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Patsy T. McDonald, Register of Deeds
Richmond County, NC

Barbara J. McMain, Deputy

**DECLARATION OF EASEMENTS, RESERVATIONS, PERMITS,
COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE PLAT OF

CHALK'S LANDING**

This Declaration of Easements, Reservations, Permits, Covenants, Conditions and Restrictions (the "Declaration") is made on the date hereinafter set forth by the McKeough Land Company, Inc., an Illinois corporation, of 229 Washington Avenue, Grand Haven, MI 49417, hereinafter referred to as the "Developer."

WITNESSETH

WHEREAS, the Developer, being the owner of all real property as depicted and described on the Plat of Chalk's Landing, as recorded in the Office of the Register of Deeds of Richmond County, North Carolina at Plat Slide 736 B, all of which property is located in Black Jack Township, Richmond County, North Carolina, subject to and together with any and all appurtenances, improvements, easements, reservations, licenses, permits, restrictions and conditions (the "Development"), hereby makes the following Declaration as to easements, reservations, permits, covenants, conditions and restrictions affecting and governing the Development;

WHEREAS, Developer desires to impose upon the Development mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property located within the Plat of Chalk's Landing, the Development is made subject to this Declaration in accordance with the North Carolina Planned Community Act, as amended (the "Act"), for the purpose of protecting the value and desirability of the Development, and to provide a flexible and reasonable procedure for the overall development of the Development, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such properties as are now or may hereafter be subject to this Declaration, and in order to implement said objectives, to convey the Development pursuant and subject to those certain easements, covenants, reservations, conditions, restrictions, liens, agreements and charges hereinafter set forth; and

WHEREAS, Developer hereby declares that all the property described on the Plat of Chalk's Landing and any additional property as may by subsequent amendment be added to and subjected to this Declaration shall be held, sold and conveyed subject to the following easements, reservations, covenants, conditions and restrictions, which are for the purpose of protecting the value and desirability of and which shall run with the real property subjected to this Declaration

and which shall be binding on all parties having any right, title or interest in the described property or any part thereof, their heirs, successors, successors-in-title and assigns and shall inure to the benefit of each owner thereof; and

WHEREAS, in addition to Lots, the Developer wishes to make provisions for commonly owned lands, and improvements located thereupon, as a component of the Development for the use and enjoyment of the owners of Lots; and

WHEREAS, the Developer is contemplating the platting of additional Lots in the future, which will be part of the Development; and

WHEREAS, the Developer wishes to permit the development of the Development into a community suitable for family and recreational living and, at the same time, wishes to maintain insofar as possible, the natural character of this beautiful property; and

WHEREAS, it is essential to the value of the Lots that the Development be perpetually maintained in a manner consistent with high environmental, aesthetic and residential standards; and

WHEREAS, to accomplish the foregoing, the Developer desires to impose certain building and use restrictions, reservations, easements, permits, covenants and conditions, as herein contained, upon and for the benefit of said Lots and the Development as a whole; and

WHEREAS, the Developer is willing to sell the Lots, but all buyers and subsequent owners hereby accept such Lots subject to the declarations, reservations, easements, permits, covenants, conditions and restrictions set forth herein;

NOW, THEREFORE, the Developer hereby declares and provides that all the property in the Development is hereby subject to the following easements, reservations, licenses, permits, covenants, conditions and restrictions.

ARTICLE 1

DEFINITIONS

- 1.1 “Architectural Review Committee” or “Committee” or “ARC” shall mean the Architectural Review Committee as established hereinafter in Article 8.
- 1.2 “Association” shall mean the Chalk’s Landing Property Owners Association, Inc., as established hereinafter in Article 7.
- 1.3 “Common Land” and “Common Lands” shall mean land, other real estate interests such as easements, licenses and permits, and improvements in the Development, if any, which are owned in common by all of the Lot Owners or owned by the Association for the benefit of said Owners, including, but not limited to, the private roadways within the Development, the entryway to the Development, trails, clubhouse, pool, canoe storage structure(s),

parking areas and other such common land improvements, and other such common areas as depicted on the Plat of Chalk's Landing and/or any future additions thereto.

