

# **Bethesda Homeowners Association, Inc.**

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**DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
BETHESDA OAKS  
GASTONIA, GASTON COUNTY, NORTH CAROLINA**

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

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**DECLARATION OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS  
FOR  
BETHESDA OAKS  
GASTONIA, GASTON COUNTY, NORTH CAROLINA**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS for Bethesda Oaks (as hereafter amended and supplemented, the "Declaration") is made and entered into as on this 2<sup>nd</sup> day of June, 2006, by Bethesda Oaks-FCLD, LLC, a North Carolina limited liability company (hereinafter referred to as "Declarant").

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

**STATEMENT OF PURPOSE**

Declarant is the owner of real property in Gastonia, Gaston County, North Carolina, which is more particularly described in Exhibit A hereof. Declarant desires to create thereon a residential community of single-family detached residential dwellings to be known as Bethesda Oaks.

Declarant desires to insure the attractiveness of the subdivision and to prevent any future impairment thereof; to prevent nuisances, to preserve, protect, and enhance the values and amenities of all properties within the subdivision; and to undertake the other duties set forth herein; and to this end, desires to subject the Property to the covenants, conditions, restrictions, easements, assessments, charges, liens and other obligations hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof.

Declarant has deemed it desirable, for the efficient preservation, protection, and enhancement of the values and amenities in said subdivision, to create an organization to which will be delegated and assigned the power of maintaining and administering said areas and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created.

Declarant has incorporated or will incorporate under North Carolina law the Bethesda Oaks Homeowners Association, Inc., as a non-profit corporation for the purpose of exercising and performing the aforesaid functions.

Declarant, by this Declaration, does hereby declare that all of the property described on Exhibit A hereof is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, conditions, restrictions, easements, assessments, charges, and liens set forth in this Declaration which shall run with the real property and be binding on all parties owning any right, title or interest in said real property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

This declaration is made pursuant to the provisions of the North Carolina Planned Community Act, Chapter 47F of the North Carolina General Statutes. In the event of a conflict between the provisions of the Planned Community Act and the Articles of Incorporation and/or the Bylaws of the Association and this Declaration, the provisions of the Planned Community Act, The Declaration, the Articles of Incorporation and the Bylaws (in that order) shall prevail.

## **ARTICLE I DEFINITIONS**

As used in this Declaration, the following terms shall have the meanings ascribed to them in this Article I, such definitions being cumulative of those set forth elsewhere in this Declaration. In addition, all terms used in this Declaration which are defined in the Act shall have the meanings ascribed to them in the Act, unless other definitions are ascribed to them in this Declaration.

"Act" shall mean and refer to the North Carolina Planned Community Act, Chapter 47F of the General Statutes of North Carolina.

"Articles of Incorporation" shall mean the Articles of Incorporation of the Association, as filed with the North Carolina Secretary of State.

"Assessments" are any dues or other monies owed the Association pursuant to the terms of this Declaration. There are three kinds of assessments (as that term is defined in Article V hereof).

(a) Annual Assessments are those levied against each owner equally, in order to pay for normal activities of the Association.

(b) General Special Assessments are those levied against each owner equally, in order to pay for extraordinary activities of the Association.

(c) Specific Special Assessments are those levied against one or more individual owner(s) on account of violations of those owner(s) of the terms of this Declaration, or on account of expenses incurred by the Association as a result of the activity or inactivity of the owner(s).

"Association" shall mean Bethesda Oaks Homeowners Association, Inc., a North Carolina non-profit membership corporation, its successors and assigns.

"Board of Directors" shall mean the Board of Directors of the Association.

"Builder" shall mean and refer to NVR, INC, a Virginia corporation.

"Bylaws" shall refer to the bylaws of the Association.

"Common Elements" shall mean all portions of the Property which shall be conveyed and transferred to the Association pursuant to Article III of this Declaration and which does not include any Lot or real property dedicated to a governmental

authority. It shall include any and all entryways, sidewalks, or easements granted to the Association for landscaping or signage.

Common Elements shall not include any Lot which shall be acquired by the foreclosure of the lien in favor of the Association, as provided for in Article V of this Declaration.

"Declarant" shall mean and refer to Bethesda Oaks-FCLD, LLC, a North Carolina limited liability company.

"Declaration" shall mean and refer to this Declaration of Covenants, Conditions, and Restrictions, as the same may be hereinafter amended in accordance with the terms and provisions of Article IX hereof.

"Dwelling" shall mean any single family residential dwelling unit erected upon any Lot.

"HUD/VA/FNMA/FHLMC" shall refer to the U.S. Department of Housing and Urban Development, and/or the Veterans Administration, and/or the Federal National Mortgage Association, and/or the Federal Home Loan Mortgage Corporation, any governmental authority which succeeds said organizations, and/or any other governmental or quasi-governmental authority which governs, regulates or administers the selling of residential dwellings or the issuing of mortgages on such dwellings.

"Improvement" shall mean any construction, alteration or addition to a Dwelling or any other structure located on the Property or any Lot. Any landscaping planted by an Owner which is located in any Common Area and is maintained by the Association shall be considered an Improvement.

"Lot" shall mean and refer to any numbered parcel of land upon which is or may be placed one single-family detached dwelling, with delineated boundary lines, appearing on plat or maps of subdivision recorded with Gaston County. In the event any Lot is subdivided, increased or decreased in size by re-subdivisions, through recordation of new subdivision plats, by deed or otherwise, each lot resulting from such subdivision or re-subdivision shall thereafter constitute a Lot for the purpose of this Declaration.

"Map" shall mean and refer to any certain Subdivision map(s) which shows the Property and shall be recorded in the Gaston County Registry.

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

"First Mortgage" means the first priority Deed of Trust lien of record against any Lot held by any institutional lender, including the Bank described in Article X, Section B of the Declaration.

"Mortgage" shall mean a mortgage, deed to secure debt, deed of trust, or other instrument conveying a lien upon or security title to the property.

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

"Person" shall mean a natural person, corporation, trust, partnership or any other legal entity.

"Property" shall mean and refer to the entirety of the real property described in Exhibit A, hereto attached and made a part hereof.

"Subdivision" shall mean and refer to the entire Bethesda Oaks subdivision, which consists of and is identical to the Property.

"Subdivision Plat" shall mean collectively that certain Bethesda Oaks Phase 1 Map 1 dated April 6, 2006, prepared by R. B. Pharr & Associates, P.A. and recorded in Book 72 Page 37 on April 28, 2006 in Gaston County Public Registry, and shall include any and all other plats of survey which shall be recorded pursuant to the provisions of Article II, Section 2 of this Declaration for the purpose of subjecting additional portions of the Property to this Declaration as Lots.

## ARTICLE II LOTS

Section 1. Lots Hereby Subjected to this Declaration. The Declarant, for themselves, and their successors and assigns, does hereby covenant that the all of those lots shown on the Subdivision Plat be, and the same hereby is subject to this Declaration as Lots.

The Declarant, for themselves, their successors and assigns, hereby further covenants that the above-described property shall hereafter be held, transferred, sold, conveyed, used, leased, occupied, mortgaged or otherwise encumbered subject to all of the terms, provisions, liens, charges, easements, covenants and restrictions set forth in the Act and this Declaration as applicable to the Lots, including, but not limited to, the lien provisions set forth in Article V hereof. All of the terms, provisions, liens, charges, easements, covenants and restrictions set forth in this Declaration as applicable to the Lots shall be a permanent charge thereon, and shall run with the Lots.

Section 2. Additional Lots Hereafter Subjected to this Declaration. The Declarant may, at any time, and from time to time, prior to April 1, 2011, or in the event the Builder fails to purchase all of the Property, the Declarant may, at any time, and from time to time prior to April 1, 2011, subject additional portions of (a) the Property and (b) any real property that is contiguous with the Property (the "Contiguous Property") to the Act and to the terms, provisions, liens, charges, easements, covenants and restrictions of this Declaration applicable to Lots by;

(a) executing and recording in the Gaston County Public Registry, a supplemental declaration to this Declaration describing such additional Lots and



stating that this Declaration is thereby extended to, and shall thereafter apply to, such additional Lots; and

(b) recording in the Plat Book Records of Gaston County Public Registry, a plat of survey showing and depicting the additional Lots being thereby subjected to this Declaration.

From and after the subjecting of such additional Lots to the Act and this Declaration, such additional Lots shall thereafter be held, transferred, sold, conveyed, used, leased, occupied, mortgaged or otherwise encumbered subject to all of the terms, provisions, liens, charges, easements, covenants and restrictions of this Declaration applicable to Lots, including, without limitation, all lien and assessment provisions set forth in this Declaration; from and after the subjecting of such additional Lots to this Declaration, all of the terms, provisions, liens, charges, easements, covenants and restrictions set forth in this Declaration as applicable to Lots shall be a permanent charge thereon, and shall run with, such additional Lots.

