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REGISTER OF DEEDS

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DEPUTY REGISTER OF DEEDS

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Brief Description for Index: Amended Declaration of The Arbor on Lake James

**AMENDED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
THE ARBOR ON LAKE JAMES SUBDIVISION
AND
THE ARBOR AT LAKE JAMES PROPERTY OWNERS ASSOCIATION**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE ARBOR ON LAKE JAMES SUBDIVISION ("THE ARBOR SUBDIVISION") and THE ARBOR AT LAKE JAMES PROPERTY OWNERS' ASSOCIATION, INC. is made this July 3rd, 2012 by and between Oscar O. Vasquez and Lake James Properties, LLC, a North Carolina limited liability company (hereinafter collectively "Declarant"), The Arbor at Lake James Property Owners' Association, Inc. (also known in the Original Governing Documents as "The Arbor Homeowners' Association, Inc." and which hereinafter is referred to as the "Association", for itself and on behalf of each and every lot owner and member in The Arbor at Lake James (also commonly known as "The Arbor Subdivision" and "The Arbor on Lake James Subdivision", (hereinafter the "The Arbor Subdivision")), Cove Point at the Arbors Homeowners Association, Inc., (commonly known as "Cove Point Association") for itself and on behalf

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of each and every lot owner and member in Cove Point at the Arbors (commonly known as "Cove Point Subdivision"), and any and all persons, firms, or corporations hereinafter acquiring any of the within described property or any of the property hereinafter made subject to this DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE ARBOR SUBDIVISION (hereinafter "Declaration.")

WITNESSETH:

WHEREAS, the Association and The Arbor Subdivision are governed by certain governing documents including articles of incorporation of the Association ("Original Articles"), declarations of covenants, conditions and restrictions on record (including without limitation recorded documents found in Deed Book 666, Page 468, Deed Book 687, Page 282, Deed Book 687, Page 294, Deed Book 687, Page 301, Deed Book 687, Page 308, Deed Book 687, Page 717, Deed Book 704, Page 645, Deed Book 714, Page 108, Deed Book 714, Page 116, Deed Book 758, Page 344, Deed Book 787, Page 89, Deed Book 790, Page 177 and Deed Book 745, Page 246, Deed Book 787, Page 89, Deed Book 1066, Page 243, Deed Book 1034, Page 369 of the McDowell County Registry) (collectively "Original Covenants") and bylaws (the "Original Bylaws")(collectively the Original Bylaws, Original Articles and the Original Covenants, being the "Original Governing Documents"); and

WHEREAS, Cove Point Association and Cove Point Subdivision are governed by certain governing documents including articles of incorporation of the Association ("Original Cove Point Articles"), a declaration of covenants, conditions and restrictions on record (including without limitation recorded documents found in Deed Book 1033, at Page 189-205, McDowell County Registry) ("Original Cove Point Covenants") (collectively the Original Cove Point Articles and the Original Cove Point Covenants being the "Original Cove Point Governing Documents"); and

WHEREAS, Declarant is the original developer of The Arbor Subdivision and the Cove Point Subdivision (hereinafter collectively known on the "Subdivision"); and

WHEREAS, more than Eighty percent (80%) of the members of The Arbor at Lake James Property Owners Association, Inc., voted (a) to merge Cove Point at the Arbors Homeowners Association, Inc. in to the surviving association The Arbor at Lake James Property Owners Association, Inc. and (b) to adopt the Amended Declarations as hereinafter set forth;

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WHEREAS, more than Eighty percent (80%) of the member of Cove Point at the Arbors Homeowners Association, Inc., voted (a) to merge Cove Point at the Arbors Homeowners Association, Inc. in to the surviving association The Arbor at Lake James Property Owners Association, Inc. and (b) to adopt the Amended Declarations as hereinafter set forth;

WHEREAS, all of the parties hereto, in furtherance of their collective intent as set forth in that certain Agreement Respecting Association and Declarant Operations dated February 8, 2012 ("Operations Agreement") desire to agree to a single set of new covenants, conditions and restrictions for the Association, The Arbor Subdivision, Cove Point Subdivision and Cove Point Association, effectively: 1) replacing all of the Original Covenants and Original Cove Point Covenants, with a new uniform single set of governing documents as set forth herein, 2) eliminating the Original Cove Point Bylaws from operation or effect, 3) eliminating any effect of the Original Cove Point Articles as to operation of an association of lot owners governing Cove Point, and instead having the Original Articles apply to all of the Subdivision (which now includes all of the Subdivision as originally constituted and Cove Point), and 4) merging the Cove Point Association into the Association, and

WHEREAS, the lots in the Subdivision are so situated as to comprise a neighborhood unit and it is the intent and purpose of the Declarant to convey the aforesaid lots to persons who will erect thereon residences to be used for single family purposes, subject to the provisions hereinafter set forth; and

WHEREAS, Declarant has agreed to establish a general plan of development as herein set out to restrict the use and occupancy of the property made subject to the Declaration for the benefit and protection of the Subdivision, and each of the individual lot owners in the Subdivision and for the mutual protection, welfare and benefit of the present and the future owners thereof; and

WHEREAS, Declarant desires to provide for: 1) the preservation of values of the Subdivision subject to the terms hereof, and 2) the preservation and maintenance of the Common Elements established by the Original Covenants as well as in this Declaration.

NOW, THEREFORE, in accordance with the recitals which by this reference are made a substantive part hereof, Declarant declares that all of the property described in the Original Covenants and the Original Cove Point Covenants (all of such real property so described and making up the subdivision hereinafter also referred to as the "Property", and which is also all of that real property shown on those plats referenced in Article II, Section 1 below) as referenced above is made subject to the Declaration and its restrictions and shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of the Subdivision as it now exists, is expanded hereby, and may hereafter be expanded and that such easements,

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restrictions, covenants and conditions shall burden and run with said Subdivision and be binding on all parties now or hereafter owning said Subdivision real property and their respective heirs, successors and assigns, having any right, title or interest in the properties now or hereafter subjected to the terms hereof, or any part thereof, and shall inure to the benefit of each owner thereof and their respective heirs, successors and assigns, and it is further acknowledged that the Subdivision, as now constituted is a Planned Community subject to the terms of the Act (as hereinafter defined).

ARTICLE I

DEFINITIONS

1. Association. The "Association" shall mean and refer to The Arbor at Lake James Property Owners' Association, Inc., a non-profit North Carolina corporation, its successors and assigns.
2. Articles. "Articles" shall mean the Articles of Incorporation of the Association and any amendments thereto.
3. Bylaws. "Bylaws" shall mean the Bylaws of the Association and any replacements thereof, or amendments thereto.
4. Board. "Board" or "Board of Directors" shall mean the Board of Directors of the Association.
5. Act. "Act" shall mean the North Carolina Planned Community Act, Chapter 47F of the North Carolina General Statutes.
6. Owner. "Owner" shall mean and refer to any contract buyer and/or the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of any of the Property made subject to this Declaration, but excluding those having such interest merely as security for the performance of an obligation.
7. Lot. "Lot" shall mean and refer to any improved or unimproved building lot shown upon any recorded subdivision plat of this Subdivision.

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8. Dwelling Unit. "Dwelling Unit" shall mean and refer to the completed single family home located upon a Lot.

9. Declarant. "Declarant" shall mean Lake James Properties, LLC, a North Carolina limited liability company and Oscar O. Vasquez (respectively as original Declarant within the Original Covenant Covenants and the Original Cove Point Covenants) and their successors and assigns if such successors and assigns acquire two or more undeveloped lots from the Declarant for the purpose of development and if the rights and obligations of the Declarant hereunder are expressly assigned to and assumed by such successors and assigns.

