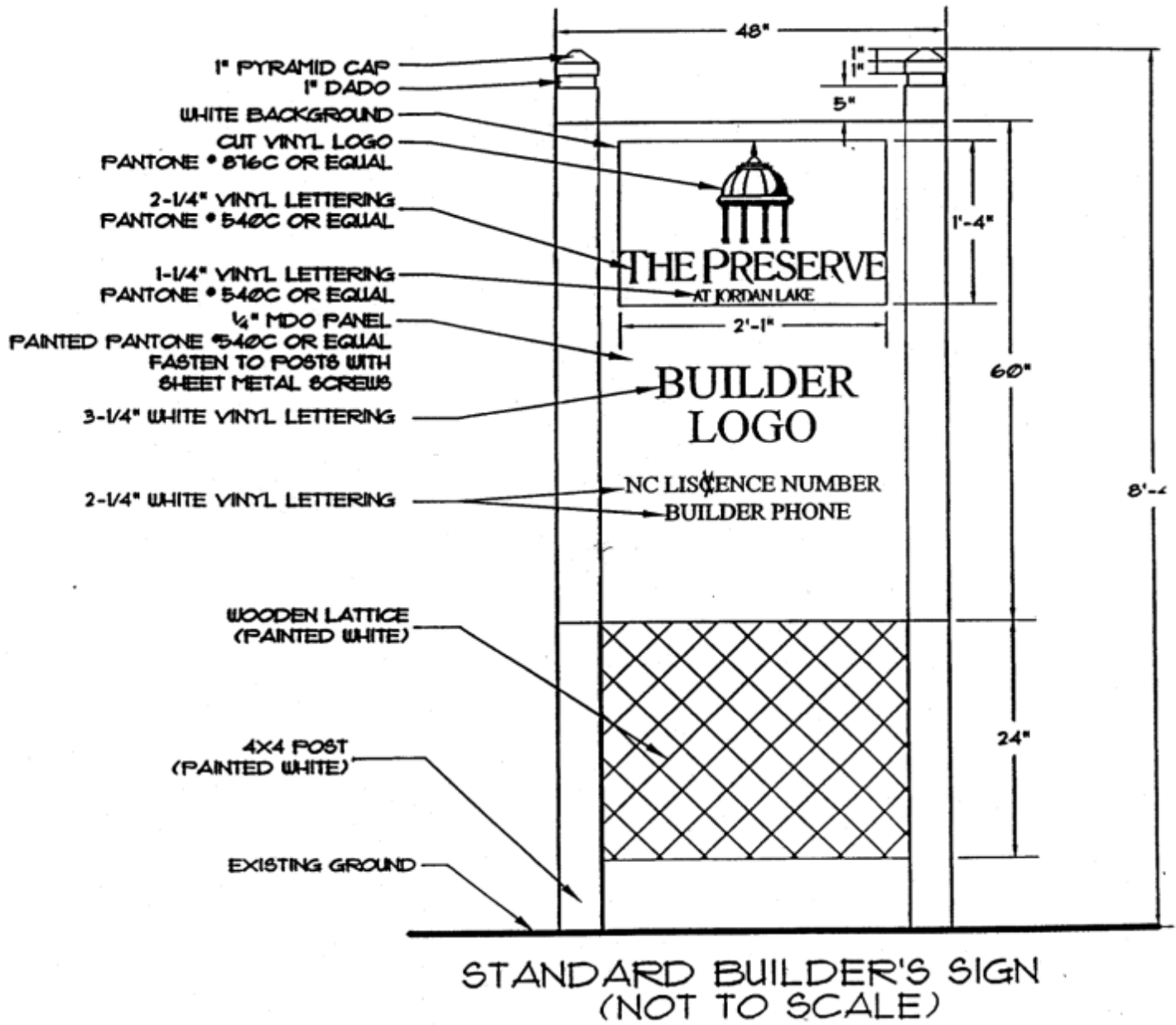
All yard debris (cut grass, leaves, bush/tree trimmings or other debris) must be disposed of by the owner, or their landscape vendor, in an appropriate manner, i.e., utilizing the county landfill facility or arranging removal with the trash removal provider. No debris will be kept on any property in the Preserve in such a manner that may create a health or safety hazard or detract from the esthetics of the community. At no time will yard debris be moved, placed, blown, or swept and allowed to remain on streets, sidewalks, vacant lots, or storm drains. Storm drains flow into other bodies of water and must not be contaminated or clogged with yard debris and waste.

12.03B. Plant Encroachment

All bushes, trees, shrubs, and other plants will not encroach upon public areas of the community such as roads, sidewalks or allowed to obstruct the view of road/traffic signs.

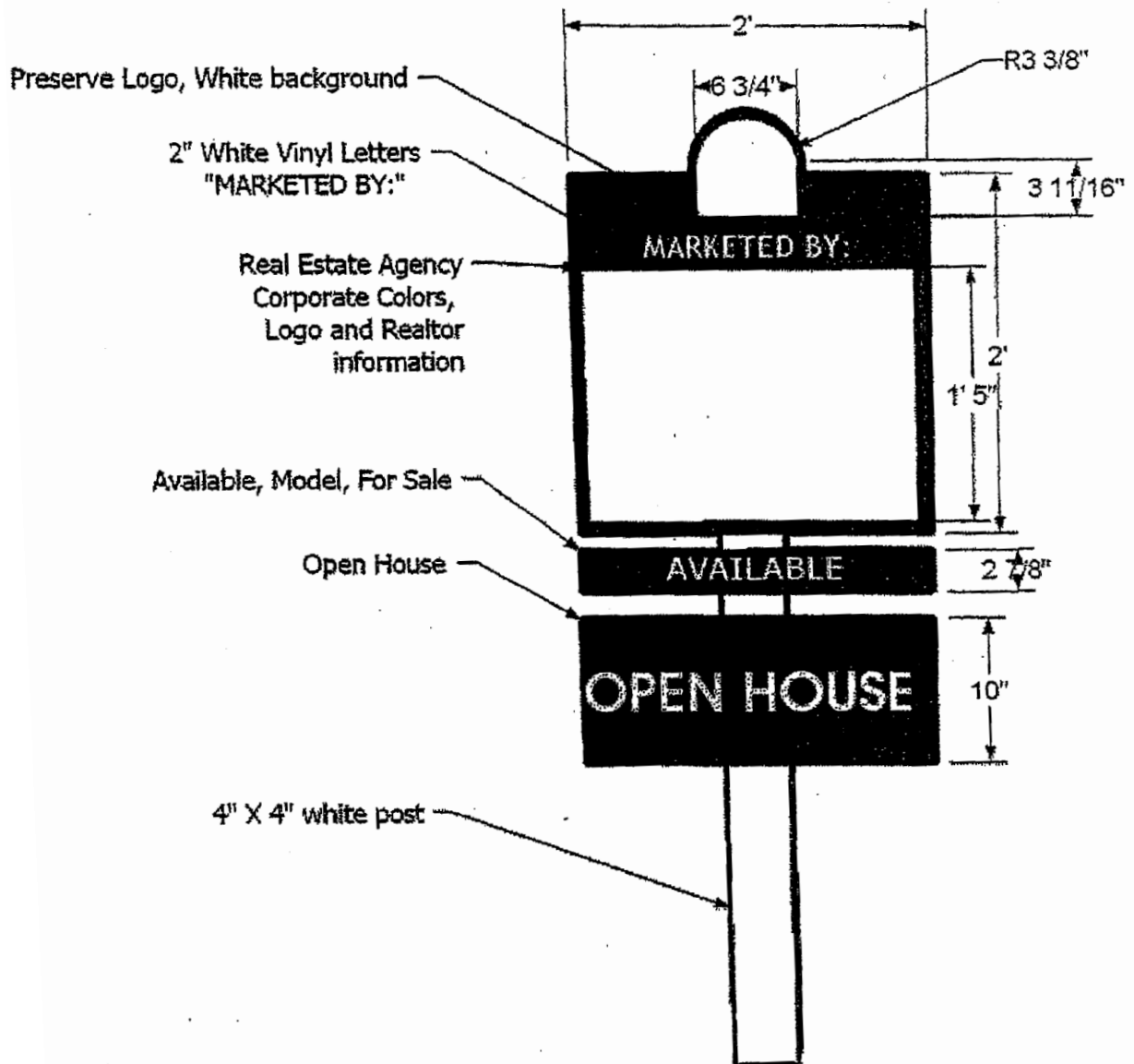
When a violation occurs, the Preserve's management company will provide written notification to the property owner. If, after two weeks of delivery of the written notice, the issue has not been properly addressed, The Association will instruct the management company to take appropriate steps to comply with the ARB rule and the owner will be billed for the expense.

