LEE COUNTY MOLLIE A. MCINNIS REGISTER OF DEEDS

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SEDGEMOOR PROPERTY OWNERS ASSOCIATION, INC.

FIRST AMENDED DECLARATION

RESERVATIONS AND RESTRICTIONS

THIS DECLARATION is made this 7th day of November, 2007, by the Sedgemoor Property Owners Association, Inc. This Amendment covers all of the lots in the Sedgemoor Subdivision that are recorded in the Office of the Register of Deeds of Lee County.

WITNESSETH

WHEREAS Sedgemoor Property Owner's Association, Inc., a non-profit corporation created under the laws of the State of North Carolina, desires to provide for the preservation, and protection of the value of the property, being all of the common property and all residential lots in its Subdivision of Carolina Trace, and to assure the best use and most appropriate development and improvement of the property; and

WHEREAS, TO THIS END, Sedgemoor Property Owners Association, Inc. desires to subject the property to the reservations and restrictions set forth all of which are for the benefit of the property and each owner thereof;

WHEREAS, Sedgemoor Property Owners Association, Inc. establishes one class of voting membership. Voting Members shall be all those persons or entities that hold the title to a lot or lots in Sedgemoor. Owners are eligible to cast one vote for each lot owned.

NOW, THEREFORE, in consideration of benefits to be derived by Sedgemoor Property Owners Association, Inc. and owners of lots within the property, the undersigned does hereby establish, publish and declare that reservations and restrictions hereinafter set forth shall apply to the property, becoming effective when recorded in the Office of Register of Deeds of Lee County North Carolina and running with the land, to be binding upon all parties having any right, title or interest in any portion of the property thereof and their heirs, successors and assigns.

The document which created the Sedgemoor Property Owners Association Inc. and which was recorded in the Office of the Register of Deeds of Lee County, North Carolina in Book 344, Pages 538 - 545 and which imposed reservations and restrictions on land in the Sedgemoor Subdivision is incorporated herein by reference as if fully set out herein, and shall continue in full force and effect except as explicitly amended and changed by this FIRST AMENDED DECLARATION OF RESERVATIONS AND RESTRICTIONS.

SECTION 1. PROPERTY OWNERS ASSOCIATION

- (A) Every person or entity who purchases, or otherwise acquires ownership of any lot in Sedgemoor shall be a member of Sedgemoor Property Owners Association, provided, however, that any such person or entity who holds such ownership or interest merely as a security for the performance of an obligation shall not be a member.
- (B) (1) Every property owner shall have a right of enjoyment in and to the common properties shown on the map of Sedgemoor and such easement shall be appurtenant to and shall pass with the title to every lot, subject to provisions set out in this section.
- (B) (2) The entrance to Sedgemoor and Woodmere-Trentwood sections, used in common by Sedgemoor and Woodmere-Trentwood, is the area of common ground beginning at Traceway and running to the current golf tee #6 of the Creek Course, to lot #502 in Sedgemoor on one side and to lot #598 in Trentwood on the other.
- (C) Each property owner, by acceptance of a conveyance of a lot within Sedgemoor, whether or not it shall be expressed in any deed or conveyance, shall be deemed to covenant and agree to pay:

- (1) Annual assessments or charges;
- (2) Special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided.