Any supplemental declaration which may be executed and recorded pursuant to the provisions of this Article II for the purpose of subjecting additional Lots to the terms and provisions of this Declaration may set forth certain easement and restrictions which will apply only to the Lots being subjected to this Declaration by such supplemental declaration. Any such easements and restrictions which shall be set forth in any supplemental declaration shall thereafter be as binding on the Lots which are the subject of such supplemental declaration as if such easements and restrictions were set forth in their entirety in this Declaration.

Except as otherwise provided in the Act, no approval from any member of the Association, or from anyone else whomsoever, shall be required for the Declarant and Colony to subject any portion of the Property or any Contiguous Property to this Declaration as additional Lots.

**Section 3. No Effect on Balance of the Property.** Notwithstanding anything contained in this Declaration which may be constructed to the contrary, this Declaration does not create any charge, lien, encumbrance, restriction, or limitation on any portion of the Property other than the Lots described in Section 1 of this Article II, unless and until any additional portion of the Property or the Contiguous Property is subjected to this Declaration as Lots or Common Elements in the manner set forth, respectively, in Section 2 of this Article II or in Section 1 of Article II, and then, only from that time forward.

**Section 4. All Lots Bear the Burdens and Enjoy the Benefits of this Declaration.** Every person who is a record owner of a fee or undivided fee interest in any Lot does, by acceptance of a deed or other conveyance thereto, and by acceptance of such ownership, and by taking record title to such Lot, agree to all of the terms and provisions of this Declaration. Each of the Lots is subject to all the burdens, and enjoys all the benefits, made applicable hereunder.

Section 5. Easements Over the Lots. The Lots shall be subjected to, and the Declarant does hereby grant to the appropriate grantees thereof, the following easements:

(a) Each Lot shall be subject to all easements which are shown and depicted on the Subdivision Plat as affecting and burdening such Lot including but not limited to any and all blanket easements reserved for electric, cable, telephone and gas utilities.

(b) Each Lot shall be subject to an easement for slope control purposes, including the right to grade and plant slopes and prevent the doing of any activity that might interfere with slopes or which might create erosion or sliding problems or which might change, obstruct or retard drainage flow, and

(c) Each Lot shall be subject to an easement for the entry by the authorized agents and representatives of the Association to go upon such Lot under the circumstances, and for the purposes described in Article VIII of this Declaration.

### ARTICLE III COMMON ELEMENTS

Section 1. Common Elements. The Declarant shall have the right to transfer and convey to the Association any portion of the Property. All portions of the Property which the Declarant shall so transfer or convey to the Association shall thereafter constitute Common Elements. Said right may be exercised by the Declarant any time, and from time to time, prior, to April 1, 2011.

All portions of the Property which shall be transferred to the Association by the Declarant (a) shall be conveyed to the Association by limited warranty deed free of debt encumbrance, and (b) shall be conveyed to the Association subject to the rights and easements set forth in Sections 2 and 3 of this Article III, irrespective of whether the deed of conveyance shall make a specific reference to such rights and easements.

By joining in the execution of this Declaration, the Association does hereby covenant and agree to accept all conveyances of the Common Elements which may be made to it pursuant to, and in accordance with, the terms and provisions of this Section 1.

Section 2. Members' Rights in Common Elements. Every owner of any Lot shall have a non-exclusive right and easement of enjoyment and use in and to the Common Elements, and such right and easement shall be appurtenant to, and shall pass with, the title to the Lot(s) owned by such owner. Such right and easement of enjoyment and use are and shall be subject to the easements which are described in Section 3 of this Article III and to the right of the Association to promulgate reasonable rules and regulation regarding the use of Common Elements, and the right of the Association, as provided in the Bylaws, to suspend the enjoyment rights of the owner of any Lot during any period in which any assessment which is due to the Association from

such owner remains unpaid, and such period as the Board of Directors may consider appropriate for any infraction of its published rules and regulations.

**Section 3. Easements Over Common Elements.** All Common Elements shall be subject to, and the Declarant and the Association do hereby grant, the following easements:

(a) An easement across, in, under, over and through the Common Elements for the purposes of the construction, installation, repair, maintenance and use of all utility and drainage lines, wires, pipes and similar facilities as exist, on the date of this Declaration; and

(b) An easement in favor of Declarant and their respective successors and assigns, for the exclusive use of such portions of the Common Elements as may be reasonably desirable, convenient or incidental to the construction and installation of improvements on, and the sale of, any Lots, including, but not limited to, sales and business offices, storage areas, construction yards and signs. Such easements shall be exercisable by any and all persons whom the Declarant shall authorize to exercise the same, including, without limitation, real estate sales agents and brokers and builders of residences upon the Lots, irrespective of whether such persons are affiliated with the Declarant. Such easements shall exist notwithstanding any provision of this Declaration which might be construed to the contrary, but shall terminate at such time as the construction on the Lots of residential buildings has been completed and all of the Lots shall have been conveyed to owners thereof who shall not have acquired the Lots for the purpose of immediate resale of the same. Such easements shall and do exist without affecting the obligation of the owner of any Lot to pay assessments or charges coming due during such period of time as portions of the Common Elements shall be used by authorized persons pursuant to the exercise of the easements herein stated.

**Section 4. Insurance.** As provided in Section 47F of the Act, it shall be the duty of the Association to obtain and maintain in effect at all times a policy of casualty insurance on all improvements located on the Common Elements. The amount of such policy shall be in amount that is no less than eighty percent (80%) of the replacement cost of the improvements to be insured with deductibles in amount to be determined by the Board of Directors. It shall, also be the duty of the Association to obtain and maintain in effect at all times a comprehensive policy of public liability insurance. The comprehensive policy of public liability insurance shall have a reasonable amount of coverage, as shall be determined by the Board of Directors, and shall provide for such deductibles, as shall be determined by the Board of Directors. During the existence of the Class B membership of the Association, both insurances maybe provided by a self-insurance program maintained by the Declarant.

**Section 5. Damage or Destruction.** All damage that shall occur to any improvements on any Common Elements on account of the occurrence of any casualty shall be repaired in all events. Such repairs shall be undertaken and completed as soon after the occurrence of any casualty as is reasonably practicable. All repairs to any improvements located on the Common Elements shall be made in accordance with

plans and specifications that shall be approved for the same by the Board of Directors of the Association.

Section 6. Transfer or Encumbrance. In no event shall the Association abandon, encumber, sell or transfer, directly or indirectly, any portion of the Common Elements unless such abandonment, encumbrance, sale or transfer shall be first approved in writing by the owners of no fewer than eighty percent (80%) of the Lots.

Section 7. Maintenance of the Common Elements. The Association shall be responsible for the maintenance and repair of all Common Elements including but not limited to the operation of the pool, cabana, playground, picnic shelter, walking/biking trails, entry monuments and all common area grass and landscaping within the development.

#### ARTICLE IV THE ASSOCIATION

Section 1. The Association. Prior to the date this Declaration has been filed for record with the Gaston County Public Registry, the Declarant has caused the Association to be formed, and the Association does now exist, under its Articles of Incorporation and Bylaws.

The Association is and shall be responsible for the ownership, management and operation of the Common Elements, the enforcement of the covenants and restrictions set forth in this Declaration, and the performance of such other duties and services as the Board of Directors shall deem to be in the best interests of the members of the Association. The Association shall have all the powers and authority provided in the Association by the provisions of Section 47F of the Act.

Section 2. Membership. Every person who is, or who becomes, a record owner of a fee or undivided fee interest in any Lot is and shall be a member of the Association; provided, however, that any such person who holds such interest merely as security for the performance of an obligation shall not be a member of the Association. The transfer of ownership of a fee or undivided fee interest in any Lot shall automatically transfer membership in the Association, and in no event shall such membership be severed from the ownership of such Lot.

Section 3. Classes of Membership; Voting Rights. The Association shall have two classes of voting membership: Class A and Class B.

(a) Class A. The Class A members shall be all those persons holding an interest required for the membership in the Association, as specified in Section 2 of this Article IV, except for those persons who are Class B members. Until such time as the Class A members shall be entitled to full voting privileges, as hereinafter specified, the Class A membership shall be entitled to vote only in regard to the following matters (a) any proposal of merger, consolidation or dissolution of the Association; (b) any proposal to transfer or encumber any portion of the Common Elements; (c) any proposal pursuant to Article IX of this Declaration to amend this

Declaration; (d) any proposal to modify or amend the Articles of Incorporation or the Bylaws; and (e) any other matter for which it is herein specifically provided, or for which it is provided by the Act, the North Carolina Non-profit Corporation Act or any other law, that approval of each and every class of membership of the Association is required. Except in regard to the foregoing matters, the Class A membership shall be a non-voting membership until such time as the Class B membership shall terminate, at which time the Class A membership shall be the sole class of membership and shall be entitled to full voting privileges.