13.0 STANDARD BUILDER SIGNS

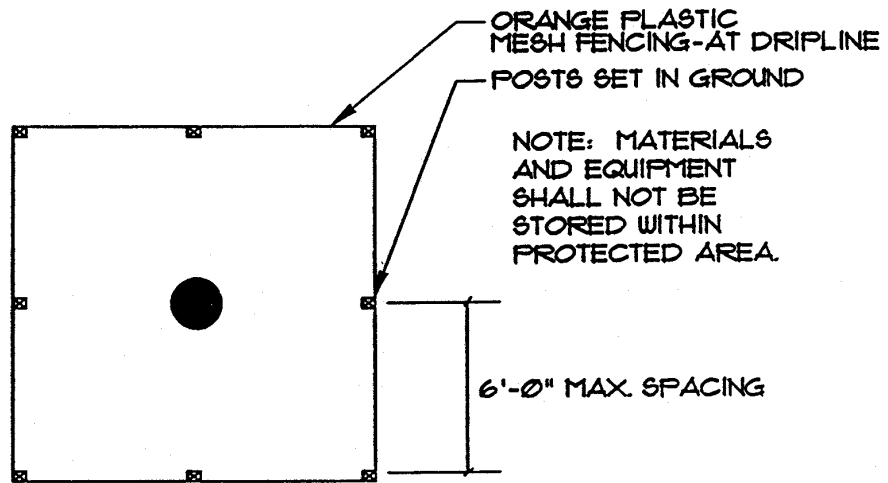


14.0 MARKETED BY SIGN

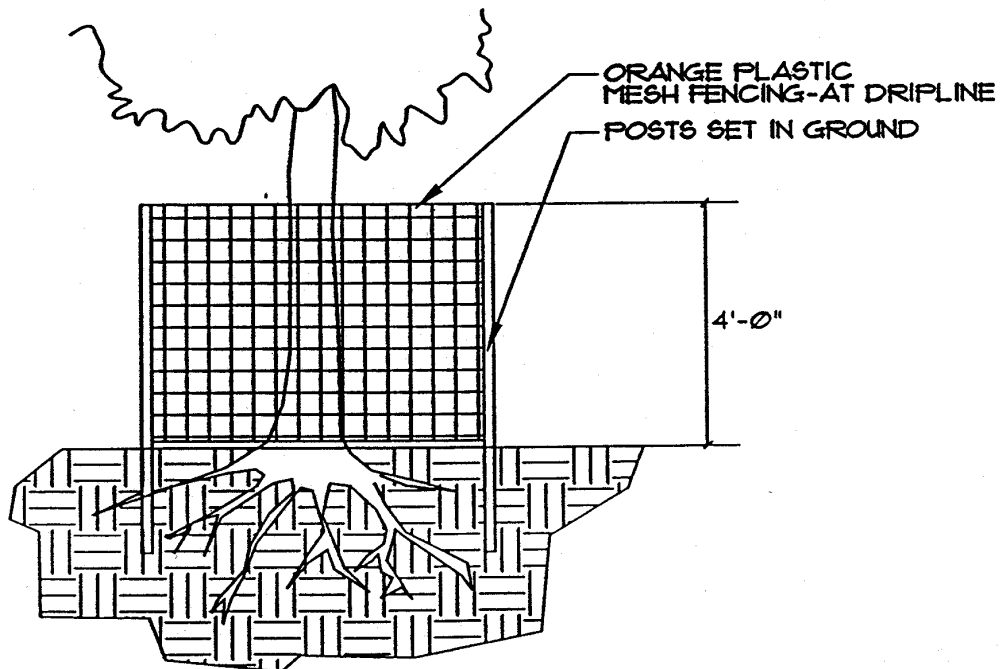
14.0 'MARKETED BY' SIGN



15.0 TREE PROTECTION – INDIVIDUAL TREE PROTECTION

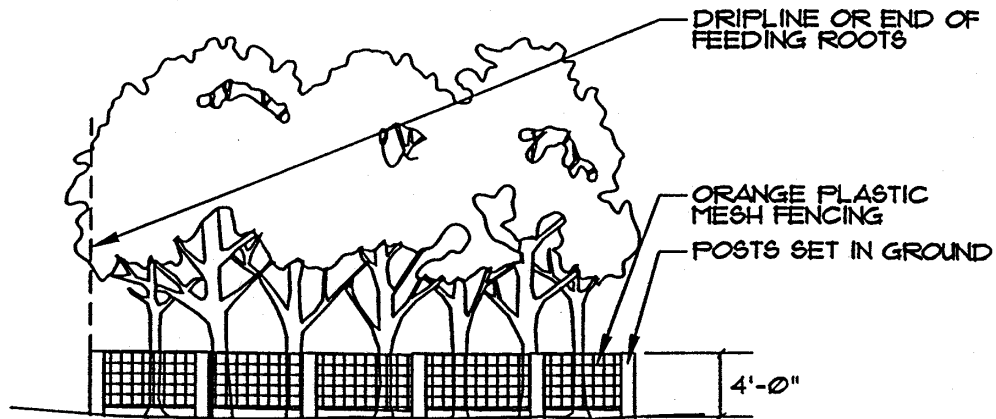


PLAN-NOT TO SCALE

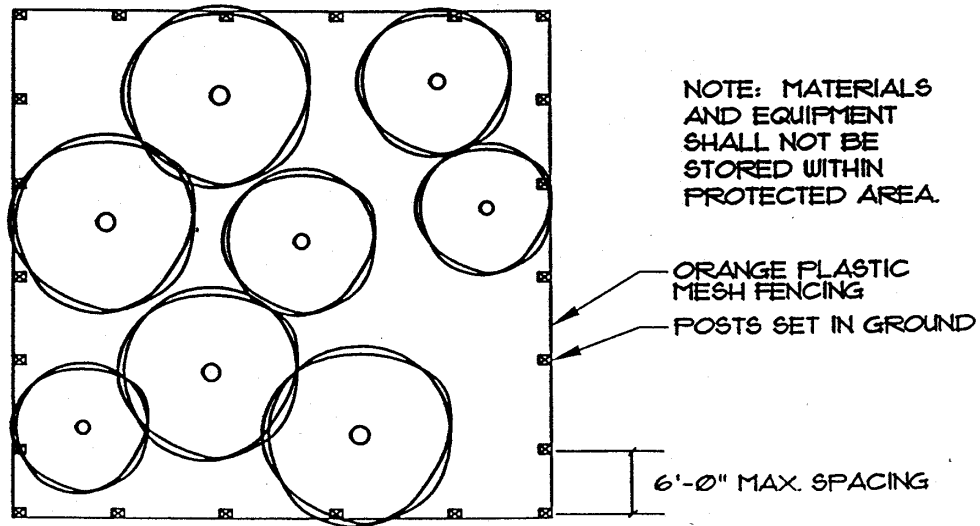


ELEVATION-NOT TO SCALE

16.0 TREE PROTECTION – TREE SAVE AREA



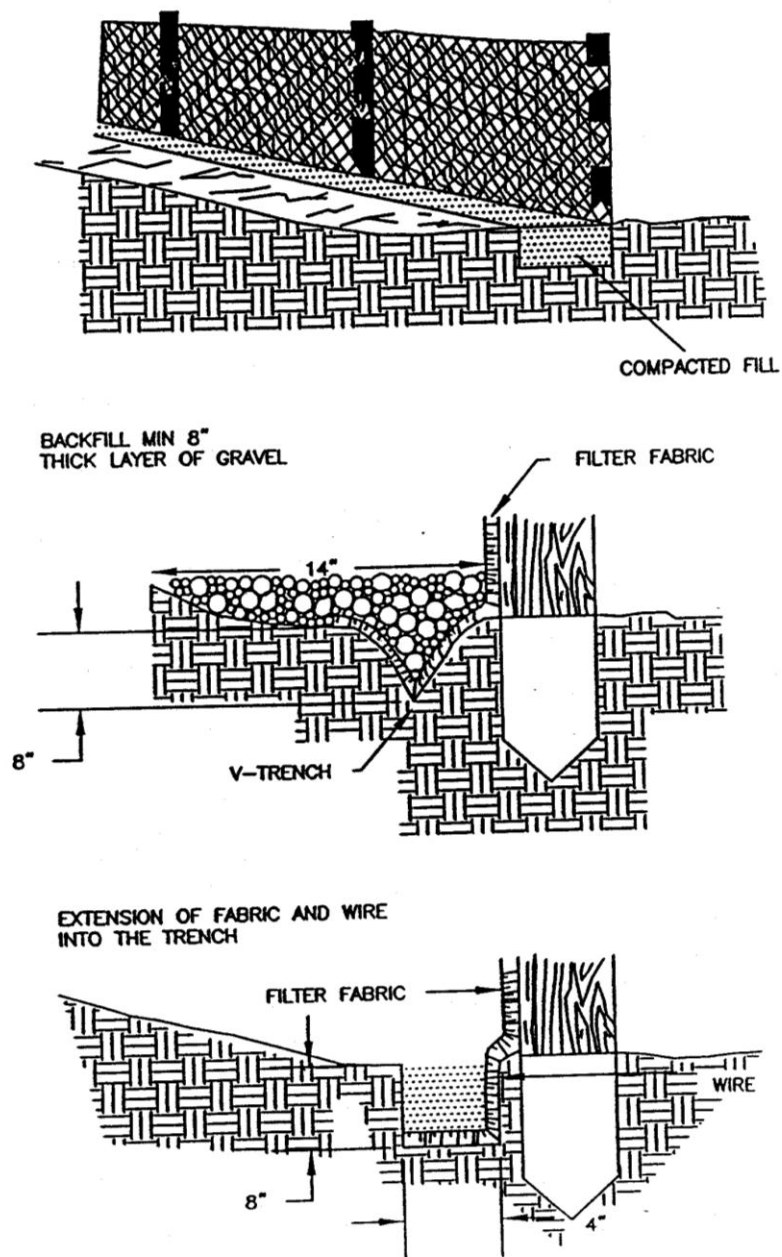
ELEVATION-NOT TO SCALE



PLAN-NOT TO SCALE

TREES AND SHRUBS CLOSELY
GROUPED MAY BE ENCLOSED IN ONE
ENLARGED BARRICADE

17.0 EROSION CONTROL – SILT FENCE DETAIL



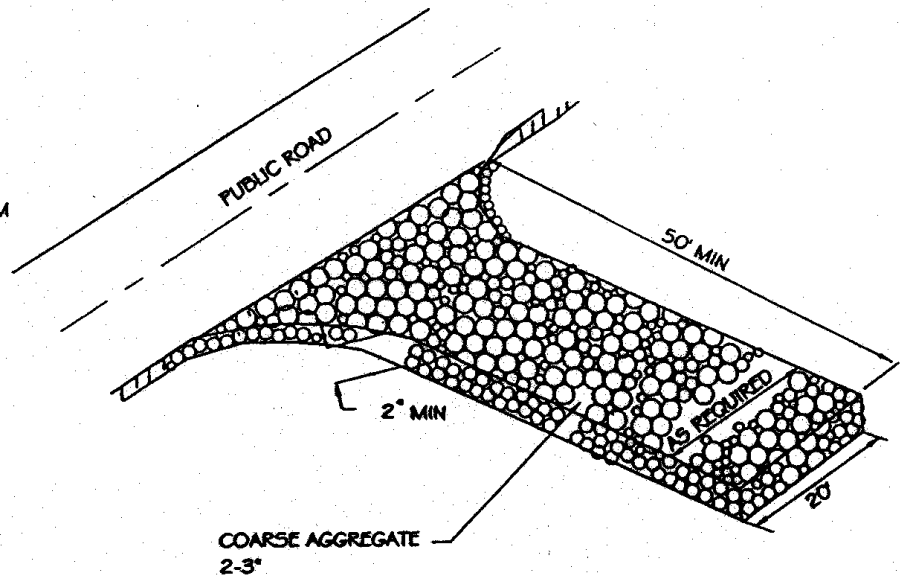
INSTALLATION DETAIL OF SILT FENCE

NOT TO SCALE

18.0 EROSION CONTROL – CONSTRUCTION ENTRANCES

NOTES:

- a. GRAVEL PAD TO BE 12x 50' AND 6" THICK MINIMUM
- b. TURNING RADIUS SUFFICIENT TO ACCOMMODATE LARGE TRUCKS IS TO BE PROVIDED.
- c. ENTRANCE(S) SHOULD BE LOCATED TO PROVIDE FOR MAXIMUM UTILITY BY ALL CONSTRUCTION VEHICLES.
- d. MUST BE MAINTAINED IN A CONDITION WHICH WILL PREVENT TRACKING OR DIRECT FLOW OF MUD ONTO STREETS. PERIODIC TOPDRESSING WITH STONE WILL BE NECESSARY; KEEP SOME HANDY.
- e. ANY MATERIAL WHICH STILL MAKES IT ONTO THE ROAD MUST BE CLEANED UP IMMEDIATELY.

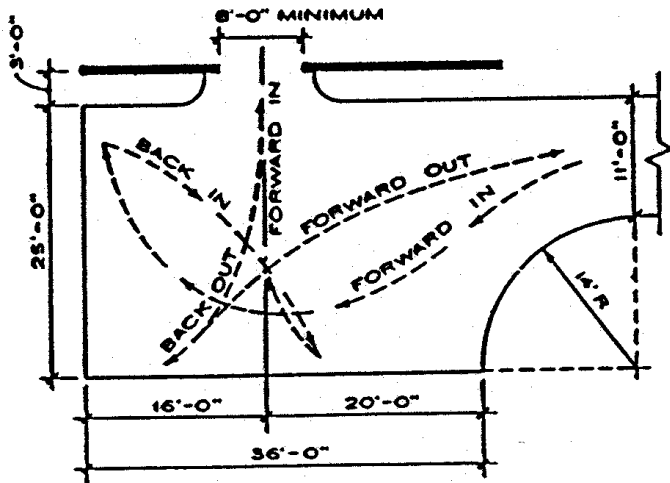


NOTES: APPLICABLE AT ALL POINTS OF INGRESS & EGRESS UNTIL SITE IS STABILIZED, FREQUENT CHECKS OF THE DEVICE AND TIMELY MAINTENANCE MUST BE PROVIDED.

TEMPORARY CONSTRUCTION ENTRANCE

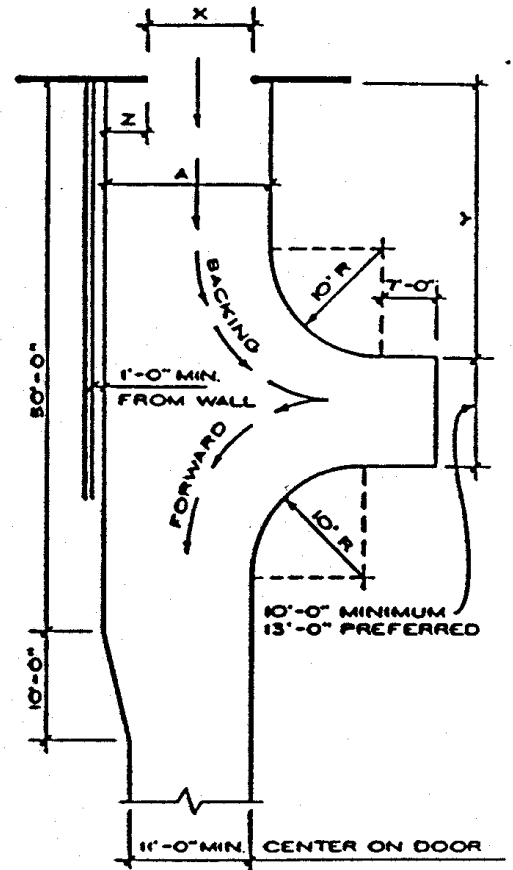
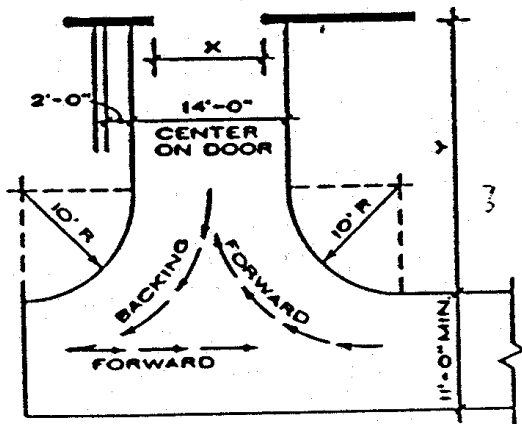
19.0 DRIVEWAY STANDARDS – MINIMUM TURN AROUND DIMENSIONS

Standards taken from: Harris and Dines, Timesaver Standards for Landscape Architecture, McGraw-Hill, New York, New York, 1988.



NOTE

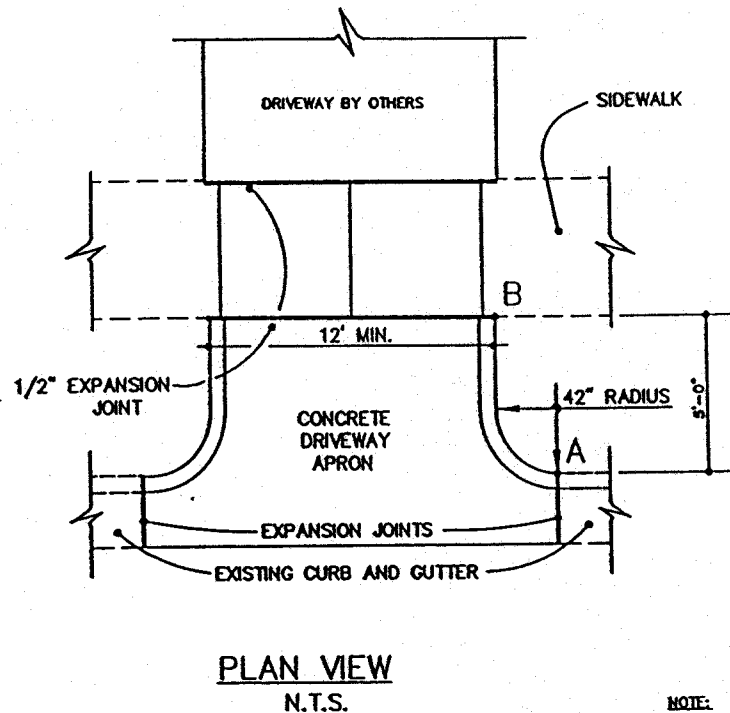
Three manuever entrance for single car garage. Employ only when space limitations demand use. Dimensioned for large car.



