

RK-00963 PG-0486

FILED
WARREN COUNTY NC
YVONNE D. ALSTON
REGISTER OF DEEDS
FILED Feb 21, 2014
AT 09:29:20 am
BOOK 00963
START PAGE 0486
END PAGE 0531
INSTRUMENT # 00329
EXCISE TAX (None)
.DW

Prepared by and return to: Hope Derby Carmichael, P.O. Box 10669, Raleigh, NC 27605

NORTH CAROLINA

SECOND AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
EATON'S CROSSING

COUNTY OF WARREN

**THIS DOCUMENT REGULATES OR
PROHIBITS THE DISPLAY OF POLITICAL SIGNS**

THIS SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR EATON'S CROSSING ("Second Amendment"), is made this 22 day of January, 2014 by EATON'S CROSSING NC LP, a North Carolina limited partnership, hereinafter referred to as "Declarant."

WITNESSETH:

THAT WHEREAS, Redtail Gaston, LLC ("Redtail Gaston") subjected Lots 1 through 85 of Eaton's Crossing as shown in Plat Cabinet 1, Slide 261A, Plats 13, 14 and 15 and recorded in the Office of the Register of Deeds of Warren County, to the Declaration of Covenants, Conditions and Restrictions recorded in Book 857, Page 418 and re-recorded in Book 858 at Page 305 ("Original Declaration") in the Warren County Registry; and,

WHEREAS, Atlas NC I SPE, LLC ("Atlas") became the successor in interest to Redtail Gaston by virtue of a Deed recorded in Book 914, Page 116, a Deed recorded in Book 914, Page 125, and an Assignment of Declarant's Rights, Contracts and Permits recorded in Book 914, Page 129, all in the Warren County Registry; and,

WHEREAS, Atlas in its role as successor declarant, and with requisite approval of the Owners of Lots within Eaton's Crossing, recorded that First Amended and Restated Declaration of

Covenants, Conditions and Restrictions for Eaton's Crossing in Book 928, Page 551 of the Warren County Registry ("First Amendment"), which amended and restated the Original Declaration; and,

WHEREAS, Eaton's Crossing NC LP became the successor in interest to Atlas by virtue of a Deed recorded in Book 849, Page 857 of the Warren County Registry and that Assignment of Declarant's Rights, Contracts, and Permits for Eaton's Crossing recorded in Book 858, Page 862, and is the current Declarant and owner of certain Lots within Eaton's Crossing; and

WHEREAS, Section 13.4 of the First Amendment provides that the First Amendment may be amended by an instrument signed by the Owners of not less than two-thirds (2/3) of the voting authority; and

WHEREAS, Section 13.5 of the First Amendment provides that no amendment shall be effective until recorded in the Warren County Registry; and

WHEREAS, Eaton's Crossing NC LP desires to amend and restate the covenants, conditions and restrictions for Eaton's Crossing as first set forth in the Original Declaration and then in the First Amendment; and

WHEREAS, Eaton's Crossing NC LP holds not less than two-thirds (2/3) of the voting authority in the Association and has the authority to amend and restate the covenants, conditions and restrictions for Eaton's Crossing, and desires to do so as is more fully set forth in this Second Amendment.

NOW THEREFORE, the undersigned do hereby declare that this Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Eaton's Crossing shall run with the land and shall be binding upon and inure to the benefit of all Lots and Lot Owners previously subject to the Original Declaration recorded in Book 857, Page 418, re-recorded in Book 858, Page 305, and amended in Book 928, Page 551, all in the Warren County Registry, or that were thereafter made subject to or may in the future be made subject to the same via the recording of any supplemental declaration or declaration of annexation. This Second Amended and Restated Declaration of Covenants, Conditions and Restrictions shall amend and supersede all prior recorded covenants for Eaton's Crossing and shall be effective upon recording in the Warren County Registry. All of the property described herein and otherwise made subject to this Declaration shall be held, sold and conveyed subject to the provisions of the Planned Community Act as codified in Chapter 47F of the General Statutes of the State of North Carolina and the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the real property. These easements, covenants, restrictions, and conditions shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in the described properties or any part thereof and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1.1 "Act" shall mean the Planned Community Act as codified in Chapter 47F of the North Carolina General Statutes as the same may be amended from time to time.

Section 1.2 "Additional Property" shall have the meaning set forth in Section 2.2 below.

Section 1.3 "Amenities" shall mean the facilities constructed, erected or installed on the Common Areas for the common use and enjoyment of all Members, which may include a pool and clubhouse. "Amenities" shall also include personal property maintained by the Association for the common use and enjoyment of all Members, such as boat ramps, Boat Docks and temporary and transient docking facilities, if any, which shall be located on the Lake directly adjacent to Eaton's Crossing. Amenities shall not include Boatslips.

Section 1.4 "Architectural Committee" shall mean and refer to a committee of not less than three (3) nor more than five (5) Persons charged with reviewing and approving the design of proposed Buildings and other Structures, as described in Article VIII below. The Declarant shall appoint the Architectural Committee during the Declarant Control Period and it shall thereafter be appointed by the Board.

Section 1.5 "Architectural Guidelines" shall have the meaning set forth in Section 8.2 below.

Section 1.6 "Association" shall mean and refer to the Eaton's Crossing Property Owners Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 1.7 "Board of Directors" or "Board" shall mean and refer to the body responsible for administration of the Association, elected as provided for in the Bylaws. The Board shall be appointed by Declarant during the Declarant Control Period.

Section 1.8 "Boat Docks" shall mean those boat docks now or hereafter constructed for the use and enjoyment of the Members of the Association upon the Lake immediately adjacent to Eaton's Crossing pursuant to a permit issued by Virginia Electric and Power Company operating in North Carolina as North Carolina Power ("VEPCO"), but shall not include Boatslips. The Boat Docks, including all attached walkways and stairs leading to Boat Docks, shall be deemed to be Common Areas. It is specifically noted that two-story dock structures have and may be constructed. The upper levels of such structures are deemed to be Boat Docks, as are the walkways and stairs leading to the upper levels of the structure. Further, any structural members or pylons necessary for the support of the upper levels are a part of the Boat Dock. Any Boatslips located on the bottom levels of the structures are Limited Common Areas as further described herein, and are not considered to be part of the Boat Dock.

Section 1.9 "Boatslip" shall mean an area of the surface of the Lake abutting and adjoining docks and finger piers, including those finger piers located on the lower level of the Boat Docks, which are designed for the docking of boats. The Boatslips are generally depicted on the sketch attached hereto as Exhibit A. Additional Boatslips may be added and annexed as provided herein. The Boatslips are considered to be Limited Common Areas, and use of Boatslips and the docks and piers servicing them, except for any shared walkways leading to Boat Docks, shall be limited solely to those Persons to whom rights of use have been assigned by Declarant or the Association as set forth herein. Declarant shall have sole authority to assign use rights unless and until Declarant vests such authority in the Association.

Section 1.10 "Boatslip Owner" shall mean and refer to that Person to whom rights of use have been assigned by Declarant or the Association as set forth herein.

Section 1.11 "Buffer Area" shall mean any portion of the Property that is located within fifty (50) feet of any common boundary established by the Mean Water Line.

Section 1.12 "Builder" shall mean and refer to a person or entity other than Declarant who purchases or becomes the Owner of one or more Lots within Eaton's Crossing for the purpose of constructing thereon one or more dwellings, whether or not the person or entity intends to occupy the dwelling.

Section 1.13 "Building" shall mean and refer to a residential structure, constructed or erected on a Lot.

Section 1.14 "Bylaws" shall mean and refer to the bylaws of the Association, as they may now or hereafter exist and may change from time to time.

Section 1.15 "Common Area" shall mean and refer singularly or collectively, as applicable, to all land, improvements and other properties now or hereafter owned by or in the possession of the Association or specifically designated by Declarant by plat, supplemental declaration, deed or other written instrument as "Common Area/Open Space" for the Property. Common Area shall also include those areas depicted and designated as private roads on the Plat and those waterlines and sewer lines that may be located within the Common Area and not within municipal sanitary sewer easements. Notwithstanding the foregoing, that area erroneously designated as "Common Area/Open Space" near the intersection of Eaton's Crossing and Society Hill as shown on the Plat shall not be Common Area. The Wastewater Facilities shall be considered Common Areas only if transferred to the Association and in accordance with Section 10.22. The Boat Docks shall be Common Areas, but the Boatslips shall be Limited Common Areas as more fully set forth herein.

Section 1.16 "Declarant" shall mean and refer to Eaton's Crossing NC LP, a North Carolina limited partnership, or its successors and/or assigns, including any person or entity which succeeds to any Special Declarant Rights as set forth herein.

Section 1.17 "Declarant Control Period" shall mean and refer to that period commencing upon the recordation of this Declaration and terminating upon the earliest of the following events: (i) when 75% of the total number of Lots have certificates of occupancy issued thereon and have been conveyed to persons other than a Builder or Declarant; (ii) upon Declarant's voluntarily surrender in writing of such control; or (iii) on December 31, 2025.

Section 1.18 "Declaration" shall mean and refer to this Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Eaton's Crossing.

Section 1.19 "Half Story" shall mean a Story which contains fifty percent (50%) or less Heated Living Area than the Story in the Building containing the most Heated Living Area.

Section 1.20 "Heated Living Area" shall mean the heated living area of a Building. Heated Living Area excludes basement areas (defined as any level in which at least one perimeter wall is below or partially below grade). In addition, Heated Living Area excludes vaulted ceiling areas, attics, unheated porches, attached or detached garages, porte-cocheres, and unheated storage areas, decks and patios.

Section 1.21 "Lake" shall mean Lake Gaston.

Section 1.22 "Limited Common Area" shall mean and refer to those Common Areas and facilities reserved for the exclusive use of one or more but fewer than all Lots. The Boatslips are specifically deemed to be Limited Common Areas.

Section 1.23 "Lot" shall mean and refer to any plot of land together with the improvements thereon shown upon any recorded subdivision map of the Property, including any townhome lot or condominium unit, with the exception of the Common Area, the Wastewater Facilities, the Boatslips, and area designated as open space. "Lots" shall refer to all such lots and units collectively.

Section 1.24 "Mean Water Line" shall mean the mean water line (normal pool elevation) of the Property and the Lake.

Section 1.25 "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 1.26 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property as well as any owners of townhome lots or condominium units, but excluding those having such interest merely as security for the performance of any obligation.

Section 1.27 "Person" shall mean and refer to any individual, corporation, partnership, association, trustee, or other legal entity.

Section 1.28 "Plat" shall mean collectively those plats recorded in Plat Cabinet 1, Slide 261A, Plats 13, 14 and 15 of the Warren County Registry, but shall also mean and include any additional plats recorded by Declarant pursuant to the provisions of this Second Amendment, or that were recorded by Redtail Gaston, LLC or Atlas NC I SPE, LLC with respect to Eaton's Crossing.

Section 1.29 "Property" shall mean and refer to that certain real property described on Exhibit B which is attached hereto and all other real estate that may be annexed into this Second Amendment pursuant to the terms of the Declaration.

Section 1.30 "Second Amendment" shall mean this Second Amended and Restated Declaration of Covenants, Conditions and Restrictions as modified, supplemented and amended.

Section 1.31 "Story" shall mean a finished horizontal division of Heated Living Area extending from the floor of such division to the ceiling above it.

Section 1.32 "Street Repair Deposit" shall have the meaning set forth in Section 8.2 below.

Section 1.33 "Structure" shall have the meaning set forth in Section 8.2 below.

Section 1.34 "Supplemental Declaration" shall have the meaning set forth in Section 2.2 below.

Section 1.35 "Wastewater Facility" shall have the meaning set forth in Section 10.22 below.

ARTICLE II PROPERTY; ANNEXATION OF ADDITIONAL PROPERTY

Section 2.1 Property Made Subject To Declaration. The Property is hereby made subject to this Second Amendment, subject to the right of Declarant to amend and/or supersede this Second Amendment by amendment or Supplemental Declarations. The Property shall be owned, held, leased, transferred, sold, mortgaged and/or conveyed by Declarant, the Association and each Owner subject to this Second Amendment and the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens set forth in this Second Amendment.

Section 2.2 Plan of Development. Declarant's plan for the development of Eaton's Crossing contemplates that portions of the Property may be developed with separate and distinct types of residential structures, including detached single family homes, attached townhomes, condominiums, apartments, and other types of residential dwellings. In addition, Declarant reserves the right to develop portions of the property for commercial and recreational purposes, including all uses allowed under applicable zoning ordinances. Because such phases, sections or subdivisions may have varying lot sizes, types of dwellings, marketing considerations and other differences, it may be necessary or desirable to impose additional and different covenants and restrictions on such phases, sections or subdivision which are applicable solely to such phase, section or subdivision. Accordingly, the Declarant or other person or entity owning such phase, section or subdivision may subject the phase, section or subdivision to such Supplementary Declarations as the Declarant, or other owner or entity, with the Declarant's prior written consent and approval, in his, her or its sole discretion, may from time to time determine. Except for property developed for commercial purposes or specific recreational purpose (e.g., campground), any such Supplementary Declaration may specify such use restrictions and may contain such other terms, covenants, restrictions, easements, affirmative obligations, assessments, charges and liens, not inconsistent with this Declaration, as the person or entity subjecting such real property to the Supplementary Declaration may determine, which provisions may be more, but not less, restrictive than the provisions of the Declaration. Because use restrictions appropriate for residential versus commercial or recreational property may vary significantly, property developed for commercial or recreational purposes may be subject to Supplementary Declarations that contain use restrictions differing from those contained in this Declaration. No portion of the Property developed for the purpose of residential dwelling, including, but not limited to, townhomes, condominiums or apartments, shall be deemed commercial development.

