

AUG 23 2 32 PM '89

AMENDMENTS TO THE DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
LAKE POINT COTTAGES

MRS. JUDITH M. ADAMS
REGISTER OF DEEDS
MOORE COUNTY, N.C.

BOOK PAGE
01139 00510

WHEREAS the original Declaration of the Lake Point Cottages Association (hereinafter called "Association") were filed December 19, 1983, in the Moore County Register of Deeds; and

WHEREAS, the original Declaration of Covenants, Conditions, and Restrictions reflected conditions as they existed at the time of completion of construction and the sale of all units; and at that time no exterior parking spaces were provided and it was assumed visitors would park in driveways since no specific areas were provided for such parking, and the common grounds were not situated adjacent to a golf course, gutters and downspouts were not provided, and certain rights were given the developer which are no longer applicable; and

WHEREAS the original Declaration permitted no Architectural changes to the exteriors of units and it was desirable that some changes were permissible provided they were in keeping with the decor of the units and common areas and were approved by the members of the Board of Directors; and that no provision had been made for the construction of boat docks; and

WHEREAS the members wished to provide a document which reflects the desires of the owners and the location of the Association;

THEREFORE, by a vote of over seventy-five per cent of the lots owners present in person and by proxy at the Annual Meeting held October 31, 1987, the Declaration and By-laws of the Association as amended is as follows;

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to LAKE POINT COTTAGES ASSOCIATION, a North Carolina non-profit corporation, its successors and assigns.

Section 2. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association

Handwritten notes:
\$162.00 fee
\$68.00 pd. re-record
D.I. 3
III H...
Box 83
Kneekurst, N.C. 28374
Common Area Owners by proxy

for the common use and enjoyment of the Owners. A description of the Common Area to be owned by the Association at the time of the conveyance of the first Lot is attached hereto as Schedule B.

Section 3. "Declarant" shall mean and refer to The Pinehurst/Plymouth Company and any successor in title to The Pinehurst/Plymouth Company.

Section 4. "Lot" shall mean and refer to any numbered plot of land, with delineated boundary lines, appearing on any recorded subdivision map of the Properties with the exception of Common Area.

Section 5. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Properties" shall mean and refer to the "Existing Property" described in Article II, Section 1 hereof.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF THE LAKE POINT COTTAGES ASSOCIATION

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, and within the jurisdiction of the Association is located in Mineral Springs Township, Moore County, North Carolina, and is more particularly described in the description attached hereto as SCHEDULE A.

ARTICLE III

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, including an easement and full and mutual right of use of, for the purpose of access, ingress and egress,

over such portions of the Common Area designated for such purposes, all of which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty days for any infraction of its published rules and regulations;

(c) the right of the Association to grant utility, drainage and other easements of the type and for the purposes set forth in Article XI.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws of the Association his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Parking Rights.

(a) Unit Parking. Inasmuch as a two-car garage is included in each unit, no vehicles will be parked on a permanent basis in driveways or any other common area. Exception may be granted by the Board to owners of three, powered vehicles.

(b) Recreational Vehicles. No trailers, boats or trailers, tractors, vans or recreational vehicles may be parked or kept within the properties. Exception is granted to recreational vehicles belonging to short-term visitors.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The voting rights of the membership shall be appurtenant to the ownership of the Lots. Each Lot

shall entitle the Owner(s) of said Lot one vote. When more than one person owns an interest (other than a leasehold or a security interest) in any Lot all such persons shall be members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote to be cast with respect to any one lot.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment or charge, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to his successors in title unless expressly assumed to them.

Section 2. Purpose of Assessments. The assessments or charges levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and in particular for the maintenance, repair and reconstruction of the exterior of townhouse units and maintenance of the gravel driveways to each unit and for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including, but not limited to, the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management and supervision thereof, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise. In addition, expenditures by the Association for the landscaping, planting and maintenance of areas with Lots, but lying outside of residence buildings and enclosed patio

areas, shall be deemed expenditures for the recreation, health, safety and welfare of the residents of the Properties and are hereby authorized.