STRAIGHT IN BACK OUT

	9'-0"	10'-0"	12'-0"	16'-0"
X	9'-0"	10'-0"	12'-0"	16'-0"
Y	26'-0"	25'-0"	23'-6"	24'-0"
Z	3'-4"	3'-1"	2'-0"	3'-0"
A	14'-4"	14'-5"	14'-8"	20'-0"

20.0 DRIVEWAY STANDARDS: CONSTRUCTION DETAILS

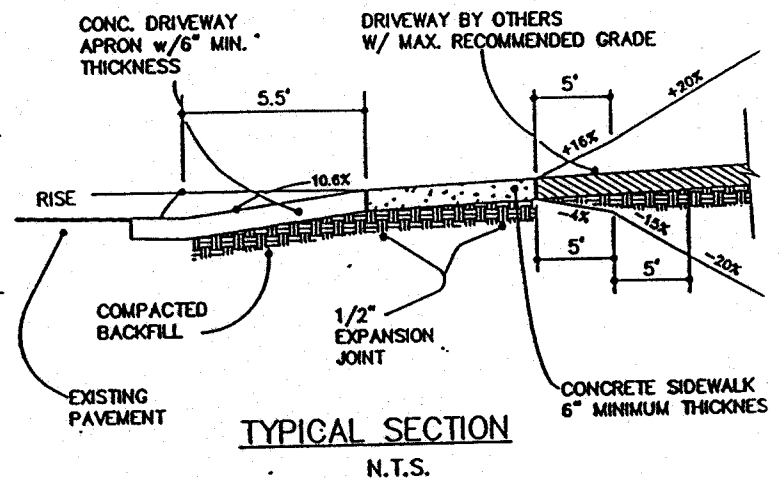


NOTE TO CONTRACTOR:

-RESIDENTIAL DRIVEWAYS TO BE 12'

-ALL CONCRETE SHALL BE 3000 P.S.I.

-ELEV. "B" MINUS ELEV. "A" EQUALS 1 INCH.



NOTE:

1. CURB SHALL BE TAPERED TO FINISH FLUSH WITH SIDEWALK.
2. BEGINNING RADIUS SHALL NOT ENCR OACH ON ADJACENT PROPERTIES BASED ON A PROJECTION OF THE PROPERTY LINE FROM THE RIGHT OF WAY TO THE CURB LINE.
3. SIDEWALK SECTION SHALL NOT BE REQUIRED ALONG STREETS WHICH ARE NOT PLANNED FOR SIDEWALK.

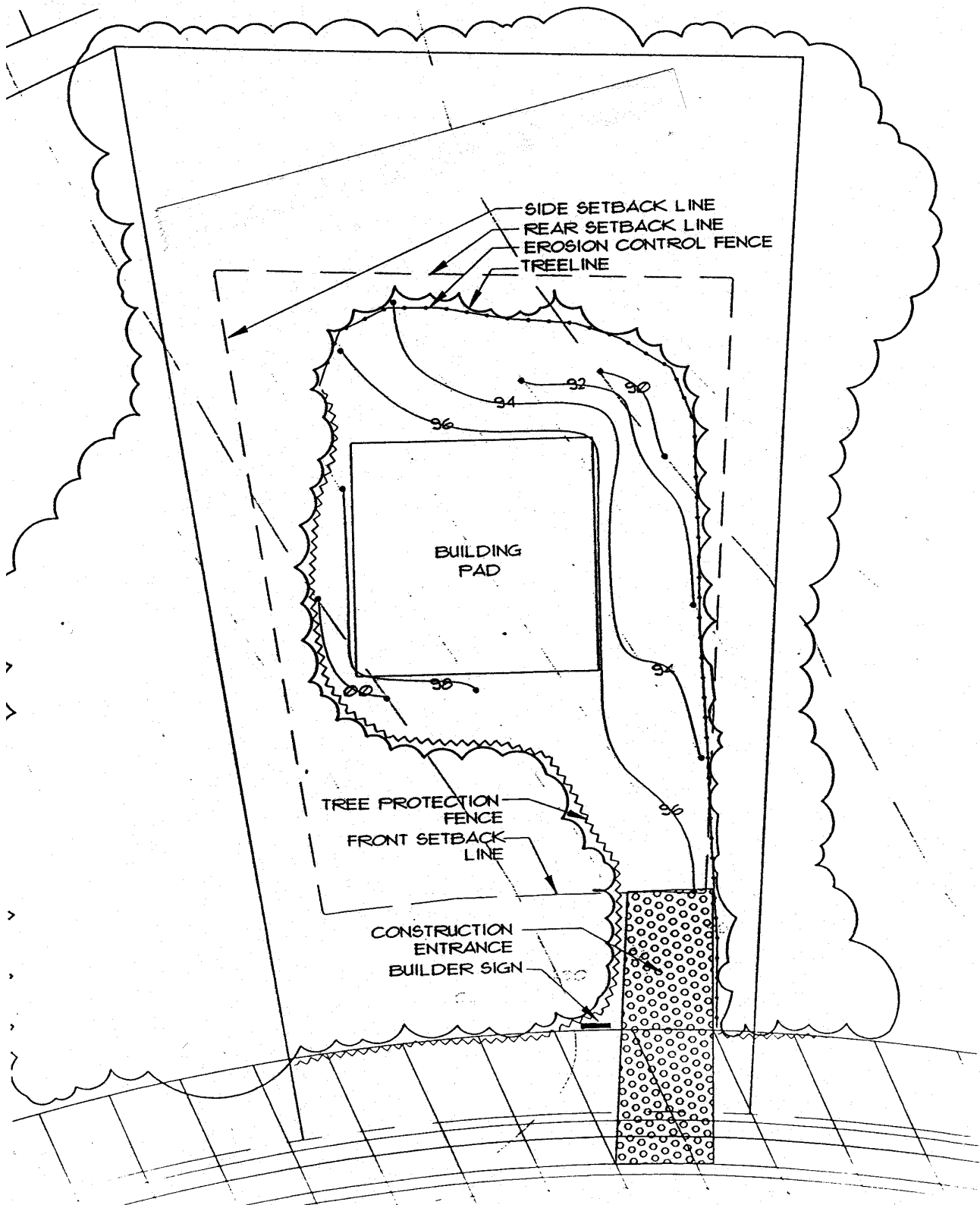
REVISIONS		
TE	DESCRIPTION	
6	EXP. INT. ADDCO	DOU
8	NOTE ADDITION	MHD
8	NOTE ADDITION	CMA

STANDARD DRIVEWAY APRON

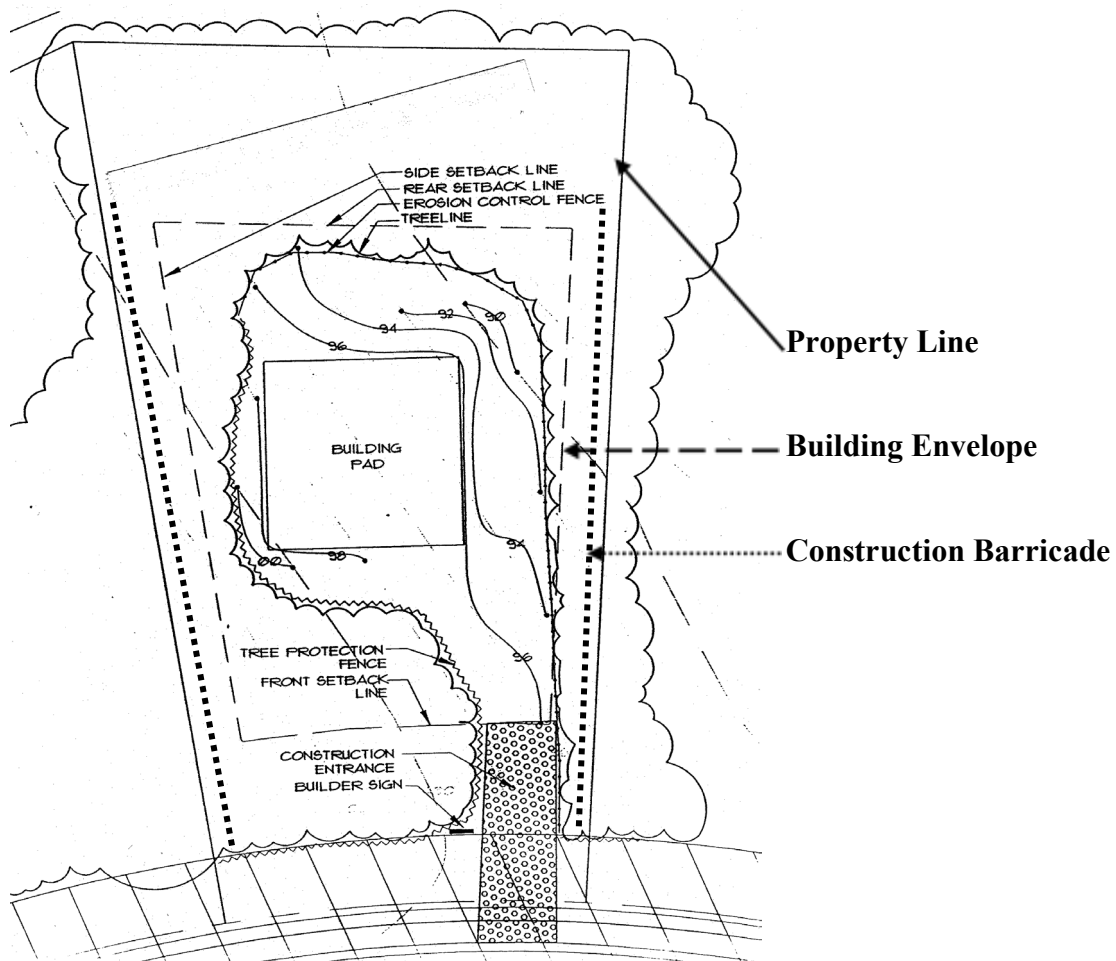
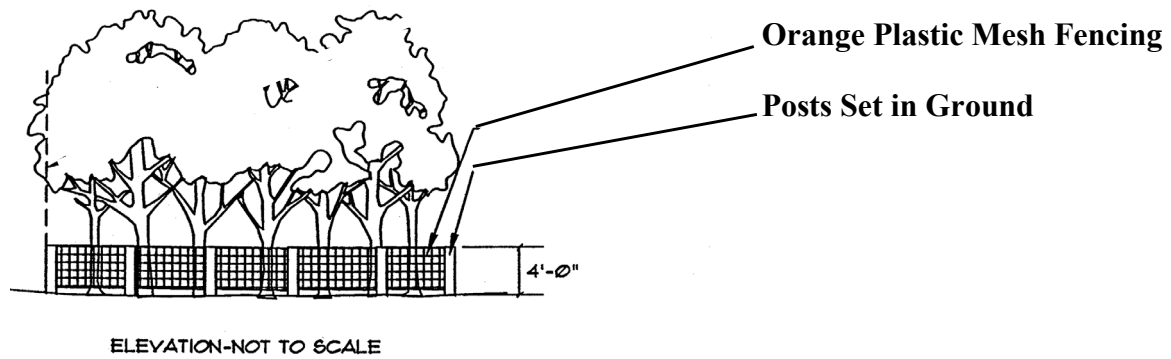
STD. No

3.15

21.0 CONSTRUCTION SITE PLAN (NOT TO SCALE)



22.0 CONSTRUCTION SITE BARRICADE



23.0 STREET TREE PLANTING SCHEDULE FOR NEW BUILDS

<u>LOT NUMBERS</u>	<u>COMMON NAME</u>	<u>SCIENTIFIC NAME</u>
<u>1-34</u>	<u>Red Maple</u>	<u>Acer rubrum</u>
<u>35-75</u>	<u>Willow Oak</u>	<u>Quercus phallos</u>
<u>76-180</u>	<u>Willow Oak</u>	<u>Quercus phallos</u>
<u>181</u>	<u>Village Green Elm</u>	<u>Zelkova serrata</u>
<u>182-205</u>	<u>Willow Oak</u>	<u>Quercus phallos</u>
<u>206-245</u>	<u>Village Green Elm</u>	<u>Zelkova serrata</u>
<u>246-279</u>	<u>Red Maple</u>	<u>Acer rubrum</u>
<u>280-317</u>	<u>Village Green Elm</u>	<u>Zelkova serrata</u>
<u>318-356</u>	<u>Red Maple</u>	<u>Acer rubrum</u>
<u>357-359</u>	<u>Village Green Elm</u>	<u>Zelkova serrata</u>
<u>360-419</u>	<u>Willow Oak or Red Maple</u>	<u>Quercus phallos or Acer rubrum</u>
<u>420-431</u>	<u>Willow Oak or Village Green Elm</u>	<u>Quercus phallos or Zelkova serrata</u>
<u>432</u>	<u>Red Maple</u>	<u>Acer rubrum</u>
<u>433-435</u>	<u>Willow Oak or Village Green Elm</u>	<u>Quercus phallos or Zelkova serrata</u>
<u>436-464</u>	<u>Village Green Elm</u>	<u>Zelkova serrata</u>
<u>465-516</u>	<u>Red Maple</u>	<u>Acer rubrum</u>

24.0 FINE SCHEDULE

The following is a schedule of fines for violations of the established Architectural and Site Design Guidelines. Before most fines are levied, a Compliance Request (See Section 25.0) will be emailed or sent via USPS mail to the responsible party. Select violations (**) are subject to automatic fines, without prior request for compliance. Fines will be added to the cost of any repairs performed by The Association. If the violation is not corrected or disputed within 5-day business days, a Citation (See Section 26.0) will be issued. If not addressed, the fine will be deducted from the builder's construction bond or the property owner's account. If the fine is against the builder, the builder has 15 days to replenish the amount deducted from the construction bond in accordance with Section 3.09 of the Architectural and Site Design Guidelines or be subject to conditions of Article 8.8 of the Covenants.