Except for such more restrictive provisions, this Declaration shall control over any provision of any Supplementary Declaration that conflicts or is inconsistent with the Declaration. The Declarant or other person or entity owning such phase, section or subdivision may also establish separate Sub-Associations with separate Sub-Association Common Property.

Assessments imposed upon Members of the Association by the documents establishing or governing a Sub-Association or subjecting an applicable portion of the Community thereto shall be in addition to, and not in lieu of, assessments imposed upon such Members by this Declaration.

Section 2.2 Annexation of Additional Property. During the Declarant Control Period Declarant may, from time to time, annex any property located within one (1) mile of the boundary of the Property ("Additional Property") by filing of record a Supplemental Declaration which shall extend the terms of this Second Amendment to such Additional Property; provided, however, that such Supplemental Declaration, as applied to the Additional Property covered thereby, may include such specific additional controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens as may be set forth in such Supplemental Declaration. Without limiting the foregoing, Declarant may annex both condominiums and townhomes lots to this Second Amendment which shall be subject to additional provisions. Upon termination of the Declarant Control Period, the Association may annex Additional Property upon a vote of not less than sixty-seven percent (67%) of the Owners present in person or by proxy at a meeting called and noticed for such purpose.

Section 2.3 Contents of Supplemental Declaration. Supplemental Declarations may set forth the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens to which the Additional Property covered thereby shall be subject.

ARTICLE III MEMBERSHIP

Each Owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The Board of Directors may make reasonable rules relating to the proof of ownership of a Lot.

ARTICLE IV VOTING RIGHTS

Section 4.1 Voting Classes. The Association shall have two classes of voting membership:

- (a) Class A. Class A Members shall be all those Owners with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot owned. When more than one Person holds such interest in any Lot, the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot and no fractional vote may be cast with respect to any Lot.
- (b) Class B. The Class B member shall be the Declarant. The Class B Member shall be entitled to ten (10) votes for each Lot owned. The Class B Membership shall terminate at the end of the Declarant Control Period. Upon such termination, the Declarant shall become a Class A Member and shall have Class A votes with respect to any Lot owned by it. The Declarant may also voluntarily relinquish its rights as a

Class B Member by the filing of notice of such relinquishment in the Warren County Registry.

Section 4.2 Suspension of Voting Rights. The right of any Member to vote may be suspended by the Board of Directors for failure to pay assessments as required hereunder, for violations of this Second Amendment or for violations of the rules and regulations of the Association.

Section 4.3 Appointment of Board. During the Declarant Control Period, the Declarant shall have the right to appoint all members of the Board of Directors.

ARTICLE V PROPERTY RIGHTS

Section 5.1 Members' Easements of Enjoyment. Every Member shall have a non-exclusive right and easement of enjoyment in and to the Common Area, including the rights of ingress and egress, and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to each of the following provisions:

- (a) The right of the Association to dedicate or transfer all or any part of the Common Area for utility, drainage, pedestrian walkway and cable television easements and other similar purposes;
- (b) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency or authority for such purposes and subject to such conditions as may be agreed by the Members;
- (c) The right of the Association to prescribe regulations governing the use, operation and maintenance of the Common Area and the Amenities (including limiting the number of guests of Members who may use the Common Area and Amenities).
- (d) The right of the Association to take such steps as are reasonably necessary to protect the Common Area against foreclosure.
- (e) The right of the Association to charge reasonable admission and other fees for the use of recreational facilities and other Amenities and the Common Area.
- (f) For any period during which any assessment against his Lot remains unpaid for thirty (30) days or longer, the right of the Association to suspend the voting rights of an Owner and to suspend other privileges or services provided by the Association, including use of recreational amenities, if any;
- (g) For violation of the Declaration, Bylaws, rules or regulations of the Association, the right of the Association to suspend privileges or services provided by the Association, including use of recreational amenities, for a period not to exceed sixty (60) days, and after notice and an opportunity to be heard, the right to impose fines for such violation;

- (h) The right of the Association to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage the Property, and the rights of such mortgagee in said Property shall be subordinate to the rights of the homeowners hereunder; and
- (i) The rights of the Association to adopt, publish and enforce rules and regulations as provided herein.

Section 5.2 Declaration of Use. Subject to reasonable rules that may be promulgated from time to time by the Association, any Member may delegate his right of enjoyment to the Common Area and Amenities to the members of his family, his tenants, or contract purchasers who reside on the Property and, when accompanied by the Member, to his guests and invitees.

Section 5.3 Title to the Common Area. Declarant shall convey and Association shall accept all of its right, title and interest in the Common Area to the Association prior to January 1, 2027. Common Area may be conveyed by Declarant to the Association in whole or in part from time to time. All conveyances shall be by deed without warranty. Notwithstanding the foregoing, Declarant shall have no obligation to convey its interests in the Boatslips or its assignment and other powers relating to the Boatslips to the Association.

Section 5.4 Leases. All lease agreements between an Owner and a lessee for the lease of such Owner's Lot shall be in writing and shall provide that the terms of the lease shall be subject in all respects to this Second Amendment and to any rules and regulations promulgated by the Association, and that any failure by the lessee to comply with the terms hereof shall be a default under the terms of the lease. Owners shall provide the Association with a copy of all leases that have a lease term of more than thirty (30) days. The Association may enact reasonable rules and regulations governing the leasing of Lots.

Section 5.5 Ingress and Egress. If ingress and egress to any Lot is through any part of the Common Area, any conveyance or encumbrance of such part of the Common Area shall be subject to an easement for ingress and egress for such Lot over and upon such portion of the Common Area as is designated for ingress and egress (by a public or private street or right of way) and shown on a recorded plat of such Common Area or the Lot affected thereby or created or reserved by the Declarant.

ARTICLE VI COVENANT FOR ASSESSMENTS

Section 6.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant for each Lot owned within the Property hereby covenants, and each Owner of any Lot, by acceptance of a deed thereto, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) annual assessments or charges and (b) special assessments for capital improvements. In addition, each Owner to whom a Boatslip has been assigned covenants and agrees to pay a boatslip assessment as further described in this Article VI. Such assessments shall be fixed, established, and collected from time to time as hereinafter provided.

Notwithstanding anything herein to the contrary, the Declarant shall be exempt from paying annual or special assessments for any unoccupied Lot owned by Declarant and from paying boatslip

assessments for any unassigned Boatslip. Builders shall be subject to a reduced annual assessment rate as set forth herein.

The annual, boatslip and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge upon land and shall be a continuing lien upon each Lot against which each such assessment is made and shall also be the personal and continuing obligation of the Owner of such Lot at the time when the assessment became due. All assessments shall be the shared joint and several obligations of the Owners of each Lot, except as otherwise provided in this Section.

Section 6.2 Purpose of Assessments. The assessments levied by the Association shall be used for the purposes of enforcing and carrying out the terms and provisions hereof and of any Supplemental Declaration applicable to the Property and promoting the enjoyment and welfare of the Owners of Lots, and in particular, but without limitation, for the (i) acquisition, construction and maintenance of the Common Area and Amenities, including without limitation the Boat Docks; (ii) acquisition, construction and maintenance of the Boatslips; (iii) payment of premiums for hazard insurance in connection with the Common Area and any Amenities and Boatslips and public liability and other insurance of such Association including without limitation for the Boat Docks and Boatslips; (iv) paying the costs of labor, equipment (including the expense of leasing any equipment) and material required for, and management and supervision of, the Common Area, Amenities and Boatslips; (v) all costs associated with the Wastewater Facilities as provided in this Second Amendment; (vi) carrying out the duties of the Board of such Association; and (vii) carrying out the purposes of such Association as stated in its Articles of Incorporation, Bylaws, and as stated herein or in any applicable Supplemental Declaration.

Section 6.3 Maximum Annual Assessment. Beginning January 1, 2013, the maximum annual assessment shall be \$2,800.00 per Lot, which amount shall be subject to annual review and adjustment by the Association. The Declarant shall be exempt from paying assessments for any unoccupied Lot owned by Declarant, but shall be responsible for funding budget deficits during the Declarant Control Period.

- a. Beginning January 1, 2014, and for each year thereafter, the maximum annual assessment may be increased effective January 1 of such year without vote of membership by up to ten percent (10%) of the previous year's assessment.
- b. The maximum annual assessment may be increased above the increase permitted in Section 6.3(a) above only with the approval of two-thirds (2/3) of the votes of Members who are present in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than 10 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.
- c. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 6.4 Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special

assessment applicable to that year only for the purpose of defraying, in whole or in part, the costs of construction or reconstruction, unexpected repair, or replacement of a described capital improvement upon the Common Area, as well as the Amenities and Boatslips, and the necessary fixtures and personal property related thereto; provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which, setting forth the purpose of the meeting, shall be sent to all Members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. The amount of the proposed assessment need not be stated.

Section 6.5 Boatslip Assessments. The Association shall include, as a separate budget item, those costs which are directly related to the Boatslips which shall include the repair, replacement, maintenance, insurance and taxes as well as reserves as may be necessary as determined by the Board for the future repair and maintenance of the Boatslips and docks and finger piers serving the Boatslips. The Board shall allocate such cost among all Boatslip Owners and shall create a separate boatslip assessment ("Boatslip Assessment") which shall be the personal obligation of the Boatslip Owner and shall be a lien upon the Lot or Lots owned by such Boatslip Owner. The Board shall use reasonable efforts to allocate the costs relating to the Boatslips and those costs applicable to Common Areas including other Boat Docks. Owners and Boatslip Owners acknowledge that such allocation is imprecise and that any allocation made by the Board in good faith shall be binding upon them.

Section 6.6 Maximum Annual Boatslip Assessment. Beginning January 1, 2013, the maximum annual Boatslip Assessment shall be \$600.00 per Boatslip, which amount shall be subject to annual review and adjustment by the Association. The Declarant shall be exempt from paying assessments for any Boatslip held by Declarant, but shall be responsible for funding budget deficits during the Declarant Control Period.

- d. Beginning January 1, 2014, and for each year thereafter, the maximum annual Boatslip Assessment may be increased effective January 1 of such year without vote of membership by up to ten percent (10%) of the previous year's assessment.
- e. The maximum annual Boatslip Assessment may be increased above the increase permitted in Section 6.6(a) above only with the approval of two-thirds (2/3) of the votes of the Boatslip Owners who are present in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Boatslip Owners not less than 10 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting.
- f. The Board of Directors may fix the annual Boatslip Assessment at an amount not in excess of the maximum.

Section 6.7 Working Capital Contribution. There shall be an initial one time assessment of \$600.00 due at the initial closing of each Lot purchased from the Declarant. This Initial Assessment is in addition to and not in lieu of Annual Assessments and shall not reduce any Owner's obligation to pay Annual Assessments.

Section 6.8 Uniform Rate of Assessments. Except as otherwise set forth herein, the annual and special assessments must be fixed at a uniform rate for all Lots on a per Lot basis, and the

Boatslip Assessment must be fixed at a uniform rate for all Boatslips on a per Boatslip basis, and the same may be collected at such times as are determined by the Board.

Section 6.9 Quorum for Any Action Authorized Under Section 6.4. At the first meeting called, as provided in Sections 6.3, 6.4 and 6.6 above, the presence at the meeting of members or proxies entitled to cast forty percent (40%) of the total votes allocated to the Members pursuant to Article IV of this Second Amendment shall constitute a quorum. If the required quorum is not forthcoming at any meeting, subsequent meetings may be called, subject to the notice requirement set forth in Sections 6.3, 6.4 and 6.6 and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the next preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the next preceding meeting.

Section 6.10 Date of Commencement of Annual Assessments and Boatslip Assessments. The annual assessments provided for herein shall commence as to a Lot when such Lot is conveyed by Declarant to a Builder or other individual or entity. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year of the Association. The Boatslip Assessment shall commence as of the first day of the month following the assignment of a Boatslip to a Boatslip Owner.

Section 6.11 Certification. The Association shall upon demand at any time furnish a certification in writing signed by an officer of Association setting forth whether the assessments on a specified Lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been made and shall be binding upon the Association as of the date of its issuance.

Section 6.12 Effect of Nonpayment of Assessments; Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessments are not paid within thirty (30) days after the due date, assessments shall bear interest from the date of delinquency at the lesser of the highest lawful rate or twelve (12%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area, Amenities or Boatslip or abandonment of his Lot.

Section 6.13 Subordination of Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. A sale or any transfer of any Lot shall not affect the assessment liens; provided, however, that the sale or transfer of any Lot pursuant to foreclosure of a first mortgage or deed of trust or any proceeding or deed in lieu of foreclosure thereof shall extinguish the lien of such assessments as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from the liability for any assessment thereafter becoming due or from the lien thereof.

Section 6.14 Management of Funds. All funds collected through assessments shall be managed by the Association subject to the provisions of this Second Amendment. Disbursement of funds collected from Owners shall be as directed by the Board of Directors.