 The annual and special assessments, together with such interest thereon and cost of collection thereof as herein provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made as hereinafter set out.
- (D) (1) The assessments, annual or special, as aforesaid, shall be for the purpose of promoting the recreation, health, safety and welfare of property owners and in particular for the improvements, maintenance, service and facilities relating to the common areas, including, but not limited to the payment of taxes on the common areas, insurance thereon, maintaining landscaping and repairing private roads and walkways and like common areas and facilities in Sedgemoor, provide for pest control when needed and in general provide those services important to the development and preservation of an attractive community appearance and for the privacy and general safety of all home sites.
- (D) (2) Maintenance costs for the area described in section (B) (2) above is to be pro-rated according to the number of recorded lots in Sedgemoor and Woodmere-Trentwood. The apportioned cost of said maintenance to be divided annually by the Property Owner Associations. Responsibility for maintenance will rest with Woodmere-Trentwood Property Owners Association.
- (E) Within 30 days after adoption of any proposed budget for Sedgemoor Property Owners Association as well as the proposed annual assessment for improved and unimproved lots, the Sedgemoor Board of Directors shall provide to all the lot owners a summary of the budget, the proposed annual assessment for improved and unimproved lots and a notice of the meeting to consider ratification of the budget and the annual assessment for improved and unimproved lots, including a statement that the budget and the annual assessments may be ratified without a quorum. The Board of Directors shall set a date for a meeting of the lot owners to consider ratification of the budget and the annual assessments, such meeting to be held not less than 20 nor more than 60 days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget is ratified and the annual assessments are approved unless at that meeting a majority of all the lot owners in the Sedgemoor Property Owners Association rejects the budget and the annual assessment for improved and unimproved lots. In the event the proposed budget and the proposed annual assessment for improved and unimproved lots is rejected, the periodic budget and annual assessment for improved and unimproved lots last ratified by the lot owners shall be continued until such time as the lot owners ratify a subsequent budget proposed by the Sedgemoor Board of Directors.
- (F) The annual assessments provided for herein shall be on a calendar year basis. Annual assessments shall be payable in advance and are due and payable by January 31 of the calendar year.
- (G) In addition to the annual assessments authorized herein the Association may levy in any assessment year a special assessment or special assessments applicable to that year only for the purpose of defraying in whole or in part the costs of any construction or reconstruction, paving or repaving of roads or parking lots, unexpected repair or replacement of a capital improvement upon the common properties. The Board of Directors shall set a date for a special meeting of the lot owners to consider approving any special assessments, such meeting to be held not less than 20 nor more than 60 days after mailing of the notice. There shall be no requirement that a quorum be present at the meeting. The special assessments are approved unless at that meeting a majority of all the lot owners in the Sedgemoor Property Owners Association rejects the special assessments.
- (H) The Association shall prepare and maintain a roster of all members and assessments applicable thereto which roster shall be accessible to all members of the Association at all times.
- (I) If the assessments, either annual or special, are not paid when due, then such assessments shall become delinquent and shall, together with such interest thereon and costs of collection thereof, as hereinafter provided, become a continuing lien on the property in the hands of the owner, his heirs and assigns. The personal obligation of the owner to pay such assessments, however, shall remain his personal

obligation for the statutory period provided by law and shall not pass to his successors in title unless and expressly assumed by them. The Property Owners Association may bring an action at law against the owner personally obligated to pay the same to foreclose the lien against the property.

(J) The lien of the assessments provided for in this section shall be prior to and superior to all other liens except only (a) ad valorum taxes (b) all sums unpaid on a first mortgage or deed of trust to secure debt of record. The sale or transfer of any lot shall not affect the assessment lien; provided, however, that the sale or transfer of any lot pursuant to the foreclosure of a first mortgage thereon shall not extinguish the lien of such assessments as to the payments thereof which become due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessment thereafter becoming due or from the lien thereof.

SECTION 2. ARCHITECTURAL CONTROL

The Architecture of homes and/or improvements to and on each of the lots subject to these protective covenants will be controlled in the following manner by "The Architectural Committee".

The Architectural Committee will be composed of three (3) persons who are permanent Sedgemoor resident property owners or the resident spouse of a property owner. The term of office shall be three (3) years staggered so that one member will be elected each year thereby having continuity and experience on the committee. Members of the Architectural Committee shall not be entitled to any compensation for services performed pursuant to this covenant.

Architectural Restrictions

No house, garage, playhouse, outbuilding, fence, wall or other above-ground structure (anything constructed, built or placed upon the ground) shall be commenced, erected or maintained upon any property subject to this Declaration, nor shall any exterior addition to, change in or alteration of any said structure be made until complete final plans and specifications showing the nature, kind, shape, height, materials, basic exterior finishes and colors, location and floor plan thereof, and showing front, side and rear elevations thereof, drainage plans and other pertinent water run-off plans and the name of the builder, have been submitted to and approved by the Architectural Committee, its agents, successors or assigns, as to harmony of exterior design and general quality with the existing standards of the neighborhood and as to location in relation to surrounding structures. The Architectural Committee must approve or disapprove plans and location of a house on a lot within thirty (30) days after plans and specifications have been submitted by the property owner. In the event the Architectural Committee fails to approve or disapprove plans or locations of a home on a lot within thirty days after said plans and specifications have been submitted to it, or in any event, if no suit to enjoin the erection of such building or the making of such alterations has been commenced prior to the completion thereof, such approval will not be required, and this covenant will be deemed to have been fully complied with.

Any builder of any home upon any property subject to this Declaration, must, before beginning construction of each such home, be approved by the Architectural Committee as to financial stability, building experience and licensed by the State of North Carolina to build homes or other structures of the class and type of those which are built on the property subject to this Declaration. No person shall be approved as a builder by the Architectural Committee unless such person obtains his income primarily from construction of residences. No lot owner will be permitted to act as his own builder or contractor except where such owner obtains his income primarily from the construction of residences and otherwise meets the qualifications for approval by the Architectural Committee.