ARTICLE	VIOLATION	FINE
4.07	Debris on Job Site *	\$500.00
4.07	Job Site Debris on Adjacent Property *	\$500.00
4.07	No Commercial Trash Enclosure *	\$500.00
4.06	No Gravel Drive *	\$500.00
4.07	Dirt/gravel in Road *	\$500.00
4.07	Materials in the Road *	\$500.00
4.06	Construction Equipment or Material on Adjacent Lot *	\$500.00
4.07	Parking Violation *	\$500.00
4.07	Unapproved Trailer/Dumpster *	\$500.00
4.03	No Port-a-john on Site *	\$500.00
4.02	Construction Sign Damaged/Missing *	\$500.00
12.02	Unauthorized Sign *	\$500.00
4.04	Tree Fencing Uninstalled/ Damaged *	\$500.00
4.05	Construction Barricade Uninstalled/Damaged *	\$500.00
6.05	Structure/Impervious Surface Encroaching in Setback *	\$10,000.00
4.01	Construction Deadline Expiration/No Certificate of Compliance **	Forfeit Bond
4.07	Unauthorized Burning **	\$500.00
2.01	Unauthorized Clearing of Lot **	\$10,000.00
4.04	Unauthorized Removal of Trees **	\$1,000.00 per tree
4.11	Unauthorized Revisions/Improvements **	\$1,000.00
4.10	General Nuisance/Misconduct ** ***	\$1,000.00
4.14	Unauthorized Exterior Finishes (e.g., paint, stain, roofing materials or design) **	\$1,000.00
4.06	Erosion into Drain Facility **	\$1,000.00
4.06	Silt fencing Uninstalled/ Damaged **	\$500.00
4.04	Improper Routing of Drainage **	\$500.00
4.04	Damaged Tree: 6" Caliper or Greater **	\$500.00

Initial Fines can be reduced/Waived at the discretion of the Board of Directors.

If it becomes necessary to schedule maintenance or repairs on a job site, the builder will be held responsible for the cost of those actions.

*Above listed fines are the maximum levied for first time violations, they are doubled for future/repeat violations.

**Select violations are subject to automatic fines, without prior request for compliance. Fines will be added to the cost of any repairs performed by The Association.

*** Contractor Hours: 7 am to 7 pm M-F & 8 am to 12 noon on Saturday. Note: Working outside the operations hours will result in a fine.

25.0 COMPLIANCE REQUEST



Compliance Request

Date:	Home site:
Builder:	ARB Representative:

During a general inspection of your property, the following violations were noted:

VIOLATION
☐ Job site debris on site ☐ Job site debris on adjacent property ☐ No commercial trash enclosure ☐ No gravel drives ☐ Dirt/gravel in road ☐ Materials in right-of-way or road ☐ Construction equipment or material on adjacent lot ☐ Parking violation ☐ Unapproved trailer/dumpster ☐ No port-a-john on site ☐ Construction signs damaged, missing ☐ Unauthorized sign ☐ Tree fencing uninstalled/damaged ☐ Construction barricade uninstalled/damaged ☐ Construction deadline expiration/no Certificate of Compliance

Please correct the above listed violations without delay. If not corrected, items listed above will be subject to a fine. If you would like to discuss the above violations, or if they have been corrected, please call:

The Preserve HOA Representative at 833 The Preserve Trail, Chapel Hill, NC 27

26.0 CITATION/VIOLATION



Date:	Home site:
Builder:	ARB Representative:

Citation/Violation:

A violation of the Design Guidelines for The Preserve at Jordan Lake Community Association, Inc. was noted during a property inspection. You have 5 days from the date of this Citation Violation to present a written request for a hearing to the Board of Directors. A fine will be levied against your construction bond according to the schedule listed below unless a request for a hearing is received. If you have any questions, see the HOA Representative at 833 The Preserve Trail, Chapel Hill, NC 27517.

VIOLATION FINES:

• Debris on Job Site *	\$500.00
• Job Site Debris on Adjacent Property *	\$500.00
• No Commercial Trash Enclosure *	\$500.00
• No Gravel Drive *	\$500.00
• Dirt/Gravel in Road *	\$500.00
• Materials in Road *	\$500.00
• Construction Equipment or Material on Adjacent Lot *	\$500.00
• Parking Violation *	\$500.00
• Unapproved Trailer/Dumpster *	\$500.00
• No Port-a-John on Site *	\$500.00
• Construction Sign Damaged or Missing *	\$500.00
• Unauthorized Sign *	\$500.00
• Tree Fencing Uninstalled or Damaged *	\$500.00
• Construction Barricade Uninstalled or Damaged *	\$500.00
• Structure or Impervious Surface encroaching in Setback *	\$10,000.00
• Unauthorized Burning **	\$500.00
• Unauthorized Clearing of Lot **	\$10,000.00
• Unauthorized Removal of Trees **	\$1,000.00 per tree
• Unauthorized Revisions or Improvements **	\$1,000.00
• General Nuisance or Misconduct **	\$1,000.00
• Unauthorized Exterior Finishes ** (paint, stain, roofing materials, or design)	\$1,000.00
• Erosion into Drainage Facility **	\$500.00
• Silt Fencing Uninstalled or Damaged **	\$500.00
• Improper Routing of Drainage **	\$500.00
• Damaged Tree 6" or greater **	\$500.00 per tree
• Construction Deadline Expiration or No Certificate of Compliance**	Forfeit of Construction Bond

*Above listed fines are the maximum levied for first time violations, they are doubled for future/repeat violations.

Initial fines may be reduced or waived at the discretion of the Board of Directors upon correction of the violation.

If it becomes necessary for The Association to schedule maintenance/repairs on a job site, the Builder will also be held responsible for the cost of said actions.

** Select Violations subject to automatic fines, without prior request for compliance.

27.0 ARB Fee Schedule

Preserve at Jordan Lake ARB Fee Schedule Effective July 1, 2025

Prices are subject to change without notice.

Applications and Fees must be paid prior to ARB review.

NEW CONSTRUCTION:

Plan Submittal Fee:	\$4000
Construction Bond:	\$5000
Road Impact Fee:	\$4000

REVISIONS TO EXISTING STRUCTURES:

Initial Fee	\$500
Construction Bond for projects costing \$25,000 or less:	Zero
Construction Bond for projects costing \$25,000-\$50,000	\$500
Construction Bond for projects costing \$50,000 or more:	\$1,000
Road Impact Fee for projects costing \$50,000 or more:	\$1,000

*Each additional hour for ARB Professional Consultant
or site visit \$200/hour

HARDSCAPE/RE-HARDSCAPE:

Pools, stone walls, walkways, water features, tree wells, fences, etc. require adhering to ARB Design Guidelines and require written ARB approval if the material and labor costs are greater than \$500.00.

Hardscape Fee \$500 or more:	\$150
Pools	\$300
Road Impact Fee for projects costing \$5,000 or more:	\$500

*Each additional hour for ARB Professional Consultant or
site visit \$200/hour

LANDSCAPE LIGHTING/OUTDOOR LIGHTING:

Requires adhering to the ARB Design Guidelines and requires written approval.

Fee for \$500 and under:	Zero
Fee for \$500 or more:	\$100
*Each additional hour for ARB Professional Consultant or site visit	\$200/hour

RE-LANDSCAPE:

Requires adhering to the ARB Design Guidelines, including designated sizes and species of trees and shrubs. Requires written approval if over \$500. This requirement pertains to removing, and/or replacing trees and/or shrubs.

Fee for \$500 and under:	Zero
Fee for \$500 or more:	\$150
*Each additional hour for ARB Professional Consultant or site visit	\$200/hour

TREES:

No trees that are more than 6" in diameter and at a point of 2 feet above the ground shall be removed without written consent of the ARB. The ARB may adopt or impose requirements for, or condition of approval of, tree removal upon the replacement of any tree removed. The ARB may request arborists to certify whether the tree is diseased or dead.

Dead Tree removal Fee: (just let the HOA know)	Zero
Removal of Healthy Tree Fee:	\$100/tree
Replacement of Front Yard Tree with approved Species:	Zero
Fine for Removing tree without approval:	\$100/tree

REPAINTING EXTERIORS OF EXISTING HOMES/PROPERTY
FEATURES:

All exterior painting must be applied for and approved by the ARB.

Painting of any existing dwelling or improvement thereon, with a color other than the approved color pallets shall require the written approval of the ARB. See the ARB Design Guidelines for forms and information on exterior painting. Contact HOA Management Company for approved colors:

Property Owners planning to repaint the exterior of existing homes are encouraged to use the approved color pallets.

Fee for Painting the same color:	Zero
Fee for Painting using the approved color pallets:	\$150
Fee for applying to paint a different color:	\$300



HOA Application for New Construction

DATE

HOME SITE (SECTION/LOT):

PROPERTY OWNER:

ADDRESS: _____

CITY, STATE, ZIP: _____

TELEPHONE: _____ FAX: _____

EMAIL ADDRESS: _____

BUILDER:

ADDRESS: _____

CITY, STATE, ZIP: _____

TELEPHONE: _____ FAX: _____

EMAIL ADDRESS: _____

N.C. LICENSE #: _____

ARCHITECT / DESIGNER:

ADDRESS: _____

CITY, STATE, ZIP: _____

TELEPHONE: _____ FAX: _____

EMAIL ADDRESS: _____

APPLICATION CHECKLIST:

Construction documents, material samples, construction deposit, and review fee must be received and approved by the ARB prior to receiving final approval for construction.

CONSTRUCTION DOCUMENTS:

One complete set of construction documents must be submitted to the ARB for review. Refer to Section 5.0 of the Design Guidelines for specific requirements for each document. (NOTE: Landscape plans are at time of dry-in.)

- ☐ Site Plan
- ☐ Building Elevations
- Floor Plan

APPLICATION FEES

Make all Checks payable to: The Preserve at Jordan Lake

Review Fee (\$2,000)

Date Received: _____

Road Impact Fee (\$5,000)

Received by: _____

Check # _____

Construction Bond (\$3,000)

Date Received: _____

Received By: _____

Check# _____

CONSTRUCTION DEPOSIT

In consideration of the approval of this Application for Construction, and prior to beginning construction, the Builder and Property Owner (together, the "Applicant"), must deposit with the Association the amount of three Thousand and No/100 Dollars (\$3,000.00) (the "Construction Deposit"). The purposes of the Construction Deposit are to (i) assure the repair of any damage caused by construction activities, and (ii) assure the procurement of a Certificate of Compliance as set forth in Section 4.3 of the Design Guidelines.

Prohibited activities and fines for damages caused by construction activities of the Applicant are set forth in Section 24.0 of the Design Guidelines. In the event the Applicant accrues any fines during construction activities, and the Applicant does not pay such fines within fifteen (15) days of notice from the Association, Applicant agrees and authorizes, notwithstanding the Association's governing documents, the Association to automatically and without further notice, debit some or all of the Construction Deposit to pay the accrued fines. The Applicant shall then replenish the Construction Deposit within fifteen (15) days after receiving notice of the debit.

Prior to applying for a Certificate of Occupancy from the County's permitting department, Applicant must obtain a Certificate of Compliance or Pending Certificate of Compliance from the ARB as set forth in Section 4.13 of the Design Guidelines. **Failure to obtain a Certificate of Compliance or Pending Certificate of Compliance prior to the receipt of a Certificate of Occupancy shall result in the Applicant's forfeiture of the remaining amount of the Construction Deposit, if any.**

Once the Applicant has completed its construction activities, including landscaping, and received a Certificate of Compliance from the ARB, the remaining Construction Deposit shall be returned to the Applicant. If the Applicant has received a Pending Certificate of Compliance due to landscaping delays as set forth in Section 4.13, the remaining Construction Deposit shall be returned to the Applicant following the ARB's inspection and approval of all landscaping.

Agreement

Applicant further acknowledges, understands, and agrees that:

1. Applicant has read and understands the Covenants and Design Guidelines and will follow and obey said Covenants and Design Guidelines. Failure to comply with the Design Guidelines may result in fines as outlined in the Design Guidelines.