Section 6.15 Lien and Foreclosure. All unpaid sums that have been assessed in the manner provided herein shall, together with interest as provided herein, plus the cost of collection (including reasonable attorneys' fees), become a continuing lien and charge on the Lot and all Buildings and

Structures thereon owned by the Owner as of the assessment due date, which shall bind such Lot, Building and Structures then in the hands of the Owner, and the defaulting Owner's heirs, devisees, personal representatives, successors and assigns. Except as otherwise provided in this Second Amendment, the aforesaid lien shall be superior to all other liens and charges against such Lot. The Board shall have the power to subordinate the aforesaid lien to any other lien. The Board may, but is not required to, prepare a written notice of assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot, and a description of the Lot, and may record same in the Warren County Registry. The lien for payment of assessment may be enforced by the foreclosure of the defaulting Owner's Lot in like manner as a deed of trust with power of sale on real property or in accordance with Chapter 47F of the North Carolina General Statutes or by judicial foreclosure; or the Association may institute suit against the Owner personally obligated to pay the assessment; or the Association may pursue one or more of the foregoing remedies and/or may seek any other available remedy or relief allowed by law. In any foreclosure proceeding, judicial or non-judicial, the defaulting Owner shall be required to pay the costs, expenses and reasonable attorneys' fees incurred by the Association. The Association shall have the power and right to bid on the Owner's Lot at the foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey, or otherwise deal with same.

ARTICLE VII MAINTENANCE OF PROPERTY

Section 7.1 Maintenance by the Association. Maintenance of Common Areas and Amenities and Structures located thereon and Boat Docks and Boatslips shall be the responsibility of the Association. The Association shall have the right, but not the obligation, to maintain other property not owned by the Association, whether within or without the subdivision, where the Board has determined that such maintenance would benefit all Owners. In the event that the Association determines that the need for maintenance, repair, or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner, or the Owner's family, guests, lessees, invitees or contractors, and is not covered and paid for by insurance maintained by the Association, in whole or in part, then the Association may perform such maintenance, repair or replacement at such Owner's sole cost and expense, and all costs thereof shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot of such Owner.

Section 7.2 Maintenance by the Lot Owner. The Owner of each Lot shall have the duty and responsibility, at such Owner's sole cost and expense, to keep that part of the Property owned by such Owner, including Buildings and Structures thereon, and ground and drainage easements or other rights-of-way incident thereto, in a well-maintained, safe, clean and attractive condition at all times. Such maintenance includes, but is not limited to, the following:

- (a) Prompt removal of all litter, trash, refuse and waste;
- (b) Seeding, fertilizing and watering of all lawns and mowing, edging, clipping, sweeping, pruning, raking and otherwise caring for all lawns on a regular basis, including, any portions of a publicly dedicated street right of way or private street right of way adjacent to any boundary of such portion of the Lot and not maintained by any governmental entity;

- (c) Pruning and trimming of all trees, hedges and shrubbery not maintained by the Association so that the same are not obstructive of a view by motorists or pedestrians of street traffic, do not cause unsightly or unkempt conditions and do not trespass onto the property of others;
- (d) Removal of dead or diseased trees, shrubs and other plant material;
- (e) Maintenance of flower and plant gardens;
- (f) Maintenance of exterior lighting and mechanical facilities;
- (g) Maintenance of parking areas and driveways;
- (h) Ensuring proper drainage of the Lot so as to prevent soil erosion;
- (i) Repairing and painting (or other appropriate external care) and otherwise caring for all Building and Structures or other improvements located on the Lot;
- (j) Maintenance, repair and painting of all fences, retaining walls, and other improvements or Structures on the Lot;
- (k) Maintenance of all drainage easements, utility easements and other easements located on a Lot that are not specifically allocated by this Declaration to be the responsibility of the Association;
- (l) Preventing and correcting unclean, unsightly or unkempt conditions of Lots and all improvements thereon, including keeping all Lots, including vacant Lots, clean and free of garbage, junk, trash, debris, non-operable vehicles and apparatus, and any substance or conditions that might contribute to an unsightly condition, health hazard or the breeding and habitation of snakes, rats, insects or other wildlife or pests; and
- (m) Complying with all governmental health and police requirements.

If the Board of Directors determines that any Owner has failed or refused to discharge properly any of Owner's obligations with regard to the maintenance, repair, or replacement of items for which such Owner is responsible hereunder, the Association shall, except in an emergency situation, give the Owner written notice of the Association's intent to provide such necessary maintenance, repair, or replacement at the Owner's sole cost and expense. The notice shall set forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. The Owner shall have ten (10) days after receipt of such notice within which to complete such maintenance, repair, or replacement, or, if such maintenance, repair, or replacement is not capable of completion within a ten (10) day period, to commence such work which shall be completed within a reasonable time. If any Owner does not comply with the provisions hereof, the Association may provide any such maintenance, repair, or replacement at such Owner's sole cost and expense, and all costs shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot. The remedies provided in this Section shall be in addition to, and not in lieu of, other remedies provided in this Declaration for a violation of the Declaration.

ARTICLE VIII
GENERAL POWERS AND DUTIES OF THE BOARD:
ARCHITECTURAL CONTROL AND INSPECTION

Section 8.1 Powers and Duties of the Board. In addition to those rights and duties set forth elsewhere herein, the Board of the Association, for the mutual benefit of the Members of such Association, shall have the following powers and duties:

- (a) To improve, maintain or cause to be maintained the Common Area and Amenities, including, but not limited to, planting, moving, pruning, fertilizing, preservation and replacement of the landscaping, and the upkeep and maintenance of sidewalks and other Amenities and Common Area, and the upkeep and maintenance of sprinklers, sprinkler mains and laterals, sprinkler heads, equipment, water pumps, wells, signs, lighting and planting boxes located in Common Areas, and the upkeep and maintenance of the Wastewater Facilities (to the extent required or allowed in this Declaration) whether such facilities are located on Common Area or on other property owned by Declarant that is not Common Area;
- (b) To enter into agreements with the appropriate governmental authorities to enable the Association to improve and maintain the Common Area;
- (c) To make reasonable rules and regulations for the use and operation of the Lots, Amenities, Common Areas and Limited Common Areas, and to amend them from time to time, provided that such amendments must also be approved by Declarant if the Declarant still has an ownership interest in any portion of the Property;
- (d) To enter into agreements or contracts with insurance companies with respect to insurance coverage relating to the Common Areas, Amenities or Limited Common Areas;
- (e) To enter into agreements or contracts with utility companies with respect to utility installation, consumption and service matters relating to the Common Area;
- (f) To enter into contracts for the provision of utilities to the Property including Lots;
- (g) To own, lease, maintain and operate utilities, including the Wastewater Facilities, for benefit of the Property and use by the Owners (subject to the provisions of Section 10.22);
- (h) To enter into contracts, maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Association;
- (i) To sue or defend in any court of law in behalf of the Association;
- (j) To provide adequate reserves for repairs and replacements;

- (k) Subject to the terms hereof to adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Members of the Association in proportionate amounts to cover the deficiency;
- (l) To exercise for the Association all powers, duties and authority vested in or delegated by this Second Amendment, the Bylaws of the Association, or the Articles of Incorporation of the Association to the Association and not reserved to the Members of such Association or Declarant by other provisions of this Second Amendment or any applicable Supplemental Declaration, the Bylaws of such Association or the Articles of Incorporation of such Association;
- (1) To declare the office of a member of the Board of the Association to be vacant in the event such member shall be absent from three (3) consecutive meetings of such Board;
- (m) To employ a manager or firm to manage the affairs and property of the Association, to employ independent contractors, or such other employees as the Board may deem necessary, and to prescribe their duties and to set their compensation;
- (n) To retain the services of legal and accounting firms;
- (o) To enforce the provisions of this Second Amendment, and any applicable Supplemental Declaration and any rules made hereunder or under any such applicable Supplemental Declaration and to enjoin and/or, in its discretion, seek damages or other relief from any Member of such Association for violation of such provisions or rules;
- (p) To contract with any third party or any Owner (including, without limitation, Declarant) for performance, on behalf of such Association, of services which the Association is otherwise required to perform pursuant to the terms hereof or pursuant to any applicable Supplemental Declaration, such contracts to be at competitive rates and otherwise upon such terms and conditions and for such consideration as the Board of the Association may deem proper, advisable and in the best interest of such Association;
- (q) To take any and all other actions and to enter into any and all other agreements as may be necessary or proper for the fulfillment of its obligations hereunder or under any applicable Supplemental Declaration, for the operational protection of the Association or for the enforcement of the controls, covenants, conditions, restrictions and development standards contained herein; and
- (r) To set assessments, whether annual or special or boatslip, as provided herein.

Section 8.2 Architectural Control. Declarant may establish, and from time to time modify, architectural standards and guidelines for the control of the design of all Buildings and Structures and other work within the Property (the "Architectural Guidelines"). Except for construction, installations or improvements by the Declarant, no construction, erection, or installation

of any improvements, including, but not limited to, Buildings, outbuildings, garages, carports, gazebos, swimming pools, tennis courts, fences, walls, screens (whether by plants or structures) and other structures (individually a "Structure" and collectively "Structures"), shall be undertaken upon the Property unless the site plans, building plans, and specifications therefore, showing the nature, kind, shape, height, materials and location of the proposed improvements shall have been submitted to the Architectural Committee or its agent and expressly approved in writing. No grading, excavation, tree removal (except as provided herein) or change of exterior color or other work which in any way alters the exterior appearance of any Building, Structure or Lot may be done without the prior approval of the Architectural Committee. No subsequent alteration or modification of any existing improvements or construction, erection, or installation of additional improvements may be undertaken on any of the Property without prior review and express written approval of the Architectural Committee.

Each Owner shall, prior to the commencement of any construction, submit in sequence to the Architectural Committee the following materials: (i) a "preliminary concept plan" which shall include schematic site plans, floor plans and exterior elevations and materials; (ii) "design proposals" which shall include more detailed building and site design plans and specifications sufficient and definite in detail so that there can be determined the character, exterior appearance, exterior materials and colors, and the quality and kind of building and landscape materials proposed; and (iii) "construction plans and specifications" which shall be a true extension of the preliminary concept plan and design proposals, including a plot plan, in detail and to scale. The Architectural Committee shall, in writing, within thirty (30) days after receipt of each fully completed and adequate required submittal which it deems complete, approve, reject or approve, subject to change, such plans, proposals and specifications as are submitted to it as required above. After approval, any change in location, plot plan, exterior colors or exterior materials must be re-submitted for approval. Failure to obtain approval of Architectural Committee of all such plans, proposals, specifications and plot plan prior to the commencement of any construction shall be deemed a material breach hereof and Architectural Committee shall then have the right, in addition to any other rights permitted by law or in equity, to proceed in the courts to obtain a mandatory injunction requiring any construction done without said approval to be torn down or removed forthwith.

At the time the Owner makes its initial submittal to the Architectural Committee as provided above, the Architectural Committee or the Board may require that Owner submit a street repair deposit (the "Street Repair Deposit") in an amount reasonably established by the Architectural Committee or the Board not to exceed \$1,500.00. The Street Repair Deposit shall be used to repair any damage to any street or adjoining Common Area or Amenities caused by the construction activity, including without limitation, damaged curbs, damaged street paving, and/or damaged foliage. The Architectural Committee or the Board shall refund any unused portion of the Street Repair Deposit promptly following any repairs necessitated by such construction activity.

In general, no exterior alterations or additions to Buildings or other Structures shall be considered for approval unless such alterations or additions are in harmony with existing Buildings and Structures, as to style, shape, color and size, and such plans have been submitted to the Architectural Committee for approval. However, this section shall not be construed to mean that the Architectural Committee or Board shall have to approve a proposed alteration or addition that meets the above criteria.

In general, the construction of fences, walls and other Structures and the planting of screens will not be permitted if in the opinion of the Architectural Committee such construction or planting constitutes an unreasonable obstruction of the view of another Owner.

In the event that the Architectural Committee fails to approve or disapprove the site or design or any proposed improvements within thirty (30) days after plans and specifications therefore have been submitted and received, approval will not be required, and the requirements of this Article will be deemed to have been fully met; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Declarant or the Association if they contain erroneous data or fail to present adequate information upon which the Declarant or the Association, as the case may be, can arrive at a decision.

The Declarant and/or the Architectural Committee shall have the right, at its election, but shall not be required, to enter upon any of the Property during site preparation or construction, erection, or installation of improvements to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plans and specifications and in a good and workmanlike manner, utilizing approved methods and good quality materials.

Section 8.3 Liability Limitations. Neither Declarant, nor any Member nor any Board nor any directors on any Board (or any one of them) nor the officers (if any) of Declarant or of the Association nor any member of the Architectural Committee and/or any other committee established by the Association shall be personally liable for debts contracted for or otherwise incurred by the Association or for a tort of another Member, whether or not such other Member was acting on behalf of an Association or otherwise. Neither Declarant, the Association, nor the directors, officers, agents or employees of either thereof shall be liable for any actual, incidental or consequential damages for failure to inspect any premises, improvements of portions thereof or for failure to repair or maintain the same. Declarant, the Association or any other person, firm or association liable to make such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portions thereof. The Association shall, to the extent permitted by applicable law, indemnify and defend all members of the Board of the Association and all members of the Architectural Committee from and against any and all loss, cost, expense, damage, liability, action or cause of action arising from or relating to the performance by the Board of the Association and/or such Architectural Committee of their duties and obligations except for any such loss, cost, expense, damage, liability, action or cause of action resulting from the gross negligence or willful misconduct of the person is to be indemnified.

Section 8.4 Articles of Incorporation and Bylaws. The Articles of Incorporation and Bylaws of the Association, as the same may be amended from time to time, are fully incorporated into this Second Amendment by reference.