10. Common Elements. "Common Elements" shall mean all property owned by the Association for the common use and enjoyment of all or a designated classes of members. Common Elements includes without limitation all existing and future roads and right-of-ways and all greenways, median strips, cul-de-sac centers, planting areas, and recreational areas, and facilities, open space, walking trails, easements, boat ramps, community boat slips, and community piers, that are developed on the Common Elements (it being understood that this enumeration is by way of description of the type of facilities that may be developed and in no way shall bind or obligate the Declarant to provide any of the described facilities) and all entry way, directional, and informational signs (and the areas set aside for their location) and any other property as may be purchased or provided for the common use and benefit of the Declarant, the Owners, and any member in the Association, including without limitation such Common Elements as may be shown on the recorded plat(s) of the Property. Except by the Declarant, the Common Property shall not be used for public commercial purposes, but may be used for the enjoyment of the Association's members, and for fund-raising activities to support the purposes of the Association.

11. Committee. "Committee" shall mean the Architectural Review Committee established by the Declarant for the purpose of administering control over architectural, landscaping, and related matters, as provided in Article III of this Declaration.

12. Management Documents. "Management Documents" shall mean this Declaration, the Articles and Bylaws of the Association, and the Rules and Regulations.

13. "Member." shall mean and refer to each owner or owners of a Lot within the Development who shall also then be a member of the Association for such period of ownership. If a Lot is owned by more than one person, then such persons collectively shall be the Member and shall be entitled to vote only those voting shares allocated to such Lot.

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14. Rules and Regulations. "Rules and Regulations" shall mean reasonable rules and regulations as may be adopted from time to time by the Association.

15. Special Declarant Right. "Special Declarant Rights" or "Declarant's Rights" shall mean rights reserved for the benefit of the Declarant, including without limitation the Special Declarant Rights allowed to the Declarant under Section 47F-1-03 (28) of the Act, but shall not include the right to elect, appoint, or remove any officer or member of the Board of Directors of the Association during the period of Declarant control. All such Special Declarant Rights, as authorized by the Act, are reserved to the Declarant.

16. Contract Buyer. "Contract Buyer" shall mean any person who has a valid long term contract for the purchase of a Lot from Declarant, where pursuant to the terms of such Contract, the Buyer is making long term periodic payments to Declarant and will receive a fee simple deed for the Lot once all payments have been made in full toward the total purchase price. Every Contract Buyer shall have the rights of an Owner and Member of Association, as set forth in this Declaration, but subject to the terms herein, including the right of Declarant to revoke the rights of ownership and membership in the event of Buyer default under such Contract.

ARTICLE II

PROPERTY SUBJECT TO THE DECLARATION AND ITS RESTRICTIONS

1. Existing Property. The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to the terms of this Declaration, irrespective of whether there may be additions thereto as hereinafter provided, is located in McDowell County, North Carolina, and is shown on Plats recorded in Plat Book 7 at Pages 29-32, 37, 42-43, 50-51, 78-79, 87-90, 95-98, 92-98, Plat Book 8 Pages 43-48, 101, Plat Book 9 at Pages 27, 55-57, 63, 78-84; Plat Book 14 at Pages 20,72; Plat Book 11 at Page 9; Plat Book 17 at Page 49; Plat Book 18 at Page 21; Plat Book 20 at Pages 29, 41, 52, 56, 69, 71; Plat Book 19 at Pages 3, 36; Plat Book 19 at Pages 70-75; and Plat Book 20 at Pages 15, 26-28, 68, 70; Plat Book 21, Pages 17-20; and any amendments made to the recorded plats, all in the Office of the Register of Deeds for McDowell County.

2. Additions to Existing Property. The Declarant reserves the right (but is not obligated) to develop one or more additional phases of the Subdivision (including The Arbor at Lake James Subdivision and Cove Point at the Arbor Subdivision) and incorporate within, and make subject to, the terms and provisions of

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this Declaration. Additional real property may be brought within the plan of development and scheme of this Declaration and the jurisdiction of the Association in accordance with the following:

- a. Declarant reserves the right (but is not obligated to exercise this right) to subject to this Declaration other certain contiguous property acquired in Deed Book 666 at Page 448 in the McDowell County Public Registry which may be developed into tracts and roadways and may later be made part of the Subdivision. The Declarant also reserves the right (but is not obligated to exercise this right) to add all or part of the property currently owned by Kenneth L. Buckner in McDowell County should the Declarant decide to purchase the land described as Parcel #172200193681 (3.21 acres), Parcel #172200194127 (2.54 acres) and Parcel #172200195396 (2.54 acres). The property acquired by the Declarant in Deed Book 666 at Page 448 at the McDowell County Public Registry and the property currently owned by Kenneth L. Buckner and described above is the only contiguous property that may be subject to this Declaration and added as additional phases. Declarant shall have and hereby reserves the right and option, from time to time and for so long as the Declarant owns the contiguous property, to subdivide all or any portion of the same into additional tracts by filing of a plat designating such tracts on the records of McDowell County, North Carolina, and upon such filing the number of tracts located on the property shall be increased to include such additional tracts.
- b. The additional residential property and common area described in Section 2(a) above may be annexed to the properties and brought within the scheme of the Declarations and Restrictions and the jurisdiction of the Association, in future stages of the development without the consent of the Association or its members.
- c. The additions authorized under subsection (a) shall be made by filing of record with the McDowell County Register of Deeds, Supplementary Declarations of Covenants, Conditions and Restrictions of the Subdivision, describing the additional real properties which shall have extended to it the scheme of development of this Declaration and its restrictions and the jurisdiction of the Association to such real properties, and shall thereafter subject such additional real properties (and each Lot created thereby) to assessments for a share of the Association's expenses as determined hereby. Said Supplementary Declarations may contain such complementary additions and modifications to this Declaration as may be deemed reasonably necessary.

ARTICLE III**COMMON ELEMENTS**

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1. Conveyance of Common Elements. Declarant shall convey to the Association fee simple title to the Common Elements within thirty (30) days of the recording of this Declaration. At the time of the conveyance such Common Elements shall be free of any liens or encumbrances except for: (a) ad valorem taxes prorated to the date of conveyance, (b) the restrictions and easements set forth in this Declaration, (c) other utility, drainage, and access easements, and (d) other title matters acceptable to the Association. The Association shall hold the Common Elements conveyed to it subject to the rights of Declarant set forth in the Operations Agreement, this Declaration and the Act.

2. Owner's Easements of Enjoyment.

a. The Declarant and, to the extent provided by this Declaration, every Owner, shall have a right and easement of ingress, egress, and regress over the Common Elements and over the roads within the Property, to be used in common with others, for the purpose of providing access to lot(s) owned or dwelling unit(s) owned by each such Owner for himself, his family, agents, licensees and invitees, and for his and their non-exclusive use and enjoyment of the Common Elements, subject however to the limitations on such use and enjoyment of the Common Elements as provided for in this Declaration. Every Owner, and the members of such Owner's family that reside with such Owner or the overnight guests of such Owner, shall have the right to use the recreational areas within the Common Elements, subject however to such Owner paying when due the dues and assessments of the Association and abiding by all rules and regulations of the Association, including without limitation those governing the use of the recreational areas and the Common Elements. Non-Owners shall only be entitled to use the recreational areas on such terms and conditions as the Association may select.

b. Maintenance of the Common Elements. The Association shall be responsible for the operation, maintenance, and repair of the Common Elements.

c. Rules and Regulations. The Association shall have the right to adopt, publish, and enforce reasonable Rules and Regulations governing the Property, the use and enjoyment of the Common Elements, and the personal conduct thereon of the Owners, their guests, invitees, tenants, and members of their families or households.