2. Applicant declares that use of the plans submitted does not violate any copyright associated with the plans. Neither the submission of the plans to the ARB, nor the distribution and review of the plans by the ARB shall be construed as publication in violation of the designer's copyright, if any. Applicant agrees to hold the members of the ARB, the Board, and the Association harmless and shall indemnify said parties against any and all damages, liabilities, and expenses incurred in connection with the review process of this application.
3. Applicant is responsible for completing this project as described by the drawings and specifications approved by the ARB.
4. Applicant will maintain a clean construction site at all times and install a job sign, commercial dumpster or trash enclosure and port-a-john in compliance with the Design Guidelines.
5. Applicant is responsible for the conduct of all workers and subcontractors performing services on this project at all times while they are engaged by Applicant.
6. Applicant is responsible for applying for all utilities (including, but not limited to, electricity, water, and natural gas) immediately upon receiving approval for construction. The Association will not be held responsible for construction delays due to the builder/owner's failure to apply for utilities in a timely manner. Furthermore, the Association will not be held liable for the failure of any utility to provide their services to the builder/owner in a timely manner.
7. Applicant acknowledges and agrees to pay the Construction Deposit and understands that any fines it accrues may be automatically deducted from the Construction Deposit without further notice or hearing if Applicant does not pay such fines within fifteen (15) days of notice from the Association.
8. Applicant acknowledges and agrees that it shall obtain a Certificate of Compliance or Pending Certificate of Compliance from the ARB prior to applying for a Certificate of Occupancy from the County's permitting department. Applicant understands that failure to do so will result in automatic forfeiture of the Construction Deposit in its entirety. Applicant acknowledges and agrees that, upon the sale of a property, the Association, the Board, and/or the ARB will not disclose settlement or closing numbers to any closing attorney, buyer, title insurance company, or any other party affiliated with a buyer until we have obtained a Certificate of Compliance from the ARB; provided however, it shall be the Association's policy not to disclose the nature of any pending violation or noncompliance, but to simply state to the closing attorney that the lot has yet to obtain a Certificate of Compliance and no closing numbers will be provided until the Certificate of Compliance is obtained.

APPLICANT HAS CONDUCTED ITS/HIS/HER OWN INDEPENDENT INVESTIGATION OF THE CHARACTER OF THE LOT IN CONNECTION WITH THE PLANS BEING SUBMITTED AND REPRESENTS TO THE ASSOCIATION THAT CONSTRUCTION OF THE IMPROVEMENTS PROPOSED IN THESE PLANS IS BOTH POSSIBLE AND ADVISABLE.

APPLICANT ACKNOWLEDGES THAT THE IMPROVEMENTS PROPOSED IN THESE PLANS TAKE INTO ACCOUNT THE TOPOGRAPHY, SOIL, DRAINAGE, ENCUMBRANCES, AND ALL OTHER LIMITING FACTORS ASSOCIATED WITH THE CHARACTER OF THE LOT. APPLICANT ACKNOWLEDGES THAT BY SUBMITTING THESE PLANS, APPLICANT IS NOT RELYING ON THE ASSOCIATION WITH REGARD TO THE POSSIBILITY OR ADVISABILITY OF CONSTRUCTING THE PROPOSED IMPROVEMENTS UPON HIS/HER/ITS LOT.

Property Owner's Signature

Date

Builder's Signature

Date

ND:4866-0498-5376, v. 1



ARB SUBMITTAL CHECKLIST

NO SUBMITTAL WILL BE REVIEWED UNLESS ALL REQUIRED INFORMATION IS INCLUDED

Mail or drop off your forms and fees to the HOA Representative, 833 The Preserve Trail, Chapel Hill, NC 27517

Builder / Homeowner Name _____ Lot No. _____
Plan Name _____ Date Submitted _____
Street Address _____ Fees attached (if required) _____

Site Plan (8-1/2" x 11" pdf format, 11" x 17" maximum)

- ☐ Existing conditions as noted in the Architectural and Site Design Guidelines, Section 5.0
- ☐ Proposed Site Plan details as noted in the Architectural and Site Design Guidelines, Section 5.0, Site Plan including scale, building setbacks, easements, location of house with dimensions to adjacent property lines, drives and walks, accessory buildings, service areas, grinder pump, clearing limits and tree protection fencing / barricade (if required), erosion control structures and silt fencing (if required), water meter and sewer locations (freehanded on site plan), adjacent lot structures (if required), total impervious area square footage and area as percentage of the site, other site information as required by ARB, etc.

Landscaping Plan (8-1/2" x 11" pdf format, 11" x 17" maximum)

- ☐ Landscaping Plan as noted in the Architectural and Site Design Guidelines, Section 5.0, (May be submitted separately of initial submittal) including the minimum landscaping requirements, plant lists, etc.

Architectural Plans (8-1/2" x 11" pdf format)

- ☐ As noted in the Architectural and Site Design Guidelines, Section 5.0
- ☐ Floor plans of all levels with finish able / heated square footages of each level and total of entire house
- ☐ Front, sides & rear elevations (with material indications) and average roof height.
- ☐ Special details if required (fascia and trim details, porch and deck details / railings, service area, columns, etc.)

Colors and Materials

- ☐ Color Selection Form must be attached (may be submitted separately of the initial submittal) and include all related items as noted in the Architectural and Site Design Guidelines, Section 5.0

Reviewing is only for conformance with The Preserve at Jordan Lake Architectural and Site Design Guidelines. The builder / homeowner is totally responsible for compliance with the Guidelines, Covenants, ordinances, all applicable local, state, and federal building and safety codes, regulations, etc. as required. ARB comments and directives are as noted on attached submittal.

☐ Approved ☐ Approved as Noted ☐ Not Approved as noted ☐ Resubmit

Reviewed By
The Preserve at Jordan Lake ARB Representative

Date



COLOR SELECTION FORM

Drop off or submit via email in pdf format (ARB Review Fee either mailed or submitted in person as relevant to submittal) to the HOA Representative, 833 The Preserve Trail, Chapel Hill, NC 27517

Builder / Homeowner Name _____ Lot No. _____
Plan Name _____ Date Submitted _____
Street Address _____

Color Selection Guidelines

Recommended siding and trim color schemes have been prepared by the ARB and are available for customer selection. Note these recommended color schemes are only for use as a guideline and other paint manufacturers of course may be used. Exterior material colors must be selected and submitted to The Preserve at Jordan Lake Architectural Review Board (ARB) for review and approval prior to finishing and painting the exterior of the house. In case of conflict with existing homes, another color choice may be required for ARB review and approval. Review adjacent house colors for color coordination and prevention of color duplication prior to submittal. Color and material samples of unfamiliar proposed manufacturers and materials may be required for an on-site review prior to final ARB review and approval. Colors should be submitted with the original house submittal to best assure your first-choice selection and color selection approval is based on a first come first-serve basis.

Brick _____ Stone _____
Siding _____ Trim _____
Front Door _____ Garage Door _____
Windows _____ Shutters _____
Roof (main roof area) _____ Roof (metal roof areas) _____
Other (Shakes, accent areas, fencing, accessory buildings, etc.) _____

Reviewing is only for conformance with The Preserve at Jordan Lake Architectural and Site Design Guidelines. The builder / homeowner is totally responsible for compliance with the Guidelines, Covenants, ordinances, all applicable local, state, and federal building and safety codes, regulations, etc. as required. ARB comments and directives are as noted on attached submittal.

☐ Approved ☐ Approved as Noted ☐ Not Approved as noted ☐ Resubmit

Reviewed By _____
The Preserve at Jordan Lake ARB Representative

Date _____



ARB ALTERATIONS AND ADDITIONS SUBMITTAL CHECKLIST

NO SUBMITTAL WILL BE REVIEWED UNLESS ALL INFORMATION IS INCLUDED

Drop off or submit to the HOA Representative, 833 The Preserve Trail, Chapel Hill, NC 27517

Homeowner Name _____ Date Submitted _____
Street Address _____ Lot No. _____
Telephone Numbers – Home / work _____ Fees Attached (if required) _____
Builder/Landscaper Name _____ Phone # _____
Builder/Landscaper Email in case of questions _____

Site Plan as required for proposed improvements (8-1/2" x 11" pdf format, 11" x 17" maximum)

- ☐ Existing conditions as noted in the Architectural and Site Design Guidelines, Section 5.0 (Original house Site Plan should be used and is recommended rather than duplicate information.)
- ☐ Proposed Improvements Site Plan and details as noted in the Architectural and Site Design Guidelines, Section 5.0. Site Plan and as needed to convey the extent of the proposed improvements including as needed the scale, setbacks, easements, location of addition(s) with dimensions to adjacent property lines, drives and walks, accessory buildings, clearing limits, total impervious area square footage and area as percentage of the site, other site information as required, etc.

Landscaping Plan as required for proposed improvements (8-1/2" x 11" pdf format, 11" x 17" maximum)

- ☐ Landscaping Plan as noted in the Architectural and Site Design Guidelines, Section 5.0 including plant lists, etc.

Architectural Plans as required for proposed improvements (8-1/2" x 11" pdf format)

- ☐ As noted in the Architectural and Site Design Guidelines, Section 5.0 and as follows (Original house submittal should be used and is recommended including proposed improvements.)
- ☐ Floor plans of proposed addition(s) including SF of addition(s) and total SF of house
- ☐ Front, sides & rear elevations of proposed addition(s) with material indications to match existing house, average roof heights (if different than original existing house) and any special exterior details.

Colors and Materials

- ☐ Color Selection Form must be attached and include all related items as noted in the Architectural and Site Design Guidelines, Section 5.0 (Note any addition(s) shall match existing house colors and details.)

Neighbor Notification

- ☐ Communicate proposed site / house improvements and scheduling with adjacent neighbors. Note this is for information notification only and not for neighbor's review and approval.

Reviewing is only for conformance with The Preserve at Jordan Lake Architectural and Site Design Guidelines. The builder / homeowner is totally responsible for compliance with the Guidelines, Covenants, ordinances, all applicable local, state, and federal building and safety codes, regulations, etc. as required. ARB comments and directives are as noted on attached submittal.

☐ Approved ☐ Approved as Noted ☐ Not Approved as noted ☐ Resubmit

Reviewed By
The Preserve at Jordan Lake ARB Representative

Date



VARIANCE FORM

Drop off or submit via email in PDF format (ARB Review Fee either mailed or submitted in person as relevant to submittal) to the HOA Representative, 833 The Preserve Trail, Chapel Hill, NC 27517

Builder / Homeowner Name _____ Lot No. _____
Street Address _____ Date Submitted _____

The ARB decides whether a variance is to be granted or denied based on the requirements set out in the Architectural and Site Design Guidelines and careful consideration of the merits of the individual request. The Owner hereby makes application to The Association / ARB for the following variance. Note: For any variance, include description of encroaching structures, number of feet in existing setback, and amount of intrusion expressed both in feet and inches or feet to tenths and as a percentage of existing setback, etc. and all related graphic information (site plan, floor plans, elevations, etc.) as required to best communicate and describe proposed variance.

The variance requested is described in detail as follows:

The reasons for the request are:

The impacts of the request on the neighbors and/or development are:

Affected Contiguous Properties/Owners:

Estimated Date of Construction:

Estimated Completion Date:

Builder, Homeowner or Authorized Agent

Date

Reviewing is only for conformance with The Preserve at Jordan Lake Architectural and Site Design Guidelines. The builder / homeowner is totally responsible for compliance with the Guidelines, Covenants, ordinances, all applicable local, state, and federal building and safety codes, regulations, etc. as required. ARB comments and directives are as noted on attached submittal.

☐ Approved ☐ Approved as Noted ☐ Not Approved as noted ☐ Resubmit

Reviewed By
The Preserve at Jordan Lake ARB Representative

Date



FINAL CONSTRUCTION INSPECTION REVIEW APPLICATION AND CHECKLIST

NO SUBMITTAL WILL BE REVIEWED UNLESS ALL REQUIRED INFORMATION IS COMPLETED

Builder / Owner Name _____ Lot No. _____
Plan Name _____ Date Submitted _____
Street Address _____ Tele. No. _____

Schedule the Final Construction Inspection Review a minimum of two weeks prior to completion of construction for proper The Preserve at Jordan Lake ARB scheduling and confirmation that all construction and requirements noted below are completed. Provide a copy of the final site plan, floor plans and elevations (if differing from initial ARB submittal approval / for reference only) and a final impervious square footage survey and attach to this form.

- ☐ Structure(s) completed including decks, patios, storage buildings, dog houses, etc.
- ☐ Site features completed including driveways, sidewalks, fences, retaining walls, gazebos, pools, etc.
- ☐ Impervious area square footage verification per previous reviews / approvals.
- ☐ Landscaping finally completed (or provide bond for completion at a later date).
- ☐ Utilities completed including meters.
- ☐ Energy Program Standards Requirements completed (if required).
- ☐ Exterior colors and finishes completed.
- ☐ Chatham County Certificate of Occupancy.

OWNER CERTIFICATION

I have reviewed and verified that this Application and Checklist (including required documentation attachments) is complete and submitted for The Preserve at Jordan Lake Final Construction Inspection Review and agree to all conditions as set forth in the Architectural and Site Design Guidelines.