Section 8.5 Declarant Rights. During the Declarant Control Period, the Declarant shall have the following rights and privileges:

- (a) All Special Declarant Rights as defined in the Act.
- (b) The right to appoint and remove members of the Board of Directors and officers.
- (c) The right to appoint and remove members of the Architectural Committee.

- (d) The right to use all Common Areas for sales and marketing events and to assign such rights as it deems appropriate to Builders or other third parties.
- (e) The right to use any and all dwellings as a model or sales office and to authorize such use by others.
- (f) The right to subject the Property to contracts for the provision of utilities including water, sewer, electric service, gas, cable, telephone, broadband and internet or other similar services.
- (g) The right to unilaterally amend this Second Amendment as it, in its sole discretion deems advisable.
- (h) The right to assign its rights as declarant, in whole or in part, as it deems advisable and upon such assignment to be released from any and all liability for actions of declarant as to rights so assigned.
- (i) The right to convey real and personal property to the Association upon terms and conditions as it deem appropriate and to require the Association to accept such conveyances.
- (j) The right to use all easements and rights of ways within the Property, whether for ingress and egress, drainage or utilities or for utilities and to grant easements to third parties.
- (k) Such other rights as are set forth herein.

Section 8.6 Prohibited Actions. During the Declarant Control Period, the Board shall have no authority to, and shall not undertake any action, without the prior written consent of the Declarant or its agent expressly authorized for such purpose, which shall:

- (a) Prohibit or restrict in any manner the sales and marketing program of the Declarant or restrict or limit in any manner the use by the Declarant of any portion of the Property for the sale and/or resale of Lots, improvements thereupon or Boatslips;
- (b) Decrease the level of maintenance services of the Association provided by the Board so long as Class B voting rights exist;
- (c) Make any special or individual assessment or impose any fine upon the Declarant's Lots, the Declarant's Boatslips, or the Declarant;
- (d) Modify, amend or alter the recorded plats of the Property;
- (e) Terminate or cancel any contracts of the Association entered into by the Board during the period which any Class B voting membership exists;
- (f) Terminate or waive any rights of the Association under this Second Amendment;

- (g) Convey, lease, mortgage, alienate or pledge any easements or any part of the Common Area;
- (h) Accept the conveyance, lease, mortgage, alienation or pledge of any real or personal property to the Association;
- (i) Terminate or cancel any easements granted hereunder or by the Association;
- (j) Terminate or impair in any fashion any easements, powers, or rights of the Declarant hereunder;
- (k) Restrict the Declarant's right of the use, access, and enjoyment of any of the Property;
- (l) Cause the Association to default on any obligation under any contract or this Second Amendment;
- (m) Restrict in any respect the use by the Declarant of any office or other facility on the Property for any purpose, including managing or operating the Association.

Section 8.7 Notice of Meetings. Notice of all Association meetings shall be provided to all Members by hand delivery, U.S. Mail, or by electronic means not less than ten (10) days nor more than sixty (60) days in advance of the applicable meeting. Each Member shall be responsible for insuring that the Member has provided the Association with the Member's current notice address.

ARTICLE IX RULES AND REGULATIONS

The Board of Directors of the Association shall have the power to formulate, amend, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the Lots, Common Areas, Amenities and Limited Common Areas. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a book of resolutions which shall be maintained in a place convenient to the Owners and available to them for inspection during normal business hours.

ARTICLE X RESTRICTIVE COVENANTS

Section 10.1 Single Family Residential Use. The portion of the Property subject to this specific covenant are Lots 1-98 shown on the map recorded in Plat Cabinet 1, Slide 261A, Plat 15 in the Warren County Registry. Lots 1-98 shall be used only for detached, single-family residential purposes, together with the streets and utilities (including storm water detention and retention areas and sanitary sewer holding areas) serving such residences and related facilities, community improvements such as recreational facilities, rental/sales office, and accessory buildings and structures permitted herein. No more than one detached single-family residential dwelling may be constructed on any single Lot. No condominium, townhouse, duplex, apartment or other multi-family residential uses are permitted on Lots 1-98. However, nothing set forth herein shall prohibit the construction of townhomes, condominiums or other multi-family dwellings by the Declarant on portions of the Property other than Lots 1 - 98, and nothing herein shall prohibit Declarant from

converting any Lot, including Lots 1 – 98, to Amenities or Common Area for the use of the Members of the Association. Further, Declarant reserves the right to use any Lot as an office and/or model which may be shown to prospective purchasers.

Section 10.2 Residential Use Generally. No camper, trailer, motor home, boat (including, without limitation, any boat docked adjacent to the Property), recreational vehicle, or similar habitable or transportable unit or structure shall be allowed to remain on or adjacent to the Property as a place of residence.

Section 10.3 Multi-Family Dwellings. Except as set forth in Section 10.1, Declarant reserves the right to construct multifamily dwellings, including, but not limited to, townhomes and condominiums, on the Property, including, but not limited to, that portion of the Property designated on the Plats as "Future Development" at the intersection of Eaton's Crossing and Meeting Street as well on that area erroneously designated "Common Area/Open Space" near the intersection of Eaton's Crossing and Society Hill shown on the Plat, and any Additional Property which is owned or acquired by Declarant.

Section 10.4 Lot Size. A Lot shall have a width and the minimum building set back line and an area that meets the minimum requirements of the applicable municipal or county ordinances. Adjustments may be made in the line between two Lots so long as the area of any Lot is not reduced by more than ten percent (10%), the adjustments do not violate the applicable municipal or county ordinances, and other restrictions herein set forth are observed. Upon any recombination of lots, the setbacks and side line clearances from new Lot lines shall be applicable and setbacks from former Lot lines shall no longer be required. No combination of Lots shall increase the number of Lots above the number existing before recombination, except as hereinafter set forth. Further, no recombination shall reduce the assessments payable by the Owner of the recombined Lots, it being the express intention that assessments provided for herein shall be paid as to each Lot depicted on the Plat at the time of recording of this Declaration, and no recombination of Lots shall reduce such assessment obligation.

Section 10.5 Restricted Activities. Without limiting any similar provisions or additional restrictions elsewhere herein, the following activities are prohibited on the Property:

- (a) Any activity which violates local, state, or federal laws or regulations;
- (b) Institutional uses, including but not limited to group homes, day care centers, churches, temples or shrines, rest homes, schools, medical care facilities, lodges, inns, beds and breakfasts;
- (c) Any business or trade, except that an owner or occupant residing on the Property may conduct business activities within a dwelling on the Property so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the dwelling unit; (ii) the business activity conforms to all zoning requirements for the Property; (iii) the business activity does not involve regular visitation of the Property by clients, customers, suppliers, or other business invitees; (iv) the business activity does not involve any service or delivery business in which more than one vehicle used in such business would be parked overnight on the Property, or for which any parts, equipment supplies, raw materials, components or tools are stored on the Property; and (v) the business activity is consistent with the

residential character of the Property and does not constitute an unreasonable disturbance to adjoining land owners or others, a nuisance, or a hazardous or offensive use. The foregoing shall not preclude occasional garage sales, moving sales, rummage sales, or similar activities provided that such activities are not held on the Property more than once in any six-month period. The terms "business" and "trade" as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required. The leasing of the Property for single-family residential use shall not be considered a business or trade within the meaning of this subsection. Owners may permit a temporary construction trailer to be located on the Lot during construction activities, provided such trailer shall be removed within five (5) days following completion of construction; and

- (d) Nothing shall be done within the Property that is an unreasonable annoyance, inconvenience or nuisance to the residents of the Property, or that unreasonably interferes with the quiet enjoyment of the residents of the Property.
- (e) There shall be no obstruction of the Common Area, nor shall anything be kept, stored, altered in or on the Common Area, or removed therefrom, without the prior consent of Declarant or the Association. Provided, however, Declarant and the Association shall have the right to install, place, repair, replace and maintain signs in the Common Area and other apparatus as may be necessary to enable the Association to carry out its powers and duties under this Second Amendment.
- (f) No Owner shall permit anything to be done or kept on such Owner's Lot or in the Common Area which will result in the cancellation of or the increase in cost of any insurance carried by the Association.

Section 10.6 Quality Craftsmanship/Dwelling Size. All residential dwelling Buildings and outbuildings erected upon the Property shall be built on site of new materials of good grade, quality and appearance, and shall be constructed in a good, workmanlike manner, conforming to all applicable building codes. Further, all dwellings must meet the following construction requirements:

- (a) Lots 1-12 shall not contain less than 1,800 square feet of Heated Living Area, excluding any basement footage. Declarant has designated three bedrooms for these dwellings and will review a bedroom count during plan submission.
- (b) Lots 13-25, Lots 31-38, Lots 44-57 and Lots 64-80 shall not contain less than 2,000 square feet of Heated Living Area. Declarant has designated three bedrooms for these dwellings and will review a bedroom count during plan submission.
- (c) Lots 26-30, Lots 39-43, Lots 58-63 and Lots 81- 98 shall not contain less than 2,400 square feet of Heated Living Area. Declarant has designated four bedrooms for these dwellings and will review a bedroom count during plan submission.

- (d) All dwelling Buildings and accessory structures shall be completely supported with solid brick, brick or stone covered block, or stucco covered foundation.
- (e) Roofs shall not have less than 12 inch overhang and shall be covered with asphalt or fiberglass shingles, terra cotta tile, real or manmade slate, copper sheathing or wood shingles or pre-painted metal roofing.
- (f) The exterior surfaces of all dwelling Buildings and accessory structures shall be covered only with brick, stone, hard stucco (synthetic stucco is not permitted), wood, or siding consisting of wood or composite material (vinyl siding may be approved on a case by case basis but shall require the express approval of the Architectural Committee and may be rejected by the Architectural Committee for any reason); provided, that any horizontal siding must be completely supported to maintain a straight and even outer surface and must be fully and properly finished.
- (g) Exteriors of all dwelling Buildings and accessory structures must be completed within one year after the commencement of construction, and a certificate of occupancy issued within two years after commencement of construction. The Declarant may extend the completion date at its discretion.
- (h) Buildings on any Lot shall be built so as to comply with setback requirements imposed by the applicable governmental authority.
- (i) All signs, posters, banners or other signage, including "for sale signs" are prohibited without the express written consent of the Declarant.

Section 10.7 Permitted Accessory Structures. Except as otherwise set forth herein, no Buildings or improvements of any kind may be located on Lots 1-98 other than one detached, single-family residential home, and the following permitted accessory structures (all subject to approval by the Architectural Committee):

- (a) Storage and shop outbuildings, including detached garages, workshops, storage and utility buildings, greenhouses and similar buildings. The total square footage contained within all such outbuildings combined shall not exceed two thousand (2000) square feet. All outbuildings shall be permanently affixed to the Lot.
- (b) Recreational structures, including decking, gazebos, covered patios, playhouses, barbecue pits and similar structures. The total square footage contained within such structures when combined shall not exceed one thousand (1000) square feet in area. All such structures must be approved by the Architectural Committee.
- (c) One detached apartment or guest house.
- (d) No outbuilding, recreational structure, apartment/guest house or other Buildings or Structures or improvements may be located in any Buffer Area.

Section 10.8 Site Development Requirements. The Property shall be subject to the following specific development requirements:

- (a) No portion (or portions) of a Lot shall be: (i) denuded of ground cover or topsoil, (ii) graded, (iii) excavated or (iv) covered with earth or natural or man-made fill material, unless all required building, grading and erosion control permits have been issued by the applicable municipal authorities.
- (b) All denuded, graded, excavated or filled areas shall be stabilized and replanted on or before the later of: (i) the ninetieth (90th) day following the initial denuding, grading, excavation, or filling (unless footings and foundations are being installed upon the disturbed area and construction is being diligently and continuously pursued upon such area); or (ii) such time as construction is completed or interrupted for a period of ninety (90) continuous days.
- (c) All Lots are subject to the Dominion Power shoreline management guidelines as amended from time to time.

Section 10.9 Buffer Area Restrictions. The Declarant reserves the right to maintain and control all buffer areas. Such right shall automatically be transferred to the Association when the Declarant no longer owns any Lots, if Declarant has not already voluntarily relinquished such right to the Association.

Section 10.10 Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved over and more particularly described on the recorded subdivision Plats. In the event that the owner of any Lot shall acquire land adjacent to and in the rear of such Lot, such Lot Owner may relocate the easement herein established over the rear line to conform to the increase in the size of his Lot, provided that alteration in drainage does not thereby adversely affect the drainage of any other Lot or interfere with the rights of the Owners of other property within this subdivision to services rendered by the easement herein created. Such relocated easement shall be the same width as the original easement. A map of such relocated easement shall be recorded in the Warren County Registry.

Section 10.11 Prohibited Conditions and Uses. None of the following Structures or improvements may be located upon any Lot:

- (a) Structures, equipment or other items which are visible from any road or adjacent property which have become rusty, dilapidated, or otherwise fallen into disrepair;
- (b) Satellite dishes greater than one meter in diameter are prohibited. Satellite dishes one meter in diameter or less should be placed on the rear exterior wall or rear roof of the residence in a location not visible from the street. If adequate reception is not available, satellite dishes may be located in the rear Lot behind the residence, but must be screened from view of the street. Installation is not permitted on any Common Area. Dishes and accompanying equipment should be painted to the extent possible to match the exterior of the residence or to blend in with the surrounding area where located. Owners are solely responsible for maintaining satellite dishes and all related equipment. No other exterior radio antennae, television antennae, or other electronic signal-receiving or transmitting equipment shall be placed, allowed, or maintained upon any portion of the Property, including any Lot, without approval of the Architectural Committee, except for an antenna that is one meter or less in diameter or diagonal measurement and is designed to receive video programming

services via broadband radio service (wireless cable) or to receive or transmit fixed wireless signals other than via satellite, or an antenna that is designed to receive local television broadcast signals that does not extend more than twelve (12) feet above the top roof ridge of the dwelling.