ARTICLE IV

THE ARBOR AT LAKE JAMES PROPERTY OWNERS' ASSOCIATION, INC.

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1. Governing Body. The Association shall be the governing body for all Owners with respect to the management, administration, maintenance, repair, and replacement of the Common Elements. Subject to the provisions of this Declaration and unless expressly prohibited herein, the Association shall have all of the rights, powers, and authority allowed or allowable to it under the Act. The Association shall be governed by a Board of Directors which can act in all instances on behalf of the Association unless the Operational Agreement or the Act specifically provide otherwise.

2. Membership. Every owner of a lot which is subject to this Declaration shall be a member of the Association. Membership is appurtenant to a Lot and may not be assigned. If and when Declarant develops additional phases in the Subdivision, the Owners of those lots shall be members of the Association. The Declarant shall also be a member so long as it owns property within this expandable Subdivision.

3. Class Membership Voting. The Association shall have two (2) classes of membership:

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

b. Class B. Class B members shall be entitled to vote ten (10) votes for each Lot owned. Class B membership shall consist of the Declarant, or its successors or assigns. Class B membership shall cease and terminate upon the recordation of these Amended Declarations and shall be converted to Class A Membership.

4. Board of Directors. There shall be five (5) members of the Board of Directors of the Association who shall serve until such time as their successors are duly elected and agree to serve. The directors shall have annual meetings and other such meetings as may be called at the request of the president of the Association or by any three (3) directors. For three (3) years after the recording of this Declaration, the Declarant shall be a sixth voting member of the Board of Directors with the right to cast one (1) vote on any matter coming before the Board of Directors for a vote. All Directors who have been elected by the membership of the Association during Annual Meetings prior to the recording of this Declaration are hereby recognized as duly elected Directors of the Association.

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5. Suspension of Voting Rights. The Association shall have the right, subject to the procedural requirements of the Act to:
- a. Suspend the voting rights (if any) of an Owner for any period during which any assessment on such Owner's Lot remains unpaid, and to enforce collection of the same; and
 - b. Suspend the voting rights (if any) of each Owner who is a contract buyer for any period of time during which payments to the Declarant pursuant to terms of said contract are delinquent, during which period of time the Declarant shall succeed to the voting rights of said contract buyer.
6. Period of Declarant Control. The period of Declarant shall terminate at the time Class B membership ceases in accordance with Article IV, Paragraph 3b. However, Declarant will retain the reserved right to annex additional property into the community pursuant to Article II, Section 2(a).

ARTICLE V

COVENANTS FOR ASSESSMENTS

1. Covenant to Pay Assessments: Lien. Every Owner of a Lot, other than the Declarant, shall be obligated to pay to the Association such annual and special assessments as may be levied by the Association pursuant to the provisions of this Declaration, the Bylaws, and the Act. Any such assessment levied against a Lot remaining unpaid for a period of thirty (30) days or longer shall constitute a lien upon that Lot when the Association files a claim of lien in the office of the Clerk of Superior Court of McDowell County. The lien provided for herein, upon filing, shall be prior to all other liens and encumbrances on a Lot except (a) liens and encumbrances (specifically including without limitation any Mortgage on the Lot) recorded before the docketing of the claim of lien and (b) liens for real estate taxes and other governmental assessments and charges against the Lot. The lien may be enforced by foreclosure pursuant to Section 47-3-116 of the Act or in any other manner allowed by law.
2. Personal Obligation. Each annual or special assessment, together with any late charges, interest, collection costs, and reasonable attorneys' fees, shall be the personal obligation of the owner of the Lot at the time such assessment was levied. If more than one Person held an ownership interest in the Lot at such time, the personal obligation to pay such assessment shall be both joint and several. The personal obligation for delinquent assessments shall pass to such Owner's heirs and personal representative, but shall not pass to such Owner's assigns unless expressly assumed by them (which shall be deemed to have

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occurred with respect to any assign taking title to the Lot). Such assumption shall not relieve an Owner of his obligation. No Owner may exempt himself from payment of assessments by waiver of use or by non-use of the Common Elements or by abandonment or leasing of his Lot.

3. Purpose of Assessments. The assessments levied by the Association shall be used to pay the costs and expenses which the Association shall incur in connection with the performance of its duties and responsibilities under this Declaration, the Bylaws and the Act, and for all other purposes allowed or allowable to the Association under the Declaration, Bylaws, and the Act.

4. Annual Dues Assessments, Annual Slip Assessments, and Special Assessments.

- a. The Association shall have the duty to repair, replace, and maintain all recreational areas and improvements located thereon, and all streets, roads, road right-of-ways and other Common Elements. The Association shall have the right, from time to time, to establish a reasonable assessment, which assessment shall be paid by each Owner in such periodic installments as the Association may determine, to be used to pay: (1) the operating and administrative expenses of the Association; (2) the costs of maintenance, upkeep, replacement and repair of all recreational areas, and improvements located thereon, and all streets, roads, road right-of-ways, and other Common Elements; and (3) other expenses necessary or useful to maintain and operate the Association and the recreational facilities and Common Elements, including, without limitation, the procuring, maintenance and paying the costs of insurance related to the Common Elements and of surety and other bonds related to the management of the Common Elements and the Association. It is understood (by way of example and without limitation) that the assessment funds shall be used for such matters concerning Common Elements as the following: maintenance, repair and replacement of improvements within the recreational areas, the seeding and re-seeding of road right-of-ways and Common Elements, erosion control, repairing of road shoulders, surfacing, patching and resurfacing of parking lot and road pavement, placement of gravel, and planting and maintenance of shrubs, trees and seasonal flowers.
- b. The annual dues assessments may also be used by the Association for the purpose of adding to the recreational facilities.
- c. The annual dues assessment payable by each Owner shall be \$500.00 per Lot per calendar year. The Annual Slip Assessment payable by each Owner for each slip assigned to such Owner, \$300.00 per slip per calendar year. The annual dues and Annual Slip Assessments shall be due and payable on January 31 of each year, provided the Board of Directors may elect to permit payment in such installments and at such times as it shall determine. The annual dues assessment

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shall be deferred as to any Lot purchased by a builder with the intent to build a house for resale to the public at large, and all such deferred assessments shall be paid at closing of the sale of such home by the builder to a bona fide third party purchaser. The annual dues assessment shall also be deferred as to any lot purchased by a builder who purchases a lot for the purpose of building a custom home under contract with the ultimate residents, and all such deferred assessments shall be paid at closing of the sale of such home to the ultimate residents. This assessment will be prorated on a calendar year basis from the date title to each lot for which an assessment is payable is transferred to the Owner.

- d. The annual assessments may be increased or decreased by the Board of Directors of the Association without a vote of the membership by an amount equal to the previous year's annual assessments multiplied by the greater of (i) ten percent (10%), or (ii) the annual percentage increase in the Consumer Price Index (CPI), All Urban Consumers, United States for the most recent twelve (12) month period for which the CPI is available. A majority vote of each class of voting members of the Association must approve an increase or decrease in the yearly assessment if the increase or decrease exceeds the assessment for the previous year by more than the percentage described above.

- e. Annually the Board of Directors of the Association shall have determined and shall have given written notice to each Owner of the annual assessment applied against each Owner's Lot for the immediately succeeding calendar year.

