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FILED Joyce H. Pearson
Register of Deeds Orange COUNTY, NC
BY *[Signature]*
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Prepared by and Mail to: James H. Slaughter, Forman Rossabi Black, P.A.
P.O. Box 41027, Greensboro, NC 27404

ORANGE COUNTY

AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
SUMMIT PARK HOMEOWNER'S
ASSOCIATION, INC. (ALSO KNOWN AS
"SUMMIT PARK TOWNHOMES")

NORTH CAROLINA

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF SUMMIT PARK HOMEOWNER'S
ASSOCIATION, INC. (ALSO KNOWN AS "SUMMIT PARK TOWNHOMES"), is made on
this _____ day of June, 2006, by the Summit Park Homeowner's Association, Inc.

WITNESSETH:

THAT WHEREAS, by the following instruments recorded in the Orange County
Registry, Declarant subjected SUMMIT PARK HOMEOWNER'S ASSOCIATION, INC.
(ALSO KNOWN AS "SUMMIT PARK TOWNHOMES") of Chapel Hill, North Carolina, to the
following Declaration of Covenants, Conditions and Restrictions (the "Declaration") and
amendments to the same:

- (a) Book 2405, Page 500 on October 30, 2001;
- (b) Book 2573, Page 520 on April 26, 2002;
- (c) Book 2611, Page 433 on June 5, 2002;
- (d) Book 2611, Page 451 on June 6, 2002;
- (e) Book 2909, Page 95 on March 3, 2003;
- (f) Book 3201, Page 233 on September 19, 2003;

- (g) Book 3494, Page 598 on July 12, 2004;
- (h) Book 3613, Page 589 on November 19, 2004; and
- (i) Book 3950, Page 348 on January 11, 2006;

WHEREAS, the Declaration applies to and runs with land including, but not limited to, the following Plat Books and Pages of the Orange County Register of Deeds:

Plat Book 86, Page 177;
Plat Book 87, Page 3;
Plat Book 88, Page 44;
Plat Book 88, Page 189;
Plat Book 89, Page 33;
Plat Book 89, Page 128;
Plat Book 90, Page 63;
Plat Book 90, Page 64; and
Plat Book 90, Page 127;

WHEREAS, Summit Park Townhomes is a development consisting of townhome lots which are a part of the Meadowmont Community Association (as recorded in Book 1919, Page 121, Orange County Registry) and other sub-associations including the Summit Park Homeowner's Association;

WHEREAS, Declarant conveyed said property subject to certain protective covenants, conditions and restrictions as hereinafter set forth and as previously set forth in a Declaration of Rights, Restrictions, Affirmative Obligations and Conditions Applicable to All Property in Meadowmont, (as recorded in Book 1919, Page 87, Orange County Registry);

WHEREAS, the members of the Summit Park Homeowners Association, Inc. are responsible for paying the Common Expenses as provided below;

WHEREAS, Article XIV, Section 3 provides that the Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than sixty seven percent (67%) of the Lot Owners;

WHEREAS, twenty (20) years have not yet passed;

WHEREAS, an instrument has been signed by not less than sixty-seven percent (67%) of the Lot Owners of Summit Park Townhomes, and said instrument can be found among the books and records of Summit Park Homeowner's Association, Inc.; and

WHEREAS, the Owners of Summit Park Homeowner's Association, Inc. (also known as "Summit Park Townhomes") consent to the amendment of the Declaration which amends and restates the Declaration as follows.

NOW THEREFORE, all of the property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are

for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1. "Amenities" shall mean any facilities constructed, erected or installed on the Property for the use, benefit and enjoyment of Members.

Section 2. "Association" shall mean and refer to Summit Park Homeowners Association, Inc., a North Carolina corporation, its successors and assigns.

Section 3. "Board" or "Board of Directors" shall mean those persons elected or appointed and acting collectively as the Directors of the Association.

Section 4. "Building" shall mean and refer to a multi-unit structure containing townhomes, constructed or erected on the Property.

Section 5. "Common Expenses" shall mean and include:

- a) All sums lawfully assessed by the Association against its members;
- b) Expenses for maintenance of the townhomes as provided in this Declaration;
- c) Expenses of administration, maintenance, repair, or replacement of the buildings and grounds around the buildings;
- d) Expenses declared to be Common Expenses by the provisions of this Declaration or the Bylaws;
- e) Hazard, liability, or such other insurance premium as the Declaration or the bylaws may require the Association to purchase, or as the Association may deem appropriate to purchase;
- f) Any other expenses determined by the Board or approved by the members to be Common Expenses of the Association. Any expenses associated with the master association, Meadowmont Community Association, will not be Common Expenses of the Association.

Section 6. "Declarant" shall mean and refer to Rene Langford, Inc. its successors and assigns, to whom the rights of Declarant hereunder may be expressly transferred, in whole or in part, and subject to such terms and conditions as Declarant may impose.

Section 7. "Living Unit" shall mean and refer to any Lot on which a dwelling unit has been fully constructed and made ready for occupancy as a residence for which a Certificate of Occupancy has been issued, and owned by anyone other than the original builder thereof unless occupied as a residence.

Section 8. "Lot" shall mean and refer to any townhouse lot subdivided from a tract of land shown upon any recorded subdivision map of the Property, as such maps may be from time to time amended. The entire Property of Summit Park shall be comprised of Lots only which shall be owned in fee simple by Lot Owners.