Section 3. Maximum Annual Assessment.

(a) The maximum annual assessments may be increased, effective January 1 of each calendar year without a vote of the membership, but subject to the limitation that the percentage of any such increase shall not exceed the percentage increase, if any, in the Consumer Price Index for Urban Wage Earners and Clerical Workers, all cities, all items, published by the United States Department of Labor, over the 12-month period ended on the October 31 immediately preceding that January 1. If the annual assessment is not increased by the maximum amount permitted under terms of this provision, the difference between any actual increase which is made and the maximum increase permitted for that year shall be computed and the assessment may be increased by that amount in a future year at the election of all members of the Board of Directors without a vote of the membership, in addition to the maximum increase permitted under the terms of the preceding sentence.

(b) From and after January 1, 1985, said maximum annual assessments may be increased without limitation if such increase is approved by Members entitled to no less than two-thirds (2/3) of the votes represented in person or by proxy at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessments at amounts not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the same assent of the Members as provided in Section 3(b) of this Article.

Section 5. Assessment Rate.

Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4.

Written notice of any meeting called for the purpose of

BOOK PAGE
01139 00514

taking any action authorized under Sections 3 or 4 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of Proxies entitled to cast sixty percent (60%) of all votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments: Due Dates.

The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Transfer of Units. At the time a contract for sale is accepted, the unit owner or his representative shall forward to the Association office a written request for the status of the unit's account to include past due assessments and the assessment due for the current quarter. The request shall contain the name/s and address/es of the purchaser/s and the scheduled date of closing. At least ten days prior to the date of closing, the Association office shall forward to the owner or his representative the above-stated information provided that the Association has had at least fourteen days notice of the pending sale. All current and past due assessments and any additional charges shall be collected at or before closing and remitted to the Association office no later than ten days after closing with a letter confirming the date of closing.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eight percent (8%) per annum or the maximum interest rate permitted to be legally charged under the laws of the State of North Carolina at the time of such delinquency, whichever is greater. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the

Board of Directors of the Association to defray the costs of late payment. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, and interest, late payment fee, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage granted to a bank, trust company, insurance company or other recognized lending institution, or deed of trust on a Lot or any mortgage or deed of trust to the Declarant. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage or deed of trust as above provided.

ARTICLE VI

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made of any kind whatsoever without the prior written consent of the Board of Directors.

ARTICLE VII

EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder as follows: Paint, repair, replace and care of walks, roofs, exterior building surfaces, trees, shrubs, and other exterior improvements, including grass and other vegetation in those portions of each Lot lying outside of the residence building and patio. Such exterior maintenance shall not include glass surfaces,

01139 00518

PAGE

and each owner shall be required to maintain his own glass and his own patio, deck and fence. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right to unobstructed access over and upon each Lot at all reasonable times to perform maintenance as provided in this Article.

In the event that the need for maintenance, repair, or replacement is caused through the willful or negligent act of the Owner, his family, guests, or invitees, the cost of such maintenance, replacement, or repairs incurred by the Association, shall be added to and become a part of the assessment to which such Lot is subject.

01139 00517
BOOK PAGE

ARTICLE VIII

INTERIOR MAINTENANCE

Each Owner shall maintain, repair and replace at his expense all interior portions of the improvements on his Lot which shall need repair, including patios, fencing and decks located on the Lot, if any, and all bathroom and kitchen fixtures, light fixtures or other electrical or plumbing equipment, pipes and fittings serving an Owner's unit which are located in a party wall, if any. Further, each Owner shall repair, maintain and replace at his own expense when necessary the heating and air conditioning systems servicing his dwelling, whether located on his Lot or in the Common Area adjacent to the Lot.

ARTICLE IX

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty,

any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE X

USE RESTRICTIONS

Section 1. Land Use. All Lots shall be used for residential purposes only and common recreational purposes auxiliary thereto and for no other purpose. Only one family may occupy a Lot as a principal residence at any one time.