- (c) Any outdoor clothes lines; nor shall any clothes lines or any other items be hung on exterior railings or components of any structure;
- (d) Any freestanding transmission or receiving towers or any non-standard television antennae; and
- (e) No flags, banners, signs or other displays shall be visual from the lake side of any lot or structure.

Section 10.12 Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats, or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose. No animals shall be kept or housed outdoors on any Lot. All animals when off the applicable Owner's Lot shall be kept on a leash at all times. Further, the owner of such animal shall be responsible for curbing their animal when the animal is off their Lot.

Section 10.13 Mail Box Posts. All mail box support posts shall be of material and design as designated by Declarant or by an Architectural Committee.

Section 10.14 Signs. No sign of any kind shall be displayed to the public's view on any Lot, including political signs, except that (a) Declarant may place marketing and other signs pursuant to Declarant rights reserved herein and (b) Owners may place for sale and for rent signs that have been approved by the Architectural Committee. There is specifically reserved unto the Architectural Committee the right to establish rules and regulations governing the size, color, placement, number and duration of for sale or for rent signs that may be permitted on a Lot.

Section 10.15 Garages. Any garage doors, detached or otherwise, shall remain closed except when in use for entry or exit into or from said garage.

Section 10.16 Tree Cutting. No trees shall be cut or pruned without the permission of the Declarant or the Association.

Section 10.17 Completion of Construction Activity; Requirement of Bond. The exterior of all Buildings, Structures or other improvements must be completed within one (1) year after commencement of construction, except where, in the sole discretion of the Board, such completion within one (1) year is not possible or would result in great hardship to the Owner or Builder due to strike, fire, national emergency or natural calamity. To ensure the timely completion of construction and the compliance with the terms of this Second Amendment, the Architectural Committee may require in its discretion, as a condition of Architectural Committee approval of submitted plans, that the Owner provide a construction bond, in form and content satisfactory to the Architectural Committee. Prior to the commencement of construction activity at a Lot, the contractor or Owner shall place a dumpster for the receipt of trash and construction debris. In no event shall the contractor or Owner burn any trash or construction debris.

Section 10.18 Electronic Monitoring Systems. In order to preserve the tranquility and peacefulness for all of the Owners, no audible siren, horn, bell, or other noisemaking device shall be permitted in connection with an electronic monitoring or alarm system. All electronic monitoring or alarm systems shall use silent or inaudible alarms (i.e. electronic notice to a central station).

Section 10.19 Colors. No exterior colors on any Building or Structure shall be permitted that, in the sole judgment of Declarant or the Architectural Committee, would be inharmonious or discordant or incongruous. Any future exterior color changes desired by an Owner must be first approved by the Architectural Committee.

Section 10.20 Factory Built Structures. No mobile, manufactured or modular home or structure having the characteristics or appearance of a mobile, modular or manufactured home, including, without limitation, any mobile, modular or manufactured home as defined by the building codes or other applicable laws of the state in which the Property is located, shall be located upon the Property.

Section 10.21 Underground Utility Lines. All electric, telephone, gas, cable television and other utility lines shall be installed underground.

Section 10.22 Parking.

- (a) Automobiles shall be parked only on paved or gravel areas designed for parking or in enclosed garages or Structures. No automobiles may be parked on the streets.
- (b) No boats or boat trailers, other trailers, commercial vehicles, campers, motor homes, tractors, heavy equipment, golf carts, motor cycles, jet skis or jet ski trailers, recreational vehicles or other similar items may be parked on the streets, nor on any Lot unless in an enclosed garage or Structure or in an area approved by the Architectural Committee which is screened from view from the street and adjoining Lots. Notwithstanding the foregoing, any commercial truck or vehicle or heavy equipment that is necessary in the actual construction and/or maintenance activities on a Lot may be permitted to park on the Lot and on the streets during the duration of such construction and/or maintenance.
- (c) No inoperative, abandoned, or unlicensed vehicle or any vehicle displaying an invalid inspection sticker shall be parked or stored on any Lot or on the streets in the Property.
- (d) No repairs or maintenance, other than routine maintenance, of vehicles or watercrafts shall be permitted on a Lot.
- (e) No tractor trailer or tractor cab may be parked anywhere within the Property at any time, whether permanently or temporarily.
- (f) The operation of motor bikes, dirt bikes, all-terrain vehicles, go-carts, and motorized recreational vehicles shall be prohibited both on the streets of the subdivision and on the individual Lots comprising said subdivision, except that golf carts shall be

allowed if operated by a licensed driver. The use of golf carts must comply with all applicable ordinances and statutes.

- (g) Lot owners, by acceptance of deeds to Lots or portions of the real property subject to these restrictions, agree and the Association and Declarant shall hereby prohibit, the docking, anchoring, or parking of any boat, vessel or other watercraft on property owned and controlled by VEPCO which properties are adjacent to or contiguous to the here restricted Property. This provision shall not limit Declarant's right to assign the use of the Boatslips as more specifically provided herein.
- (h) The Board of Directors may promulgate additional rules and regulations governing parking and operation of vehicles, conveyances and equipment within the Property, including on the Lots

Section 10.23 Community Water and Sewer. Sewage disposal for the Property is to be provided by a private wastewater system owned by the Declarant and located upon real property owned by the Declarant. Further, all drainfields are located upon land owned by Declarant. The entire wastewater treatment, collection and disposal system designed to service the Property as well as any replacements, substitutions or additions thereto shall be referred to herein as "Wastewater Facilities". The Wastewater Facilities are not Common Areas, and Declarant shall not be obligated to transfer and convey such areas to the Association. However, until such time as public sewer is available to the Property or until such time as Declarant transfers the Wastewater Facilities to a licensed wastewater operator who shall be responsible for providing sewer disposal to the Property, the Wastewater Facilities shall be used for providing wastewater disposal to the Property. All costs of operations including repair, maintenance, utilities, insurance, taxes and reasonable reserves shall be paid by the Association and shall be budgeted by the Association. In addition, the Association shall pay the cost of a licensed operator for the Wastewater Facilities and any charges related to the removal and disposal of waste at an off-site facility. Declarant reserves the right to charge and collect tap fees or access fees for use of the Wastewater Facilities.

Notwithstanding that Declarant is not obligated to transfer and convey the Wastewater Facility to the Association, Declarant may convey all or any portion of the Wastewater Facilities to the Association, and the Association shall accept such conveyance, except that Declarant may not transfer ownership and/or control of the Wastewater Facilities to the Association until construction has been completed in accordance with the permit issued by and the plans submitted to the North Carolina Environmental Management Commission and/or the Division of Water Quality as the case may be, and the staff of the Division of Water Quality has inspected and approved the facilities. Further, Declarant may not transfer, convey, assign or otherwise relinquish or release its responsibility for the operation and maintenance of the Wastewater Facilities until a permit has been reissued to Declarant's successor.

If the Declarant shall transfer the Wastewater Facilities to the Association, the Wastewater Facilities and appurtenances thereto shall be deemed part of the Common Area and shall thereafter be properly maintained and operated in conformity with applicable law and the provisions of the permit for construction, operation, repair and maintenance of the system and facilities. Maintenance, repair and replacement of the Wastewater Facilities shall be a common expense, and a reserve fund separate from routine maintenance funds shall be created and maintained to ensure that there are funds readily available to repair or maintain the system beyond routine operation and maintenance expenses. The

Wastewater Facilities shall receive the highest priority for expenditures by the Association except for federal, state and local taxes and insurance. In the event the common expense allocation and separate reserves funds are insufficient to cover expenses associated with the construction, repair and maintenance of the Wastewater Facilities, the Board of Directors shall be authorized as necessary to pass special assessments in amounts to be determined by the Board to cover such necessary costs. No membership approval shall be required for the imposition of such special assessment. The assessment shall be treated in the same manner as other assessments outlined in Article VI for purposes of collection and enforcement. The Association shall not enter into any voluntary dissolution without first having transferred the Wastewater Facilities to some person, corporation or other entity acceptable to and approved by the North Carolina Environmental Management Commission.

Either Declarant or the Association may implement sub-metering, and assess Members based on use of the Wastewater Facilities, if either Declarant or the Association determines that such sub-metering is necessary to more fairly allocate costs and expenses associated with the Wastewater Facilities.

Section 10.24 Casualty Destruction to Improvements. In the event that a Structure or Building or other improvement is damaged or destroyed by casualty loss or other loss, then within a reasonable period of time after such incident, as determined by Declarant or the Association, the Owner thereof shall either commence to rebuild or repair the damaged Structure or Building or improvement and diligently continue such rebuilding or repairing until completion or properly clear the damaged Structure or Building or improvement and restore or repair the Lot in a manner aesthetically satisfactory to Declarant or the Association. As to any such reconstruction of a destroyed Structure or Building or improvement, the same shall only be replaced with Structures, Buildings or improvements as are approved by Declarant or the Architectural Committee as provided herein. In addition to and without limiting rights provided Declarant and the Association in the event any Owner fails to repair or raze any damaged Structure, Building or improvement, the Declarant and the Association may, at their discretion, secure such damaged structure to prevent a health and safety concern and/or may screen such damaged structure to the extent practical.

Section 10.25 Subdivision and Recombination of Lots. No Lot shall be subdivided without the written consent of Declarant (or the Association at such time as Declarant has no remaining ownership interest in any portion of the Property). One or more Lots may be combined into a single Lot with the written consent of Declarant (or the Association at such time as Declarant has no remaining ownership interest in any portion of the Property). However, despite such combination, the resulting Lot shall not be considered as one Lot for the purposes of this Second Amendment, and each original Lot forming the newly combined lot shall remain subject to assessment hereunder. The foregoing shall not prohibit or restrict the right (which is hereby reserved) of Declarant to subdivide, combine, resubdivide, recombine, or re-record maps relating to any Lots subject to this Second Amendment.

Section 10.26 No Limitation on Architectural Control: No Implied Waiver. The above restrictions on the use and development of Lots by Owners shall not be construed as limiting the right of review and analysis afforded Declarant and the Architectural Committee. The failure of Declarant or the Association to object to an Owner or another person's failure to comply with the covenants and restrictions contained herein shall in no event be deemed a waiver by Declarant or the Association, or any other Person having an interest herein, of its rights to object to the same and to seek compliance therewith in accordance with the provisions of this Second Amendment.

ARTICLE XI
RIGHTS OF FIRST MORTGAGEES AND INSURERS OF FIRST MORTGAGES

Any institutional holder of any mortgage on a Lot will, upon request in writing to the Association, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive written notice of all meetings of the Association and the right to designate a representative to attend all such meetings, (c) receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the Lot securing its mortgage, (d) receive written notice of any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Lot on which it holds the mortgage, (e) receive written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association, (f) receive written notice of any proposed action that requires the consent of a specified percentage of mortgage holders, (g) be furnished with a copy of any insurance policy owned by the Association, and (h) to be furnished with at least one copy of the annual financial statement and report of the Association, and any reports prepared by a certified public accountant designated by the Association. The Association may require the payment of expenses incurred in preparing copies and mailing of documents furnished to mortgage holders pursuant to this Article.

ARTICLE XII
BOATSLIP ASSIGNMENTS;
CONSTRUCTION OF ADDITIONAL BOAT DOCKS AND BOATSLIPS;
RULES AND REGULATIONS

Five (5) Boat Docks with a total of one hundred (100) Boatslips have been constructed pursuant to Permit # 7427 ("Permit") issued by VEPCO, which Permit has been transferred to Declarant. The terms of the Permit are incorporated by reference into this Second Amendment. The Association and all Owners shall comply with the terms of the Permit relating to the use and maintenance of the Boat Docks and Boatslips. Owners shall not have the right to apply for or obtain Boat Dock or Boatslip permits, assignments, or usage agreements from VEPCO. No Boatslip may be retained by, sold, leased or otherwise conveyed to any person or entity that does not own a Lot in the Property, except that Declarant reserves the right to lease Boatslips to Persons that do not own a Lot in the Property, until such time as it may choose to transfer the Permit and its authority over the Boatslips to the Association.

All Boatslips currently constructed are held as set forth on Exhibit C. Declarant reserves the right (but not the obligation) to construct additional Boat Docks and Boatslips as allowed under the Permit as it may be amended from time to time and reserves easements over all Common Areas for the construction of the additional Boat Docks and Boatslips which includes ingress, egress and the right to encroach upon Lots adjoining the Common Areas in the course of construction as well as utility easements to service the subsequently constructed Boat Docks and Boatslips. If Declarant constructs any additional Boatslips, upon the completion of such Boatslips, any such Boatslips shall be deemed to be Limited Common Elements the use of which may be assigned by Declarant upon the terms and conditions set forth herein.