When entitled to vote, Class A members shall be entitled to cast one (1) vote for each Lot in which they hold an interest required for membership by Section 2 of this Article IV.

(b) Class B. The Declarant shall be the sole Class B member. Class B membership shall be a full voting membership and, during its existence, the Class B member shall be entitled to vote on all matters and in all events. Class B members shall be entitled to cast three (3) votes for each Lot in which they hold an interest required for membership by Section 2 of this Article IV. The Class B membership shall terminate and cease to exist, and the Class B member shall be and become a Class A member insofar as it may then hold any interest required for membership by Section 2 of this Article IV, upon the earliest to occur of: (i) the date on which the Declarant shall have conveyed to individual owners thereof seventy-five percent (75%) of the Lots permitted by applicable zoning to be developed within the Property, or (ii) April 1, 2011, or (iii) on such earlier date as the Declarant shall designate in a written notice delivered to the Association.

From and after the date at which the Class B membership automatically terminates, and ceases to exist, such membership shall not be renewed or reinstated.

Section 4. Suspension of Membership Rights. The membership rights of any member of the Association, including the right to vote and to use the Common Elements (except for the right to use the Common Elements for access to and from the Lot owned by such member), may be suspended by the Board of Directors pursuant to the authority granted in the Bylaws. Any such suspension shall not affect such member's obligation to pay assessments coming due during the period of such suspension and shall not affect the permanent charge and lien on the member's property in favor of the Association.

Section 5. Meetings of the Membership. All matters concerning the meetings of members of the Association, including the time at which and the manner in which notice of any said meeting shall be given to members, the quorum required for the transaction of business at any meeting, and the vote required on any matter, shall be specified in the Act, the North Carolina Nonprofit Corporation Act, this Declaration, or in the Articles of Incorporation or the Bylaws, or by law.

Section 6. Association Acts Through Its Board of Directors. Whenever approval of, or action or inaction by, the Association is referred to or called for in this Declaration, such action, inaction or approval shall be by the Board of Directors of the Association, unless it is specifically stated in this Declaration, the Articles of

Incorporation or the Bylaws with respect to such action, inaction or approval that the members of the Association must vote. No member of the Board of Directors of the Association or any officer of the Association (including, without limitation, any such individual who shall, have been elected by a vote of the Class B member) shall be personally liable to any owner of any Lot for any mistake of judgment or for any other act or omission of any nature whatsoever, except for any acts or omissions found by a court of competent jurisdiction to constitute gross negligence or fraud.

The Board of Directors of the Association shall have the broad authority to adopt, publish and enforce rules and regulations governing the Property. Such rules and regulations shall be in addition to any restrictions imposed by this Declaration.

**Section 7. Professional Management.** The Association may, but shall not be obligated to, obtain and pay for the services of any person or other entity to manage the affairs of the Association, or any part thereof, and may enter into such agreements for the management of the Common Elements as the Board of Directors deems to be in the best interests of the Association.

**Section 8. Safety of Owners of Lots.** The Association shall not be responsible for the safety of the owner of a Lot or their lessees, guests or invitees. The Association may, but shall not be obligated, to provide security services within Bethesda Oaks.

## **ARTICLE V ASSESSMENTS**

**Section 1. Assessments; Lien Therefor.** Each person other than the Declarant who shall own any Lot, by acceptance of a deed or other conveyance thereto, and by acceptance of such ownership, and by taking record title thereto, shall be deemed to covenant and agree to pay to the Association all assessments and charges which are levied by the Association against the Lot(s) owned by such person in accordance with the terms and provisions of the Act and this Declaration.

As more fully provided in Section 47F of the Act, all sums lawfully assessed by the Association against any Lot and the owner thereof, which shall remain unpaid for a period of thirty (30) days from the date of such assessment, shall constitute a lien in favor of the Association on such Lot when a claim of lien is filed of record in the office of the Clerk of Superior Court of Gaston County, North Carolina in which the Lot is located. Such lien shall be prior and superior to all other liens whatsoever, except:

- (a) liens for ad valorem taxes and other governmental assessments on the Lot;
- (b) any lien that was properly recorded prior to the docketing of the claim of lien in the office of the clerk of superior court;
- (c) the lien of any First Mortgage or the lien of any prior Mortgage recorded in the Gaston County Public Registry; or

(d) the lien of any secondary purchase money Mortgage covering the Lot, provided that neither the grantee nor any successor grantee on the Mortgage is the seller of the Lot.

Section 2. Personal Obligation of Members. Each member of the Association other than the Declarant, by acceptance of a deed or other conveyance to the Lot(s) owned by such member, irrespective of whether it shall be so expressed in any such deed or other conveyance, and by acceptance of ownership such Lot(s), and by taking record title to such Lot(s), shall be deemed to covenant and agree to pay to the Association:

(a) His share of the Annual Assessments which shall be levied by the Association in accordance with Section 4 hereof; and

(b) When properly authorized in accordance with Section 5 hereof general special assessments, such annual and general special assessments to be fixed, established and collected from time to time as hereinafter provided.

All such assessments, together with interest thereon and costs of collection thereof, as hereinafter provided, shall be the personal obligation of the person who is the owner of the Lot against which such assessments are levied at the time assessments become due and payable. The covenant to pay assessments herein stated is and shall be a covenant running with the land

Upon acquisition of record title to a Lot from Declarant, each owner shall contribute to the Association \$450.00 as determined by the Board of Directors, as a contribution to the Association's working capital fund. The working capital fund can be used for all expenses of the Association.

Section 3. Purposes of Assessments. The assessments levied by the Association pursuant to this Article V shall be used to pay the costs and expenses which the association shall incur in connection with the performance of its duties and responsibilities pursuant to the Act, this Declaration, the Articles of Incorporation and the Bylaws (such costs and expenses being herein referred to as the "Annual Expenses"). Without limiting the generality of the foregoing, the Annual Expenses shall include the costs of: repair and maintenance of all Common Elements, including but not limited to payment of all governmental charges, taxes and assessments which shall be levied against all Common Elements; payment of all costs and expenses incurred by the Association in connection with its operations, including, without limitation, the payment of electricity charges for all lighting located on the Property which does not serve a particular Lot; payment of the premiums for all policies of property and liability insurance maintained by the Association with respect to Common Elements; payment of the premiums for all fidelity bonds which shall be obtained by the Association; the maintenance of reserves for the repair and replacement of improvements located on the Common Elements and for such other purposes as the Board of Directors shall determine, in all cases in such amounts as the Board of Directors shall determine; the payment of the fees of such management firms as the Board of Directors shall employ; and payment for the fees for the provision of such professional services as the Board of

Directors shall determine to be required by the Association, including legal, accounting and architectural services.

**Section 4. Determination of Annual Assessment.** Prior to the commencement of each fiscal year of the Association (said fiscal year being specified in the Bylaws), the Board of Directors shall estimate the total amount of the Annual Expenses which are anticipated to be incurred by the Association during such fiscal year and shall determine the amount which will be deposited during such fiscal year into reserve funds maintained by the Association. The Board of Directors shall formulate a budget, and so long as the Declarant is the sole Class B member, the Board of Directors shall thereupon adopt a budget for the Association's expenditures and reserve findings based upon such estimate and providing for the total annual assessment to be levied against the members of the Association for such fiscal year (the total assessment which shall be so determined and levied against all of the members of the Association for any fiscal year is herein referred to as the "Annual Assessment"). The amounts so determined by the Board of Directors shall be levied against all of the members of the Association other than the Declarant and all Lots not owned by the Declarant. The amount of the Annual Assessment levied against each Lot shall be the same as the amount levied against every other Lot. Each Lot not owned by the Declarant shall be liable for that share of every Annual Assessment which is so determined by the Board of Directors. The Board of Directors shall send a copy of the budget so adopted by it, together with a written notice of the amount of the Annual Assessment which is so determined for such fiscal year and the amount of such Annual Assessment which shall be levied against each Lot, to the owner of every Lot prior to the commencement of the fiscal year during which such Annual Assessment is to be paid. The amount of such Annual Assessment which shall be levied against each Lot shall be due and payable to the Association in such installments the Board of Directors shall determine, and after notice of the same shall have been given to all of the members of the Association by the Board of Directors, and shall be paid to the Association when due without further notice.