Section 2. Nuisance. No noxious or offensive activity shall be conducted upon any Lot or in any dwelling nor shall anything be done thereon or therein which may be or may become an annoyance or nuisance to the neighborhood.

Section 3. Animals. No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided they are not kept or maintained for commercial purposes.

Section 4. Temporary Structures. No structures of a temporary nature shall be erected or allowed to remain on any Lot unless and until permission for the same has been granted by the Association, or its designated agent or representative.

BOOK PAGE
01139 00518

Section 5. Use of Common Area. The Common Area shall not be used in any manner except as shall be approved or specifically permitted by the Association.

Improvements of the common ground adjacent to individual units are encouraged provided the unit owner first requests and receives permission from the Board of Directors. The care, maintenance, repair or replacement of any improvement then undertaken by the unit owner becomes his sole responsibility. Any plantings placed in the common areas not adjacent to a unit become the property of the Association whose responsibility it becomes for the maintenance thereof, but not necessarily the replacement thereof. Such planting, however, must first be approved by the Board.

Owners may place small items such as bird feeders, bird baths, bird houses, fountains and mail boxes in the vicinity of their units provided they are in keeping with the overall appearance of the properties. Any moveable item of this type will remain a possession of the owner of the unit.

Section 6. Boat Docks. No boat docks, pilings, or bulkheads shall be placed on the common area without the consent and approval of the Architectural Control Committee. Boat docks, pilings, or bulkheads shall not extend or lie into the water in such a manner or such a length so as to interfere with navigation on such navigable waterway. No temporary or makeshift type boat or boat docks shall be erected, placed or maintained on said premises nor shall any unfinished boat docks be used or permitted to remain in such condition. No automobile or other tires shall be used as bumpers on docks or anywhere in the common area permanently or temporarily. No substantial repairs, construction or reconstruction of boats beyond those normally and customarily, personally performed by the owners of pleasure boats generally shall be carried on or performed on any residential boat dock. No cut or change in the shore line shall be made. All docks and piers will be kept in a clean, sightly and wholesome condition.

Section 7. Access to Lot. The Association, its agents or employees shall have access to all Lots from time to time during reasonable working hours, upon oral or written notice to the owner, as may be necessary for the maintenance, repair or replacement of any portion of the Common Area, or facilities situated upon such Lot which serve another Owner's Lot. The Association or its agent shall also have access to each Lot at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Area or another Lot.

Section 8. Clothes Drying. No drying or airing of any clothing or bedding shall be permitted outdoors on any Lot or in any other unenclosed area (including patios) within the Properties.

Section 9. Signs. No signs or other advertising devices shall be displayed upon any Lot which are visible from the exterior of the dwelling thereon or on the Common Area, or in the facilities thereon, without prior written permission of the Association.

Section 10. Garbage Disposal. All garbage shall be stored within the residence of each owner. No Owner may change or supplement the garbage disposal facilities (if any) provided for such Owner's residence on the date of completion of construction thereof unless the Board of Directors of the Association shall first approve in writing the change or addition to the method of storage. It is provided, however, that if the public health authorities, or other public agency, shall require a specific method of garbage disposal, nothing herein contained shall prevent the compliance by Owners with obligatory public rules and regulations.

Section 11. Regulations. Reasonable regulations governing the use of the Common Area and external appearance of the units may be made and amended from time to time by the Board of Directors of the Association; provided, however, that all such regulations and amendments thereto shall be approved by a majority vote of the Owners before the same shall become effective. Copies of such regulations and amendments thereto shall be furnished to each Member by the Association upon request.

Section 12. Hazardous Activities. Nothing shall be done or kept in any unit or in the Common Area which will increase the rate of insurance on the Common Area or any other unit without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept in his unit or in the Common Area which would result in the cancellation or insurance on any unit or any part of the Common Area, or which would be in violation of any law.

Section 13. Renting of Property. No lease for renting of property shall be contracted by any Owner for less than six (6) months duration. The same limitation shall apply to a person or persons with a rental agreement with the Owner.