Declarant reserves the exclusive right to assign rights of use of Boatslips. Owners acknowledge that:

- (a) The Boatslip Owner does not have any ownership right in the Boatslip, but rather has been assigned exclusive right of use of the Boatslip. The Boatslip is considered to be a Limited Common Area, the use of which is subject to Declarant's control until such time as Declarant voluntarily transfers the Permit and its rights regarding the Boatslips to the Association.
- (b) Boatslip Owners shall be subject to a specific Boatslip Assessment as provided in Article VI, in addition to any annual or special assessment required in this Declaration, to cover the repair, replacement, maintenance, insurance, taxes, and any and all other expenses associated with the Boatslips and any docks or finger piers serving the Boatslips that are located within Eaton's Crossing subdivision.
- (c) The right of use of the Boatslip may not be separated from ownership of the Lot, and upon transfer or conveyance of the Lot to any other person or entity, whether voluntary or involuntary, rights of use in the Boatslip shall automatically terminate and such rights shall automatically revert to Declarant. Notwithstanding the foregoing, in the event a Lot passes by inheritance to the heirs of a Boatslip Owner, said heirs shall become the new Boatslip Owner, subject to the terms and conditions of this Declaration.
- (d) Declarant may enact rules and regulations governing the use of the Boatslips and the transfer of Boatslips among Owners within Eaton's Crossing. However, no assignment of use rights shall be valid until an amended Exhibit C designating the new assignment has been recorded at the Warren County Register of Deeds by Declarant. An amendment to Exhibit C shall only require the approval of those Boatslip Owners affected by the amendment.
- (e) Declarant in its sole discretion may cause the Permit to be transferred to the Association, which the Association shall accept, and upon such transfer the Association shall automatically succeed to all Declarant rights set forth in this Section regarding assignment of Boatslips and rules and regulations governing use and transfer of the Boatslips.

ARTICLE XIII GENERAL PROVISIONS

Section 13.1 Insurance. In the event the Association becomes the owner of any buildings, or other improvements, or personal property, located within the Common Area, the Board of Directors shall obtain hazard insurance (if available) in an amount equal to the maximum insurable replacement value as determined annually by the Board of Directors with the assistance of the insurance company providing such coverage. Such coverage shall provide protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and such other risks as from time to time shall be customarily covered with respect to buildings and properties similar in construction, location and use.

The Board of Directors shall also procure and maintain public liability and property damage insurance, insuring each member of the Board of Directors; the manager, if any; and the Association

against any liability to the public or to homeowners (and their invitees, agents, and employees) arising out of or incident to the ownership and/or use of the Common Area and facilities or such other areas for which the Association is responsible. The insurance shall be issued on a comprehensive liability basis and shall contain a cross liability endorsement under which the rights of each named insured under the policy shall not be prejudice with respect to his action against another named insured. The amount of such public liability insurance shall be determined by the Board of Directors, but in no event shall it be less than One Million Dollars (\$1,000,000.00) per occurrence with regard to the Association and each individual director.

There shall also be obtained such other insurance coverage as the Board of Directors shall determine from time to time to be desirable and necessary. Premiums upon insurance policies purchased by the Board of Directors shall be paid by the Board of Directors as a common expense of the Association.

Section 13.2 Severability. Invalidation of any one or more of the covenants, conditions or restrictions of this Second Amendment by judgment or court order by a court of competent jurisdiction shall in no way affect any other provisions of this Second Amendment, which shall remain in full force and effect to the full extent under applicable law.

Section 13.3 FHA/VA Approval. Notwithstanding any provisions in this instrument to the contrary, as long as there is a Class B membership, and if Declarant desires to qualify sections of the Property for Federal Housing Administration or Veterans Administration approval (but not otherwise), the following actions will require the prior approval of Federal Housing Administration or the Veterans Administration: Annexation of additional properties, amendment of the Second Amendment of Covenants, Conditions and Restrictions, merger and consolidations, dissolution and exchange of Common Areas.

Section 13.4 Term of Declaration; Amendment. The covenants, conditions and restrictions of the this Second Amendment shall run with and bind the Property for a term of thirty (30) years from the date the Declaration is recorded in the Warren County Registry, after which time they shall be automatically extended for an unlimited number of successive periods of ten (10) years each, unless amended as set forth below. This Second Amendment may be amended by the affirmative vote or written agreement of Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated. Notwithstanding the foregoing, during the Declarant Control Period the Declarant may unilaterally amend this Declaration for any reason it deems advisable.

Furthermore, the Declarant, for so long as it controls the Board, and thereafter, the Board of Directors, may amend this Second Amendment without the consent of the Owners and hereby reserves the right to act on behalf of the owners to conform this Second Amendment to the requirements of any law or governmental agency having legal jurisdiction over the Property or to qualify the Property or any Lots or units therein for mortgage or improvement loans made, guaranteed or insured by a governmental agency, including, without limitation, Veterans Administration, Federal Housing Administration, Federal National Mortgage Association, Housing and Urban Development and Federal Home Loan Mortgage Corporation, or to comply with the requirements of law or regulations of any governmental corporation or agency regarding purchase of mortgage interests in units by such agency. A letter from any such agency stating that a change is desired or necessary in order to qualify the Property or any Lots or units for loans eligible to be guaranteed by, insured by or purchased by such agency, shall be sufficient authority for the amendment of this Second Amendment.

Section 13.5 Certification of Amendment. If any amendment to this Second Amendment is executed, each such amendment shall be delivered to the Board of Directors of the Association. Thereupon, the Board of Directors, shall, within thirty (30) days do the following:

- (a) Reasonably assure itself that the amendment has been executed by the Owners of the required number of votes allocated to members of the Association. (For this purpose, the Board may rely on its roster of members and shall not be required to cause any title to any Lot to be examined);
- (b) Attach to the amendment a certification as to its validity, which certification shall be executed by the Association in the same manner that deeds are executed.

All amendments shall be effective from the date of recordation in the Warren County Registry. When any instrument purporting to amend the covenants, conditions and restrictions has been certified by the Board of Directors and recorded as provided by this Section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to all persons thereafter purchasing any Lots in Eaton's Crossing.

Section 13.6 Prohibition Against Association Entering Into Long Term Contract While Declarant in Control of the Board of Directors. Following the termination of the Declarant Control Period, the Association is not bound under contracts or leases (including a management contract) unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty upon not more than 90 days' notice to the other party.

Section 13.7 Notice. Whenever written notice to an Owner (including Declarant) is required hereunder, such notice shall be given by the mailing of same, postage prepaid, to the address of such Owner appearing on the records of the Association or appearing on the records of the applicable county tax collection department. If notice is given in such manner, such notice shall be conclusively deemed to have been given on the date the same is placed in the United States mail properly addressed, with postage prepaid, whether received by the addressee or not. Electronic means may be utilized for all notices and announcements if approved in writing by Owner or Declarant.

Section 13.8 Titles. The titles, headings and captions which have been used throughout this Second Amendment are for convenience only and are not to be used in construing this Second Amendment or any part thereof.

Section 13.9 No Exemption. No Owner or other party may exempt himself from the coverage hereof or obligations imposed hereby by non-use of such Owner's Lot(s) or the Common Area or Limited Common Area.

Section 13.10 Statutory Authority. To the extent specific statutory authority for the making of this Second Amendment shall be deemed necessary, this Second Amendment shall be construed in accordance with Chapter 47F of the North Carolina General Statutes. Liens for assessments would be asserted as a lien under N.C.G. S. 47F-3-116 if statutory authority is deemed necessary.

Section 13.11 No Reversionary Interest. No provision hereof shall be deemed to vest in Declarant or any other person any reversionary interest in any Lot.

Section 13.12 Assignment. Declarant specifically reserves the right, in its sole discretion, to at any time assign (temporarily or permanently) any or all of its rights, privileges, and powers under this Second Amendment or under any Supplemental Declaration.

ARTICLE XIV EASEMENTS

Section 14.1 Easements Reserved by Declarant. Easements for installation, maintenance, repair and removal of utilities and drainage facilities are reserved by Declarant for itself its successors and assigns, over, under and across the Lots (other than the portions thereof used as building sites) and through Common Areas for access to other properties whether or not the same are adjacent to the Property. Full right of ingress and egress shall be had by Declarant at all times over the Lots (other than the portions thereof used as building sites) and the Common Areas for the installation, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility. Declarant shall have the right to assign and convey, in whole or in part, the easements reserved by it hereunder to one or more public utility companies. No new easements shall be established hereafter without consent of the Owner of the Lot which is subjected to such an easement. It is understood and agreed that Declarant has the right to impose other easements on Lots or any other Property which it owns. Without limiting any other provision in this Second Amendment, it is understood that each and every one of Declarant's easement rights reserved herein may be utilized for the benefit of property within or outside of Eaton's Crossing.

Section 14.2 Easements Appurtenant to Lots. All Common Area shall be subject to an easement in favor of every Lot to which it is adjacent or which it is designated to serve and shall be deemed appurtenant to each such Lot, whereby the owner of each such Lot shall be entitled to use the Common Area as a means of ingress, egress and regress and such other uses shall have been designated. Such easement shall be superior to the lien of every mortgage or deed of trust.

Section 14.3 Emergencies. Every Lot shall be subject to an easement for entry by the Association for the purpose of correcting, repairing, or alleviating any emergency condition which arises upon any Lot and that endangers any building or portion of the Common Area or other Lot.

Section 14.4 Easement for Governmental Agencies. An easement is hereby established over the Common Area for the benefit of applicable governmental agencies, public utilities companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical, telephone, gas and cable antenna lines, firefighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities.

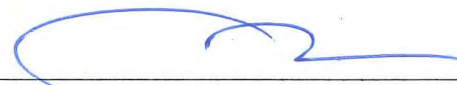
Section 14.5 Emergency Vehicle Access. Neither the Association nor Owners shall restrict emergency vehicle access.

CERTIFICATION OF VALIDITY OF AMENDMENT TO
FIRST AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR EATON'S CROSSING

By authority of its Board of Directors, Eaton's Crossing Property Owners Association, Inc. hereby certifies that the foregoing instrument has been duly executed by the written signatures of owners of not less than sixty-seven percent (67%) of the Lots and is, therefore, a valid amendment to the existing First Amended and Restated Declaration of Covenants, Conditions and Restrictions for Eaton's Crossing.

EATON'S CROSSING PROPERTY OWNERS
ASSOCIATION, INC.

By:


Stephen N. Fleischman, President

ATTEST:


Eric Rifkin, Secretary

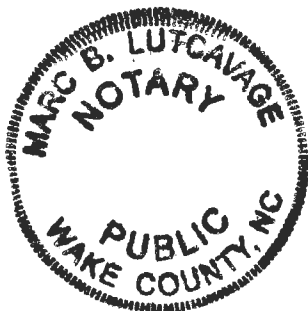
STATE OF NC

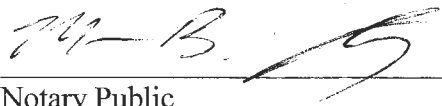
COUNTY OF WAKE

ACKNOWLEDGMENT

I, Marg B. Lutcavage, a Notary Public of the County and State aforesaid, certify that Eric Rifkin personally came before me this day and acknowledged that she is Secretary of Eaton's Crossing Property Owners Association, Inc., and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and attested by Eric Rifkin as its Secretary.

Witness my hand and official stamp or seal, this 22 day of January, 2014.




Notary Public

MARG B. LUTCAVAGE
Printed Name

My commission expires: 5-26-2014

CONSENT TO SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR EATON'S CROSSING:

Declarant and Lot Owner: Eaton's Crossing NC LP

By: W.E.H., Inc., its General Partner

By:


Stephen N. Fleischman, Vice President

STATE OF NC

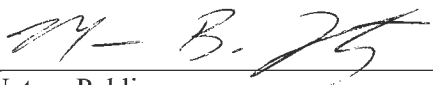
ACKNOWLEDGEMENT

COUNTY OF WAKE

I, MARC B. LUTCAVAGE, a Notary Public of the County and State aforesaid, certify that Stephen N. Fleischman of whose identity I have personal knowledge, personally appeared before me and acknowledged that the signature on the record presented is his signature and that he voluntarily executed the foregoing instrument for the purpose stated therein and in the capacity indicated and with full authority to do so.

Witness my hand and official stamp or seal, this 22 day of JANUARY, 2014.