**Section 5. General Special Assessments.** If for any reason, including non-payment of any assessments to the Association by the persons liable therefor, the budget adopted by the Board of Directors for any fiscal year shall prove to be inadequate to defray the Annual Expenses for such fiscal year, or if the Board of Directors shall determine that it is in the best interests of the Association to levy a general special assessment to pay the costs of any capital improvements or capital repairs, the Board of Directors shall have the authority to levy a general special assessment against the Lots and the owners thereof (other than the Declarant) to raise such needed funds. Any general special assessment levied by the Board of Directors pursuant to the provisions of this Section 5 shall be payable at such times and such installments as the Board of Directors shall determine. Each Lot not owned by the Declarant shall be liable for the payment of an equal share of every special assessment which shall be levied by the Association pursuant to the provisions of this Section 5. The general special assessment may be approved by the Board of Directors up to and including \$1,000.00 without the prior approval of the Associations' members. If a general special assessment is require in excess of \$1,000.00, the general special assessment must be voted on by the Associations' membership with no fewer than



sixty-seven percent (67%) of the membership concurring to the general special assessment.

Section 6. Lots Owned by Declarant. Notwithstanding any term or provision of this Declaration which may be construed to the contrary, no Lot owned by the Declarant shall be subject to any assessment provided for in this Article V. Rather, all Lots owned by the Declarant shall be exempt from the payment of all assessments for so long as such Lots are owned by the Declarant. However, in the event the Declarant shall pay any amount(s) necessary to cover in shortfalls or deficits in the budget or to pay any expenses that should have been paid from the Annual Assessments, such amount(s) so paid by the Declarant shall be credited against the Declarant's obligations to pay any future assessments, if such obligation to pay assessments were imposed upon the Declarant by law. At such time as any Lot which is owned by the Declarant shall be conveyed or transferred away by the Declarant to a party other than the Declarant, all liens and assessments provided for in this Article V shall become immediately levied against such Lot and the owner of such Lot shall immediately become liable for the payment of all such assessments. The amount of each Annual Assessment which shall become so payable with respect to any Lot shall be prorated according to the respective portions of the fiscal year that such Lot was owned by the Declarant and by such successor owner.

Section 7. Specific Special Assessments: Non-Payment of Assessments to the Association.

(a) In the event that any member of the Association has failed to pay, thirty (30) days after the date the same is due and payable, any annual or special assessment, or any installment of any annual or special assessment which is payable by him to the Association, the entire amount of such assessment, including the portion thereof which would otherwise be payable in installments, may be declared by the Board of Directors to be immediately due and payable in full to the Association. As more fully provided in the Act, all such amounts so declared by the Board of Directors to be due and payable in full to the Association shall be secured by the lien of the Association on every Lot owned by the delinquent member, which lien shall bind such Lot or Lots in the hands of the then owner, and his heirs, devisees, successors and assigns.

(b) All amounts which the Board of Directors shall declare to be due and payable pursuant to this Section 7 shall be subject to a \$20.00 late fee and the Association may bring legal action against the member of the Association personally obligated to pay the same, or foreclose its lien upon the Lot or Lots of such member; in either of which events such member shall also be liable to the Association for all costs and attorneys' fees which the Association shall incur in connection with the collection of such delinquent amounts.

Section 8. Lots Owned by Builder. Notwithstanding any term or provision of this Declaration which may be construed to the contrary, Lots owned by the Builder shall be subject to annual assessments, as provided in Section 4 or Article V, however, the rate of this assessment shall be 1/3 that of the annual assessment pursuant to Section 4 of Article V.

Section 9. Capital Contribution. A one time fee of \$450.00 per Lot shall be assessed at the conveyance of each Lot from the Declarant. If the grantee of the Declaration is a Builder who did not reside at the improvements constructed upon the lot, then the fee shall be waived and shall be payable at the grantee of the Builder at the time of conveyance to a third party.

## ARTICLE VI ARCHITECTURAL CONTROL

### Section 1. Architectural Restrictions.

(a) No building shall be constructed on any Lot unless such building contains at least one thousand two hundred (1,200) square feet of interiors heated space.

(b) No fence shall be constructed or erected upon any Lot in any location other than entirely in the rear of the building which is located on such Lot.

Section 2. Combination of Lots. No single family lots may be combined.

### Section 3. Architectural Control.

(a) No building, fence, wall, impervious hardscape, significant landscape alteration, garage, patio, carport, playhouse, swimming pool, mailbox or other structure shall be commenced, erected or maintained upon any Lot, nor shall any exterior addition to, change in (including, without limitation, any change in the type of roofing material or in the color of the paint, stain, or varnish), or alteration of, any of such structures be made until complete and final plans and specifications, setting forth the information hereinafter described, shall have been submitted to, and approved in writing by, the Board of Directors as to the harmony of the exterior design and general quality with the existing standards of the improvements located on the other Lots, and as to location in relation to surrounding structures and topography.

(b) The plans and specifications which must be submitted to the Board of Directors prior to the commencement of any structure upon any Lot, as hereinabove provided, shall contain at least the following information

(i) A site plan showing the shape and size of the proposed structure and its location on the Lot with impervious and building coverage calculation on which the same is proposed to be constructed; and

(ii) Building plans of the proposed structure which shall include an exterior elevation drawing of the proposed structure; and

(iii) In the case of any fence proposed to be erected on any Lot, a site plan showing the location of the proposed fence and a statement of which of the "Approved Fence Details" (as that term is defined in paragraph (c) herein below) said proposed fence shall conform to.

(c) It shall be the duty of the Board of Directors to maintain in effect a series of standardized designs of fences that maybe erected upon any Lot. Said standardized fence designs which shall be so maintained by the Board of Directors are hereinafter referred to as the "Approved Fence Details". The Board of Directors may modify and change the Approved Fence Details, and adopt additional Approved Fence Details, at any time, and from time to time, as the Board of Directors believes to be in the best interests of the owners of the Lots. The Board of Directors shall furnish the owners of any Lot with a copy of the then existing Approved Fence Details upon such Lot owner's request.

In no event shall any fence be erected on any Lot unless the design of such fence shall conform to then existing Approved Fence Details.

(d) The Association shall upon demand at any time, furnish to any member of the Association a certificate in writing signed by an officer of the Association, stating that any building, fence, wall, garage, patio, carport, playhouse, swimming pool, mailbox or other structure erected upon such owner's Lot, or any exterior addition to, change in, or alteration of any structure owned by such member on a Lot, is in compliance with the provisions of this Section 3 of Article VI, if such improvement(s) are in fact in compliance, and such certificate shall be conclusive as to whether the same is in such compliance.

(e) In the event that any construction or alteration work is undertaken or performed upon any Lot without application having been first made and approval obtained as provided in paragraph (a) of this Section 3, said construction or alteration work shall be deemed to be in violation of this covenant, and the person upon whose Lot said construction or alteration work was undertaken or performed may be required to restore to the original condition, at his sole expense, the property upon which said construction or alteration was undertaken or performed. Upon the failure or refusal of any person to perform the restoration required herein, the Board of Directors shall hold a hearing to determine if the lot owner should be fined or if planned community privileges or services should be suspended pursuant to the power granted to the association. The lot owner charged shall be given notice of the charge, opportunity to be heard and to present evidence, and notice of the decision. If it is decided that a fine should be imposed, a fine not to exceed one hundred dollars (\$100.00) may be imposed for the violation and without further hearing, for each day after the decision that the violation occurs. Daily fines for "continuing" violations may not begin to accrue until five days after the hearing date. However, even if the lot owner abates the violation within the five days, the board may still impose a one-time \$100 fine for the violation. Such fines shall be assessments secured by liens under G.S. 47-F-3-116. If it is decided that a suspension of planned community privileges or services should be imposed, the suspension may be continued without further hearing until the violation or delinquency is cured.

Section 4. Declarant Exemption. Notwithstanding anything stated to the contrary herein, nothing contained in this Article VI shall be construed as prohibiting any construction by the Declarant upon any Lot while such Lot is owned by the Declarant, provided, however, that such construction is in compliance with the requirements specified in Article VI, Section 1 of this Declaration. Any new

construction performed by the Declarant upon any Lot while such Lot is owned by the Declarant shall be exempt from the provisions of Section 3 of this Article VI.

Section 5. Architectural Advisory Committee. The Board of Directors shall be authorized to appoint an architectural advisory committee to advise it and assist it in connection with its performance of its responsibilities under Section 3 of this Article VI. The functions which may be performed by any such architectural advisory committee shall include reviewing plans and specifications which are submitted to the Board of Directors in connection with proposals to construct or alter improvements upon the Lots and to make recommendations to the Board of Directors with respect to such plan and specifications.