ARTICLE XI

EASEMENTS

The Association may reserve and grant easements for the installation and maintenance of driveways, walkways, parking areas, water lines, telephone and electric power lines, sanitary sewer and storm drainage facilities and for other utility installations over the Properties as provided in Article III, Section 1(c) of this instrument. Within any such easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation of sewerage disposal facilities and utilities, or which may change the direction of flow or drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements. In addition, the Association shall have the continuing right and easement to maintain all sewer and water lines located on the Lots, including the right to go into townhouse units and disturb the structure and floors thereof in order to maintain those lines located within or under said units.

Every portion of a Lot and each single-family attached townhouse constructed thereon and contributing to the support of an abutting townhouse shall be burdened with an easement of support for the benefit of such abutting townhouse. Further, all attachments to the exterior walls of a townhouse which are a part thereof but which protrude beyond the delineated boundaries of the Lot upon which the dwelling is located, and which were constructed in conformity with the plans and specifications, shall be deemed to be included within said delineated boundaries and there is hereby reserved an easement to permit the construction of and continued existence of any such protruding attachment.

Each Owner of a Lot with a fence, concrete walk or concrete patio which encroaches on the Common Area owned by the Association shall have an easement over that portion of the Common Area affected by the encroaching fence, walk or patio for the purpose of using said portion of the Common Area for his own benefit and for the purpose of maintaining the encroaching structure in good condition and repair. In the event of a fence encroachment, it shall be the Owner's responsibility to maintain the encroaching fence in good condition and repair and also to maintain that portion of the Common Area located within the encroaching fence (i.e., that portion of the Common Area between the Owner's Lot and said fence). In the event of an encroachment by a concrete patio or walk, it shall be the Owner's responsibility to maintain the encroaching patio or walk in good condition and repair.

BOOK PAGE
01139 00521

ARTICLE XII

INSURANCE

Each Owner shall secure and maintain in full force and effect at such owner's expense, one or more Home Owners' insurance policies insuring Owner's Lot and the improvements thereon for the full replacement value thereof against loss or damage from all hazards and risks normally covered by a standard "Extended Coverage" insurance policy, and including personal liability.

The Association shall secure and maintain in full force and effect comprehensive liability insurance for damage to person or property of others occurring upon the Common Area and Directors and Officers Liability insurance covering the Association's Board of Directors and Officers.

This Insurance provision may be modified or amended to substitute one comprehensive insurance policy covering all units provided the approval of a majority of the Owners is obtained and approval by 75% of the Owners and holders of first deeds of trust on the Lots is obtained. Such approvals shall be in writing but need not be acknowledged and shall be attached to an amendment to this Declaration which amendment shall be executed only by the Association and recorded in the Moore County Public Registry.

ARTICLE XIII

FINANCING PROVISIONS

Section 1. Approval of Owners and Holders of First Deeds of Trust. Unless at least seventy-five percent (75%) of the owners and holders of first deeds of trust on Lots located within the property described on SCHEDULE A, have given their prior written approval, the Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Association. The granting of easements for utilities or other purposes shall not be deemed a transfer within the meaning of this clause.

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner.

BOOK PAGE
01139 00522

(c) Fail to maintain fire and extended coverage insurance on insurable improvements in the Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the full insurable value (excluding footings and foundations).

(d) Use the proceeds of any hazard insurance policy covering losses to any part of the Common Area for other than the repair, replacement or reconstruction of the damaged improvements.

Section 2. Books and Records. Any owner and holder of a first deed of trust on any Lot will have the right to examine the books and records of the Association during any reasonable business hours.

Section 3. Payment of Taxes and Insurance Premiums. The owners and holders of first deeds of trust on Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge or lien against the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy for property owned by the Association and the persons, firms or corporations making such payments shall be owed immediate reimbursement therefor from the Association.