Section 9. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 10. "Owner" or "Lot Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 11. "Person" shall mean and refer to any individual, corporation, partnership, association, trustee or other legal entity.

Section 12. "Property" shall mean and refer to that certain real property hereinbefore described on Exhibit "A", and such additions thereto as may hereafter be brought within the jurisdiction of the Association as this Declaration may provide.

Section 13. "Townhome" shall mean and refer to a dwelling unit or residence constructed upon a lot within the Property and constituting a part of a building.

ARTICLE II PROPERTY RIGHTS

Section 1. Parking Rights. The Association shall regulate and may prohibit the parking of boats, trailers, campers, motorhomes, trucks, tractors or commercial vehicles on the Property or on the right of way of any streets adjoining the Property by any Lot Owner, its family members, tenants, guests or contract purchasers, except as may be permitted by Rules and Regulations to be parked in a closed garage. The repair or extraordinary maintenance for automobiles or other vehicles on common area is prohibited.

Section 2. TV Antennas. The Association may regulate the erection of television, radio or other antennas, dishes or disks on individual Townhomes.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Every record 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 right of any member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations and the Articles and Bylaws of the Association.

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed 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 which are Common Expenses, and (2) special assessments for extraordinary maintenance and capital improvements, and (3) special assessments for purchase and reconstruction of townhomes as hereinafter defined. The annual and special assessments, together with interest and costs, and reasonable attorney's fees for collection, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

The Association shall also have the authority, through the Board of Directors to establish, fix and levy a special assessment on any Lot to secure the liability of the Owner thereof to the Association arising from breach by such Owner of any of the provisions of this Declaration which breach shall require the expenditure of time and money or both, by the Association for repair or remedy.

Each Owner covenants for himself, his heirs, successors and assigns, to pay each assessment levied by the Association on the Lot described in such conveyance to him within ten (10) days of the due date as established by the Board and further covenants that if said assessment shall not be paid within thirty (30) days of the due date, the amount of such assessment shall be in default and become a lien upon said Owners' Lot as provided herein and shall continue to be such lien until fully paid.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the paying of Common Expenses to promote the recreation, health, safety, and welfare of the residents of the Property and in particular, but not limited to, for the exterior maintenance of the Buildings and Lots, the procurement and maintenance of insurance in accordance with the Declaration and Bylaws or as deemed appropriate by the Board, the employment of counsel, accountants and other professionals for the Association when necessary, and such other needs as may arise.

Section 3. Amount of Assessment.

- a) Initial Maximum Assessment. Prior to December 31, 2002, the maximum monthly assessment shall not exceed three hundred fifty dollars (\$350) per Living Unit.
- b) Increase by Association. From and after December 31, 2002, the assessment effective for any month may be increased from and after January 1 of the succeeding year by the Board of Directors, without a vote of the membership, by a percentage which may not exceed the greater of fifteen percent (15%) or the percentage increase reflected in the U.S. City Average, Consumer Price Index - United States and selected areas for urban wage earners and clerical workers, all items most recent index and percentage changes from selected dates (published by the U.S. Bureau of Labor Statistics, United States Department of Labor Washington, D.C.), or such other Index as may succeed the consumer Price Index, for that twelve-month period ending the immediately preceding October 1.
- c) Increase by Members. From and after December 31, 2002, the monthly assessment may be increased by a percentage greater than permitted by this Article by an affirmative vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for such purpose. The limitations herein set forth shall not apply to any increase in assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.
- d) Criteria for Establishing Monthly Assessment. In establishing the monthly assessment for any assessment year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts, and reserves for future needs, but it may not fix the annual assessment in an amount in excess of fifteen percent (15%) or the sums derived by application of the Consumer Price Index formula provided in Subsection (b) without the consent of members required by Subsection (c) of this Section 3.
- e) The Board of Directors may fix the monthly assessment at an amount not in excess of the maximum.
- f) Differential Assessments. Since the exterior wall surface and the front yard (and side yard, if applicable) landscape area of each lot may vary significantly from that of another lot, the Association may allocate the charges for exterior maintenance and landscape maintenance in a manner consistent with the relative size of the exterior wall surface and landscape area being maintained rather than in a straight-line manner.

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 extraordinary maintenance in connection with exterior maintenance, including fixtures and personal property related thereto and any property for which the Association is responsible, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each

class of members who are voting in person or by proxy at a meeting duly called for this purpose, except that the Board without a vote by the Members may approve one special assessment every year in an amount not to exceed \$400.00.

Section 5. Replacement Reserve. Out of the Common Expenses assessment, the Board shall create and maintain a reserve fund for the periodic maintenance, repair, and replacement of improvements to the Buildings.

Section 6. Notice and Quorum. Written notice of any meeting called for the purpose of taking any action authorized under this Article shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or proxies entitled to cast twenty five percent (25%) of all votes of each class of membership 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 60 days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both monthly and special assessments must be fixed at a uniform rate for all Lots.

Section 8. Date of Commencement of Monthly Assessments; Due Dates. The monthly assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Lot from the Declarant to the Owner. 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 if it deems appropriate, 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 the issuance.

With the exception of Lots that it owns on which the Inspections Department of the Town of Chapel Hill has previously issued a Certificate of Occupancy, the Declarant shall pay no monthly assessment for any Lots it owns. For any such Lots owned by the Declarant on which a Certificate of Occupancy has been previously issued, the monthly assessment payable on each such Lot shall commence on the first day of the month following receipt of the Certificate of Occupancy on such Lot.