## ARTICLE VII RESTRICTIONS

In order to provide for the maximum enjoyment of the Lots by all of the residents thereof and to provide protection for the value of the same, the use of the Lots shall be restricted to, and shall be only in accordance with, the following provisions:

Section 1. Single-Family Use. All of the Lots shall be restricted exclusively to single-family residential use. The term "single-family" shall include one or more related or unrelated adults, as well as the children of any such adults. No Lot shall at any time be used for any commercial, business or professional purpose. Notwithstanding the foregoing, however, nothing set forth in this Section 1 shall prohibit: (a) the Declarant from conducting such sales, leasing and promotional activities on any Lot as said Declarant shall determine; or (b) the owner of any Lot from using a portion of a building located on such Lot as an office, provided that such use does not create regular customer or client traffic to and from such Lot and no sign, logo, symbol or nameplate identifying such business is displayed anywhere on such Lot.

Section 2. Prohibited Activities. No noxious or offensive activity shall be conducted on any Lot. Each owner of any Lot, his family, tenants, guests and invitees, shall refrain from any act or use of his property which could reasonably cause embarrassment, discomfort, annoyance or nuisance to any other resident or residents of any other Lot.

Section 3. Nuisances. No nuisance shall be permitted to exist upon any Lot. Without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells, or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any Lot, or any portion thereof.

Section 4. Trash, Animals. No portion of any Lot shall be used as a dumping ground for rubbish, trash or garbage, nor shall any trash or garbage be permitted to accumulate upon any Lot. Garbage containers shall be placed in a garage or screened (refer to Community Rules & Regulations) on each Lot so that the same shall not be visible from the street or from any part of any other Lot or Common Area. This shall not apply to containers temporarily positioned for the removal, pick up of garbage and other materials by applicable governmental agencies or private contractors. Such containers

may be visible for up to 36 hours on or about the appropriate day set aside for routine garbage collection.

No Lot shall be used for the keeping or breeding of livestock animals, poultry or bees of any kind, except that a reasonable number of household pets may be kept, provided that they are neither kept for breeding nor maintained for any commercial purpose, and provided that none of such pets are permitted to be a source of annoyance to any other resident or residents of any other Lot.

If the Board receives any complaint that an animal constitutes an unreasonable annoyance, inconvenience or nuisance, the Board shall afford the Owner or such animal Notice and Opportunity for Hearing, and if the Board finds that such animal constitutes an unreasonable annoyance, inconvenience or nuisance, the Board may require that such animal be removed from the Properties. The Board may adopt Rules and Regulations concerning animals which are more restrictive than the provisions of this Master Declaration.

Section 5. Signs. No sign of any kind or character shall be erected on any portion of any Lot, or displayed to the public on any portion of any Lot, without the prior written consent of the Board of Directors, except for customary name and address signs and one "for sale" sign advertising a Lot for sale. The restriction herein, stated shall include the prohibition of placement of any sign within a building located on any Lot in a location from which the same shall be visible from the outside and the placement of any sign in or upon any motor vehicle.

Section 6. Antennas; Aerials; Satellite Dishes. No antennas or aerials are permitted. No satellite dishes or other reception devices having a diameter or diagonal measurement greater than one meter shall be installed on any Lot. So long as reception of an acceptable quality is not precluded, the satellite dish or other reception device of appropriate size shall be located only on that portion of the Lot which is least visible from public view and shielded so as to minimize any risk and to ensure a nuisance is not created.

Section 7. Clotheslines. No clothesline shall be erected on any portion of any Lot.

Section 8. Window Air-Conditioners. No air-conditioner shall be installed in any window of any building located on any Lot, nor shall any air-conditioner be installed on any building located on any Lot so that the same protrudes through any exterior wall of such building.

Section 9. Temporary Structures. Subject to the right of the Declarant to promote the sale of Lots, no structure of a temporary character, including, without limitation, any trailer, tent, shack, garage or other building, shall be permitted on any Lot at any time, whether temporarily or permanently, except with the prior, written consent of the Board of Directors; provided, however, that temporary structures may be erected placed upon a Lot for use in connection with the repair or construction of structures upon such Lot.

Section 10. Vehicles; Trailers; Boats; Automobiles. No boat, trailer, boat trailer, camper, truck or utility trailer shall be permitted to be stored or repaired upon any Lot unless the same is entirely confined within a garage located on such Lot and the door of such garage is kept in a closed position. No automobile may be parked upon any Lot unless the same is parked on a pavement area located on such Lot for such purpose, and the same is in operating condition and has affixed thereto a then current license tag and, if applicable, operating sticker.

Section 11. Subdivision of Lots. No Lot may be further subdivided into any smaller Lot.

Section 12. Enforcement by Members. In the event that the owner of any Lot, or any person who is entitled to occupy any Lot, shall fail to comply with or abide by any restriction set forth in this Article VII, then the owner of any other Lot who is aggrieved by such failure of compliance or abidance shall have the right to proceed at law or in equity to compel such owner or such occupant to comply therewith and abide thereby. Additionally, any owner of any Lot who, or whose lessee, shall fail to comply with or abide by any such restriction shall be liable for any damages as may be suffered by any other owner of any Lot as a consequence of such failure.

Section 13. Other Restrictions. In addition to the aforementioned restrictions, the Board of Directors shall have the authority to adopt, publish, and enforce rules and regulations governing all Common Elements and all Lots, except those Lots owned by the Declarant, and which are hereby subjected to this Declaration. The Declarant shall have the right in its sole discretion to agree to be bound by any additional rules and regulations promulgated by the Board of Directors pursuant to this Section 13.

## ARTICLE VIII MAINTENANCE OF LOTS AND LANDSCAPING

The owner of each Lot shall be obligated to keep and maintain all portions of his Lot and the portion of the right-of-way on which his Lot is located lying between his Lot and the pavement of the road within such right-of-way in a neat, sanitary and attractive condition which is satisfactory to the Board of Directors. In the event that the owner of any Lot shall fail to maintain all portions of such Lot, including any structure located thereon, and the aforesaid portion of the right-of-way in a condition which is unsatisfactory to the Board of Directors, the Board of Directors shall hold a hearing to determine if the lot owner should be fined or if planned community privileges or services should be suspended pursuant to the powers granted to the association. The lot owner charged shall be given notice of the charge, opportunity to be heard and to present evidence and notice of the decision. If it is decided that a fine should be imposed, a fine not to exceed fifty dollars (\$50.00) may be imposed for the violation and without further hearing, for each day after the decision that the violation occurs. Daily fines for "continuing" violations may not begin to accrue until five days after the hearing date. However, even if the lot owner abates the violation within the five days, the board may still impose a one-time \$100 fine for the violation. Such fines shall be assessments secured by liens under G.S. 47-F-3-116. If it is decided that a suspension of planned community privileges or services should be imposed, the suspension may be continued

without further hearing until the violation or delinquency is cured. This fine shall be subject to the same means of collection, as are the assessments and charges provided in Article V of this Declaration. In addition, all such costs shall be paid to the Association by the owner at the same time as the next due Annual Assessment payment, as provided in Section 4 of Article V of this Declaration, or at such earlier time, and in such installments, as the Board of Directors shall determine.

#### ARTICLE IX AMENDMENT

The terms, provisions, covenants and restrictions of this Declaration may be amended upon the approval or written agreement of such amendment by (a) those members of the Association who own in the aggregate, no-fewer than sixty-seven percent (67%) of the Lots (including any Lots owned by the Declarant), (b) the Declarant, if the Declarant shall then own any Lot or any other portion of the Property and (c) so long as the Declarant is the sole Class B member. The approval of any such amendment by the members of the Association shall be given by each such member either casting a vote in favor of such amendment at a meeting of the members of the Association duly called for such purpose, or by such member signing a written agreement for such amendment. If any such amendment is required to be approved by the Declarant, such approval shall be given only by such Person executing a written approval of the same.

Declarant, or its successor or assigns, shall be allowed to (i) unilaterally amend this document as may become necessary or mandated by applicable state and governmental authorities, or utility agencies with easements, or (ii) minor (non-substantial) amendments to this Declaration, notwithstanding any other provision contained herein, and without joinder of any other party, for the purposes of correcting any discovered typographical error contained herein, clarifying any ambiguity contained here, or adding or deleting any incidental provisions deemed in the sole discretion of Declarant to be in the best interest of The Properties, and the Owners therein.

Any amendment to the terms, provisions, covenant or restrictions of this Declaration shall become effective only upon the recording in the Gaston County Public Registry, of an instrument certified by the incumbent President of the Association setting forth such amendment and stating that the approval of the members of the Association which, under the provisions of this Article IX, is required for such amendment to be effective, has been given and obtained; and containing the written approval of the Declarant, if the same is required (as hereinafter provided).

The matters set forth in such instrument shall be presumed to be true and accurate and the amendment which is set forth in such instrument shall be effective, unless it shall be determined by a court of competent jurisdiction that the matters certified to in such instrument are not true and accurate.