5. Special Assessments. In addition to the assessments specified in Section 4 above, the Association may levy special assessments for the purpose of supplementing the annual assessment if the same are inadequate to pay the reasonable maintenance expenses and operating costs of the Association as described in Section 4 hereof, provided that any such special assessments shall be consented to by not less than sixty-seven (67%) percent of each class of the voting members of the Association at a duly called meeting.

6. Removal of Obstructions and Unsightly Growth, Debris, and Materials.

- a. The Association may remove any obstructions of any nature located within road right-of-ways or other Common Elements (including but not limited to trees, shrubs and mailboxes) which, in the opinion of the Association, either is required for safety or practical reasons or might interfere with the ability or willingness of the State of North Carolina (or agency or department thereof) to take over the responsibility for maintenance of the roads.

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- b. The Association shall have the right, in its sole discretion, to charge back against the Owner who directly, or through his agents, contractors or invitees caused or permitted an obstruction to be placed in any road right-of-way or other Common Elements the actual cost incurred by it in removal of any such obstructions, and such Owner shall indemnify and save the Association harmless from all liability, claims, damages and expense imposed upon the Association, at law or in equity, caused by or resulting from the placement of any such obstruction in the road right-of-ways or other Common Elements. In the event the Owner responsible for such charge or liability as aforesaid fails and refuses after demand by the Association to pay said charge or liability, then the Association shall have the right to place a lien against such Owner's Lot in accordance with the provisions of the Act, and may enforce collection of the charge or liability, together with reasonable attorneys' fees, by any and all remedies afforded by law or in equity, including without limitation, the filing of a notice of lien and perfecting the same as by law provided, to the end that such charge or liability shall become a charge against the Owner's Lot and Dwelling Unit.

- c. If the Association, in its sole discretion, determines that any Lot has become unsightly due to grass or weeds that have not been mown, or due to debris of any nature having accumulated on the Lot, then the Association shall have the right from time to time to enter the Lot for the purpose of mowing the grass or removing the debris. At least ten (10) days prior to entering a Lot for said purpose, the Association shall advise the Owner by letter, sent to his last known address, of the action to be taken if the Owner does not remedy the problem within the ten (10) day period. In taking any action pursuant to this paragraph, the Association shall take reasonable steps to avoid damage to any trees planted on such Lot, to the extent that the Association has received from such Owner advance written notice of the approximate location of trees the Owner desires to protect, which notice shall include a chart or map showing the locations.

- d. In the event that Association exercises any right pursuant to subsection (c) of this Section 6 above, the Association shall have the right in its sole discretion, to charge back (assess) the actual cost of mowing the grass or removing the debris against the Owner. In the event the Owner responsible for such charge or liability as aforesaid fails and refuses after demand by the Association to pay said charge or liability, then the Association shall have a lien against the Owner's Lot and may enforce collection of the charge or liability, together with reasonable attorneys' fees, by all remedies afforded by law or in equity, including without limitation, the filing of a notice of lien and perfecting the same as by law, provided to the end that such charge or liability shall become a charge against the Owner's Lot and Dwelling Unit.

7. Duty to Make Repairs.

- a. Until accepted for maintenance by governmental authority, the obligation for the repairs, maintenance and improvements of the roads as shown on the aforesaid plat(s) or any other

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Common Elements shall be the responsibility of the Association, with the Owner of each Lot, except as provided herein, being responsible for payment of the assessments levied by the Association, which assessments shall be the personal obligation of the Owner of each Lot.

- b. The decision to expend Association funds to repair and maintain the roads or other Common Elements shall be made by a majority of the Board of Directors of the Association. By such vote, the board may delegate such authority to any committee of the Board. No owner may waive or otherwise avoid liability for the assessments provided for herein by non-use or abandonment of his lot.
- c. Notwithstanding the foregoing, each Owner of a lot shall be solely responsible for any repairs to a road right-of-way or other Common Elements caused by the negligent act or acts of said owner, his or her invitees, agents, licensees, or guests. For these purposes it shall be a negligent act for any building material to be unloaded on any road or road right-of-way.

8. Late Charges and Interest on Unpaid Assessments. Any assessment not paid within thirty (30) days after the due date shall be subject to such late charges and shall bear interest at a rate per annum as shall be determined by the Board of Directors of the Association, which interest rate shall not exceed the highest rate of interest allowed by law. The initial late charge imposed for late payment of any assessment is \$20.00 and shall be charged as to any assessment that is not paid within 30 days of its due date. The initial interest rate for late payment is 18% per year (1.5% per month) which shall commence to accrue on any assessment or other account balance that is not paid within thirty (30) days of the date due. The initial date upon which liens may be filed for failure to make payment of assessments and other charges is thirty (30) days after the due date, consistent with the procedural requirements of the Act. The Board of Directors may, consistent with the requirements of the Act, change the initial late charge, interest rate, due dates and lien assessment date by majority vote of the Board of Directors.

9. Lien for Unpaid Assessments.

- a. In the event the Owner of any Lot fails and refuses, after demand by the Association, to pay any annual or special assessment then the Association shall have a lien against said lot and may enforce collection of said assessment in law or in equity, including without limitation, the filing of a notice of lien and perfecting the same as by law provided to the end that such unpaid assessment together with the costs and expenses of collection, including without limitation, reasonable attorneys' fees, shall be a charge and lien against the Owner's Lot. When a claim of lien is filed of record in the Office of the Clerk of Superior Court of McDowell County, the Association may foreclose the claim of lien in like manner as a mortgage on real estate under

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power of sale under Article 2A of Chapter 45 of the North Carolina General Statutes. Fees, charges, late charges, fines and other charges are enforceable as assessments under this section.

- b. To secure the payment of the annual and special assessments levied by the Association, together with the cost of collection including attorney's fees, all such charges shall be a continuing lien upon the Lot against which the assessments are made. Such charges shall also be the personal obligation of the person(s) who were the owner or owners of such Lot at the time the assessment came due. Their personal obligation shall remain a lien upon the Lot upon transfer of title but shall not become the personal obligation of the purchasers thereof unless expressly assumed by them.
- c. Neither the assessments nor the costs of collection shall be a lien upon any Common Elements nor shall the lien upon any lot for such charges be senior to any first lien mortgage or first lien deed of trust regardless of the fact the lien arose prior to the date and time of recording of any such first lien mortgage or deed of trust.

10. Fines for Violations. After notice and an opportunity to be heard, the Association may impose reasonable fines or suspend privileges or services provided by the Association (except right of access to lots) for reasonable periods for violations of the Declaration and its restrictions, the Bylaws, and the rules and regulations of the Association.

11. Lots Owned by Declarant. No Lot owned by Declarant shall be subject to any assessment provided in this Article V for so long as said Lot is owned by the Declarant. Upon the sale or conveyance of a Lot by the Declarant the assessments provided under this Article V shall be levied against such Lot, and the Purchaser shall pay to the Association at closing of the sale that portion of the assessment attributable to the remainder of the month in which the closing takes place.

ARTICLE VI

ARCHITECTURAL CONTROL

1. In order to control design and location of the Dwelling Units and other improvements to be constructed, erected, placed, or installed (hereinafter "Improvements") upon the Lots in the Subdivision, the Declarant hereby creates an Architectural Review Committee (hereinafter "Committee") for the purpose of reviewing, approving, suggesting changes to, and rejecting plans and specifications for such

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improvements (regardless of when such Improvements are made), and the landscaping of each lot. This Committee is also created for the purpose of reviewing, approving, suggesting changes to, and rejecting swimming pools, boat houses, ramps, piers and driveways. Mailbox design shall be approved by the Declarant during the Period of Declarant Control, and thereafter by the Committee, though the Declarant may delegate this duty to the Committee during the Period of Declarant Control. This Committee will be responsible for the control of size, color, materials, and content of rental and sales signs in this Subdivision (subject to the requirements of the Act, or as otherwise set forth in this Declaration), and for the approval or disapproval of boats, boat trailers, travel trailers, motor homes, tractor trailer trucks, or any other such vehicle, that are kept or maintained or located upon any lot unless located within enclosed garages. The Committee will also be responsible for the control of temporary construction shelters or vehicles in this Subdivision. The Committee will require a fee of \$250.00 to review house plans for each Owner desiring to build. The review process may be subcontracted out at the discretion of the Committee.