SECTION 3. PRIVACY WALLS

Privacy walls (a/k/a) Patio Lots, as referred to on the subdivision plats) are recorded in Plat Cabinet 4 Slides 175 & 259 at the Registrar of Deeds office in Lee County. State law now requires a minimum of five (5) foot setbacks on Patio Lots and bedrooms require a window for emergency egress. The minimum size is presently 5 s.f. of glass, bottom sash must open 22" high and 20" wide on the first floor and 5.7 s.f. on the second floor. Openings on the privacy side shall be dealt with on an individual basis (i.e. placement of house, screen plantings, glazed windows, transom windows or some other suitable means to block visibility from one house to another). The purpose of the privacy side of a house is to obstruct the ability to look directly into the adjacent house. This was established predating the present building codes and building codes take precedent over the original R&R requirements for the privacy side.

SECTION 4. BUILDING LOCATIONS

No building of any kind, including garages, shall be located on any building site less than twenty (20) feet from the front lot line or less than twenty-five (25) feet from the property line on any golf course, or less than twenty-five (25) feet from the rear lot line, except if building set back lines so indicated on the recorded plat. Variances will be allowed where required except in situations that would be detrimental to the community as a whole.

SECTION 5. HOUSE REQUIREMENTS

The shape, size and materials used and type of construction of all homes, shall be approved by the Architectural Committee in accordance with the following:

- (A) Effective upon (the date the amended R&R are approved) new homes shall have a minimum of sixteen hundred (1600) square feet of enclosed heated dwelling area at the ground level. A basement and second level is permitted. The size and contour of a lot will dictate what style home is appropriate for each lot and will be dealt with on an individual basis.
- (B) Effective upon (the date the amended R&R are approved) all garages of new homes shall be attached to the home and be of a minimum size to hold two cars. Carports are not permitted.
- (C) No house may be occupied prior to completion of the exterior and issuance of a Certificate of Occupancy by the City of Sanford, NC. All of the yard, which is visible from any street, must be planted with grass or have other ground cover approved by the Architectural Committee. Foundation plantings shall also be planted prior to occupancy.

SECTION 6. GENERAL REQUIREMENTS

No building, fence, mail box, outside lighting, newspaper box, screen planting, (screen planting is defined as a live barrier placed on the property line, e. g. shrubs, trees or grasses, that will act as a fence between the properties) or other improvements shall be erected, placed or altered on any building site until the building plans, specifications and plot plans showing the location of such improvements on the building site have been approved in writing as to conformity and harmony of external design and external materials with existing structures in the area and as to location with respect to topography, golf course, finished ground elevations and neighboring structures by the Architectural Committee.

The following property owner requirements/restrictions apply:

(A) All lots subject to these requirements shall be used as residential building sites only.

- (B) Each owner shall keep his home well maintained and/or his building site or lot free of tall grass, undergrowth, trash, dead trees and rubbish and properly maintained, so as to present a neat appearance. In the event an owner of any lot does not properly maintain his home or lot, as above described, in the opinion of the Architectural Committee, then the Architectural Committee will advise the owner in writing of the corrective measures he must take. If the owner fails to comply within two weeks from the date he was given written notice the Architectural Committee may have the work done and the costs thus incurred in performing the work shall be paid by the owner.
- (C) Adequate off-street parking shall be provided by the owner of each building site for parking of automobiles owned by such owner, and owners of building sites agree not to park their automobiles on the street edge of their property adjacent to the street in the subdivision or on common grounds.
- (D) Kennel operations are not permitted. A kennel is defined as any enclosure such as an outbuilding, a doghouse or fenced area that holds more than two dogs.
- (E) No domesticated animals, poultry or exotic animals are allowed except for house pets. House pets are defined as dogs and cats. A limit of two (2) house pets is the maximum allowed. Any owner who has more than two pets at the time these Amended Reservations and Restrictions are adopted will be grandfathered for the current extra pet(s). All pets must remain in the confines of the owner's property unless they are on a leash. It is the owner's responsibility to clean-up and properly dispose of any droppings from his pet.
- (F) Containers for garbage shall be kept in an enclosure so as not to be accessible to animals or visible from any street. Any garbage placed roadside for collection must be in closed containers. Incinerators for garbage, trash or other refuse shall not be used.
- (G) Appurtenant private structures such as dog houses or utility buildings are not permitted.
- (H) No commercial signs including "For Rent" or "For Sale" or other similar signs shall be erected or maintained on any lot by anyone, except professionally lettered brokerage signs for the sale of homes only and the builders' identification signs while homes are under construction.
- (I) No noxious or offensive trade or activity shall be carried on upon any building site, nor shall anything be done thereon which may be or become any annoyance or nuisance to the neighborhood.
- (J) No trailer, basement, (unless said basement is part of a residence erected at the time), shack, tent, barn or other outbuilding shall be erected or placed on any building site covered by these covenants, except as specifically permitted herein.
- (K) No trade materials or inventories may be stored upon the premises except in garages.
- (L) No trucks, trailers, buses, self motorized camping vehicles, boats or tractors may be stored or regularly parked on the premises except in garages.
- (M) All telephone, electric, and other utility lines and connections between the main utility lines and residence and other building sites shall be concealed and located underground so as not to be visible.
- (N) Only one antenna mast will be permitted not to exceed fifteen feet above the highest ridge of the house to which it is attached. All such antennas must be attached to the house. No towers will be allowed. TV satellite dish antennas (not to exceed twenty-four inches in diameter) shall be placed on the roof of the house. Any lot owner wishing to place a TV satellite dish antenna elsewhere on his/her lot may only do so with the prior approval of the Architectural Committee who will determine the appropriateness of the placement consistent with community standards.
- (O) Clothes lines should be placed so that they will not be unsightly with regard to the Carolina Trace residents.