Section 9. Four Months Working Capital. In addition to the regular assessments to be charged and paid hereunder, each purchaser of a Lot shall at the time of closing on the sale of the Lot pay to the Association a sum equal to four (4) months assessment on that Lot as additional working capital of the Association. These amounts need not be segregated but may be commingled with regular assessment funds.

Section 10. Effect of Nonpayment of Assessments; Remedies of the Association. Any

assessment not paid within thirty (30) days after the due date shall be delinquent, in default and shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same plus interest, costs, late payment charges and reasonable attorneys' fees, or foreclose the lien against the Lot. No owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of the Lot.

The lien herein granted unto the Association shall be enforceable pursuant to Article 2A of Chapter 45 of the General Statutes from and after the time of recording a Claim of Lien in the Office of the Clerk of Superior Court in the County in which the Property is located in the manner provided therefore by Article 8 of Chapter 44 of the North Carolina General Statutes, which claim shall state the description of the Lot encumbered thereby, the name of the record owner, the amount due and date when due. The claim of lien shall be recordable any time after thirty (30) days after the due date of the assessment or any installment thereof and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid. Such claims of lien shall include all assessments which are due and payable when the claim of lien is recorded, plus interest, costs, reasonable attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record.

Section 11. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any institutional first mortgage and ad valorem taxes on said Lot. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to such mortgage or tax 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.

Section 12. Exempt Property. Any portion of the Property dedicated to, and accepted by, a local public authority and any portion of the Property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessment created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 13. Foreclosure of Liens for Unpaid Common Expenses. In any action brought by the Board to foreclose on a Lot because of unpaid Common Expenses, the Lot Owner shall be required to pay a reasonable rental for the use of the Lot, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board, acting on behalf of all Lot Owners, or on behalf of any one or more individual Lot Owners, if so instructed, shall have the power to purchase such Lot at the foreclosure sale and to acquire, hold, lease, mortgage, convey, or otherwise deal with the same, subject, however, to applicable restrictions of record. A suit to recover money judgment for unpaid Common Expenses may be maintainable without foreclosing or waiving the lien securing the same.

Section 14. Special Assessments for the Purchase and Reconstruction of Townhomes. In the event that any townhome located on the Property is substantially destroyed by fire or other hazard, the owner shall give written notice to the Association within thirty (30) days following such destruction of whether he intends to repair or reconstruct the townhome; and if the owner fails to give such notice to the Association, it shall be conclusively considered, for purposes of this Section, as notice that he does not intend to repair or reconstruct the townhome. For purposes of this section "substantially destroyed" shall mean that the costs of replacement or repair equals at least fifty percent (50%) of the appraised value of the improvements on the Lot before they were damaged. If the owner elects not to repair or reconstruct the townhome, the Association shall have the first right and option to purchase such unit in the manner hereinafter provided. The purchase option shall be effective for a period of ninety (90) days following notice of the owner's election not to repair or reconstruct.

- a) Exercise of Option. The Board of Directors shall appoint a committee, or shall designate an existing committee of the Association, to determine whether failure to reconstruct the damaged townhome will result in substantial pecuniary injury to the Association or diminution in value of the remaining Property. The committee may employ such persons, including, but not limited to, real estate appraisers, realtors, architects, and engineers, as are reasonably necessary to make its determination, and shall report its conclusions, with supporting data, in writing to the Board within fifteen (15) days. The report shall set forth such matters as the Board and committee deem pertinent and shall contain estimates of the pecuniary injury and diminution in value along with an estimate of the cost of purchase and reconstruction of the townhome.

If the Board of Directors determines that it would be advantageous to the Association and/or to the remaining Property to purchase and reconstruct the townhome, it shall call a special meeting by giving written notice thereof, setting forth the purpose of the meeting, to all members within seven (7) days following submission of the committee report. The special meeting of members shall be held not less than seven (7) days nor more than fifteen (15) days following notice to members. Upon an affirmative vote of at least two-thirds (2/3) of each class of membership present and voting, the Board will be authorized to purchase and reconstruct the townhome and to assess all Lots equally for all costs and expenses arising out of the purchase and repair or reconstruction of the townhome. The Board may require that the assessment be paid in a lump sum, in installments during an assessment year, or over a period of two (2) or more assessment years, as the Board, in its discretion, shall determine to be appropriate.

Such an assessment shall be in addition to, and not in lieu of, the annual assessments provided for in Section 3 and the special assessments provided for in Section 4 of this Article.

- b) Determination of Value. The owner of the townhome shall convey marketable title thereto to the Association upon payment to the owner by the Association of the fair market value of the Lot and townhome in its damaged condition. Fair market value shall be determined in any manner agreed upon by the Association and the owner. If they cannot otherwise agree on a fair market value or method of determining fair market value, each shall appoint an

appraiser and those two appraisers shall appoint a third appraiser. The fair market value as determined by any two of these three appraisers shall be final and binding on all parties. Each party shall pay the fee of the appraiser selected by it or him, and each party shall pay one-half (1/2) of the fee of the third appraiser. If the Board and the owner agree upon a single appraiser, each shall pay one-half (1/2) the cost of the appraisal.