ARTICLE XIV

CONDEMNATION

Section 1. Partial Taking Without Direct Effect on Lots. If part of the Properties shall be taken or condemned by any authority having the power of eminent domain, such that no Lot is taken, all compensation and damages for and on account of the taking of the Common Properties, exclusive of compensation for consequential damages to certain affected Lots, shall be paid to the Board of Directors of the Association in trust for all Owners and their mortgages according to the loss or damages to their respective interests in such Common Properties. The Association, acting through the Board of Directors, shall have the right to act on behalf of the Owners with respect to the negotiation and litigation of the issues with respect to the taking and compensation affecting the Common Properties, without limitation on the right of the Owners to represent their own interests. Such proceeds shall be used to restore the Common Properties with the excess, if any, paid to the Owners pro rata. Nothing herein is to prevent Owners whose Lots are specifically affected by the taking or condemnation from

joining in the condemnation proceedings and petitioning on their own behalf for consequential damages relating to loss of value of the affected Lots, or personal improvements therein, exclusive of damages relating to Common Properties. In the event that the condemnation award does not allocate consequential damages to specific Owners, but by its terms includes an award for reduction in value of Lots without such allocation, the award shall be divided between affected Owners and the Board of Directors as their interest may appear by arbitration in accordance with the rules of the American Arbitration Association.

Section 2. Partial or Total Taking Directly Affecting Lots. If part or all of the Properties shall be taken or condemned by any authority having the power of eminent domain, such that any Lot or a part thereof (including specific easements assigned to any Lot) is taken, the Association shall have the right to act on behalf of the Owners with respect to Common Properties as provided in Section 1 of this Article and the proceeds shall be payable as outlined therein. The Owners directly affected by such taking shall represent and negotiate for themselves with respect to the damages affecting their respective Lots. All compensation and damages for and on account of the taking of any one or more of the Lots, or personal improvements therein, shall be paid to the Owners of the affected Lots and their mortgages, as their interests may appear.

Section 3. Notice to Mortgagee. A notice of any eminent domain or condemnation proceeding shall be sent to holders of all first mortgages.

ARTICLE XV

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservation, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a

term of twenty-five (25) years from the date this Declaration is recorded after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty-five (25) year period by an instrument signed by the Owners of not less than sixty-six and two-thirds percent ($66 \frac{2}{3}\%$) of the Lots, and thereafter by an instrument signed by the Owners of not less than fifty-one percent (51%) of the Lots. Any amendment must be properly recorded.

01139 00525

June 11, 1985

Amendment To:

DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
LAKE POINT COTTAGES

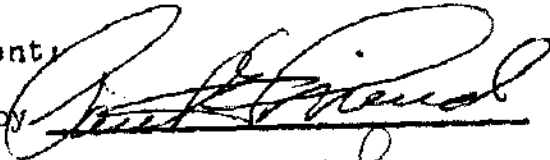
ARTICLE X

USE RESTRICTIONS

Section 13. Renting of Property. No lease for renting of property shall be contracted by any Owner for less than six (6) months duration. The same limitation shall apply to a person or persons with a rental agreement with the Owner.

Approve Amendment:

Signed by



Frank Lueria

Unit No.

D-2

Date.

6/14/85

Dec 28 2 09 PM '95

MRS. JUDITH M. ADAMS
REGISTER OF DEEDS
MOORE COUNTY, N.C.

208898

Recording Time, Book and Page

DRAFTED BY:
D.T. SCARBOROUGH III, ATTORNEY AT LAW
PO BOX 370
PINEHURST, NC 28374

BRIEF DESCRIPTION FOR INDEX

Amendment to Declaration - Lake Point Cottages

**AMENDMENT TO DECLARATION OF
LAKE POINT COTTAGES**

This AMENDMENT TO DECLARATION OF LAKE POINT COTTAGES, made and entered as of January 13, 1995, by and between LAKE POINT COTTAGES ASSOCIATION, a NC non-profit corporation (hereafter referred to as the "Association") and present and prospective owners of Lots in the planned community known as LAKE POINT COTTAGES, (hereinafter referred to collectively as "Owners"), an alphabetical listing of the Owners being attached hereto;

WITNESSETH:

WHEREAS, the original Declarant has previously filed a Declaration of Restrictions, Easements, Covenants, Agreements, Liens and Charges for Lake Point Cottages recorded in Deed Book 513, Page 536, as amended by the Association in Book 674, Page 258 and re-recorded in Book 1139, Page 510, all in the Office of the Register of Deeds of Moore County, North Carolina; and

WHEREAS, at the 1995 annual meeting of the Owners and by subsequent written consent, the hereinafter described Amendment was approved by at least seventy-five percent (75%) of all Owners.