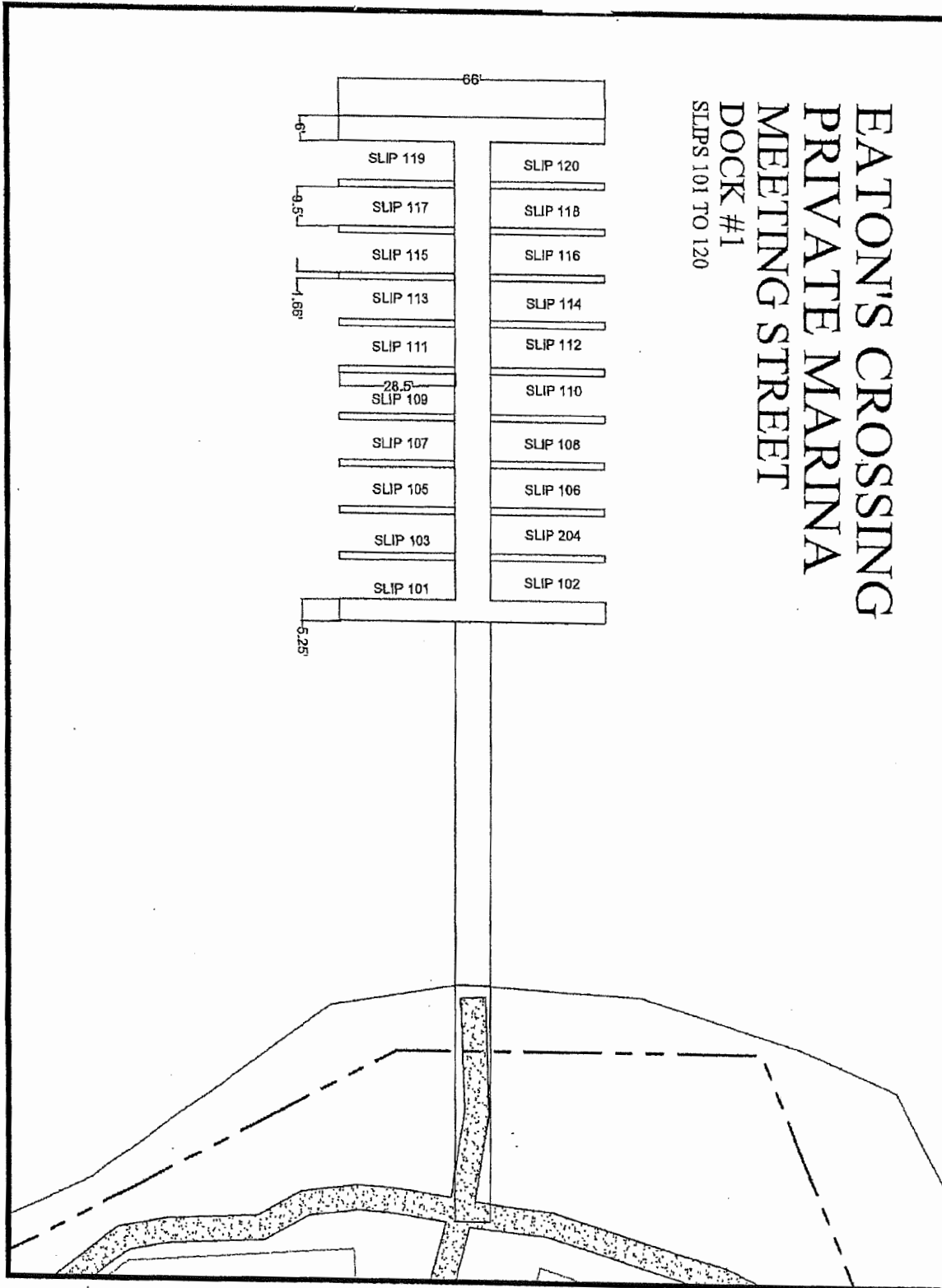



Notary Public

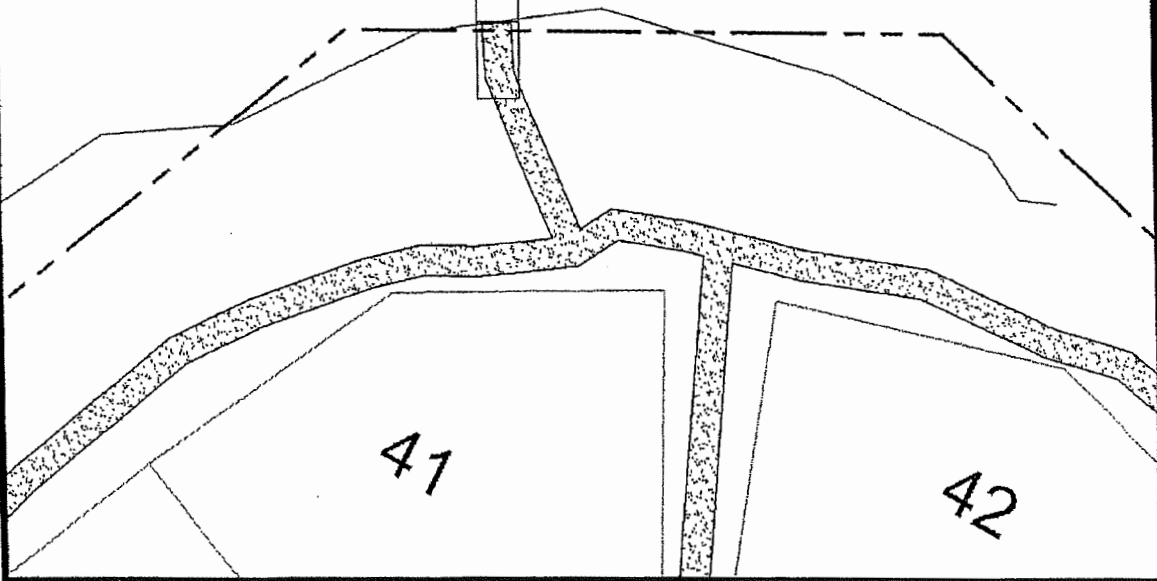
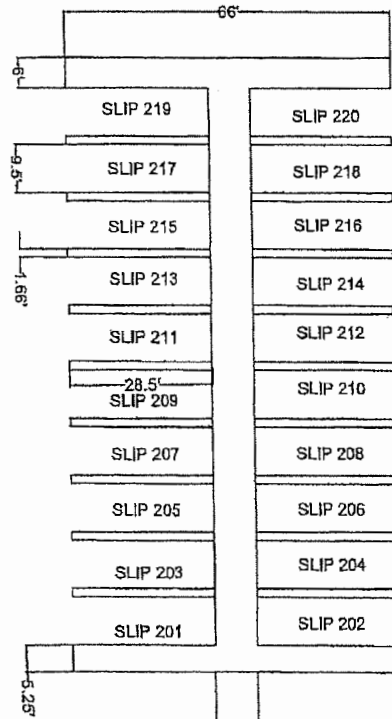
MARC B LUTCAVAGE
Printed Name