- c) Application of Insurance Proceeds. The owner of the townhome, prior to conveyance to the Association, shall apply or cause to be applied so much of the proceeds of any hazard insurance paid by reason of the damage or destruction of the townhome as shall be necessary to pay all liens, mortgages, deeds of trust, taxes and encumbrances upon the Lot so that the fee simple marketable title thereto may be conveyed free and clear of all liens and encumbrances. If the insurance proceeds are not sufficient to pay all liens, encumbrances, and obligations upon the Lot, the purchase price shall be reduced by an amount adequate to pay any such deficiency.
- d) Failure to Exercise Option. If the Association does not exercise the purchase option herein provided for, the owner may retain the Lot or may transfer or convey it, upon such terms and conditions as he may elect, to any person, to be used solely as a site of an attached, single-family townhome unit. The reconstructed or repaired townhome unit shall be substantially identical to the destroyed townhome unit, unless a change shall be approved by the Board, and shall be constructed in conformity with plans submitted to and approved by the Board prior to construction.
- e) Retention by Owner. If a townhome is not habitable by reason of damage, and the owner gives notice of his election to repair or reconstruct the townhome, the obligation of the owner to pay annual assessment installments shall not be suspended. In the event a townhome is damaged or destroyed, and the owner does not begin repair or reconstruction within thirty (30) days following the damage or destruction, he shall remove or cause to be removed, at his expense, all debris from the Lot, so that it shall be placed in a neat, clean, and safe condition and if he fails to do so, the Association may cause the debris to be removed, and the cost of removal shall constitute a lien upon the townhome and its Lot until paid by the owner, unless the Lot is thereafter acquired by the Association
- f) Reconstruction by the Association. Upon acquisition of title to the townhome, the Association is authorized to arrange such financing and execute such notes, mortgages, deeds of trust, and other instruments, to enter into such contracts, and to do and perform such other matters and things as are necessary to accomplish the reconstruction of the townhome; provided, however, that only that townhome which is to be reconstructed shall stand as security for any liens, mortgages, or obligations arising out of the purchase and/or reconstruction of the townhome, and no other portion of the Property, including the Limited Common Area and facilities, shall be pledged, hypothecated, mortgaged, deeded in trust, or otherwise given as security for any obligations arising out of said purchase and/or reconstruction, and no member shall be required to become personally obligated thereafter.

The Association shall hold title to the Lot and improvements for the benefit of all members. The Board may lease or sell the Lot and improvements upon such terms and

conditions as it, in its discretion, deems most advantageous to the members. The lease rental shall be applied in the following order of priority: (1) to the payment of all rental costs and fees, if any; and all taxes, assessments, liens, encumbrances, and obligations on or secured by the Lot; (2) to the maintenance, upkeep, and repair of the townhome; (3) to payment or repayment to the members, pro rata, of the special assessment, if any, for purchase and reconstruction of the townhome; and (4) to the Association's general operating fund for common expenses of the Association. In the event the Lot is sold, the purchase price shall be applied in the following order of priority: (1) to the payment of all costs and fees from the sale, and all taxes, assessments, liens, encumbrances, and obligations on or secured by the Lot; (2) to payment or repayment to the members, pro rata of the special assessment, if any, for purchase and reconstruction of the townhome; and (3) to the Association's general operating fund for common expenses of the Association. Any payment or repayment to Members of the special assessment may be in cash or may be applied to the annual assessment due or to become due.

- g) Application of Declaration and Bylaws. Any townhome (including the Lot on which it was constructed) which is destroyed and not subsequently restored or reconstructed and any townhome which has been destroyed in whole or in part, by fire or other casualty, and is subsequently restored or reconstructed, shall continue to be subject to the provisions of this Declaration and to the Bylaws of the Association.

ARTICLE V PARTY WALLS

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

Section 2. Sharing of Repairs 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. Easement to Adjoining Lot. The Owner of any Lot may construct, maintain, reconstruct, repair, or extend a party wall in any direction (subject to and within the limitations of architectural control and other limitation of these Covenants) with the right to go

upon the adjoining Lot to the extent reasonably necessary to perform such construction or maintenance. Such construction shall be done expeditiously. Upon completion of such construction, such Owner shall restore the adjoining Lot to as near the same condition which prevailed on it before the commencement of such construction as is reasonably practicable.

Section 5. 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 costs of furnishing the necessary protection against such elements.

Section 6. 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 7. Certification by Adjoining Property Owner That No Contribution is Due. If any Owner desires to sell his property, he may, in order to assure a prospective purchaser that no adjoining Owner has a right of contribution as provided in this Article V, request of the adjoining Owner a certificate that no contribution exists, whereupon it shall be the duty of each adjoining Owner to make such certification immediately upon request without charge; provided, however, that where the adjoining Lot Owner claims a right of contribution, the certification shall contain a recital of the amount claimed.

Section 8. Arbitration. In the event of any dispute arising concerning a party wall or under the provisions of this Article, such dispute shall be settled by arbitration as provided by the laws of North Carolina, relating to arbitration as then existing.