NOW, THEREFORE, the Declaration and the By-Laws governing the administration, operation, holding, conveying, hypothecating, encumbering, and transferring of any Lake Point Cottage Lot are amended as reflected on Exhibit "A" attached hereto and incorporated herein by reference.

16.00 pd.

D.T. SCARBOROUGH III

IN WITNESS WHEREOF, the Association has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal or a reasonable facsimile thereof to be hereunto affixed or impressed by authority of its Board of Directors or Administrators and the vote of its membership.

LAKE POINT COTTAGES ASSOCIATION

By: J. A. Blumner
President

ATTEST:

Alida J. Struck
Secretary



NOTARY'S ACKNOWLEDGMENT

NORTH CAROLINA Moore COUNTY

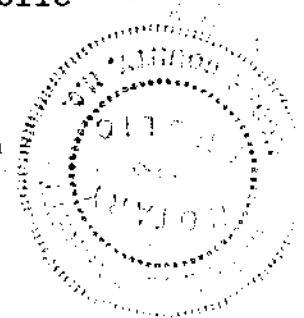
I, Notary Public of the County and State aforesaid, certify that Alida J. Struck personally came before me this day and acknowledged that she is _____ Secretary of LAKE POINT COTTAGES ASSOCIATION, a North Carolina non-profit corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by me as its _____ Secretary. Witness my hand and official stamp or seal, this 19 day of December, 1995.

My commission expires: 3-21-99

Carol A. Garrett
Notary Public

North Carolina--Moore County
The foregoing certificate of Carol A. Garrett, Notary Public, is certified to be correct. This 28th day of December, 1995.