- 1.4 "Developer" shall mean McKeough Land Company, Inc., the current owner of the Development, or its successors or any person or entity to whom or to which it may, in a document recorded with the Office of the Register of Deeds of Richmond County, expressly assign one or more of its rights hereunder or delegate its authority hereunder.
- 1.5 "Development" shall mean the Plat of Chalk's Landing and all future additions thereto subject to and together with any and all appurtenances and improvements located thereupon, easements, reservations, licenses, permits, covenants, conditions and restrictions.
- 1.6 "Lot" shall mean any portion of the Development, other than Common Lands, intended for any type of independent ownership and use as may be set out in this Declaration and as shall be shown on the plats of survey filed with this Declaration or subsequent amendments thereto. Where the context indicates or requires, the term "Lot" includes any structure on the Lot.
- 1.7 "Owner" and "Lot Owner" shall mean one or more persons or entities, who hold the record title to any Lot which is part of the Development, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If the Lot is sold under a recorded contract of sale, the purchaser (rather than the fee owner) will be considered the Owner.
- 1.8 "Mobile Home" shall mean any dwelling, transportable in one or more sections, which is built on a permanent chassis.
- 1.9 "Modular Home" shall mean any dwelling constructed off-site from the Development in 3-dimensional modules, which modules are then transported to the site for assembly and integration to form the dwelling unit and which modules do not have as part of their integral construction a permanent chassis for transporting said modules.

ARTICLE 2

SUBDIVISION AND MERGER OF LOTS

- 2.1 No Lot may be further subdivided unless all the resultant parcels created by the subdivision are deeded to an adjacent Lot Owner(s) to increase the size of another Lot and such division satisfies the requirements of applicable zoning ordinances and all other governmental regulations.
- 2.1 In the instance where a Lot Owner owns more than one Lot, which Lots directly abut each other, said Lots may be merged, provided all governmental approvals are first obtained. The newly created Lot resulting from such merger shall then be assessed for only one Dues.

ARTICLE 3
CARE AND APPEARANCE OF PREMISES

- 3.1 Lot Owners shall maintain the exterior of all improvements on any Lot and the Lot itself in a neat and attractive manner and in good condition and repair.
- 3.2 All Common Lands shall be maintained by the Association in a neat and attractive manner and in good condition and repair.

ARTICLE 4
PERMITTED AND PROHIBITED USES

- 4.1 No Lot, Common Lands or any part of the Development shall be used, nor shall any structure be erected thereon or moved thereupon, unless the use thereof and location thereon satisfies the requirements of applicable zoning ordinances and other governmental regulations, if any, which are in effect at the time of the contemplated use or the construction of any structure, or unless approval thereof is obtained from the appropriate zoning or regulatory authority.
- 4.2 Except as otherwise specifically provided herein, Lots shall be used for the construction of one single-family residence, and recreational uses incidental thereto, only.
- 4.3 Home businesses are permitted if operated entirely within the dwelling, said business employs not more than one non-family member, and excessive traffic and parking requirements are not generated. No exterior signage relating to home businesses shall be permitted.
- 4.4 No unregistered or non-operational vehicle (unless garaged), trash, refuse pile or unsightly or objectionable object or materials shall be permitted or maintained upon the Development. All garbage and refuse shall be promptly disposed of so that it will not be objectionable to neighboring Lot Owners. No outside storage for refuse or garbage shall be maintained or used unless the same shall be properly concealed with vegetative screening. No dumping of refuse or storage of materials is permitted upon the Common Lands. No garbage receptacle shall be left curbside for more than a twenty-four (24) hour period preceding and following scheduled garbage pick up times.
- 4.5 At such time as construction of a dwelling has commenced upon a Lot, a Lot Owner may park one (1) properly registered recreational vehicle, including, but not limited to boats, trailers, campers, ATVs, personal watercraft (PWC) and other such vehicles on a Lot outside of an enclosed building. As to PWC, ATVs and other such vehicles, a trailer accommodating up to four (4) such recreational vehicles is herein to be construed as one (1) such recreational vehicle. No such storage of recreational vehicles of any kind is permitted upon the Common Lands.
- 4.6 No noxious or offensive trade or activity and no activity which is in violation of any law, ordinance, statute or governmental regulation shall be conducted in the Development, nor

shall anything be done which may be or become an annoyance or nuisance to the other Lot Owners in the Development.