General Provisions

Duration

The covenants, reservations and restrictions of this Declaration shall be binding for a term of one (1) year from the date this Declaration is recorded, after which time they shall be automatically extended for successive and additional periods of one (1) year each.

Amendment

The Declaration may be amended or terminated during the first one (1) year period by an instrument signed by not less than sixty-seven percent (67%) of the Owners, and thereafter may be amended or terminated by an instrument signed by not less than sixty-seven percent (67%) of the Owners.

Each amendment adopted by the association shall be executed by the President and certified by the Secretary as having been duly adopted and shall state the effective date of the amendment.

Severability

The provisions of this Declaration are severable and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder hereof.

Construction and Validity of Declaration and Bylaws

In the event of a conflict between the provisions of the North Carolina Planned Community Act, the Declaration, the Articles of Incorporation and the By-laws, the provisions of the North Carolina Planned Community Act, the Declaration, the Articles of Incorporation and the By-laws, (in that order) shall prevail.

Attorneys' Fees

In an action to enforce provisions of the North Carolina Planned Community Act, Articles of Incorporation, the Declaration, Bylaws, or duly adopted rules or restrictions, the court may award reasonable attorneys' fees to the prevailing party.

North Carolina Planned Community Act

The provisions of the North Carolina Planned Community Act, Chapter 47F of the General statues of North Carolina, shall apply to the Sedgemoor Subdivision. Legal fees, recording costs, court fees, and other costs of collection shall be allowed.

Grandfather Clause

Existing structures and structures that were approved by the Architectural Committee but are not yet constructed are grandfathered but this shall not be construed as establishing a precedent.

Successor Statute

To the extent that the North Carolina Planned Community Act is modified or repealed, the law as it is changed controls.

At least 67 % of the owners of lots in Sedgemoor approved the North Carolina Planned Community Act in its entirety and agree to be subject to and come under the auspices of the Act and at least 67 % of the lot owners in Sedgemoor also approved the amendment to the original reservations and restrictions as stated herein. By their signatures below, the President and Secretary of the Sedgemoor Property Owners Association, Inc., certify that the recitation of facts contained in this paragraph is true and correct.

| IN TESTIMONY THEREOF, Sedgemoor Property Owners Association, Inc. has caused this instrument be executed in its corporate name, by its President, attested by its Secretary, with its corporate seal hereur affixed, all by authority duly given of its Board of Directors. | to nto |
|---|-----------|
| By: John H, Kirkman, President Date: Nw. 7, 200 | |
| Mary Ann Moyer, Segretary Date: //- 7-07 | |
| State of North Carolina County of Lee | |
| I, <u>Jamie D. Loomis</u> , a Notary Public of the County and State aforesaid, certify that <u>John Kirkman + Manuary Public</u> came before me this day and acknowledged that he is the President of Sedgemoor Property Owners Association, Inc., a North Carolina nonprofit corporation, and that by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by its President, and sealed with its corporate seal. | |
| Witness my hand and official seal the 7 th day of November 2007. | |

James Johns, Notary Public My commission expires: 5/20/2012

NOTARY PUBLIC COMMITTEE OF THE PUBLIC COMMITTEE OF THE