2. The Committee shall consist of at least three persons designated or appointed from time to time by the Board of Directors of the Association.

3. No building, fence, wall, pool, outbuilding, driveway, or any other accessory feature to the Dwelling Unit or any other structure upon any Lot shall be commenced, erected, placed, maintained, or altered on any Lot or combination of contiguous Lots until the Complete Construction Plans (hereinafter "Plans") are approved in writing by the Committee or its designated agents. The Owner should address the requirements of the Lake James Shoreline protection ordinance in any Plans submitted.

4. Before any clearing, grading or construction of any nature begins on any Lot, advance written approval must be obtained from the Committee. The Plans include the complete construction plans, the plot plan (showing proposed location and elevation of such building, fences, walks, drives, parking area, etc.) and proposed building plans and specifications (including exterior color, finish, and materials). The Plans must address, and approval must include, the following (without limitation): the size and plan of the principal residential structure, and all accessory buildings, structures and improvements on the lot, the location of the well, septic and repair area, the size and plan of the garage location and manner of construction of each driveway, swimming pool, patio, tennis court, and other improvements for athletic, recreational, or gymnastic purposes, and all other exterior improvements, the composition and color of raw and finished materials used on the exterior of all structures, and the location and type of any landscaping, shrubbery, and other plantings.

5. The Committee or its designated agents shall have ten (10) days after physical receipt of the Plans to accept or reject the same in whole or in part. If no written response is given by the Committee to the submitting Owner within said ten (10) days, the Plans shall be deemed to be approved as submitted. After the plans are approved and after the Committee gives written permission for construction to begin, the

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actual construction shall be commenced and completed in accordance with the approved Plans, together with the requirements of the Declaration.

6. The actual construction of improvements as shown on approved Plans shall be the responsibility of the Owner of the Lot and his builder. Any permission granted for construction under this covenant and any designation of approved licensed contractors shall not constitute or be construed as an approval, warranty or guaranty, expressed or implied, by the Declarant or the Committee or its designated agent, of the structural stability, design or quality of any building or other improvement or of the contractor who constructs such buildings or other improvements.

7. Before any clearing, grading or construction begins, a \$1,500.00 road repair bond and impact fee must be posted with the Association. If the road shoulders and road have not been damaged during construction, \$500 of the bond will be refunded. The Lot owner is responsible for placing and maintaining a stone driveway to facilitate parking of construction vehicles and the delivery and distribution of building materials at a centralized staging area on the subject Lot. This driveway is to be used before and during construction; and after completion of construction, an Association representative will inspect the roads and road shoulders near and in front of the Lot. The Owner will be responsible for any necessary repairs.

ARTICLE VII

GENERAL USE RESTRICTIONS

Declarant does hereby covenant and agree with all persons, firms or corporations thereafter acquiring title to any portion of the Property, that the Property shown on the recorded Plats herein referred to, and all Property presently owned as part of The Arbor Subdivision and the Cove Point Subdivision which plat(s) are to be recorded and all property which may be acquired in the future to be made part of The Arbor Subdivision or the Cove Point Subdivision as, is made subject to the following restrictions as to the use thereof and do agree, publish and declare that the deeds hereinafter made to purchasers of the Property, or any Lot or portion thereof, shall be made subject to the Declaration and to the following restrictions (the "Restrictions"):

1. Except as otherwise provided in these Restrictions, the Lots shall be used for residential purposes only, and no structure shall be erected, placed, altered or permitted to remain on any Lot other than one detached, single-family dwelling and related structures incidental to the residential use of the Lot, such as garages and boat houses, which otherwise comply with these Restrictions, except that Declarant reserves the exclusive right to construct a roadway over any Lot owned by it in order to grant access to other

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property acquired by Declarant and in such cases the remainder of any such Lot not used for the roadway shall still be subject to these Restrictions.

2. Each single-family dwelling shall have an enclosed, heated living area (exclusive of open porches, garages, and other unheated spaces) not less than 1,700 sq ft on one level and 1,900 sq ft on a story and a half and 2,100 sq ft on a two story. Before any clearing, grading or construction of any nature begins on any Lot, the design, location, and construction of all Improvements on each Lot (regardless of when such Improvements are made) and the landscaping of each Lot must be approved in writing in advance by the Committee.

3. All improvements to the Lot must comply with setback requirements of McDowell County and any other regulatory agencies, any requirements of the Association or the Committee rules and regulations, as well as those set out in the recorded Plat.

4. More than one Lot (as shown on said Plat(s)) or portions thereof may be combined to form one or more lots by, or with the written consent of, Declarant, its successors and assigns. No lot may be subdivided by sale or otherwise, except by, or with the written consent of, Declarant, its successors and assigns. Upon combination or subdivision of lots, the building line requirements prescribed herein shall apply and the easements reserved herein shall be applicable to the rear, side and front lot lines of such lot as combined or subdivided. The resulting building site and structures erected thereon must otherwise comply with these Restrictions and the new property line of the resulting building site shall be used to compute the set-back lines as set forth herein.

5. All connections of private driveways to the Subdivision road system, and all connections of private easements and right-of-ways to that road system shall be constructed and maintained in accordance with the rules, regulations and specifications as approved by the Committee, and all requirements of the North Carolina Department of Transportation.

6. There shall be no signs, fencing, or parking permitted within the road right-of-way, except such traffic control or informational signs as shall be approved by the Board of Directors, or required by the North Carolina Department of Transportation.

7. Only construction of new residential buildings, and new improvements or structures ancillary to such residential buildings as shall be approved by the Committee in advance, shall be permitted within the Subdivision, it being the intent of this covenant to prohibit the moving of any existing building or portion

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thereof onto a lot and remodeling or converting the same into a Dwelling Unit, excepting however, Declarant's mobile offices provided for herein during periods of construction and new home sales.

8. With the exception of construction which is interrupted or delayed due to physical damage to the work in progress (such as damage due to fire, lightning, windstorm, hail, riot or civil commotion, explosion or theft), any Dwelling Unit being constructed upon a Lot must be completed within one (1) year subsequent to commencement of construction, except with the written consent of Declarant, its successors or assigns, or, if the Declarant so designates, the Committee. The normal period of completion time for outbuildings or other Improvements shall be presumed to be four (4) months from the issue date of the building permit. In the event that completion of the Dwelling Unit, outbuildings, or other Improvements on any Lot is not completed within one year, and it is determined by the Association Board of Directors that construction progress has diminished to such an extent that completion of the Dwelling Unit, outbuildings, or other improvements is unlikely within 120 days after the end of such one (1) year period, the Association Board of Directors shall then have the right to give written notice to the Lot Owner that the Owner has the obligation, within thirty (30) days of such notice, to complete the removal of all the construction work in progress, including without limitation, the foundation and all building improvements and all stored building materials, and fill and grade the Lot so that it is restored to its natural grade level, and in the event that the Lot Owner does complete the removal within said thirty (30) day period, the Association shall have the right to undertake this work upon Owner's failure to do so and charge all costs and expenses related thereto to the Owner and place a lien upon the Owner's Lot upon owner's failure to pay.