Signature of Property Owner _____ Date _____

The Preserve at Jordan Lake ARB has reviewed the Application with the following decisions and comments and is only for conformance with the Architectural and Site Design Guidelines. The Owner / Builder is responsible for compliance with the Guidelines, state and local codes, regulations, ordinances, etc.

- ☐ Approved (Certificate of Compliance attached.)
- ☐ Approved as Noted (See attached comments for completion and ARB review and approval prior to occupying the property and receiving the Certificate of Compliance.)
- ☐ Not Approved / Re-Submit (See attached comments for completion and ARB review and approval prior to occupying the property and receiving the Certificate of Compliance.)

ARB Representative _____ Date _____

This Application is valid for six (6) months from the ARB review date as noted above.



CERTIFICATE OF COMPLIANCE

Builder / Owner Name _____

Street Address _____

Tele. No. _____

The Preserve at Jordan Lake ARB, Owner and Builder have completed the Final Construction Inspection Review and hereby certifies the building and site improvements as initially reviewed and approved noted to be in compliance with the Architectural and Site Design Guidelines as basically an aesthetically review and approval. It remains to be the owner / builder total responsibility to meet including but not limited to all other governing agencies, state and local codes, regulations, ordinances, requirements, etc.

OWNER CERTIFICATION

I have reviewed and verified that the Final Inspection Review and all construction is complete and submitted for The Preserve at Jordan Lake Certificate of Compliance certification and agree to all conditions as set forth in the Architectural and Site Design Guidelines. I also understand my total responsibility to meet including but not limited to all other governing agencies, state and local codes, regulations, ordinances, requirements, etc.

Signature of Property Owner _____ Date _____

The Preserve at Jordan Lake ARB has reviewed the Application with the following decisions and comments and is only for conformance with the Architectural and Site Design Guidelines. The Owner / Builder is responsible for including but not limited to compliance with the Guidelines, state and local codes, regulations, ordinances, requirements, etc.

- ☐ Approved
- ☐ Approved as Noted / Re-Submit (See attached comments for completion and ARB review and approval prior to occupying the property and receiving the Certificate of Compliance.)

ARB Representative _____ Date _____

This Application is valid for six (6) months from the ARB review date as noted above.



ARB LANDSCAPE SUBMITTAL CHECKLIST

NO SUBMITTAL WILL BE REVIEWED UNLESS ALL REQUIRED INFORMATION IS INCLUDED

Submit in PDF format (ARB Review Fee either mailed or submitted in person as relevant to submittal) to the HOA Representative, 833 The Preserve Trail, Chapel Hill, NC 27517

Builder Name _____ Lot No. _____
Email address _____ Phone # _____
Plan Name _____ Date Submitted _____
Street Address _____
Homeowner Name _____ Phone # _____

Section 5.0 #5

Landscape Plan (Either electronically on PDF file or minimum 11" x 17" hard copy)

- ☐ Graphic / Written Scale and North Arrow
- ☐ Property Lines, Setbacks, and easements
- ☐ Building Footprints (Include windows, doors, etc. if required)
- ☐ Utility Locations (include HVAC etc.)
- ☐ Lot Area (for plant % calculations)
- ☐ Driveways, Decks, Patios, Walkways, Hard scape details, Landscape Lights, etc.
- ☐ Fencing and retaining walls (if proposed include material, color, style, details, and images)
- ☐ Site Photos (if required for an overall understanding and view of the entire site)
- ☐ ISA Calculations

Plant Layout Section

- ☐ Show % of Turf Area for plan _____%
- ☐ Street Trees Plan
- ☐ Follow General Landscape Principles (Refer to the Guidelines)

Plant Species Section

- ☐ Show % of native plant species _____%
- ☐ Meet Minimum plant sizes as specified in the Guidelines
- ☐ Plants pass Invasive Species test for North Carolina
(Consult NC Native Plant Society - <http://www.ncwildflower.org/invasives/list.html>)
- ☐ True Arch and Tangent points for Curvilinear layouts
- ☐ True Parallel, Perpendicular, and 90-degree angles for Linear layouts
- ☐ Type of Mulch Provided (_____) Hardwood mulch preferred.
- ☐ Entire Perimeter and Foundation Planted

ARB Landscape Submittal Checklist Page 2

Tree Preservation

- ☐ Tree Survey
- ☐ Tree Protection Plan
- ☐ Street Tree Planting, Section 23.0

Drainage Section

- ☐ Drainage Issues will be reviewed on a per lot basis (as determined by the ARB Landscape Representative). Site photos (as mentioned above) should provide a thorough understanding of each lot, which will allow an informed decision on what drainage measures need to be taken.

Irrigation Systems

- ☐ Irrigation Plan

ARB Landscape Representative Comments:

INSPECTION NOTICE: Random Inspections may take place at any time after Landscape Approval is given and installation begins. Inspections will be handled by the ARB Landscape Representative and / or The Preserve at Jordan Lake HOA Representatives. Inspection comments and reports will be completed by the ARB Landscape Representative and submitted to the Builder, ARB, and The Preserve at Jordan Lake HOA Representatives for record.

Reviewing is only for conformance with The Preserve at Jordan Lake Guidelines. The builder / owner is responsible for compliance with The Preserve at Jordan Lake Guidelines, Covenants, local and other ordinances and other applicable codes, regulations, etc. Location of applicable utility lines is strongly encouraged and may be required based on specific landscaping requirements. Refer to the Guidelines for all details and requirements. Any damage to common areas, sidewalks, irrigation systems, easements, etc. is the total responsibility of the builder / owner. ARB comments are as attached and noted on submittal.

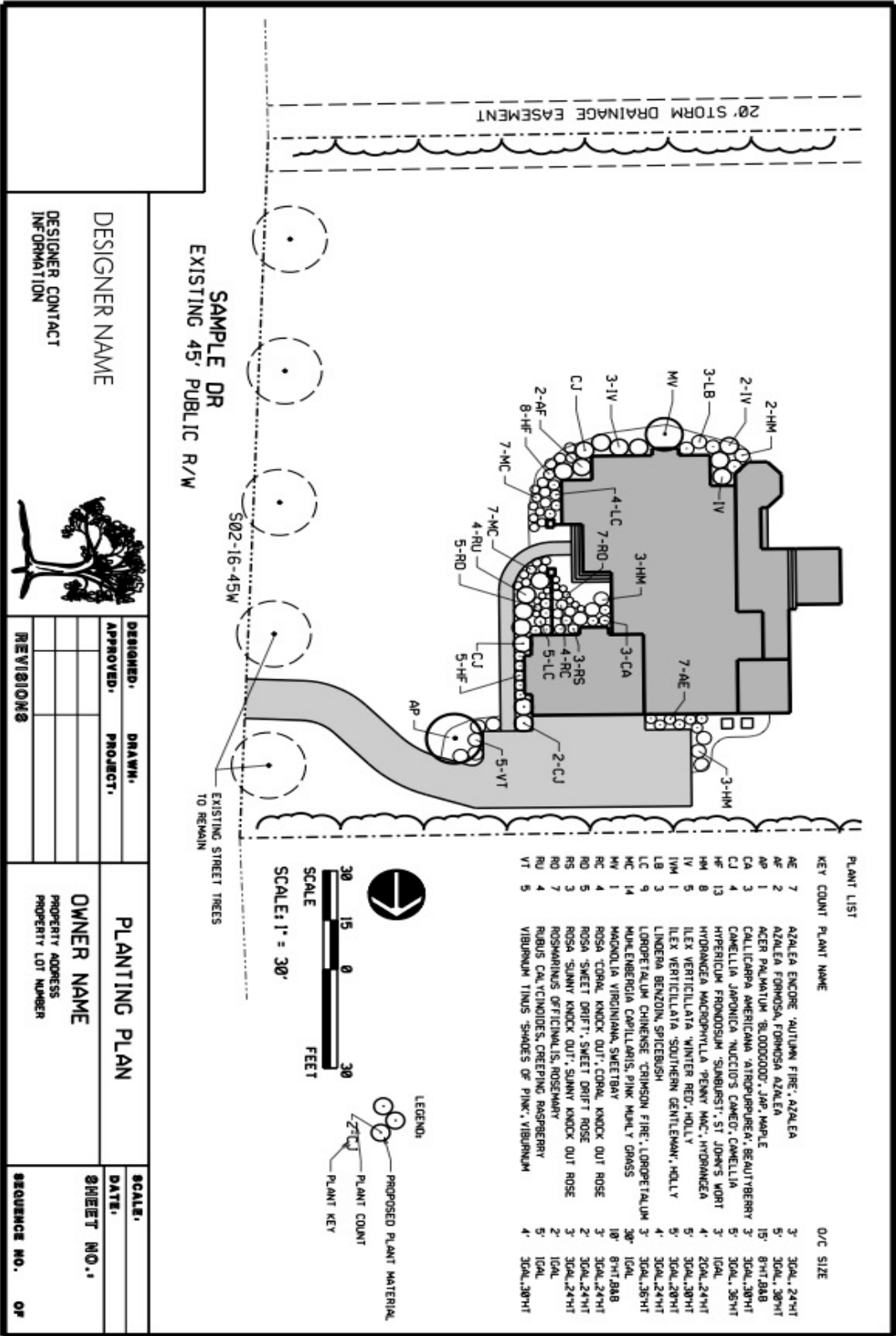
- ☐ Approved
- ☐ Approved as Noted
- ☐ Not Approved
- ☐ Resubmit

Reviewed By
The Preserve at Jordan Lake ARB Landscape Representative

Date

Landscape Plan Example: **Note 11.2: Plants must be a minimum of 3-gallon size**

NOTE - PROVIDE THE FOLLOWING
PLAN TO SCALE WITH SCALE BAR AND NORTH ARROW PROVIDED
PLANT MATERIAL SHOWN TO SCALE WITH THE O/C SPACING
PLANT LIST TO INCLUDE THE PLANT KEY, COMMON AND SCIENTIFIC PLANT NAMES, O/C SPACING AND SIZE OF MATERIAL AT PLANTING
DESIGNER NAME AND CONTACT INFORMATION
OWNER NAME, LOT ADDRESS AND LOT NUMBER





Grinder Pump Installation Check List – Before Installation & Grinder Pump Start Up

Please contact Aqua of North Carolina for any questions pertaining to the grinder pump.

Plumbing installed and lines from house foundation to stub out marked. Building inspectors in some locations are requiring a clean out (wye coupling) between foundation and grinder pump. Please have your plumber install.

Distance from stub out to grinder pump location must be less than 10 feet. Wire connected to pump is only 10 feet.

Grinder pump tank should be at waterproof line on foundation of house.

Contractor's electrician is responsible for wiring the panel to the house according to the required specifications for the grinder pump model being installed.

Connection charge includes 150 feet of pipe. If more is needed there will be an additional charge.

If power and gas have been installed, please have utilities located and marked.

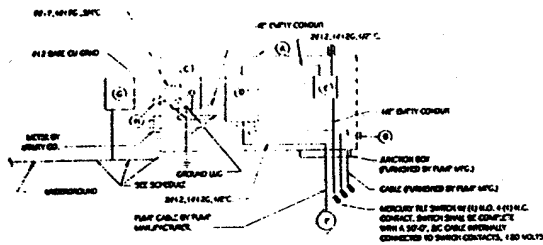
If possible, have grinder pump installed before driveway is completed, if not please install 4-inch pipe under driveway.

Please remove all building material/trash from sewer lines and stub out. Contractor needs easy access to install.

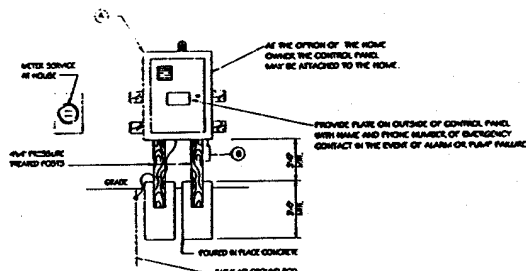
The cost for the grinder pump installation includes setting the grinder, the alarm box and running 150 linear feet from the sewer tap. If special equipment is necessary due to geographic location, you will be responsible for any additional installation fees.