- 4.7 Unless otherwise restricted by applicable zoning laws or other governmental regulations, if any, camping, including the use of recreational camping vehicles, is permitted on a Lot for not more than 14 consecutive days and for not more than 50 cumulative days in any calendar year. This restriction will be in effect until 30 homes are built in the Development, or until January 1, 2012, whichever occurs first. Camping on lands now owned by the Developer and adjacent to the Plat of Chalk's Landing, Phase One, which may become future phases of the Development is prohibited until such time as the Developer has promulgated restrictions governing such, which restrictions shall be substantially similar to the restrictions promulgated herein. When not in use upon a Lot for camping purposes, all camping vehicles and tents shall be removed from the Lot upon departure and, furthermore, all rubbish and debris associated with camping activities shall be removed from the Lot upon departure. The forgoing restrictions regulating camping on a Lot shall not be construed to regulate the typical and occasional "backyard camping" activity of children. No camping is allowed upon any Common Lands.
- 4.8 Propane gas tanks used for heating purposes shall either be located underground or shall be located in such areas so as to be as inconspicuous as possible and screened from direct view from beyond the Lot with shrubbery or other vegetative materials.
- 4.9 Any discharge of firearms for hunting or other such recreational use is prohibited on the Development.
- 4.10 Until such time as Developer has sold all Lots in the Development, or earlier at the discretion of the Developer, no signs or other advertising devices shall be displayed upon vacant Lots, including "For Sale" signs, except those signs placed by the Developer and except for "For Sale" signs of a "Build to Suit"-nature placed upon a vacant Lot as may be expressly permitted by the Developer upon request by a Lot Owner. Garage and yard sale signs, for the actual days of any such sale, are permitted. No Lot Owner shall be permitted to conduct more than one (1) garage/yard sale per calendar year; any such sale must not be conducted for greater than three (3) consecutive days; and may only be held on those three (3) days each year specified in advance by the Association as garage/yard sale days for the Development. **THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS.**
- 4.11 No animals shall be kept on any Lot except common indoor household pets. Such pets may not be kept nor bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept anywhere upon the Development. No Lot Owner shall permit his pet(s) to run unsupervised outside of his Lot.
- 4.12 Only satellite dishes of thirty-six (36) inches or less in diameter are permitted, and must be attached to the principal dwelling in a location that is as inconspicuous as reasonably

possible. In the event that a satellite dish is unable to function properly when attached to the principal dwelling, then the proposed alternative location of the satellite dish must be specifically approved by the Committee, along with possible additional screening measures required by the Committee.

- 4.13 No Lot Owner may be permitted to construct and/or use and operate their own external radio and/or television antenna for broadcasting or reception purposes without the approval of the Committee.
- 4.14 Above-ground swimming pools shall not be permitted, unless said pool is engineered and constructed in such a fashion so as to blend into the plan for the development of the Lot and in such a manner so as to be aesthetically and architecturally pleasing and using a masonry or stone retaining wall on the exposed vertical portion of the pool. Any such construction of an above-ground pool contemplated shall first have the approval of the Committee before construction commences.
- 4.15 For Lots 9, 12, 13, 14, 74 and 75 as shown on the Plat of Chalk's Landing, an additional tract of land is included therewith upon the purchase of each said Lots and is so designated on the Plat of Chalk's Landing with the respective Lot # followed by the letter "A". Each respective "A-designated" Lot portion is designated for subsurface sewage disposal purposes only. Developer will install the necessary sewer lines extending from said Lots to each respective "A-designated" Lot portion.
- 4.16 Any "A-designated" Lot within the Development shall be considered an integral part of and inseparable from its respective numbered Lot.

ARTICLE 5

COMMON LANDS - USES PERMITTED AND PROHIBITED

- 5.1 The Developer has proposed a clubhouse, pool and an area to accommodate such, including parking for users, as shown on the Plat of Chalk's Landing for the exclusive use of Lot Owners and their guests. No activity which is in violation of any law, ordinance, statute or governmental regulation shall be conducted upon the Proposed Clubhouse and Pool Area, nor shall anything be done which may be or become an annoyance or nuisance to the other Lot Owners in the Development.
- 5.2 No motorized vehicles are permitted upon the Common Lands, except for normal maintenance and repair activities and except for uses upon Common Lands where motorized vehicles are obviously intended, such as parking areas, etc. All trails, if any, located within the Development are specifically not intended for motorized vehicle use other than uses in conjunction with maintenance and repair activities. Golf carts are specifically permitted upon all roadways and parking areas within the Development.