ARTICLE VI ARCHITECTURAL CONTROL

No site preparation (including, but not limited to, grading, elevation work, sloping or tree work) or initial construction, erection or installation of any improvements, including but not limited to, building, fences, signs, walls, screens, plantings or other structure shall be commenced, erected, placed, altered or maintained upon the Property or any Lot, nor shall any exterior addition to, or change, or alteration therein be made to any improvement by any Owner, other than Declarant, until the plans and specifications showing the nature, kind, shape, height, materials, exterior design, colors, siding, location and elevations of the proposed improvements shall have been submitted to, and approved in writing, as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an Architectural Committee composed of one (1) or more representatives appointed by the Board. In this connection, the construction or planting of fences, walls, screens, and other structures will not be permitted if in the opinion of the Board, or Architectural Committee, as applicable, such construction or planting constitutes an unreasonable obstruction of the view of another Owner. In the event said Board, or its designated Committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required; and this Article will be deemed to have been fully complied with; provided that plans and specifications that contain

inaccurate or missing data or information when submitted shall not be deemed to be approved notwithstanding the foregoing.

Refusal of approval of such plans, location or specifications may be based upon any grounds, including purely aesthetic and environmental, that in the sole discretion of the Board or Committee, it shall deem sufficient. The Association shall not be responsible for any defects in the plans and specifications submitted to it or in any structure erected according to such plans and specifications.

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

Any reference to "Association" in this Article shall mean the Board or the Architectural Committee, if vested with approval by the Board. Notwithstanding the provisions of this Article VI, architectural control of Summit Park Townhomes may also be regulated by the Meadowmont Community Association as well.

ARTICLE VII ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Approval of Annexation. Annexation of additional property, except as provided in Section 2 of this Article VII, shall require the assent of two-thirds (2/3) of the Class A membership and two-thirds (2/3) of the Class B membership, if any, present in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purposes of the meeting. The presence of members or of proxies entitled to cast twenty five percent (25%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirement set forth above and the required quorum shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

Section 2. Annexation by Declarant. If within ten (10) years of the date of conveyance by Declarant of the first Lot, the Declarant should desire to add additional property in Meadowmont as Summit Park Townhome lots which shall be subject to this Declaration, such property may be annexed by the Declarant without the consent of members. In so doing, Declarant may file and record such amendments to this Declaration as are necessary without the consent of the members in order to subject such additional lands to the terms of this Declaration and the jurisdiction of the Association.

Section 3. Recording Annexation Documents. Annexation of additional lands shall be accomplished by recording in the Orange County Registry a Declaration of Annexation, duly executed by the Declarant if the Declarant has the right to annex pursuant to Section 2 above (and by the Association if pursuant to Section 1 above), describing the lands annexed and incorporating the provisions of this Declaration, either by reference or by fully setting out said provisions of this Declaration. The additional lands shall be deemed annexed to the Property on the date of recordation of the Declaration of Annexation, and in the case of an annexation by the Declarant, no action or consent on the part of the Association or any other person or entity shall be necessary to accomplish the annexation except any local governmental authority if required by its ordinances.

ARTICLE VIII EXTERIOR MAINTENANCE

Section 1. Exterior Maintenance by Association. The Association shall provide exterior maintenance upon each Building and Living Unit which is subject to assessment hereunder, as follows: paint, repair, replace and care for roofs, gutters, downspouts, awnings, exterior building surfaces, trees, shrubs (excluding those installed by an Owner), grass, walks, mailboxes, fences installed by Declarant or the Association, exterior post lights (excluding electricity therefor) installed by Declarant or the Association, and other exterior improvements. Such exterior maintenance shall not include gas grill repair or replacement glass surfaces, or screens for windows and doors, or any improvements contained within courtyards or areas secured by the owner or the repair or reconstruction of any improvements, on any lot, the cost of which repair or reconstruction would be covered by casualty insurance, whether or not a policy of casualty insurance is in effect. Further, the Owner of any lot may at his election plant trees, shrubs, flowers and grass in his rear yard and shall also maintain his rear yard provided that such maintenance by the Owner does not hinder the Association in performing its maintenance of the exterior of the dwelling and the remaining yard spaces. No such maintenance by a Lot Owner shall reduce the assessment payable by him to the Association. If, in the opinion of the Association any such Owner fails to maintain his rear yard in a neat and orderly manner, the Association may revoke the Owner's maintenance rights for a period not to exceed one year and the Association shall perform maintenance during the revocation period at the expense of the Owner. The Owner shall not plant any perennial vegetation in the front yard except with the prior written approval of the Association.

Section 2. Damage by Owner. In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or tenants, guests, contractors, or invitees, or contract purchasers the cost of such maintenance or repairs shall be added to, and become a part of, the assessment to which such Lot is subject.

Section 3. Inspection Rights Reserved. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association, its agents, employees or contractors, the right to unobstructed access over and upon each Lot or Living Unit at all reasonable times for inspection and to perform maintenance as provided in this Article.

Section 4. Casualty Loss Not Included. Maintenance and repairs under this Article arise from normal usage and weathering and do not include maintenance and repairs made necessary by fire or other casualty or damage.

ARTICLE IX USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, amend, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each Lot. Such rules and regulations may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration.

Section 2. Use of Property. No portion of the Property (except for any temporary office of the Declarant and/or any model townhouses used by Declarant) shall be used except for single-family residential purposes and for purposes incidental or accessory thereto.

Section 3. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Property, nor shall anything be done which may be, or may become, a nuisance or annoyance to the neighborhood.

Section 4. 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 that they are not kept or maintained for commercial purposes and are controlled in accordance with applicable governmental ordinances and are not a nuisance to other Owners.

Section 5. Insurance. Nothing shall be kept, and no activity shall be conducted on the Property which will increase the rate of insurance, applicable to residential use, for the Property or the contents thereof. No Owner shall do or keep anything, nor cause or allow anything to be done or kept, in his townhome which will result in the cancellation of insurance on any portion of the Property, or the contents thereof, or which will be in violation of any law, ordinance, or regulation.