9. Except as otherwise set forth in this Section 9 below, no trailer, truck, van, mobile home, motor home, tent, camper, barn, garage, or other outbuilding or temporary structure may be parked or erected on any Lots within the Subdivision; provided, however, that this prohibition shall not apply to shelters used by the contractors during the construction of the main Dwelling Unit on a Lot, it being clearly understood that these temporary shelters will not be permitted to remain on any Lot after completion of construction; but in any event no such structure shall at any time be used as a residence, temporarily or permanently. The Committee shall have the right to approve or disapprove these temporary construction shelters or vehicles. The Committee, upon approval of a temporary construction shelter or vehicle, will issue a letter stating the length of time such shelter will be allowed to remain upon such Lot and the location upon a Lot where the approved shelter or vehicle may be temporarily located pursuant to such permission granted.

10. All homes constructed in the Subdivision must either be supplied with water for normal domestic use from individual privately drilled wells, or from a public utility company, if available. In the event that a well is being drilled on a Lot, the Lot Owner shall locate the well drilled on such Owner's Lot in compliance with all applicable governmental regulations, including without limitation those regulations respecting the minimum distance between wells and septic fields proposed or approved for Owner's Lot and all Lots adjoining such Owner's Lot. Prior to a Lot Owner drilling a well or having a well drilled for

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such Lot Owner by a contractor), the Owner must submit a site plan locating the proposed building site, drainage and repair septic field and well site to the Committee for approval in accordance with the timing set forth in Article VI, Section 5 above.

11. Exposed exterior walls composed of the following materials shall be prohibited from all Dwelling Units, or other Improvements in the Subdivision, including the following: concrete block, imitation asphalt brick siding, imitation asphalt stone siding, and tar paper.

12. Declarant shall be permitted to erect one mobile office on any lot that it owns for the purpose of maintaining a sales information center and construction office.

13. No noxious or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereon, which may become an annoyance or nuisance to the neighborhood. No animals, reptiles or poultry of any kind, except dogs and cats and other indoor household pets may be kept on any lot except horses may be pastured on Lots which are larger than 3 acres at the rate of one (1) horse per cleared acre. Fencing must be constructed of white vinyl fencing only and there is a 20-ft easement (or 10 feet per Section 15 of this Article VII below) in favor of Association from the rear property line of all Lots (see Section 15 of this Article VII below) which shall not be improved or built upon in any way (including without limitation, shall not have fencing erected thereon) without the prior approval of the Board of Directors. Each Lot Owner must see to it that all of the Owner's dogs are kept on the Owner's Lot unless leashed. No dogs shall be permitted to roam the Subdivision, and the Association is permitted and authorized herein to have strays and dogs that are not leashed as required hereby, and are outside of its Owner's Lot boundaries, picked up by governmental authorities. The throwing away, dumping or disposing of, trash, garbage, and waste materials shall not be permitted except in manners approved by the Board of Directors, which shall only be in sanitary containers screened from view from all roads, all other Lots, and from the Common Elements. The interference of any stream or future waterways so as to cause pollution or stagnation in these waterways is prohibited. There shall be no excavation which does not pertain to the building or construction of approved Dwelling Units or Improvements. Bottled gas containers and oil tanks shall be screened from public view. No above-ground swimming pools are permitted to be placed on any Lot, or in any location within the Subdivision.

14. No portion or part of any Lot shall be used or maintained as a dumping ground for rubbish or other refuse. Notwithstanding this Section 14, or Section 13 above, Declarant, prior to the sale of a Lot, may use portions of a Lot as a burial pit in accordance with governmental regulations.

15. In addition to the easements that are shown on the recorded plats of the Subdivision, easements ten (10) feet in width along the Lot lines of all Lots are reserved by Declarant for installation, repair,

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replacement and maintenance of utilities, including the right to keep said easements free and clear of all obstructions; however an easement of twenty (20) feet is instead reserved for such purposes along the rear lines of all Lots that do not adjoin other Lots or properties within the Subdivision. In the event of conflict between the easements reserved by these Restrictions and the easements are shown on any of the Plats of the Subdivision (as referenced herein), those easements which are greater in width shall be the easements that apply to a Lot, and control interpretation hereof.

16. Declarant reserves a temporary construction easement for road construction which is twenty-five (25) feet in width: 1) along the boundary lines of each Lot fronting a road, and which easement runs parallel to the street or road to be constructed. The easements granted in this Section 16 shall expire on the earlier of: 1) eighteen (18) months after the particular road construction commences, or 2) upon acceptance of such street or road for maintenance by a governmental authority.

17. No outside clotheslines shall be permitted on any Lot, or anywhere in the Subdivision. No satellite dishes larger than thirty-six (36) inches in diameter shall be permitted unless concealed from view from all Lots and open spaces. The design of such enclosures must be approved by the Committee prior to placement on a Lot. Mailboxes shall be of a design, color and choice of materials as designated by the Declarant or, if the Declarant so designates, by the Committee, and may not violate North Carolina Department of Transportation standards.

18. There shall be no junk automobiles, junk of any sort, unserviceable vehicles, or salvage stored or placed or allowed to remain on or in any portion of this Subdivision. Unless located within enclosed garages, no boat and/or boat trailer, travel trailer, motor home, tractor trailer truck, or any other such vehicle shall be kept or maintained or located upon any Lot unless and except with prior approval of the Committee. No vehicles that are disabled or under repair shall be kept upon any Lot unless located within enclosed garages. Unlicensed automobiles, including antique cars, if present must be stored out of sight in a garage. Large trucks shall not be parked on a regular basis within the Subdivision. No lot shall be used for storage of building materials prior to the issuance of the building permit for the primary Dwelling Unit. Large trucks shall be defined as any non-passenger vehicle larger than a standard pick-up truck.

19. Except as otherwise permitted by the Act, or elsewhere in this Declaration, no billboards or signs of any description shall be displayed upon any Lot. The Declarant and Association reserve the right to place and maintain appropriate development signs at the entrance to this Subdivision. Declarant also reserves the right to erect and maintain signs designating streets, speed limits, traffic warnings, boat storage facility, recreational areas, and any other sign that will aid in the development of the Subdivision.

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20. Except within a building site on a Lot, or within 20 feet of the Dwelling Unit, no trees of any kind in excess of 6 inches in diameter at ground level may be removed from any Lot without prior approval of the Committee.

21. Notwithstanding anything herein to the contrary, Declarant will also deed to the Association at least one (1) additional acre contiguous to the existing dedicated dry boat storage area. Declarant shall deliver such deeds as are required by this Section 21 to Association no later than Sixty (60) days from the time the merger is approved by the members of The Arbor at Lake James Property Owner's Association and the members of Cove Point at the Arbors Homeowners' Association. All other amenities provided by Declarant and deeded to the Association will be maintained by the Association.

22. As provided for herein (see Section 2 of Article II "Property Subject To the Declaration and its Restrictions"), it is understood that Declarant, its successors and assigns, may develop, subdivide or sell additional tracts or parcels of land. Declarant reserves the right for its successors or assigns to annex such additional real property to this Subdivision as described above, and to subject such additional real property tracts and the Lots created thereby to the burdens and benefits of this Declaration, including without limitation the benefits derived from use of the roads and Common Elements of the Subdivision.

23. Nothing herein contained shall be construed as imposing any covenants or restrictions on any real property owned by Declarant other than the Property that is subjected to these Restrictions.