Each person who shall own any Lot, by acceptance of a deed or other conveyance thereto, and by acceptance of such ownership, and by taking record title thereto, and each holder of a Mortgage upon any portion of any Lot, by acceptance of such Mortgage, thereby agrees that the terms, provisions, covenants and restrictions of this Declaration may be amended as provided in this Article IX.

## ARTICLE X MISCELLANEOUS

Section 1. Failure of Enforcement. In the event that the Association shall fail to enforce the compliance with any of the provisions of this Declaration by the owner of any Lot, then the owner of any other Lot shall have the right to file an action in the Superior Court of Gaston County Public Registry for an order from such Court requiring that the Association enforce such compliance; provided, however, in no event shall the Board of Directors, or any officer of the Association, or any of their agents, be personally liable to anyone on account of their failure to enforce any of the terms, provisions or restrictions set forth in this Declaration.

Section 2. Waivers. In no event shall the failure by the Association to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, restrictions, provisions or agreements set forth in this Declaration be construed as a Waiver or relinquishment of the future enforcement of any such term, covenant, condition, provision, or agreement. The acceptance of performance of anything required to be performed with knowledge of the breach of a term, covenant, condition, restriction, provision or agreement shall not be deemed a waiver of such breach, and no waiver by the Association of any term, covenant, condition, provision or agreement shall be deemed to have been made unless expressed in writing and signed by a duly authorized officer of the Association.

Section 3. Duration. This Declaration, and all of the terms, easements, provisions, liens, charges, restrictions and covenants set forth herein, shall run with and bind the land (the Lots), shall be and shall remain in effect, and shall inure to the benefit of, and be enforceable by, the Association, and by any owner of any Lot, their respective legal representatives, heirs, successors and assigns, perpetually.

Section 4. Notices. Any notice required to be sent to any member of the Association pursuant to any provision of this Declaration may be served by depositing such notice in the mails, postage prepaid, addressed to the member to whom it is intended, at the address which such member shall have furnished to the Secretary of the Association in accordance with the Bylaws, or, in the absence of any such address having been so furnished to the Secretary of the Association, at the address of any Lot owned by such member. The date of service shall be the date of mailing.

Section 5. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if any provision of this Declaration or the application thereof to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid



provision or application, and to this end the provisions of this Declaration are declared to be severable.

Section 6. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons or other entities violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the Lots, to enforce any liens created by this Declaration.

Section 7. Successors to Declarant. In no event shall any person or other entity succeeding to the interest of the Declarant by operation of law or through purchase of the Declarant's interest in all or any portion of the Property at foreclosure, sale under power or by deed in lieu of foreclosure, be liable for any act, omission or matter occurring, or arising from any act, omission or matter occurring, prior to the date such successor succeeded to the interest of the Declarant.

Section 8. Mortgagee. New Dominion Bank ("Bank") as holder of that Deed of Trust recorded in Book 4088 at Page 461-473 of the Gaston County Registry, which may have been modified from time to time, and which encumbers the Property, approves this Declaration and agrees that any interest it now or later holds in the Property by virtue of the Deed of Trust shall be subject to the terms of this Declaration. Bank is not a Declarant hereunder, nor does it assert any rights, or accept any responsibilities of the Declarant. Its execution hereof is made only to express consent to be bound by said Declaration. By execution of this document, the Bank incurs no liability as a Declarant or otherwise. Bank only joins herein to evidence its consent on the terms hereof. The Bank reserves the right to approve the legal description of all Common Elements.

**[SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed as of the date and year first above written.

BETHESDA OAKS-FCLD, LLC  
A North Carolina Limited Liability Company

By: FC LAND DEVELOPMENT, INC.,  
Manager

By: [Signature]  
Name: Cynthia B. McCrory  
Title: President

STATE OF NORTH CAROLINA  
COUNTY OF MECKLENBURG

I, WENDY GREER, a Notary Public of MECKLENBURG County and State of NORTH CAROLINA, do hereby certify that Cynthia B. McCrory (the "Signatory"), President of FC LAND DEVELOPMENT, INC., a North Carolina corporation, manager of BETHESDA OAKS-FCLD, LLC a North Carolina limited liability company, personally appeared before me this day, by authority duly given, and acknowledged the due execution of the foregoing instrument on behalf of FC LAND DEVELOPMENT, INC, as manager of BETHESDA OAKS-FCLD, LLC.

I certify that the Signatory personally appeared before me this day, and  
(check one of the following)

- (I have personal knowledge of the identity of the Signatory); or
- (I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:  
(check one of the following)

- a driver's license or
- in the form of \_\_\_\_\_); or
- (a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he/she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated.

Witness my hand and official stamp or seal this 10<sup>th</sup> day of JUNE, 2008.

Wendy Greer  
Notary Public  
Print Name: WENDY GREER  
[Note: Notary Public must sign exactly as on notary seal]

My Commission Expires: July 14, 2010  
- [NOTARY SEAL] (MUST BE FULLY LEGIBLE)

[ADDITIONAL SIGNATURE PAGE FOLLOWS]



NEW DOMINION BANK

BY: Michael G. Carle  
Print Name: Michael G. Carle  
Senior Vice President

STATE OF NORTH CAROLINA  
COUNTY OF MECKLENBURG

I, WENDY GREER, a Notary Public of MECKLENBURG County, State of NORTH CAROLINA, certify that MICHAEL G. CARLE (the "Signatory"), personally came before me this day and acknowledged that he/she is SENIOR VICE President of New Dominion Bank, a NORTH CAROLINA BANKING CORPORATION, and that he/she, in such capacity and being authorized to do so, executed the foregoing on behalf of New Dominion Bank.

I certify that the Signatory personally appeared before me this day, and

- (I have personal knowledge of the identity of the Signatory); or
- (I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:
  - a driver's license or
  - in the form of \_\_\_\_\_); or
  - (a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he/she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated.

Witness my hand and official stamp or seal this 2nd day of JUNE, 2006.

Wendy Greer  
Notary Public  
Print Name: WENDY GREER  
[Note: Notary Public must sign exactly as on notary seal]

My Commission Expires: July 14, 2010

Ⓢ [NOTARY SEAL] (MUST BE FULLY LEGIBLE)



## EXHIBIT A

### Legal Description

#### Tract I

All that certain tract or parcel of land, lying and being in the City of Gastonia, Gaston County, North Carolina, containing 40.9609 acres, more or less, and being more particularly described as follows:

Beginning at a new iron rod located on the southwestern right-of-way line of Lowell-Bethesda Road (sixty (60) foot Maintenance Limit – S.R. 2439), said new iron rod also being located at the southeastern corner of the property conveyed to Cindy Carol Hannah (now or formerly) in Deed Book 3631 at Page 736 in the Gaston County Public Registry and also being located South 04-58-13 West 8868.001 feet (Ground) and 8866.551 feet (Grid) from NCGS Station Grove (Northing: 556442.667 feet and Easting: 1373686.242 feet); and running thence from said POINT AND PLACE OF BEGINNING through the right-of-way of Lowell-Bethesda Road, passing a fifty (50) foot Colonial Pipeline Company Easement as shown in Deed Book 1246 at Page 511 in the Gaston County Public Registry, South 20-26-25 East 1042.50 feet to a point in the right-of-way of Lowell-Bethesda Road; thence running South 72-12-29 West 1116.51 feet to a stone located in the northeastern corner of the property conveyed to Bethlehem Baptist Church in Deed Book 3883 at Page 172 in the Gaston County Public Registry; thence running with the northern margin of the Bethlehem Church property South 85-33-28 West 578.40 feet to an existing iron pipe located at the southeastern corner of the property conveyed to Johnnie Lowry (now or formerly) in Deed Book 1196 at Page 338; thence running with the eastern margin of the Lowry property North 03-40-40 East 1412.21 feet to an existing iron pipe located in the southeastern margin of the property conveyed to Nick E. Brafford and Wanda Y. Brafford (now or formerly) in Deed Book 2225 at Page 529 in the Gaston County Public Registry; thence running with the southeastern margin of the Brafford property North 70-26-22 East 4.25 feet to an existing iron rod located in the southwestern corner of the property conveyed to Bryce Adkins (now or formerly) in Deed Book 3971 at Page 198 in the Gaston County Public Registry; thence running with the southern margin of the Adkins property the following two (2) courses and distances: (1) South 87-49-49 East 107.31 feet to an existing iron rod; and (2) South 87-48-28 East 107.02 feet to an existing iron pipe located in the southwestern corner of the property conveyed to Jimmy C. Lowe and Ann W. Lowe (now or formerly) in Deed Book 4103 at Page 580 in the Gaston County Public Registry; thence running with the southern margin of the Lowe property, the southern margin of the property conveyed to Bessie S. Black Life Estate (now or formerly) in Deed Book 2453 at Page 261 in the Gaston County Public Registry, the southern margin of the property conveyed to Inez Green (now or formerly) in Deed Book 1440 at Page 222 in the Gaston County Public Registry, and the southern margin of the property conveyed to Tim Gadd (now or formerly) in Deed Book 2914 at Page 539 in the Gaston County Public Registry South 87-40-04 East 450.19 feet to an existing iron rod located at the southwestern corner of the property conveyed to Kevin Farr (now or formerly) in Deed Book 2742 at Page 357 in the Gaston County Public Registry; thence running with the

southern margin of the Farr property, the southern margin of the property conveyed to Darryl Whitley and Paula G. Whitley (now or formerly) in Deed Book 1224 at Page 76 in the Gaston County Public Registry and the southern margin of the Hannah property South 87-37-39 East 517.56 feet to the POINT AND PLACE OF BEGINNING, as shown on survey entitled "Proposed Bethesda Oaks Subdivision Lowell-Bethesda Road, City of Gastonia, Gaston County, North Carolina" prepared by R. B. Pharr & Associates, P.A. dated May 23, 2005 to which survey reference is hereby made.