Judith M. Adams, Register of Deeds
Judy D. Martin Assistant



BOOK PAGE
01139 00542

01139 00543

01LP01
HARRY H. & CAROLE CARTER
A-1 LAKE POINT DRIVE
PINEHURST, NC 28374 A-1

01LP02
ISAADORE A. & FRANCES CHARNS
P.O. BOX 1153
PINEHURST, NC 28374 A-2

01LP03
CARL W. & GAIL S. MARLETT
7 GALUSHA STREET
FAIRPORT, NY 14450 B-1

01LP04
NED R. & PATRICIA J. DICKSON
P.O. BOX 596
PINEHURST, NC 28374 B-2

01LP05
HENRY E. & ALIDA J. STRUCK
C-1 LAKE POINT DRIVE
PINEHURST, NC 28374 C-1

01LP06
ROBERT O. SCHWARTZ C-2
C-2 LAKE POINT DRIVE
PINEHURST, NC 28374

01LP07
WILLIAM H. & VIRGINIA E. UNGER
132 VIA NAPOLI
NAPLES, FL 33999 D-1

01LP08
PAUL E. & JEAN K. FRIEND
BOX 4476
PINEHURST, NC 28374 D-2

01LP09
DR. J DALLAS & DORIS WOLF E-1
E-1 LAKE POINT DRIVE
PINEHURST, NC 28374

01LP10
GERTRUDE A. BLUMER E-2
P.O. BOX 4401
PINEHURST, NC 28374

01LP11
GEORGE C. & ETHEL M HILL F-1
F-1 LAKE POINT DRIVE
PINEHURST, NC 28374

01LP12
HELEN F. BAUER F-2
F-2 LAKE POINT DRIVE
PINEHURST, NC 28374

01LP13
JESSUP DISTRIBUTING CO. G-1
ATTN: MARTHA CLARK
P.O. BOX 3423
WILSON, NC 27895

01LP14
LOUISE P. CLARK
7829 POOLE ROAD
RALEIGH, NC 27610 G-2

01LP15
CCI CORPORATION H-1
ATTN/ DONALD OR PAT HARDIN
1901 N. SHERIDAN
TULSA, OK 74115

01LP16
ALEXA KERR H-2
H-2 LAKEPOINT DRIVE
PINEHURST, NC 28374

01LP17
M/M PATRICK J. HENRY J-1
C/O HENRY MOORE & ASSOCIATES
1126 WOODBURN ROAD
DURHAM, NC 27705

01LP18
M/M MARK MILAN J-2
SEVEN POINTS PARTNERSHIP
8989 BROOKPARK ROAD
CLEVELAND, OHIO 44129

MOORE COUNTY

NORTH CAROLINA

WHEREAS, The Declaration and By-Laws of the Lake Point Cottages Association, hereinafter call "Association", were filed December 19, 1983, in the Moore County Register of Deeds and amended on August 23, 1989; and

WHEREAS, the owners desire to be responsible for the exterior maintenance of their dwellings, courtyards, and area between the kitchen window and the trellis;

AND WHEREAS,, by a vote of over seventy-five per cent of the lot owners present in person and by proxy at a Special Meeting held on January 13, 1995, the owners approved the amendment but wished also to make minor changes to this the approved amendment to the Declaration and By-Laws:

NOW, THEREFORE, such desired changes have been made to the approved amendment as set out below (see underlined passages) and has been resubmitted to all owners for their vote and final approval and adoption of the amendment.

DECLARATION

1. . ARTICLE V, Section 2. Purpose of Assessments. The assessments or charges levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties (~~the following shall be deleted: and in particular for the maintenance, repair and reconstruction of the exterior of townhouse units~~) and maintenance of the gravel driveways to each unit and for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including, but not limited to, the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management and supervision thereof, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise. In addition, expenditures by the Association for the landscaping, planting and maintenance of areas (~~the following shall be deleted: with Lots, but lying outside of residence buildings, and enclosed patio areas and~~ **changed to: within Lots, but lying outside of residence buildings, enclosed patio/courtyard areas, areas between kitchen windows and trellises, and the trellises themselves, (ADD: as well as care of the walks)**) shall be deemed expenditures for the recreation, health, safety and welfare of the residents of the Properties and are hereby authorized.

2. ARTICLE VII Exterior Maintenance. In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder as follows: (~~change Paint, repair, replace and care of walks,~~

(Over)

roofs, exterior building surfaces, trees, shrubs, and other exterior improvements, including grass and other vegetation in those portions of each Lot lying outside of the residence building and patio. to: Paint exterior building surfaces and repair or replace roof shingles on a schedule determined by the Board of Directors and paid for by special assessment of the owners, ~~{DELETE: as well as care of walks.}~~ trees, shrubs, and other exterior improvements, including grass and other vegetation in those portions of each Lot lying outside of the residence building, patio/courtyard, and area between the kitchen window and the trellis.

3. ARTICLE VIII. Interior and Exterior Maintenance By Owners

Each Owner shall maintain, repair and replace at his expense all interior (add: and exterior) portions of the improvements on his Lot which shall need repair, including patios, fencing (add: decks, siding, roofs, posts, gutters, walks and trellises located on the Lot, if any, and all bathroom and kitchen...

BY-LAWS

1. ARTICLE VI, Powers and Duties of the Board of Directors, Section 2. Duties.

(h) Cause the exterior of the dwellings to be (change: *maintained* to: maintained or repaired in the event, after notice duly given by the Board of Directors, the owner has failed so to do and the cost of same shall be added to the owner's assessment. ~~{DELETE: and become a lien on his property.}~~ Notwithstanding the preceding, however, the dwellings shall be painted and roof shingles repaired or replaced according to a schedule set down by the Board of Directors and by a special assessment of the each owner.

2. ARTICLE XIII. Miscellaneous

The fiscal year of the Association shall begin on the first day of (change: *October and end on the thirtieth day of September...* to: January and end on the thirty-first day of December every year.