24. Enforcement of these Restrictions may be made at law or in equity against any person or persons violating or attempting to violate any covenant, condition or restriction herein contained. In the event of enforcement of these Restrictions at law or in equity and a violation hereof is judicially determined, then the violator shall be assessed with the costs of such action, including without limitation reasonable attorneys fees.

25. The Declarant and purchasers of Lots in the Subdivision understand that the vesting of rights relating to proposed piers, docks, boat access ramps, floats, boathouses or disturbance of the shoreline buffer is subject to the terms and conditions set out by Duke Power Company or its assigns. Permits must therefore be obtained from Duke Power for all such activities. Further, building or construction permits are required from McDowell County for the construction of homes and waste water systems. Note: Lots with property lines bordering Lake James follow the 1200 Contour. There is a flood easement up to the 1210 contour. There may be no dredging or sea well construction within the impact minimization zones shown on the record plats.

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26. Declarant reserves the right to assign its rights to a successor, so long as such successor assumes all of Declarant's responsibilities hereunder, and under the Act.

27. Judicial invalidation of one or more of the provisions hereof shall not adversely affect the remainder hereof which shall remain in full force and effect.

ARTICLE VIII

DOCKS AND BOAT SLIPS

1. In order to preserve, enhance and maintain the docks, boat slips and access thereto (the Docks Area), the Association hereby creates a Docks Committee. The Docks Committee is charged with the responsibility of managing the Docks Area subject to the approval of the Board of Directors of the Association, such approval not to be unreasonably withheld.

2. The Docks Committee shall be composed of a Chairman and no less than two (2) and no more than four (4) additional members, each of whom shall be an Owner who also holds a deeded interest in a boat slip in the community docks, and each of whom is appointed by the Board of Directors of the Association. The Docks Committee shall regularly report to the Board of Directors regarding the status and condition of the Docks Area, and shall recommend any action it deems necessary to properly maintain and improve said Docks Area. The Docks Committee will also recommend the Annual Slip Assessments required of each Owner which is deeded an interest in a slip, which assessments is generally for the purpose of proper maintenance and repair of the Docks Area. The recommendations of the Dock Committee are subject to the approval of the Board of Directors.

3. Funds for Docks Area maintenance and improvement shall be held in a separate bank account from the Association general account and shall be called the Docks and Boat Slips Account. All expenditures for the Docks Area shall be drawn from this account and the Treasurer shall separately account and report to the Board of Directors the financial status of this account.

4. Each Owner of a deeded right to a boat slip has purchased an exclusive right to use a particular slip. This use is subject to the terms and conditions of the contract with the Duke Power Company which owns the land underlying Lake James. If Duke Power declines to lease or not extend the lease of the underlying land, the right to use the boat slips shall terminate and the Owner or such boat slip right shall have no

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further rights or interest in the boat slip and Declarant and Association shall have no responsibility or liability.

5. Any Owner having a deeded right to an exclusive boat slip may lease, rent or sell its right to said slip, provided that the lessee, renter or new owner must be an Owner of a Lot within the Subdivision, and shall be fully subject to all of the terms of this Article VIII.

6. All rules and regulations, hereby attached, imposed by Duke Power and/or the Association on the use of the waters of Lake James or under the lease of land underlying Lake James or on the proper use of the slips and docks shall be strictly adhered to by each member.

7. The stairs and walkways and walkways on the docks thereto shall be known as the Docks Common Property. They shall be managed as heretofore described but shall remain the property of the Declarant until such time as all boat slips are transferred to Association in accordance with the Operations Agreement, at which time the Docks Common Property becomes a part of the Limited Common Elements (as defined in the Act) of the Subdivision (limited to those Owners with deeded rights to boat slips).

8. In the event an Owner of a deeded right to an exclusive boat slip fails to pay the Annual Slip Assessment within ninety (90) days after the date upon which it becomes due, the Owner shall be in default under its obligations, and the Association shall be permitted to file a lien against said slip owner's Lot and its rights to the boat slip, and pursue enforcement of such lien in any manner permitted by this Declaration and the Act with respect delinquent assessments generally, and take further action to suspend the right to use of the boat slip (which shall be treated as a privilege that can be suspended pursuant to NCGS 47F-3-107.1. Should the Association secure such a foreclosure or judgment against the Owner, in the event of final order in the foreclosure or execution of the judgment against Owner's Lot interest, the Association shall also have (together with rights to the Lot) all rights of ownership of the right of use of the boat slip, and shall therefore be entitled to lease out, rent or sell the rights to said boat slip.

ARTICLE IX

CAPTIONS, ENFORCEMENT AND INVALIDATION

1. Whenever the context and construction so require, all words used in the singular number herein shall be deemed to have been used in the plural, and vice versa, and the masculine gender shall include the feminine and neuter and the neuter shall include the masculine and feminine.

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2. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provisions hereof.

3. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages. In the event it is necessary to enforce this Declaration by appropriate legal or equitable proceedings, the party or parties violating or attempting to violate the same shall be liable for the cost of such proceedings including reasonable attorneys' fees.

4. Invalidation of any one or more of these covenants by judgment or court shall not adversely affect the balance of this Declaration, which shall remain in full force and effect.

5. The Declarant and Association reserve the right to amend this Declaration from time to time without joinder of any of the Owners for the following purposes:
 - a. To correct clerical errors in the Declarations; and
 - b. To correct grammar, spelling, capitalization and other matters of syntax so long as same do not change the meaning or intent of the terms herein.

6. All other amendments to this Declaration shall require an affirmative vote of at least sixty-seven percent (67%) of the lot Owners and the vote of the Declarant, its successors, and assigns.

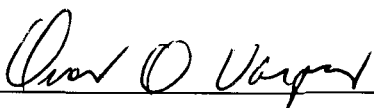
ARTICLE X

THESE RESTRICTIONS RUN WITH THE LAND

This Declaration composes the general plan of development for the Property herein described and runs with the land and shall benefit and be binding on all parties and persons (and their respective heirs, representatives, successors and assigns) claiming title to any of the Property herein described for a period of thirty (30) years from the date this Declaration is recorded, after which time said Declaration and its provisions shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a sixty-seven percent (67%) majority of the then owners of the Lots and the Declarant has been recorded agreeing to change said Declaration in whole or in part.

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IN WITNESS WHEREOF, the Declarant has caused this Declaration to be duly executed this
July 3, 2012.



Oscar O. Vasquez

Lake James Properties, LLC

By: 

Oscar O. Vasquez , Manager and Member

THE ARBOR AT LAKE JAMES PROPERTY OWNERS' ASSOCIATION, INC.

By: _____

President

Attest: _____

Secretary

COVE POINT AT THE ARBORS HOMEOWNERS' ASSOCIATION, INC.

By: _____

President

Attest: _____

Secretary

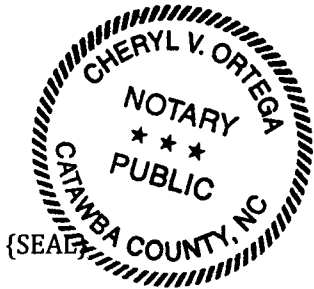
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STATE OF NORTH CAROLINA

COUNTY OF Catawba

I, Cheryl V. Ortega, certify that **Oscar O. Vasquez** personally came before me this day and acknowledged that he is **Member/Manager** of **Lake James Properties, LLC**, and that he as **Member/Manager**, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official seal, this the 3rd day of July, 2012.