ARTICLE 6
CHARACTER OF BUILDINGS AND CONSTRUCTION

- 6.1 The Developer recognizes that there can be an infinite number of concepts and ideas for the development of the Lots. The Developer wishes to encourage the formulation of new and/or innovative concepts and ideas. Nevertheless, for the protection of all Lot Owners, and for the preservation of the Developer's concept for the Development, the Developer wishes to make certain that any development of a Lot will maintain the natural beauty of the Development and blend man-made structures into the natural environment to the extent reasonably possible.
- 6.2 The exterior of any structure or improvement being constructed upon a Lot shall not remain incomplete for a period of longer than twelve (12) months from the date upon which construction was commenced. All construction shall be diligently pursued to completion and such completion shall occur prior to occupancy. Accumulations of refuse and debris from construction activity upon a Lot shall be permitted, but such accumulations shall be permitted only in construction dumpsters and filled dumpsters shall be removed from the Development on not less than a bi-weekly schedule.
- 6.3 Each dwelling constructed upon a Lot shall have, at a minimum, an attached 2-stall garage, which garage's footprint shall not exceed fifty percent (50%) of the first floor above-grade living area of the dwelling. All attached and detached garages, and outbuildings must be architecturally related to and must match the overall color scheme of the dwelling and must be constructed only of materials permitted for the construction of residences. Dwellings shall have a minimum total of 1,400 square feet of finished living area, excluding any garage, basement and porch, on the first floor wholly above grade.
- 6.4 All exteriors shall be composed of natural wood (e.g. redwood, cedar or logs), brick, stone, architectural block, stucco, masonry shake, board and batten, Hardi-Plank®-type material, clapboard, and other high-quality exterior materials that may be approved by the Architectural Review Committee. Lot Owners shall complete the exterior of any dwelling in natural hues with flat finishes. No gaudy or garish colors are permitted. Exterior colors which, in the sole judgment of the Committee, stand in stark contrast to the land and vegetation on the Development are prohibited. No aluminum or vinyl siding, trim and fascia will be permitted.
- 6.5 No more than twelve (12) inches of exterior concrete or concrete block walls shall be exposed on any dwelling or outbuilding and any such exposed surfaces shall be properly screened with sufficient landscaping elements.
- 6.6 All structures shall direct collect, sediment-containing stormwater runoff away from Progress Energy lands or in such a manner so as to prevent direct collected discharge of such runoff onto Progress Energy lands.

- 6.7 The principal roof components on all structures shall have a pitch of at least 7:12. All roofing materials used on structures shall be of dark colors or of a weathered, natural appearance and, in the case of asphaltic materials be, at a minimum, 25-year rated architectural-grade laminated shingles that have a raised-relief surface. In the particular case of metal roofs, those shall be permitted in non-reflective and darker shades, all at the discretion of the ARC.
- 6.8 Modular Homes and Mobile Homes shall not be permitted. Campers, basement homes, tents, shacks, garages, barns or other outbuildings shall not be used as a temporary or permanent residence. Earthberm, A-frame, underground and dome homes are prohibited.
- 6.9 All construction materials utilized shall satisfy all applicable building code requirements.
- 6.10 Lot Owners are required to connect their respective driveways to the paved roadways and their respective utility lines to the utility leads located within the easement areas provided therefor. All utility service lines constructed within the Development shall be located underground, unless required otherwise by the utility service provider.
- 6.11 All driveways, except the driveway on Lot 3, shall be constructed as a paved (asphalt and/or concrete), brick, fixed-stone surface or with other high quality materials with prior approval of the Committee, and have an improved travel path of at least twelve (12) feet in width. All driveway access locations, except Lots 1-7, shall be restricted to the interior road system of the Development and all driveway access locations shall be in accordance with all governmental regulations.
- 6.12 No structure, other than decorative fencing, landscaping elements and mailboxes, shall be located closer than forty five (45) feet from the right-of-way line of the roadways in the Development. No structure, other than landscaping elements, decks, patios, stairs, gazebos and other such structures that would result only in diminutive increases in impervious area, shall be located closer than fifteen (15) feet from any rear Lot line coincidental with the Progress Energy boundary and not closer than thirty five (35) feet from the high water mark of any perennial surface water body, including Blewett Falls Lake. No part of any building shall be located closer than fifteen (15) feet from any side Lot line.
- 6.13 Decorative, split-rail fencing of the standard two-rail variety (or an equivalent type of fencing that by virtue of material, aesthetics, color, height and opacity provides the same natural appearance) shall be permitted. Metal and chain link fencing is specifically prohibited. Safety fencing surrounding in-ground swimming pools must be of wood, stone, wrought iron (and its synthetic imitations) and other natural material construction, but in no case may such fence be taller than the minimum required by code, if any. All other types of fencing shall be prohibited anywhere on the Development other than "invisible" fencing for pet control.
- 6.14 Each Lot Owner shall be responsible for any damage to the Common Lands, which occurs as a result of construction on such Owner's Lot and all such damage shall be