Section 6. Offensive Behavior. No immoral, improper, offensive, or unlawful use shall be made of the Property, or any part thereof, and all valid laws, ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Owner or the Association, whichever shall have the obligation to maintain or repair such portion of the Property.

Section 7. Structural Integrity. Nothing shall be done in or to any Building which will impair the structural integrity of any building which would impair or alter the exterior of any Building or portion thereof, except in the manner provided in this Declaration.

Section 8. Business. No industry, business, trade, occupation, or profession of any kind, whether commercial or otherwise, shall be conducted, maintained, or permitted on any part of the Property, except that the Declarant or its agents may use any unsold townhome for sales or display purposes.

Section 9. Signs. No owner shall display, or cause or allow to be displayed, to public view any sign, placard, poster, billboard, or identifying name or number upon any Building or Lot, except as allowed by the Association pursuant to its Bylaws or regulations or as required by local governmental authority; provided, however, that the Declarant and any mortgagee who may become the Owner of any Lot, or their respective agents, may place "For Sale" or "For Rent" signs on any unsold or unoccupied townhomes or Lot provided, however, that during the development of the Property and the marketing of townhomes, the Declarant may maintain a sales office and may erect and display such signs as the Declarant deems appropriate as aids to such development and marketing, provided that such signs do not violate any applicable laws.

Section 10. Waste. No Lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. Waste of any nature shall not be kept on any part of the Property except on a temporary basis in sanitary containers.

Section 11. Boats and Campers. Neither a motorboat, houseboat or other similar water-borne vehicle nor any "camper" vehicle may be maintained, stored or kept on any portion of the Property, except on a temporary basis as may be approved by the Board.

Section 12. Garbage Disposal. All garbage shall be stored within the residence of each Owner. No Owner may change or supplement the garbage disposal facilities provided for such owner's residence on the date of completion of the construction thereof, unless the Architectural Committee or the Board of Directors 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 agencies, shall require a specific method of garbage disposal, nothing herein contained shall prevent the compliance by Owners with obligatory public rules and regulations.

Section 13. Clothes Drying. No drying or airing of any clothing or bedding shall be permitted outdoors on any Lot or in any other enclosed area (including patios) within the Property.

Section 14. Yard Sales. No yard sale shall be conducted upon the Property at any time whatsoever.

Section 15. Attachments. No permanent attachments of any kind or character whatsoever (including, but not limited to, television and radio antennas) shall be made to the roof or exterior walls of any residence on a Lot, unless such attachments shall have been first submitted to and approved by the Architectural Control Committee, as hereinafter defined.

Section 16. Disabled Vehicles. Any disabled, unlicensed or inoperable motorized vehicle must be stored in a closed garage.

Section 17. Leases. No Living Unit may be leased for a period of less than six (6) months. No portion of any townhome (other than the entire townhome) may be leased and no transient tenants may be accommodated. Each lease shall be in writing on either pre-printed forms prepared by the NC Board of Realtors or on other such forms approved by the Association. Any owner who leases his townhome shall, promptly following the execution of any such lease, forward a conformed copy thereof to the Association. Each such lease shall contain a provision to the effect that the rights of the tenant to use and occupy the townhome shall be subject and subordinate in all respects to the provisions of this Declaration, to the Association's Bylaws, and to such rules and regulations relating as the Board of Directors may from time to time promulgate. Every lease shall contain a provision that failure of the tenant to comply with the terms of this Declaration and the Association's Bylaws and rules and regulations shall constitute an act of default under the lease. The provisions of this subsection shall not apply to any institutional mortgagee of any townhome who comes into possession of the townhome as a result of a foreclosure sale or as a result of any proceeding in lieu of foreclosure.

ARTICLE X EASEMENTS

Section 1. Utility Easements. All of the Property shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power line and other public utilities as shall be established by the Declarant or by its predecessors in title, prior to the subjecting of the Property to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under and across the Property conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Property without approval of the membership as provided in the Articles of Incorporation and this Declaration.

Section 2. Adjoining Areas. Each Owner is hereby declared to have an easement, and the same is hereby granted by the Declarant, over all adjoining Lots for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, additional settlement or shifting of the building, surface water runoff, underground piping of storm water and water runoff, or any other cause. There shall be valid easements for the maintenance of said encroachment; provided however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure on any Lot is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

Section 3. Unintentional Encroachments. In the event that any building on a Lot shall encroach upon any other Lot for any reason not caused by the purposeful or negligent act of the Owner or agents or such Owner, then an easement appurtenant to such Lot shall exist for the continuance and maintenance of such encroachment upon the other Lot for so long as such encroachment shall naturally exist.

Section 4. Overhanging Roofs and Eaves. Each Lot and its Owner within the Properties is hereby declared to have an easement, and the same is hereby granted by the Declarant, over each adjoining Lot for over-hanging roofs and eaves and the maintenance thereof.

Section 5. Easement for the Benefit of Governmental Authorities. An easement is hereby established for the benefit of the Town of Chapel Hill, or other governmental agency, over all Lots for the setting, removing and reading of water meters (which shall be separate for each Living Unit), maintaining and replacing water, sewer and drainage facilities, for police protection, fire fighting and garbage collection, postal services, and the rendering of such other services as are appropriate and necessary for the use and enjoyment of the Property. In no case shall the Town of Chapel Hill or other responsible agency, be responsible for failing to provide any emergency or regular fire, police, or other public service to the Property or to any of its occupants when such failure is due to the lack of access to such area due to inadequate design or construction, blocking of access routes, or any other factor within the control of the Declarant, the Association, the Owners or occupants. All conveyances of any portion of the Property shall be subject to these limitations on the Town's or other agency's responsibilities.