Cheryl V. Ortega

Notary Signature

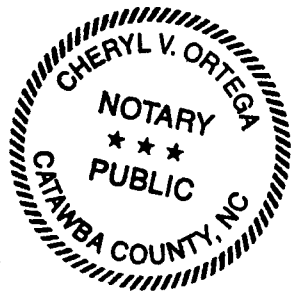
My Commission Expires: 6-17-2014

STATE OF NORTH CAROLINA

COUNTY OF Catawba

I, Cheryl V. Ortega a Notary Public of Catawba County and State aforesaid, do hereby certify that **Oscar O. Vasquez** () personally known to me or () proven by satisfactory evidence (said being _____), personally appeared before me this day and voluntarily acknowledged the due execution of the foregoing instrument in writing for the purpose therein expressed.

Witness my hand and notarial seal, this the 3rd day of July, 2012.



{SEAL}

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Cheryl V. Ortega

Notary Public

My Commission Expires: 6-17-2016

STATE OF NORTH CAROLINA

COUNTY OF _____

I, the undersigned Notary Public of the aforesaid County and State, do hereby certify that _____ personally appeared before me this day, acknowledging to me that he/she is the duly elected and acting Secretary of The Arbor at Lake James Property Owners' Association, Inc., a North Carolina nonprofit corporation and that the foregoing Amended Declaration of Covenants, Conditions and Restrictions constitute the Amended Declaration of Covenants, Conditions and Restrictions of said Association, as proposed by the Board of Directors and as duly adopted by the members of the Association, and that they were, as such, executed by the President of the Corporation, this the ____ day of _____, 2012.

NOTARY PUBLIC

(Notary Seal)

My Commission Expires: _____

STATE OF NORTH CAROLINA

COUNTY OF _____

I, the undersigned Notary Public of the aforesaid County and State, do hereby certify that _____ personally appeared before me this day, acknowledging to me that he/she is the duly elected/appointed and acting Secretary of Cove Point at the Arbors Homeowners' Association, Inc., a North Carolina nonprofit corporation and that the foregoing Amended Declaration of Covenants, Conditions and Restrictions of said Association as proposed by the Board of Directors and as duly adopted by the members of the Association on the 31st day of May, 2012, and that they were, as such, executed by the President of the Corporation, this the 31st day of May, 2012.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be duly executed this
July 3, 2012.

Oscar O. Vasquez

Lake James Properties, LLC

By : _____

Oscar O. Vasquez , Manager and Member

THE ARBOR AT LAKE JAMES PROPERTY OWNERS' ASSOCIATION, INC.

By: *A. Luke Lackman*
A. LUKE LACKMAN
President

Attest: *Donna A. Autry*
Donna A. Autry
Secretary

COVE POINT AT THE ARBORS HOMEOWNERS' ASSOCIATION, INC.

By: *Kevin Mikenath*
President - Kevin Mikenath

Attest: *Doug Dreyer*
Secretary - Doug Dreyer

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be duly executed this
July 3, 2012.

Oscar O. Vasquez

Lake James Properties, LLC

By : _____

Oscar O. Vasquez , Manager and Member

THE ARBOR AT LAKE JAMES PROPERTY OWNERS' ASSOCIATION, INC.

By: *A. Luke Jackson*
President

Attest: *Donna Autry*
Secretary

COVE POINT AT THE ARBORS HOMEOWNERS' ASSOCIATION, INC.

By: _____
President

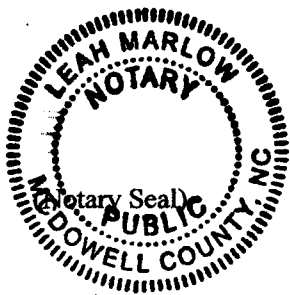
Attest: _____
Secretary

STATE OF NORTH CAROLINA

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COUNTY OF McDowell

I, the undersigned Notary Public of the aforesaid County and State, do hereby certify that **A. Luke Lackman** personally appeared before me this day, acknowledging to me that he/she is the duly elected and acting President of The Arbor at Lake James Property Owners' Association, Inc., a North Carolina nonprofit corporation and that the foregoing AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE ARBOR ON LAKE JAMES SUBDIVISION AND THE ARBOR AT LAKE JAMES PROPERTY OWNERS ASSOCIATION, as proposed by the Board of Directors and as duly adopted by the members of the Association, and that they were, as such, executed by the President of the Corporation, this the 27 day of July, 2012.



Leah Marlow Leah Marlow
NOTARY PUBLIC

My Commission Expires: January 26, 2017

STATE OF NORTH CAROLINA

COUNTY OF McDowell

I, the undersigned Notary Public of the aforesaid County and State, do hereby certify that **Donna Astry** personally appeared before me this day, acknowledging to me that he/she is the duly elected and acting Secretary of The Arbor at Lake James Property Owners' Association, Inc., a North Carolina nonprofit corporation and that the foregoing AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE ARBOR ON LAKE JAMES SUBDIVISION AND THE ARBOR AT LAKE JAMES PROPERTY OWNERS ASSOCIATION, as proposed by the Board of Directors and as duly adopted by the members of the Association, and that they were, as such, executed by the President of the Corporation, this the 27 day of July, 2012.



Leah Marlow Leah Marlow
NOTARY PUBLIC

My Commission Expires: January 26, 2017

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STATE OF NORTH CAROLINA

COUNTY OF Mecklenburg

I, the undersigned Notary Public of the aforesaid County and State, do hereby certify that **Kevin Mikeworth** personally appeared before me this day, acknowledging to me that he/she is the duly elected and acting President of Cove Point at The Arbors Honeowners' Association, Inc., a North Carolina nonprofit corporation and that the foregoing AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE ARBOR ON LAKE JAMES SUBDIVISION AND THE ARBOR AT LAKE JAMES PROPERTY OWNERS ASSOCIATION, as proposed by the Board of Directors and as duly adopted by the members of the Association, and that they were, as such, executed by the President of the Corporation, this the 31st day of May, 2012.



Elizabeth H. Hindsman

NOTARY PUBLIC

My Commission Expires: 10-4-2012

STATE OF NORTH CAROLINA

COUNTY OF Mecklenburg

I, the undersigned Notary Public of the aforesaid County and State, do hereby certify that **Doug Dreyer** personally appeared before me this day, acknowledging to me that he/she is the duly elected and acting Secretary of Cove Point at The Arbors Honeowners' Association, Inc., a North Carolina nonprofit corporation and that the foregoing AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE ARBOR ON LAKE JAMES SUBDIVISION AND THE ARBOR AT LAKE JAMES PROPERTY OWNERS ASSOCIATION, as proposed by the Board of Directors and as duly adopted by the members of the Association, and that they were, as such, executed by the President of the Corporation, this the 31st day of May, 2012.



Elizabeth H. Hindsman

NOTARY PUBLIC

My Commission Expires: 10-4-2012

JANE B MCGEE
Register of Deeds

Mcdowell County Register of Deeds

21 South Main Street, Suite A • Marion, NORTH CAROLINA 28752
Telephone 828-652-4727 • Fax 828-652-1537 • E-Mail jmcgeemcdowell@titlesearcher.com



Filed For Registration: 08/03/2012 03:09:32 PM

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Document No.: 2012003507

DECLARATION 32 PGS 94.00

Recorder: LINDA C HARWOOD

State of North Carolina, County of McDowell

Filed for registration and Duly Recorded this 3RD day of AUGUST 2012.

JANE B MCGEE, REGISTER OF DEEDS

Linda C. Harwood

By: _____
DEPUTY REGISTER OF DEEDS

DO NOT REMOVE!

This certification sheet is a vital part of your recorded document. Please retain with original document and submit when re-recording.