repaired within thirty (30) days of occurrence at the expense of the responsible Lot Owner.

- 6.15 The size, color, style, location and other attributes of the mailbox and/or newspaper receptacle for any residence shall be as specified by the Developer and/or ARC.
- 6.16 Not more than one (1) outbuilding or detached garage may be constructed upon a Lot. All outbuildings and detached garages shall not have a footprint larger than six hundred (600) square feet. All outbuilding sidewalls shall not be less than eight (8) feet in height. All outbuildings constructed on lots 3, 13-16, 24-27 and 49-61 must be located in the side or front yards of said Lots. For the purposes of this Section, a detached garage is to be considered the equivalent of an outbuilding. The foregoing shall not be construed to regulate minor accessory structures such as gazebos and well pumphouses.

ARTICLE 7

CHALK'S LANDING PROPERTY OWNERS ASSOCIATION, INC.

- 7.1 Lot Owners shall automatically, by virtue thereof, become a member of the Chalk's Landing Property Owners Association, Inc., a non-profit corporation chartered in the State of North Carolina. The Association is entitled to carry on such business as is customary of such an Association and in such manner as prescribed by its Bylaws and as permitted by North Carolina law.
- 7.2 As a member of the Association, each Lot Owner agrees for himself or herself, and his or her heirs, successors and assigns, to pay to the Association any dues, assessments for maintenance charges and costs or fines (collectively, the "Dues") as may from time to time be levied by the Association for maintenance, repairs, improvements, insurance, license fees or for any other lawful purpose. The Dues shall run with the land. Any such Dues shall not apply to the Lots owned by the Developer.
- 7.3 Dues may be assessed annually and from time to time to meet the needs and commitments of the Association. Initially, the Dues shall be \$300.00 per Lot per year. Dues shall be billed to Lot Owners on July 1 of each year, beginning in 2007, and shall be payable in full to the Association by July 31 of each year.
- 7.4 In the first-time purchases of Lots from the Developer, purchasers shall pay to the Association, at the closing of their purchase, a working capital deposit. This contribution to the Association's account will be \$200.00 per Lot.
- 7.5 Notice of the amount of any Dues, other than those specified in Section 7.4 above as being due at closing, shall be given to the Lot Owner by first-class mail addressed to his or her last known address as it appears on the rolls of the Association.
- 7.6 Any Dues not paid on or before the due date established by the Association shall be considered as being in default and shall bear interest at the highest rate then permitted by

law or such lesser rate as the Association may establish. Such interest and all costs incurred by the Association in connection with the collection of any such charges, including, without limitation, reasonable attorney fees, shall be collectible by the Association and shall constitute a continuing lien upon any Lot within the Development owned by the Lot Owner responsible therefor. The Association shall have the right to proceed at law or in equity to foreclose such lien. All such charges shall also be the personal obligation of the Lot Owner against whom they were assessed.

- 7.7 Each Lot Owner (and in this specific context a Lot Owner does not mean a lessee) shall have one vote in the voting affairs of the Association for each Lot owned. That is to mean “one Lot, one vote”.
- 7.8 Upon the sale of his Lot to another party, the “Seller” Lot Owner shall provide the Association with the name and mailing address of the “Buyer” Lot Owner.
- 7.9 The Association shall hold title to and manage the Common Lands for the benefit of its members, the Lot Owners.

ARTICLE 8

ARCHITECTURAL REVIEW COMMITTEE

8.1 Site Development/Architectural Review Committee.

(a) An Architectural Review Committee (the “Committee”, or ARC) shall be established by the Association’s Board of Directors and shall at all times consist of the Developer and no less than three nor more than five persons appointed by the Board, until such time as Developer elects not to serve, at which time the Board shall appoint that member of the Committee as well. All members appointed by the Board shall be Lot Owners. The Architectural Review Committee shall assist Lot Owners in complying with the development restrictions set forth in this document.