Section 6. Easement for Benefit of Utility Company. The Declarant reserves the right to subject the Property to a contract with various utility companies, including but not limited to electrical power, natural gas, telephone, water/sewer and cable TV, for the installation of underground lines, cables and connector posts which may require an initial payment or a continuing monthly payment to the utility by the owner of each Lot.

Section 7. Priority of Easements. Each of the easements hereinabove referred to shall be deemed to be established upon the recordation of this Declaration and shall henceforth be deemed to be covenants running with the land for the use and benefit of the Lots superior to all other encumbrances which may hereafter be applied against or in favor of the Property or any portion thereof.

Section 8. Declarant Easement. If any encroachment shall occur subsequent to subjecting the Property to this Declaration as a result of settling or shifting of any building or as a result of any permissible repair, construction, reconstruction, or alteration, there is hereby created and shall be a valid easement for such encroachment and for the maintenance of the same. Every Lot shall be subject to an easement for entry and encroachment by the Declarant for a period not to exceed twenty four (24) months following conveyance of a Lot to an Owner for the purpose of correcting any problems that may arise regarding grading and drainage. The Declarant, upon making entry for such purpose, shall restore the affected lot or lots to as near the original condition as practicable.

Section 9. Structural Support. Every portion of a townhome which contributes to the structural support of the Building shall be burdened with an easement of structural support for the benefit of all other townhomes within the Building.

Section 10. Emergencies. Every Lot and townhome shall be subject to an easement

for entry by the Association for the purpose of correcting, repairing, or alleviating any emergency condition which arises upon any Lot or within any townhomes and that endangers any building or portion of the common area.

Section 11. Maintenance Easement. The Association reserves an easement over and across every Lot for the purpose of performing the maintenance requirements of the Association as prescribed herein.

Section 12. Easements for Repairs. Each lot owner shall have a perpetual access easement over any adjoining lot to the extent reasonably necessary to perform repair, maintenance, or reconstruction of his townhome. Such repair, maintenance, or reconstruction shall be done expeditiously, and, upon completion of the work, the owner shall restore the adjoining lot to as near the same condition as that which prevailed prior to the commencement of the work as is reasonably practicable.

ARTICLE XI INSURANCE

Section 1. Insurance to be Maintained by the Association. The following insurance coverage shall be maintained in full force and effect by the Association:

- a) Public liability and property damage insurance in such amounts and in such forms as shall be required by the Association, but public liability shall be an amount of at least \$1,000,000 for each occurrence. Similar liability coverage shall also be purchased by the Association on behalf of its directors and officers.
- b) All liability insurance shall contain cross-liability endorsements to cover liability of the Owners as a group to an individual Owner.
- c) Fidelity bond coverage covering those that shall be responsible or shall handle funds of the Association.
- d) Such other insurance coverage as it may determine to be desirable and necessary, including fire and hazard insurance covering all buildings located on the Property as specified in Section 4, if determined to be better served by the Association procuring such insurance.

Section 2. Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association and charged ratably to Owners as an assessment according to the applicable provisions of this Declaration.

Section 3. Insurance Beneficiaries. All such insurance policies shall be purchased by the Association for the benefit of the Association and the Owners.

Section 4. Insurance to be Maintained by Owners. Each Owner shall pay for and

maintain in full force and effect at all times casualty insurance in an amount equal to the full replacement value on its building, improvements and Living Unit, including the value of excavation and foundation.

Casualty coverage shall afford protection against:

- a) Loss or damage to property by fire or other hazards covered by a standard extended coverage endorsement;
- b) Liability insurance in an amount of at least \$1,000,000 for each occurrence.
- c) Such other risks as from time to time shall be customarily covered with respect to buildings and improvements similar in construction, location and use as the buildings and improvements of Summit Park Townhomes, including, but not limited to, vandalism and malicious mischief.

Such insurance shall be issued with an insurer licensed to do business in North Carolina and holding a rating of "A" or better by Best's Insurance Reports, and such policy must provide that the insurer will not cancel, reduce or substitute coverage without first giving the Association and any mortgagee named in the policy thirty (30) days prior written notice thereof.

ARTICLE XII

REPAIR, RESTORATION OR RECONSTRUCTION OF CASUALTY DAMAGE

Section 1. Repair and Restoration. Except as otherwise herein provided, damage to or destruction of a townhome shall be promptly repaired, restored or reconstructed by the affected Owners, such repair and restoration or reconstruction, insofar as possible, to be in accordance with the original plans and specifications of the original building. In the event that the Owners of damaged Townhomes default in the obligation to promptly repair and restore or reconstruct as herein provided, the Association may (but shall be under no obligation to) repair and restore or reconstruct the damaged townhome. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association and its agents the right to unobstructed access over and upon each Lot at all reasonable times to perform repair and restoration or reconstruction as provided in this Article. In the event of action by the Association as herein permitted, the Owners of damaged townhomes shall be liable for assessment for the entire cost of such repair and restoration or reconstruction and subject to exercise of the enforcement remedies herein provided in the event of failure of timely payment of the assessment.