Signature _____ Date _____

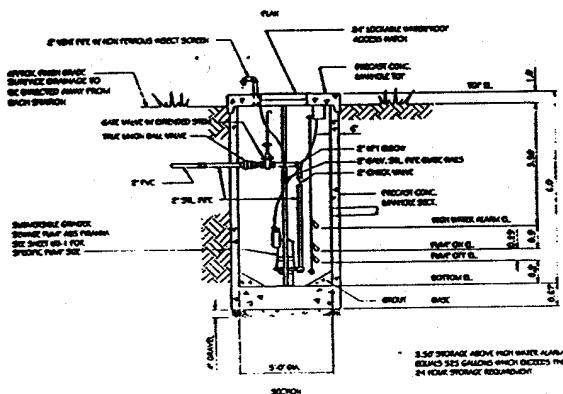
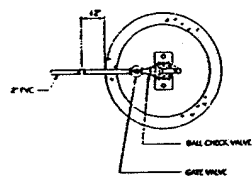
GRINDER PUMP SPECIFICATIONS / DETAILS



POWER RISER DETAIL
NOT TO SCALE



ENCLOSURE DETAIL
NOT TO SCALE



GRINDER PUMP STATION

PUMP SERVICE LINE AND TANK

1. PAVEMENT SHALL BE 100 PERCENT CONCRETE.
NO WEARFARE OF A.C. PRODUCTS OR ATTACHED GRAD.
2. PVC FIVE (5) FEET SHALL BE FIBERGLASS GLASS 100 PER CENT ASPH 92+1
NO IMPURITIES OR FILL MATERIAL. FIBERGLASS SHALL BE SOLVENT WELD JOINTS NOT
CONFORMING TO ASPH PRACTICE AND ASPH 92+1
3. GRADATION SHALL BE MADE OF PVC SUBGRADE.
4. PVC FIVE (5) FEET SHALL BE SOLVENT WELD

PUMPS CONTROL INFORMATION:

- [illegible]

TESTING:

1. CONTRACT, FINAL REVIEW OF PLANT DESIGN SHALL BE MADE AFTER EACH COMPLETION. 1 CONTRACT SHALL VERIFY THE DESIGN AND CONSTRUCTION ADEQUACY OF THE PLANT DESIGN FROM THE DESIGN.
2. PLANNING, THE CONTRACTOR SHALL PROVIDE SUFFICIENT WHITE TO AVOID THE MISUNDERSTANDING OF THE PLANNING PHASE AND A NEW SCHEDULE TO THE SCHEDULE OF THE DESIGN AND CONSTRUCTION.
3. PLANT DESIGN, SHALL BE REVIEWED FOR PLANNING PHASE. PLANNING SHALL BE REVIEWED TO THE COMPLETION OF THE DESIGN. PLANNING SHALL BE REVIEWED TO THE TOP OF THE PLANNING AND DESIGN PHASE AND REVIEWED FOR A REVIEW. IF REVIEWED, REVIEW SHALL BE REVIEWED FOR DESIGN PHASE AND REVIEWED FOR DESIGN PHASE. REVIEW SHALL BE REVIEWED FOR DESIGN PHASE AND REVIEWED FOR DESIGN PHASE. REVIEW SHALL BE REVIEWED FOR DESIGN PHASE AND REVIEWED FOR DESIGN PHASE.

ELECTRICAL NOTES

- A. REPAIR - RE-CHARGE, RECHARGE AND REPAIR "TODAY".
- B. SIMPLE COMMERCIAL RECHARGE, BROWSE "PLA" ATTACHED, SHOWER FROM COVER.
- C. SIMPLE TUNING SWITCH - 2 POS. - "JOLLY" "TODAY".
- D. RECHARGE, POWER, PURCHASED BY "PLA" "MAY" "TODAY".
- E. ADJUST - "MAY" RECHARGE, ADJUST "MAY" "TODAY".
- F. ALL RECHARGE, RECHARGE BY "PLA" "MAY" "TODAY".
- G. RECHARGE, RECHARGE, RECHARGE "TODAY", "TODAY" "MAY".
- H. SIMPLE COMMERCIAL SWITCH FOR "MAY" RECHARGE "TODAY" "TODAY".

PUMP SCHEDULE										
PUMP TYPE	HP	VOLTAGE	PHASE	FULL LOAD AMPS	OUTLET	CIRCUIT BREAKER, AT MAIN PANEL CONTROL PANEL	WIRING FROM MAIN PANEL TO PUMP CONTROL PANEL	DOCKAGE	TOTAL DYNAMIC HEAD	
A	TEPANA 340GV	2.1	230	SINGLE	9.2 AMPS	1 1/2" IN	30 AMP	(2) 1/2" TYPH (1) 1/4" TYPH (SIGNAL) (1) 1/4" TYPH (GROUND)	40 GPM 35 GPM	65 FT 57 FT
B	TEPANA 360GV	3.5	230	SINGLE	13.7 AMPS	1 1/2" IN	40 AMP	(2) 1/2" TYPH (1) 1/4" TYPH (SIGNAL) (1) 1/4" TYPH (GROUND)	40 GPM 35 GPM	130 FT 80 FT
C	TEPANA 360GV	6.2	230	SINGLE	26.0 AMPS	1 1/2" IN	60 AMP	(2) 1/2" TYPH (1) 1/4" TYPH (SIGNAL) (1) 1/4" TYPH (GROUND)	40 GPM 35 GPM	147 FT 130 FT



The Preserve at Jordan Lake Mailbox Order Form

Customer: _____

Lot #: _____ Address: _____

Billing Address: _____

(if different from above) _____

Home Phone: _____ Work: _____

Cell: _____ Email: _____

Post Type: Imperial 310R-6 Cast Aluminum System with Well Medallions

Please check one:

_____ \$443.01 FOR DELIVERY ONLY _____ \$491.05 WITH INSTALLATION

PLEASE CALL THE OFFICE TO PAY WITH VISA/MASTERCARD

OR

Make check payable to: **StreetScapes & WindowWorks**

5723-Q Country Club Rd.

Winston Salem, NC 27104

Delivery/Installation Date Requested: _____

****PLEASE ALLOW 2 WEEKS FOR DELIVERY OR INSTALLATION****

Customer does not have to be present

Special Instructions for Delivery/Installation: _____

Office: 336-946-2164

Fax: 336-946-0289

Email: blevco66@gmail.com

Website: www.sswwnc.com

911 House/Unit/Mobile Home Numbering

The owner of any house, building, mobile home, apartment or condominium complex shall be required to post the assigned number (including any letters) in an approved area on the property according to the following requirements:

(A) The minimum height of the number (s) placed on a house, building, mobile home lot/site, or unit shall not be less than four (4) inches; however, the building number of an apartment, townhouse, or condominium complex also shall not be less than four (4) inches high, and shall be placed either in the approximate center of the building or on the street end of the building so that it is clearly visible from either the public or private street from which it is addressed.

(B) Numbers and letters of the assigned address shall be displayed in Arabic numerals and letters – not in script. (See the illustration for the address 123 – B)

1 2 3 - B == Correct

One Hundred Twenty-Three - B == Not Correct

(C) In the event a building is not visible for one hundred (100) feet from the public street or road on which it is addressed, or the lot on which the building is located is landscaped in such a manner that the numbers cannot be seen from the public street or road, the assigned building number shall also be posted on the property within a ten (10) foot perimeter of the entrance or driveway whereby the number is visible and readable from either direction of travel from the street or road on which it is addressed.

(D) A sign to give the street address of a mobile home park shall be erected and displayed at the entrance of the mobile home park. Individual homes within the park shall be marked in a uniform manner by placement at or near the individual home on pedestal or post (not less than three (3) feet nor higher than five (5) feet above ground level) containing the assigned number of the individual mobile home. **Under Chatham County Ordinances, "A mobile home park is any plot of ground or plots of ground, usually under single ownership, which has been planned and/or improved for the placement of more than three (3) mobile homes for dwelling and/or sleeping purposes."

(E) The color of the number (s) placed on a structure or pedestal shall be in contrast to the color scheme of the house, building, mobile home, or pedestal, so that the number is clearly visible and shall be maintained in a clearly visible manner.

County of Chatham

Assigned 911 House/Unit/Mobile Home Address

Name of Owner/Occupant _____

Tax Parcel # _____ *(Please get # from GIS/Tax Department)*

911 Address Number (s) _____

Your Street Name is _____

Date: _____

The Owner shall post the assigned number (s) at all times as required according to standards listed on the back of this sheet. Building numbers shall not be obstructed from view by shrubs or vegetation as viewed from the public or private street from which the building is addressed.

Violation of the numbering ordinance is a misdemeanor under GS 14-4. After the owner has been notified, each day that the violation continues shall be a separate violation of the Ordinance.

Ordinance adopted: August 16, 1993.

**** Post address on lot as soon as building permit is issued!**
A Certificate of Occupancy shall not be issued until the assigned number is posted in full compliance with requirements on back .

(To request address review, call (919) 542-2811, ext. 263)

911 House #.doc Rev-4-5-2000

Preserve at Jordan Lake

ARB Contact

Direct all inquiries to:

Donna Gorman, On-Site Assistant Manager

Donna@omegamgmt.com

919-459-5793

Lauren Vance – Off-Site Community Manager

Lauren@omegamgmt.com

919-461-0102

Applications can be dropped off or mailed to:

The Preserve at Jordan Lake Community Association
833 The Preserve Trail
Chapel Hill, NC 27517

The Preserve at Jordan Lake Swimming Pool Rules

The following rules are established for the use of the swimming pool and surrounding areas (the “pool”) owned and operated by the Preserve at Jordan Lake Community Association, Inc. (the “Association”). Please note that swimming and other use of the pool is at the user's own risk. The Association’s pool is a non-lifeguarded facility. The Association, its members, board and committee members, and management company assume no responsibility for loss or damage to personal property or any accident, injury, or illness that occurs in or around the pool.

1. Admission Eligibility:

- a. Admission by key access is only permitted for residents (including renters) who have signed and have a waiver on file. Without waiver, you can only use pool during normal operation when pool attendants are on duty.
- b. All guest must sign a guest waiver and Donna will put waiver on file. See Donna or pool attendants for waiver.
- c. Admittance is only permitted for residents in good standing.
- d. No guests are allowed in the pool facility without accompanying property owners or lessee. Residents are fully responsible for any guest they invite to use the pool.
- e. No minor under the age of 14 is allowed in the pool facility without a parent or guardian present.
- f. Renters residing in the community must have permission of the owner to utilize the amenities. Such permission must be on file with the Association's management company.
- g. No person under the influence of alcohol or drugs is permitted in the pool.
- h. No children are allowed to access the pool during the times the pool is reserved for adult only use.

2. Pool Attendant Duties/Job Description:

- a. At all times when persons are present in the pool, the pool attendant must focus attention on the activities in the pool. The pool attendant must not engage in any distracting activities (including but not limited to use of electronic devices, reading, hosting friends).
- b. The pool attendant will check in and maintain a log of all pool attendees.
- c. The pool attendant will ensure that all capacity, conduct, and safety rules are being followed
- d. The pool attendant will check restrooms for cleanliness and supplies
- e. The pool attendant has the authority to call law enforcement in the event an attendee fails to follow the rules. The attendant also has the authority to clear the pool in case of threatening weather and is required by law to do so. Failure to comply with the pool rules or the instructions of the pool attendant may result in law enforcement being contacted, suspension of pool privileges, and/or fines.

3. Rules of Conduct

- a. Use of the pool is allowed only during the times and days as set by the Board of Directors as communicated to users through announcements in the Preserve Prospective, the pool notice board, and/or by other means.
- b. Children under the age of 14 must be monitored by an adult at all times
- c. All toddlers and all incontinent persons must wear swim diapers and plastic-lined swim pants.
- d. Bathing suits must be worn in the pool. Cut-offs, street clothes, and inappropriate swimwear are not allowed in the pool.
- e. Children's water safety devices are permitted - Water wings, water vest, or small round floats.
- f. All other toys, sports equipment, devices, throw toys, etc. are not permitted anywhere in the facility.
- g. No horseplay in the pool area, such as: running, pushing, jumping in the pool onto others, dunking, wrestling, or holding others under water is permitted. No sitting on, standing on, or tampering with the swim lane and safety ropes, playing in the skimmers, or removing the skimmer lids is permitted.
- h. No pool furniture is to be placed in the water.
- i. No sitting on the pool staircase is permitted.
- j. Diving is NOT permitted.
- k. No pets, bicycles, skateboards, rollerblades, or skates are allowed in the pool area.
- l. No glass is permitted in the pool area.
- m. Users will exercise only to the extent of their capabilities taking into account their medical and other limitations.

**ARTICLES OF INCORPORATION
OF**

203009037 **THE PRESERVE AT JORDAN LAKE COMMUNITY ASSOCIATION, INC.**

Pursuant to §55A-2-02 of the General Statutes of North Carolina, the undersigned does hereby submit these Articles of Incorporation for the purpose of forming a nonprofit corporation under the Nonprofit Corporation Act.

ARTICLE I

The name of the corporation shall be The Preserve at Jordan Lake Community Association, Inc.

ARTICLE II

The Association does not contemplate a pecuniary gain or profit to the members thereof. The specific purposes for which the Association is formed are: (1) to own and maintain the Common Area within the subdivision known as The Preserve at Jordan Lake; (2) to provide for architectural control within The Preserve at Jordan Lake subdivision; and any additions thereto as may hereafter be brought within the jurisdiction of the Association, and for these purposes to:

(a) exercise all of the powers and privileges and to perform all duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions for The Preserve at Jordan Lake, to be recorded in the Chatham County Public Registry, as the same may from time to time be amended as provided therein, said Declaration and any amendments thereto (hereinafter individually and collectively referred to as "Declaration") being incorporated herein as if set forth at length;

(b) fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration;

(c) pay all expenses incurred in connection with collection of the charges and assessments set forth in subparagraph (b) above, and to pay all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against property owned by the Association;

(d) acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association; provided, however, that all conveyances and transfers of Common Areas must be done in accordance with any code of ordinance;

(e) borrow money and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the property rights of the members as provided in the Declaration;

(f) dedicate, sell or transfer all or any part of the Common Area;

(g) participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any merger or consolidation shall have the consent of the members as provided in paragraph (f) above; and

(h) have and to exercise any and all powers, rights, and privileges which a corporation organized under the North Carolina Nonprofit Corporation Act by law may now or hereinafter have or exercise.

ARTICLE III

Members.

(a) The Association shall have three classes of membership, Class "A", Class "B" and Class "C".