## Tract II

All that certain tract or parcel of land, lying and being in the City of Gastonia, Gaston County, North Carolina, containing 91.4381 acres, more or less, and being more particularly described as follows:

COMMENCING at a new iron rod located on the southwestern right-of-way line of Lowell-Bethesda Road (a sixty (60) foot Maintenance Limit – S.R. 2439), said new iron rod also being located at the northeastern corner of the property conveyed to Johnnie Lowery (now or formerly) in Deed Book 1256 at Page 380 in the Gaston County Public Registry and also being located South 04-58-13 West 8868.001 feet (Ground) and 8866.551 feet (Grid) from NCGS Station Grove (Northing: 556442.667 feet and Easting: 1373686.242 feet); and running thence from said commencement point with the northern margin of the Lowery property the following four (4) courses and distances: (1) North 87-37-39 West 517.56 feet to an existing iron rod, (2) North 87-40-04 West 450.19 feet to an existing iron pipe; (3) North 87-48-28 West 107.02 feet to an existing iron rod; and (4) North 87-49-49 West 107.31 feet to an existing iron rod located at the southwestern corner of the property conveyed to Bryce Adkins (now or formerly) in Deed Book 3971 at Page 198 in the Gaston County Public Registry and being located on the southeastern margin of the property conveyed to Nick E. Brafford and Wanda Y. Brafford (now or formerly) in Deed Book 2225 at Page 529 in the Gaston County Public Registry property; thence running with the northwestern margin of the Lowery property and the southeastern margin of the Brafford property South 70-26-22 West 4.25 feet to an existing iron pipe being the POINT AND PLACE OF BEGINNING, thence running from said Beginning Point with the western margin of the Lowery property South 03-40-40 West 1412.21 feet to an existing iron pipe located in the northern margin of the property conveyed to Bethlehem Baptist Church in Deed Book 3883 at Page 172 in the Gaston County Public Registry; thence running with the northern margin of the Bethlehem Church property, passing a sixty-eight (68) foot Duke Power Right-of-Way as shown in Deed Book 932 at Page 430 in the Gaston County Public Registry and a fifty (50) foot Colonial Pipeline Easement as shown in Gaston County Judgment File 78-SP-296, the following two (2) courses and distances: South 82-55-40 West 660.31 feet to an existing iron pipe; and (2) North 82-20-32 West 1856.59 feet to an existing iron pipe located at the eastern corner of the property conveyed to John D. Wilson and Anne C. Wilson (now or formerly) in Deed Book 872 at Page 282 in the Gaston County Public Registry; thence running with the eastern margin of the John and Anne Wilson property, the eastern margin of the property conveyed to Robert A. Wilson (now or formerly) in Deed Book 3211 at Page 840 in the Gaston County Public Registry, the eastern margin of the property conveyed to Parks H. Wilson and Catherine B. Wilson (now or formerly)

in Deed Book 872 at Page 280 in the Gaston County Public Registry, and the eastern margin of the property conveyed to Parks H. Wilson and Catherine B. Wilson (now or formerly) in Deed Book 622 at Page 213 in the Gaston County Public Registry, North 16-37-14 West 858.41 feet to an existing iron rod located in the southwestern corner of the property conveyed to John W. Johnson and Trudy A. Johnson (now or formerly) in Deed Book 1502 at Page 619 in the Gaston County Public Registry; thence running with the southwestern margin of the John and Trudy Johnson property North 69-27-36 East 143.88 feet to an existing iron rod located in the southeastern corner of the John and Trudy Johnson property; thence running with the northeastern margin of the John and Trudy Johnson property and the property conveyed to John W. Johnson (now or formerly) in Deed Book 4049 at Page 11 in the Gaston County Public Registry North 20-10-12 West 269.25 feet to a new iron rod located at the northeastern margin of the John Johnson property; thence running across a fifty (50) foot ingress/egress easement as reserved in deed recorded in Book 4049 at Page 11 in the Gaston County Public Registry and in Deed Book 1502 at Page 619 in the Gaston County Public Registry and with the southeastern margin of the property conveyed to South Atlantic Seventh Day Adventist Association in Deed Book 4053 at Page 51 in the Gaston County Public Registry North 65-40-24 East 521.46 feet to an existing concrete monument located at the southeastern corner of the South Atlantic property; thence running with the northeastern margin of the South Atlantic property North 23-54-54 West 221.20 feet to an existing iron rod located on the southern right-of-way line of Titman Road; thence running through the right-of-way of Titman Road North 85-18-13 East 400.34 feet to an existing iron pipe located at the northwestern corner of the property conveyed to the Heirs of George D. Motes (now or formerly) in Deed Book 718 at Page 516 in the Gaston County Public Registry; thence running with the western margin of the Motes property South 09-28-36 West 222.05 feet to an existing iron pipe located in the southwest corner of the Motes Property; thence running with the southern margin of the Motes property South 86-44-19 East 208.15 feet to an existing iron rod located at the southwestern corner of the property conveyed to Jo Anne Motes Bryant (now or formerly) in Deed Book 2628 at Page 377 in the Gaston County Public Registry; thence running with the southern margin of the Bryant property, passing a sixty-eight (68) foot Duke Power Right-of-Way as shown in Deed Book 932 at Page 430 in the Gaston County Public Registry, South 89-39-18 East 675.02 feet to an existing iron rod located at the southwestern corner of the property conveyed to Thompson, Harris, Reece, and Reece, LLC (now or formerly) in Deed Book 2474 at Page 268 in the Gaston County Public Registry; thence with the southern margin of the Thompson property South 89-40-04 East 255.04 feet to an existing iron rod located at the southwest corner of the property conveyed to Elmer H. Cody and Thelma W. Cody (now or formerly) in Deed Book 1294 at Page 839 in the Gaston County Public Registry; thence running with the southern margin of the Cody property and the southern margin of the property conveyed to Elmer H. Cody and Thelma W. Cody (now or formerly) in Deed Book 904 at Page 31 in the Gaston County Public Registry, North 89-47-58 East 187.79 feet to an existing iron pipe located at the southwestern corner of the property conveyed to Ronald D. Duckworth and Kathy A. Duckworth (now or formerly) in Deed Book 4024 at Page 462 in the Gaston County Public Registry; thence running with the southern margin of the Duckworth Property South 88-41-58 East 99.66 feet to an existing iron pipe in the southwest corner of the property conveyed to Ronald D. Duckworth and Kathy A. Duckworth (now or formerly) in Deed Book 2023 at Page 903 in the Gaston County

Public Registry; thence running with the southern margin of the Duckworth property South 89-25-25 East 99.77 feet to an existing iron pipe located at the southwest corner of the property conveyed to Clarence E. Loftis and Athalinda A. Loftis (now or formerly) in Deed Book 1812 at Page 677 in the Gaston County Public Registry; thence running with the Loftis property South 88-01-45 East 127.29 feet to an existing iron pipe located at the southwest corner of the Brafford property; thence running with the southern margin of the Brafford property the following two (2) courses and distances: (1) North 88-29-11 East 99.78 feet to an existing iron pipe; and (2) South 72-26-45 East 303.75 feet to the POINT AND PLACE OF BEGINNING, as shown on survey entitled "Proposed Bethesda Oaks Subdivision Lowell-Bethesda Road, City of Gastonia, Gaston County, North Carolina" prepared by R. B. Pharr & Associates, P.A. dated May 23, 2005 to which survey reference is hereby made.