ARTICLE XIII

RIGHTS OF INSTITUTIONAL LENDERS

Section 1. Rights Reserved to Institutional Lenders. "Institutional Lender" or "Institutional Lenders", as the terms are used herein, shall mean and refer to banks, savings and

loan associations, savings banks, insurance companies, U.S. Department of Veterans Affairs, Federal Housing Administration, Federal National Mortgage Association and other reputable mortgage lenders, guarantors and insurers of first mortgages. So long as any Institutional Lender or Institutional Lenders shall hold any mortgage upon any Lot, or shall be the Owner of any Lot, such Institutional Lender or Institutional Lenders shall have the following rights:

- a) To be furnished with at least one copy of the Annual Financial Statement and Report of the Association, including a detailed statement of annual carrying charges or income collected and operating expenses, such Financial Statement and Report to be furnished within 120 days of the end of each calendar year.
- b) To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering any proposed Amendment to the Declaration, or the Articles of Incorporation and Bylaws of the Association, which notice shall state the nature of the amendment being proposed, and to be given permission to designate a representative to attend all such meetings.
- c) To be given notice of default in the payment of assessments by any Owner of a Lot of sixty (60) days or more encumbered by a mortgage held by the Institutional Lender or Institutional Lenders, such notice to be given in writing and to be sent to the principal office of such Institutional Lender or Institutional Lenders, or to the place which it or they may designate in writing to the Association.
- d) To inspect the books and records of the Association and the Declaration, Bylaws and any Rules and Regulations during normal business hours and to obtain copies thereof.
- e) To be given notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.
- f) Any proposal requiring consent of the mortgage holders.

Whenever any Institutional Lender desires the benefits of the provisions of this section, such Lender shall serve written notice of such fact upon the Association by Registered Mail or Certified Mail addressed to the Association and sent to its address stated herein, or to the address of the Property, identifying the Lot upon which any such Institutional Lender or Institutional Lenders hold any mortgage or mortgages, or identifying any Lot owned by them, or any of them, together with sufficient pertinent facts to identify any mortgage or mortgages which may be held by it or to them, and which notice shall designate the place to which notices are to be given by the Association to such Institutional Lender.

ARTICLE XIV 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,

reservations, 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 way affect any other provisions which shall remain in full force and effect.

Section 3. General Amendments. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) 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 (20) year period by an instrument signed by not less than sixty seven percent (67%) of the Lot Owners, and thereafter by an instrument signed by not less than sixty seven percent (67%) of the Lot Owners.

Section 4. Amendments Permitted Without Membership Approval. The following amendments may be effected by the Declarant, or the Board, as the case may be, without consent of the members:

- a) Prior to the sale of the first Lot, this Declaration may be amended by the Declarant.
- b) Declarant may amend this Declaration by annexation of additional lands as specified in Article VII, Section 2 herein.
- c) The Declarant, so long as it shall own one or more lots of the Summit Park Townhomes, shall have the right to amend this Declaration to conform to the requirements of any law or governmental agency having legal jurisdiction over the Property or to qualify the Property or any Lots and improvements thereon for mortgage or improvement loans made, insured or guaranteed by a governmental agency or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by, or under the substantial control of, the United States Government or the State of North Carolina, regarding purchase or sale in such lots and improvements, or mortgage interests therein, as well as any other law or regulation relating to the control of Property, including, without limitation, ecological controls, construction standards, aesthetics, and matters affecting the public health, safety and general welfare. A letter from an official of any such corporation or agency, including, without limitation, the U.S. Department of Veterans Affairs, U.S. Department of Housing and Urban Development, the Federal Home Loan Mortgage Corporation, Government National Mortgage Corporation, or the Federal National Mortgage Association, requesting or suggesting an amendment necessary to comply with the requirements of such corporation or agency shall be sufficient evidence of the approval of such corporation or agency, provided that the changes made substantially conform to such request or suggestion.
- d) The Declarant, for so long as it shall own one or more lots in the Summit Park Townhomes and, thereafter, the Board of Directors, may amend this Declaration as shall be necessary, in its opinion, and without the consent of any owner, to qualify the

Association or the Property, or any portion thereof, for tax-exempt status.

- e) The Declarant, for so long as it shall own one or more lots in the Summit Park Townhomes, and, thereafter, the Board of Directors, may amend this Declaration as shall be necessary, in its opinion, and without the consent of any owner, to correct clerical errors or in this Declaration.

Section 7. Recordation. No amendment shall be effective until recorded in the County in which the Property is situated.

This the 2nd day of ~~June~~, 2006.
October

SUMMIT PARK HOMEOWNER'S ASSOCIATION, INC.
(ALSO KNOWN AS "SUMMIT PARK TOWNHOMES")

BY:

Timothy L. Ross
PRESIDENT

NORTH CAROLINA

ORANGE COUNTY

I, a Notary Public of the County and State aforesaid, certify that Timothy L. Ross personally came before me this day and acknowledged that he is President of Summit Park Homeowner's Association, Inc. (also known as "Summit Park Townhomes," and that he, President, being authorized to do so, executed the foregoing on behalf of Summit Park Homeowner's Association, Inc. (also known as "Summit Park Townhomes").

WITNESS my hand and official stamp or seal, this 2nd day of ~~June~~, 2006.
October

Nina S. Lloyd
Notary Public

My commission expires:

1-28-08