(b) The Class "A" Members shall be all Owners, except the Class "B" Member, if any. The Owner of each Unit shall be a Class "A" Member of the Association and shall be entitled to vote in accordance with the terms of the Declaration and the By-Laws. Class "A" membership is appurtenant to, and inseparable from, ownership of a Unit. Change of membership for Class "A" Members of the Association shall be established by recording in the Public Records a deed or other instrument establishing record title to real property subject to the Declaration. Upon such recordation, the owner designated by such instrument shall become a Class "A" Member of the Association and the membership of the prior owner shall be terminated. The share of a Class "A" Member in the privileges, rights and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance of such Member's Unit.

(c) The Class "B" Member shall be the Declarant. The Class "B" Member's rights are specified in the Declaration and By-Laws.

(d) Class "C" Members shall be those owners or operators of any portion of the Adjacent Properties, including but not limited to any Private Amenities, that have entered into an agreement with the Association for the Association to provide sewerage treatment services to such owner's or operator's portion of the Adjacent Properties.

(e) The manner of exercising voting rights for each class of membership shall be as set forth in the Declaration and in the By-Laws of the Association.

ARTICLE IV

The street address and county of the principal office of the corporation is 72 Hillsboro Street, Suite 101, Pittsboro, Chatham County, NC 27312.

ARTICLE V

The street address and county of the initial registered office of the corporation in North Carolina is 3737 Glenwood Avenue, Suite 400, Wake County, Raleigh, North Carolina 27612.

The name of the initial registered agent at the address of the registered office is Jeffrey A. Benson.

ARTICLE VI

The powers of the corporation shall be exercised by a Board of Directors of not less than three (3) persons. The number, method of election, qualifications, term of office, powers, authority, and duties of the directors, the time and place of their meetings, and such other provisions with respect to them as are not inconsistent with the expressed provisions of these Articles shall be as specified in the Bylaws.

ARTICLE VII

The number of directors constituting the initial Board of Directors shall be three (3), and the names and addresses of the initial directors who are to act as directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
J. David Edwards	451 River House Road Bolivia, NC 28422
R. Thomas Powers	2255 Cumberland Parkway, Suite 200A Atlanta, GA 30335
Daniel C. Koscher	4960 Blue Lake Drive Boca Raton, FL 33431

ARTICLE VIII

No director shall have personal liability arising out of an action whether by or in the right of the corporation or otherwise for monetary damages for breach of any duty as a director; provided, however, that the foregoing shall not limit or eliminate the personal liability of a director with respect to (i) any acts or omissions that the director at the time of the breach knew or believed were clearly in conflict with the best interests of the Corporation, (ii) any liability of such director arising under sections 55A-8-32 or 55A-8-33 of the General Statutes of North Carolina in connection with any loan, guaranty or other form of security made or provided by the Corporation to or for the benefit of any of the directors or officers of the Corporation, other than loans, guaranties or other forms of security made to full-time employees of the Corporation who are also directors or officers of the Corporation by action of the board of directors in accordance with the provisions of section 55A-8-31(a)(1) of the General Statutes of North Carolina, (iii) any transaction from which such director derived an improper personal financial benefit (other than reasonable compensation or other reasonable incidental benefit for or on account of such director's services as a director, trustee, officer, employee, independent contractor, attorney or consultant of the corporation), or (iv) any acts or omissions occurring prior to the effectiveness of this Article.

Furthermore notwithstanding the foregoing provisions, in the event that Section 55A-2-02 or any other provision of the North Carolina General Statutes is amended or enacted to permit further limitation or elimination of the personal liability of the director, the personal liability of the corporation's directors shall be limited or eliminated to the fullest extent permitted by the applicable law.

This Article shall not affect a provision permitted under the North Carolina General Statutes in the articles of incorporation, bylaws, or contract or resolution of the corporation indemnifying or agreeing to indemnify a director against personal liability. Any repeal or modification of this Article shall not adversely affect any limitation hereunder on the personal liability of the director with respect to acts or omissions occurring prior to such repeal or modification.

ARTICLE IX

Dissolution. The Association may be dissolved only upon a resolution duly adopted by the Board of Directors and the approval of Members representing at least 2/3 of the Class "A" votes in the Association and the written consent of the Declarant, so long as the Declarant owns any portion of the Properties or any Private Amenity or has the right to annex property pursuant to Section 7.1 of the Declaration. Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provisions for the payment of all of the liabilities and obligations of the corporation, dispose of all of the assets of the corporation (if any) as follows:

(a) Assets held by the corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements; and

(b) All other assets shall be distributed as provided in the plan of dissolution.

ARTICLE X

These Articles of Incorporation may be amended by a resolution duly adopted by the Board of Directors and the approval of Members representing at least 2/3 of the Class "A" votes in the Association and the written consent of the Declarant during the Development Period; provided, no amendment may be in conflict with the Declaration. No Class "C" Member shall be entitled to vote on any amendment to these Articles. No Members shall be entitled to vote on any amendment to these Articles which is for the sole purpose of complying with the requirements of any governmental or quasi governmental entity or institutional lender authorized to fund, insure or guarantee Mortgages on individual Units, as such requirements may exist from time to time. Further, no amendment shall be effective to impair or dilute any rights of Members that are governed by such Declaration.

ARTICLE XI

The name and address of the incorporator is Jeffrey A. Benson, 3737 Glenwood Avenue, Suite 400, Raleigh, NC 27612.

This the 25 day of October, 2000.


Jeffrey A. Benson, Incorporator

E-RECORDED

simplifile

ID: 08674
County: Chatham
Date: 10-2-2023 Time: 11:19am
BOOK 2383 Page 866

**AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR THE PRESERVE AT JORDAN LAKE**

STATE OF NORTH CAROLINA
COUNTY OF CHATHAM

THIS AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR THE PRESERVE AT JORDAN LAKE ("Amendment") is made
this 31st day of August, 2023, by The Preserve at Jordan Lake Community Association, Inc., a
North Carolina nonprofit corporation (the "Association").

RECITALS:

WHEREAS, Jordan Lake Preserve Corporation, a North Carolina corporation
("Declarant") caused to be recorded the Declaration of Covenants, Conditions, and Restrictions
for The Preserve at Jordan Lake in Book 842, at Page 936 in the office of the Register of Deeds
of Chatham County, North Carolina (said document as amended and supplemented is referred to
herein as the "Declaration"); and,

WHEREAS, pursuant to Article 15, Section 15.2 of the Declaration, the
Declaration may be amended with the affirmative vote of sixty-seven percent (67%) of the total
Class "A" votes in the Association; and,

WHEREAS, the Board of Directors of the Association (the "Board of
Directors"), by a majority affirmative vote, approved, and adopted the amendments hereinafter

Prepared by Ward and Smith, P.A., 127 Racine Drive, University Corporate Center (28403), Post
Office Box 7068, Wilmington, NC 28406-7068

Please return to Ward and Smith, P.A., 127 Racine Drive, University Corporate Center (28403),
Post Office Box 7068, Wilmington, NC 28406-7068
Attention: Adam M. Beaudoin

FILED	Oct 02, 2023
AT	11:19:13 AM
BOOK	02383
START PAGE	0860
END PAGE	0863
INSTRUMENT #	08674
EXCISE TAX	\$0.00

AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR THE PRESERVE AT JORDAN LAKE

STATE OF NORTH CAROLINA
COUNTY OF CHATHAM

THIS AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR THE PRESERVE AT JORDAN LAKE ("Amendment") is made
this 31st day of August, 2023, by The Preserve at Jordan Lake Community Association, Inc., a
North Carolina nonprofit corporation (the "Association").

RECITALS:

WHEREAS, Jordan Lake Preserve Corporation, a North Carolina corporation
("Declarant") caused to be recorded the Declaration of Covenants, Conditions, and Restrictions
for The Preserve at Jordan Lake in Book 842, at Page 936 in the office of the Register of Deeds
of Chatham County, North Carolina (said document as amended and supplemented is referred to
herein as the "Declaration"); and,

WHEREAS, pursuant to Article 15, Section 15.2 of the Declaration, the
Declaration may be amended with the affirmative vote of sixty-seven percent (67%) of the total
Class "A" votes in the Association; and,

WHEREAS, the Board of Directors of the Association (the "Board of
Directors"), by a majority affirmative vote, approved, and adopted the amendments hereinafter

Prepared by Ward and Smith, P.A., 127 Racine Drive, University Corporate Center (28403), Post
Office Box 7068, Wilmington, NC 28406-7068

Please return to Ward and Smith, P.A., 127 Racine Drive, University Corporate Center (28403),
Post Office Box 7068, Wilmington, NC 28406-7068
Attention: Adam M. Beaudoin

Submitted electronically by "Ward and Smith, P.A." in compliance with North Carolina statutes governing recordable documents and the terms of the submitter agreement with the Chatham County Register of Deeds.

set forth amending the Declaration, and resolved the same be submitted to a vote of the Owners;
and,

WHEREAS, the Association has obtained the affirmative vote of at least sixty-seven percent (67%) of the Class "A" votes by written ballot in accordance with the requirements of the Declaration; and,

WHEREAS, the terms of this Amendment should have the same meaning as set forth in the Declaration unless otherwise defined herein.

NOW, THEREFORE, BE IT RESOLVED that the Association, acting pursuant to the authority recited above, does hereby amend the Declaration as follows:

1. Article 1, Section 1.20 of the Declaration is hereby deleted in its entirety and restated as follows:

1.20 "General Assessments": Assessments levied on all Units subject to assessment under Sections 8.1 and 8.3.

2. Article 8.3 of the Declaration is hereby deleted in its entirety and restated as follows:

8.3 Computation of General Assessments. Not less than sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget covering the Common Expenses estimated to be incurred during the coming year. The budget shall include a capital contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 8.5. In determining the budget, the Board, in its discretion, may consider other sources of funds available to the Association. The amount of each General Assessment shall be levied equally against all Lots.

Within thirty (30) days after adoption of any proposed budget by the Board, the Board shall provide to all Owners a summary of the budget and notice of a meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The Board shall set a date for a meeting of the Owners to consider ratification of the budget, such meeting to be held not less than ten (10) nor more than sixty (60) days after mailing of the summary of the budget and notice of the meeting. There shall be no requirement

that a quorum be present at the meeting. The budget is ratified unless, at that meeting, a majority of all the Owners in the Association rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

The General Assessment for the fiscal year shall be determined based upon the budget adopted by the Board and ratified by the Owners. Any increase in General Assessments greater than ten percent (10%) of the General Assessment for the previous year must first be approved by the affirmative vote of Owners representing at least fifty-one percent (51%) of the total votes of the Association.

3. Section 8.5 of the Declaration is hereby deleted in its entirety and restated as follows:

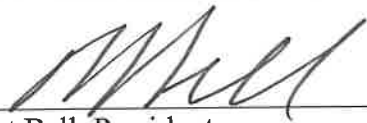
8.5 Reserve Budget and Capital Contribution. The Board shall prepare, on an annual basis, a reserve budget for general purposes which takes into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost of each asset. Such reserve budget may also anticipate making additional capital improvements and purchasing additional capital assets. The Board shall include in the General Assessments reserve capital contributions in amounts sufficient to meet these projected needs, if any. The Board may adopt resolutions regarding the expenditure of reserve funds, including policies designating the nature of assets for which reserve funds may be expended. Such policies may differ for general Association purposes. Once the reserve budget and required capital contribution is established, such budget shall be consolidated with the Operations budget prepared pursuant to Section 8.3.

4. Except as expressly provided in the paragraphs above, the terms and provisions of the aforesaid Declaration shall continue in full force and effect according to the terms of the same as modified hereby.

IN TESTIMONY WHEREOF, the Association, acting pursuant to the authority above recited, has caused this Amendment to be executed under seal and in such form as to be legally binding, effective the day and year upon recording this Amendment in the office of the Register of Deeds of Chatham County, North Carolina.

THE PRESERVE AT JORDAN LAKE
COMMUNITY ASSOCIATION, INC. [SEAL]

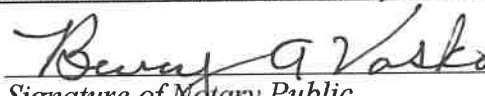
By:


Robert Bell, President

STATE OF North Carolina
COUNTY OF Chatham

I certify that the following person personally appeared before me this day, acknowledging to me that he signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: Robert Bell, President of The Preserve at Jordan Lake Community Association, Inc.

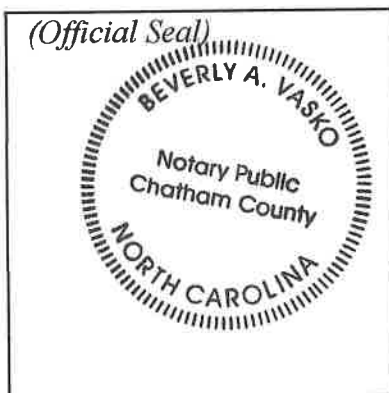
Date: September 7, 2023


Signature of Notary Public

Beverly A. Vasko
Notary's printed or typed name

My commission expires

Beverly A Vasko NOTARY PUBLIC Chatham County North Carolina My Commission Expires October 19, 2026
--



Notary seal or stamp must appear within this box.

ND:4855-3106-1850, v. 1