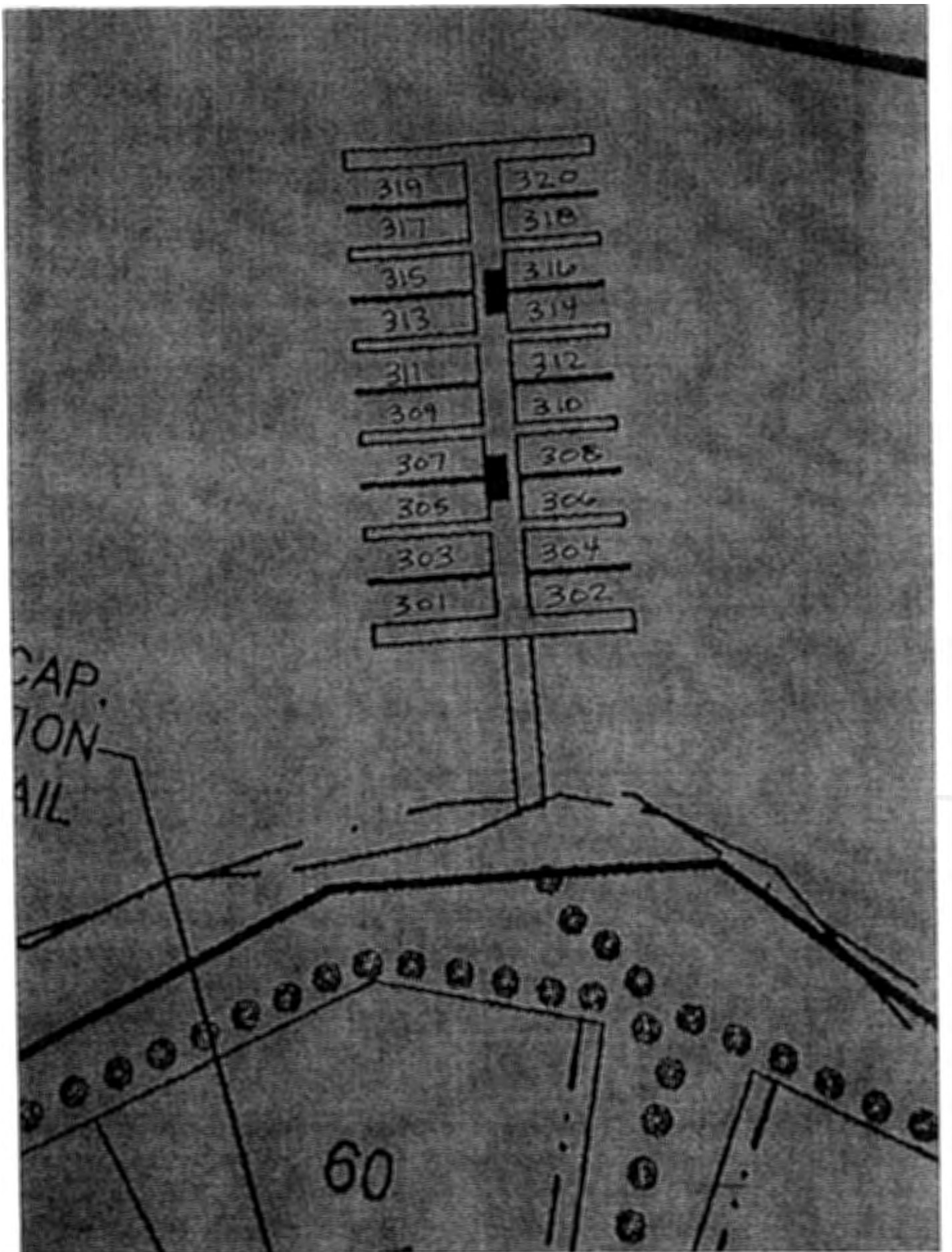
My Commission Expires: 5-26-2014

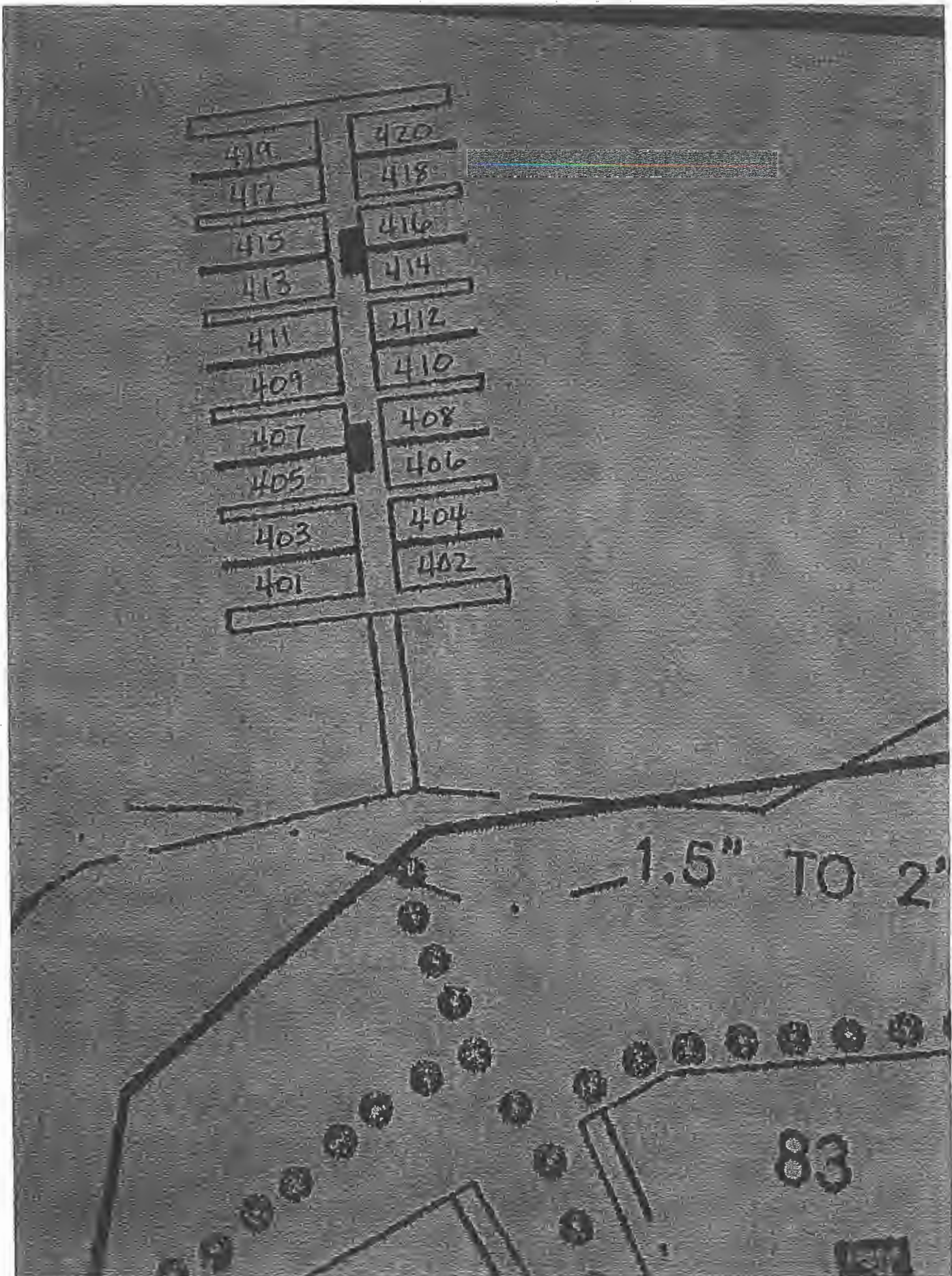
EXHIBIT A
BOATSLIP DIAGRAM



EATON'S CROSSING
PRIVATE MARINA
CAMERON PLACE
DOCK #2
SLIPS 201 TO 220







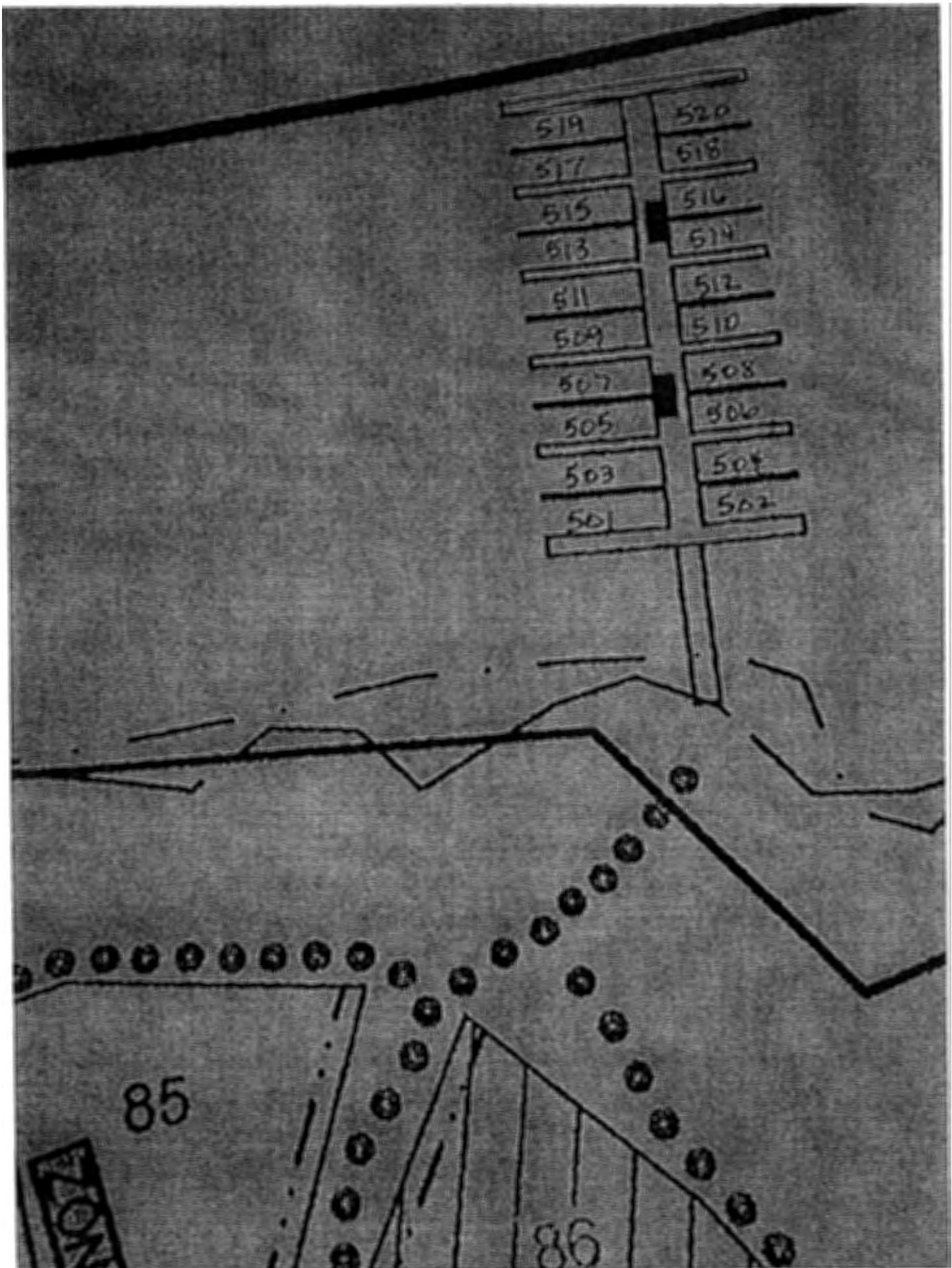


EXHIBIT B
DESCRIPTION OF PROPERTY

The property subject to this Second Amended and Restated Declaration shall be all that property previously subjected the Original Declaration and First Amendment as described herein, including all amendments and supplements of record, in addition to the real property otherwise identified below. Such property includes, but is not limited to:

1. Property described in that Declaration of Covenants, Conditions and Restrictions recorded in Book 857, Page 418 and re-recorded in Book 858, Page 305 of the Warren County Registry:

That certain property located in Warren County, North Carolina constituting Lots 1-85 of Eaton's Crossing as shown in Plat Cabinet 1, Slide 261A, Plat 15 recorded on September 14, 2007, in the Office of Register of Deeds of Warren County.

2. Property described in that First Amended and Restated Declaration of Covenants, Conditions and Restrictions recorded in Book 928, Page 551 of the Warren County Registry:

That certain real property described on that plat recorded in Plat Cabinet 1, Slide 261A, Plats 13, 14 and 15 of the Warren County Registry.

3. To the extent not otherwise described above:

Tract 1: That certain 78.676 acre parcel of land as shown and designated on survey of plat entitled "Surveyed For The Estate of Daisy Woodburn," dated March 29, 2006, and prepared by Jasper Eley Land Surveying, which plat is recorded in the office of the Register of Deeds of Warren County, North Carolina, in Plat Cabinet 1, Slide 254A, Plat 20, which property is further described as follows: This certain tract or parcel of land located in River Township Warren County, North Carolina and being more particularly described as follows: Beginning at a Found Rebar in the Right of Way of N.C. Highway 903 said point being the Southeast corner of A.S. Bugg and W.S. Bugg Jr. property and located in the center of a 60 foot Right of Way Easement as shown in Deed Book 207, Page 267 of the Warren County Register of Deeds, said point being located S69°23'52"W, a distance of 134.80 feet from NCGS Monument "Poplar" having NAD 83 Coordinates of Northing 1003176.091 (feet) and Easting 2304689.61 (feet); thence from said point of beginning along the Right of Way of N.C. Highway 903; S24°14'17"W, a distance of 38.00 feet to a found rebar; thence along the line of W.S. Bugg Heirs N38°23'23"W, a distance of 263.24' to a found rebar; thence S24°21'02"W, a distance of 249.93 feet to a found rebar; thence along the line of D. Boyd N58°12'56"W, a distance of 1249.00 feet to a found rebar in a rock pile; thence N 57°48'16"W, a distance of 1027.94 feet to a Corner

Black Gum, common corner for this property and the property of H&S Land LLC; thence along the line of H&S Land LLC N67°36'38"W, a distance of 80.00 feet to a set rebar; thence N40°23'27"W, a distance of 99.80 feet to a set rebar; thence N04°41'24"W, a distance of 6.84 feet to a set rebar in the line of Virginia Electric and Power Company; thence along the line of Virginia Electric and Power Company the following courses and distances; S64°18'47"E, 130.02 feet, N77°21'13"E, 132.40 feet, S58°52'47"E, 298.70 feet, S82°15'47"E, 158.20 feet, N55°15'13"E, 66.80 feet, N66°21'47"W, 266.50 feet, N40°08'47"W, 144.60 feet, N48°54'47"W, 155.00 feet, N22°26'47"W, 226.10 feet, N75°56'47", 323.50 feet, N13°37'46"W, 131.81 feet, N64°40'23"W, 124.58 feet, N18°21'00"E, 117.40 feet, N69°56'00"W, 115.30 feet, N24°22'00"W, 104.70 feet, N03°12'00"E, 138.90 feet, N30°42'00"E, 89.80 feet, S81°34'00"E, 175.70 feet, S71°14'00"E, 151.40 feet, N49°12'00"W, 85.90 feet, N20°04'00"W, 205.00 feet, N24°32'00"E, 108.50 feet, N62°34'00"E, 120.40 feet, S74°49'00"E, 128.50 feet, S48°06'00"E, 312.50 feet, N16°50'00"W, 131.80 feet, N12°14'00"W, 178.30 feet, N49°26'00"E, 144.80 feet, N73°02'00"E, 88.30 feet, S66°02'00"E, 83.90 feet, S32°14'00"E, 220.00 feet, S23°12'00"E, 123.80 feet, N77°18'15"E, 53.26 feet, N01°54'39"E, 283.84 feet, N44°32'00"E, 80.60 feet, N76°54'00"E, 157.30 feet, S83°42'00"E, 176.40 feet, S33°52'00"E, 84.50 feet, N77°12'00"E, 57.70 feet, S11°42'00"W, 216.80 feet, S29°56'00"W, 106.30 feet, S04°16'00"W, 209.40 feet, S03°13'00"E, 117.64 feet, S17°11'45"E, 95.21 feet, S39°14'25"W, 40.99 feet to a found iron pipe in the center of a gravel road, corner for Duane White Land Co. Inc.; thence N77°07'39"W, 122.47 feet to a found iron rod; thence S13°00'40"E, a distance of 361.51 feet to a found rebar; thence N84°00'20"E, a distance of 535.02 feet to a found iron pipe; thence N83°55'09"E, a distance of 305.49 feet to a set rebar; thence N56°47'28"E, a distance of 206.02 feet to a found cotton spike in the Right of Way of N.C. Highway 903; thence N56°50'03"E, a distance of 57.15 feet to a found cotton spike in the center line of N.C. Highway 903; thence along centerline of said road the following courses and distances, S04°20'40"E, a distance of 56.50 feet; thence S06°19'11"E, 41.34 feet, S07°44'05"E, 44.62 feet, S08°34'24"E, 47.69 feet, S09°24'13"E, 51.97 feet, S10°15'41"E, 54.50 feet, S10°35'55"E, 48.10 feet, S11°00'04"E, 52.60 feet, S11°21'23"E, 52.76 feet, N49°24'52"W, 80.97 feet to a found rebar on the Right of Way of said road; thence along the line of A.S. Bugg and W.S. Bugg Jr. N49°24'52"W, a distance of 299.58 feet to a found rebar; thence S15°51'30"W, a distance of 264.09 feet to a found rebar; thence S15°51'53"W, a distance of 688.31 feet to a found rebar; thence S36°34'47"E, a distance of 800.75 feet to a found rebar; thence S39°09'37"E, a distance of 278.47 feet to a found rebar being the point and place of beginning containing 78.676 Acres excluding Right of Way of N.C. Highway 903.

Tract 2:

That certain 3.81 acre parcel of land as shown on plat of survey entitled "Designated Condominiums Area of Eaton's Crossing at Lake Gaston", Property

BK:00963 PG:0528

of Redtail-Gaston, LLC," dated June 2, 2008, and recorded in the office of the Register of Deeds of Warren County, North Carolina, in Plat Cabinet 1, Slide 270A, Plat 005.

EXHIBIT C **BOATSLIP ASSIGNMENT LIST**

The following represents assignments of Boatslips as of January 15, 2014, and supersedes any previously recorded assignment. As set forth herein, Declarant shall have sole authority to assign use rights in the Boatslips unless and until Declarant vests such authority in the Association.

<u>Boat Slip</u>	<u>Assignment by Lot</u>	<u>Current Owner of Lot</u>
101	Lot 26	Lohr Management, Ltd.
102	Lot 59	Shaw Resources, Inc.
103	****	****
104	Lot 28	LGV Holdings, LLC
105	****	****
106	Lot 17	Thomas and Candy Adkinson
107	****	****
108	****	****
109	Lot 15	Heron I, LLC
110	****	****
111	****	****
112	****	****
113	****	****
114	****	****
115	****	****
116	****	****
117	****	****
118	****	****
119	Lot 27	Glen Wesley
120	****	****
201	****	****
202	Lot 41	J. Chris Cammack, III
203	Lot 14	Wilford W. Shaw
204	****	****
205	Lot 13	Easy Street Real Properties, LLC
206	Lot 42	Michael Doninger
207	****	****
208	****	****
209	****	****
210	****	****
211	****	****
212	****	****
213	****	****
214	Lot 82	Shaw Resources
215	****	****
216	Lot 60	Shaw Resources
217	****	****
218	Lot 83	Robert Wilson, Sr. and Anne Wilson
219	****	****
220	Lot 48	William D. Dockery

<u>Boat Slip</u>	<u>Assignment by Lot</u>	<u>Current Owner of Lot</u>
301	****	****
302	****	****
303	****	****
304	****	****
305	****	****
306	****	****
307	****	****
308	****	****
309	****	****
310	****	****
311	****	****
312	****	****
313	****	****
314	****	****
315	****	****
316	****	****
317	****	****
318	****	****
319	****	****
320	****	****
401	****	****
402	****	****
403	****	****
404	****	****
405	****	****
406	****	****
407	****	****
408	****	****
409	****	****
410	****	****
411	****	****
412	****	****
413	****	****
414	****	****
415	****	****
416	****	****
417	****	****
418	****	****
419	****	****
420	****	****

<u>Boat Slip</u>	<u>Assignment by Lot</u>	<u>Current Owner of Lot</u>
501	****	****
502	****	****
503	****	****
504	****	****
505	****	****
506	****	****
507	****	****
508	****	****
509	****	****
510	****	****
511	****	****
512	****	****
513	****	****
514	****	****
515	****	****
516	****	****
517	****	****
518	****	****
519	****	****
520	****	****

**** Indicates Boatslip that has not yet been assigned, but that is subject to future assignment by Declarant. In the event of any future assignment, Declarant shall record a new Exhibit C setting forth the Lot and Owner(s) to whom use rights of a particular Boatslip have been assigned.