**EXHIBIT B**

**The Bylaws of the Bethesda Homeowners Association, Inc. are Attached.**



drawn by/mail to:

Cynthia A. Jones  
Horack, Talley, Pharr & Lowndes  
2600 One Wells Fargo Center  
301 S. College Street  
Charlotte, NC 28202-6038

STATE OF NORTH CAROLINA

COUNTY OF GASTON

**AMENDMENT TO THE DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS FOR BETHESDA OAKS**

This instrument is executed and certified in accordance with the provisions of Article IX of the Declaration of Covenants, Conditions and Restrictions for Bethesda Oaks recorded in Book 4227, Page 123 of the Gaston County Public Registry and all supplements and amendments thereto ("Declaration").

**STATEMENT OF PURPOSE**

Article IX of the Declaration sets forth that the Declaration may be amended upon the approval or written agreement of such amendment by "(a) those members of the Association who own in the aggregate, no-fewer than sixty seven percent (67%) of the Lots (including any Lots owned by the Declarant, (b) the Declarant, if the Declarant shall then own any Lot or any other portion of the Property and (c) so long as the Declarant is the sole Class B member." The Class B membership expired on April 1, 2011 therefore the consent of the Declarant is not required.

In accordance with the terms of the Declaration, the President of Bethesda Oaks Homeowners Association, Inc. ("Association") certifies with his signature that this amendment received the appropriate owner approval. This amendment will become effective when recorded.

NOW, THEREFORE, The President of the Association, in accordance with the Declaration, does hereby certify the due and proper adoption of the following Amendment to the Declaration.

## AMENDMENT TO THE DECLARATION

1. Article II, Section 1 is deleted in its entirety and replaced with the following:

“Section 1. Property Hereby Subjected to this Declaration. The Declarant, for themselves, and their successors and assigns, does hereby covenant that all of the Property is subject to this Declaration; and that the Property shall hereafter be held, transferred, sold, conveyed, used, leased, occupied, mortgaged or otherwise encumbered subject to all of the terms, provisions, liens, charges, easements, covenants and restrictions set forth in the Act and this Declaration. All of the terms, provisions, liens, charges, easements, covenants and restrictions set forth in this Declaration shall be a permanent charge thereon and shall run with the Property.”

2. Article II, Section 3 is deleted in its entirety.

3. Article V Section 4 shall hereby be modified as follows:

The following sentences shall be added at the end of the current section

“Notwithstanding anything contained herein to the contrary, the Association or Board of Directors may not increase the Annual Assessments by more than ten percent (10%) from the amount charged the immediately preceding year without the approval of at least fifty-one percent (51%) of the lot owners.”

4. Article V Section 5 shall hereby be deleted in its entirety and replaced with the following:

“Section 5. General Special Assessments. If for any reason, including non-payment of any assessments to the Association by the persons liable therefor, the budget adopted by the Board of Directors for any fiscal year shall prove to be inadequate to defray the Annual Expense for such fiscal year, or if the Board of Directors shall determine that it is in the best interests of the Association to levy a general special assessment to pay the costs of any capital improvements or capital repairs, the Board of Directors shall have the authority to propose to the members a general special assessment against the Lots and the owners thereof to raise such needed funds. Any general special assessment levied in accordance with these provisions shall be payable at such times and such installments as the Board of Directors shall determine. Each Lot shall be liable for the payment of an equal share of every special assessment which shall be levied by the Association pursuant to the provisions of this Section 5. The general special assessment must be brought before the members at either a general or special meeting called in accordance with the Bylaws. The general special assessment must be approved by at least fifty-one percent (51%) of the lot owners in order to become effective.”

5. Article VI Section 1(a) shall be deleted in its entirety and replaced with the following:

“Section 1. Architectural Restrictions (a) No building shall be constructed on any lot unless such building contains at least one thousand six hundred (1,600) square feet of interior heated space.”

6. Article VI Section 4 shall be deleted in its entirety.

7. Article VII Section 13 shall be deleted in its entirety and replaced with the following:

“Section 13. Other Restrictions. In addition to the aforementioned restrictions, the Board of Directors shall have the authority to adopt, publish, and enforce rules and regulations governing the Common Elements and all Lots.”

8. Article IX shall hereby be deleted in its entirety and replaced with the following:

“The terms, provisions, covenants and restrictions of this Declaration may be amended only by affirmative vote or written agreement signed by lot owners of lots to which at least sixty-seven percent (67%) of the votes in the association are allocated.”

[SIGNATURE PAGE TO FOLLOW]

21 R 463

FILED

2021 SEP 29 P 3:55

GASTON COUNTY, C.S.C.

BY \_\_\_\_\_ CB

drawn by/mail to:

Michael S. Hunter  
Offit Kurman  
2600 One Wells Fargo Center  
301 S. College Street  
Charlotte, NC 28202-6006

STATE OF NORTH CAROLINA

COUNTY OF GASTON

**FOURTH AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR BETHESDA OAKS**

This is an Amendment to the Declaration of Covenants, Conditions and Restrictions for Bethesda Oaks recorded on June 5, 2006 in Book 4227 at Page 123 in the office of the Gaston County Register of Deeds ("the Declaration"). NCGS §47F-2-117 and the Declaration (as previously amended) provide that the Declaration may be amended by affirmative vote or written agreement signed by lot owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

WHEREFORE the Declaration is hereby amended as follows:

Article VII ("Restrictions") is amended by adding an additional Section 14 reading as follows:

"Section 14. Leasing.

(a) Notice to Board: Any Lot Owner intending to make a lease of his/her Lot shall give prior written notice to the Board of Directors (or any Managing Agent designated by the Board) of such intention. For purposes of this Section, "lease" is defined as the exclusive or non-

exclusive occupancy or license for use of all or any portion of a Lot by any person(s), other than the Lot Owner, for which the Lot Owner receives any consideration or benefit, including but not limited to, a fee, service, property or gratuity. The required notice shall include a complete copy the proposed lease, and such other information as the Board or its agent shall reasonably require. The notice shall be delivered to the Board or the Association's managing agent by certified mail, overnight courier, or other means that provides proof of delivery. All leases of Lots shall be in writing, utilizing standardized lease forms provided by or approved by the Board or its Managing Agent. No person aged 18 or above may occupy the property as his/her principal residence unless they are named on the lease as one of the tenants. The provisions of this Section shall also apply to the renewal of or modification to the terms of any lease of a Lot. No subleasing of a Lot shall be allowed. No lease shall be for less than the entire Lot; no leases of rooms or a portion of a Lot are permitted. No Lot shall be leased for transient or hotel purposes, and the minimum initial term of any proposed lease shall not be less than twelve months.

(b) Approval of the Board: Within 15 days after receipt of such notice, the Board or its Managing Agent shall provide the Owner with written notice of its approval or disapproval of the proposed lease, which shall be based on the criteria set forth in this Section 14. The decision of the Board shall be final and non-appealable, but approval shall not be unreasonably withheld. The Board specifically reserves the right to withhold the approval of any lease which would result in ten percent (10%) or more of the total number of Lots within the subdivision being occupied by persons other than the Lot Owner. The failure of the Board to provide written notice to the Lot Owner of its approval or disapproval of the proposed lease within the 15-day period contemplated by this section shall be deemed an approval of the proposed lease.

(c) Waiting Period. No Lot Owner may lease a Lot sooner than the date beginning two years after the Lot Owner acquired title to the Lot.

(d) Property Currently Subject to Lease: Any Lot Owners whose Lot is leased as of the date of recordation of this Amendment may continue to lease the property irrespective of the 10% limitation described in subsection (b) above, and irrespective of the two-year waiting period described in subsection (c) above, but subject to all other provisions in this Section 14. This exemption shall remain in effect so long as title to the property remains in the Lot Owner as of the date of this Amendment, and will expire when fee simple title to the property is transferred by the current Lot Owner, whether such transfer is by deed, inheritance, foreclosure or otherwise.

(e) Void Transactions: Any lease of a Lot which is not approved pursuant to the terms of this section shall be void, unless subsequently approved in writing by the Board. Any violation of these provisions shall subject the Lot Owner to a fixed or daily fine, after notice and an opportunity to be heard, in accordance with N.C.G.S. § 47C-3-107.1.

(f) The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Elements.

(g) The Board reserves the right to waive any or all of these restrictions with respect to any particular Lot for exceptional circumstances or if strict enforcement hereof would result in undue hardship to the Owner. Decisions on claimed exceptional circumstances shall be

determined on a case-by-case basis, are in the sole discretion of the Board, and are not appealable by the Owner.

(h) In no event shall any lease or rental agreement release or relieve an Owner from the obligation to pay regular and special assessments to the Association, regardless of whether the obligation to pay assessments has been assumed by the tenant in such lease or rental agreement.”

IN WITNESS WHEREOF, the undersigned, being the President of the Association, hereby certifies that this Amendment has been approved by the vote of or written agreement signed by Lot owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]