(b) Except as otherwise provided herein, a majority of the members of the Committee shall have the power to act on behalf of the Committee without the necessity of a meeting and without the necessity of consulting the remaining members of the Committee. The Committee may act only by written instrument setting forth the action taken and signed by the members of the Committee consenting to such action, provided further, however, that the Developer's consent shall be required for all Committee action until such time as the Developer elects not to serve on the Committee.

(c) If the Committee shall cease to exist or for any reason shall fail to function, the Board of Directors of the Association shall serve as the Committee, and in the absence of such a Board, the Committee shall be selected by a majority of Lot Owners.

(d) The Committee shall have no affirmative obligation to be certain that all of the restrictions contained in this Declaration are fully complied with and no member of the Committee shall have any liability, responsibility, or obligation, whatsoever, for any decision or lack thereof, in the carrying out of duties as a member of such Committee. Such Committee and its members shall have only an advisory function, and the sole responsibility for compliance with all of the terms of this Declaration shall rest with the Lot Owner. Each Lot Owner agrees to save, defend, and hold harmless the Committee and each of its members on account of any activities of the Committee relating to such Lot Owner's Lot or improvements to be constructed on such Lot.

(e) The Committee, if it observes deviations from or lack of compliance with the provisions of this Declaration, shall report such deviations or lack of compliance to the Board of Directors of the Association for appropriate action.

8.2 Architectural Review Committee Approval.

(a) No Lot Owner shall construct, alter, or maintain any improvements on a Lot until all of the following have been completed:

1. The Lot Owner has submitted to the Committee four (4) complete sets of preliminary sketches showing floor plans, exterior elevations and an outline of specifications for materials and finishes;
2. The Committee has approved the preliminary sketches;
3. Upon approval of preliminary sketches, the Lot Owner has submitted to the Committee four (4) copies of complete site plans and specifications therefor, in a form satisfactory to the Committee, showing insofar as is appropriate:
 - i. The size, dimensions and style of the improvements, including, by way of illustration and not limitation, the dwelling, garage and outbuildings, if any;
 - ii. The exterior design and building materials;
 - iii. The exterior color scheme;
 - iv. The approximate location of the improvements on the Lot, including, by way of illustration and not limitation, the dwelling, garage and outbuildings, if any;
 - v. The approximate location of the driveways, parking areas and landscaping (including location and construction of all fences or walls, recreational facilities, and utilities) and the types of materials to be used therefor; and
 - vi. The vegetation proposed to be removed or altered in order to accommodate construction, complete landscaping and enhance views.
4. Such plans and specifications have been approved in writing by the Committee; and
5. An acknowledgment form is signed by both the Lot Owner and their contractor wherein each acknowledges that they have read and understand the provisions of the restrictions set forth in this Declaration.

(b) Approval for any plans that comply with the restrictions embodied in this Declaration will not be unreasonably withheld, however, approval of the preliminary sketches and detailed site plans and specifications described above may be withheld, not only because of the noncompliance with any of the restrictions and conditions contained herein (including the submission of an incomplete site plan), but also because of the reasonable dissatisfaction of the Committee as to the location of the structure(s) on the Lot, color scheme of said structure(s), finish, design, proportions, shape, height, type or appropriateness of the proposed improvement or alteration, the materials used therein, the kind, shape or type of roof proposed to be placed thereon, or because of its reasonable dissatisfaction with any matters or things which, in the reasonable judgment of the Committee, would render the proposed improvement inharmonious or out of keeping with the objectives of the Developer or the improvements erected in the immediate vicinity of the Lot. The Committee may exercise reasonable discretion to grant a variance to the restrictions and conditions contained herein, when in the reasonable judgment of the Committee, the granting of a variance would not render the proposed improvement inharmonious or out of keeping with the objectives of the Developer or the improvements erected in the immediate vicinity of the Lot.

(c) Any building, structure or improvement, including subsequent alterations or modifications, shall be erected or constructed in substantial conformity with the site plans and specifications approved by the Committee.

(d) If, at any time, a Lot Owner shall have submitted to the Committee site plans and specifications in accordance with this section for a structure or alteration, and the Committee has neither approved such plans and specifications within fourteen (14) days from the date of submission nor notified the Lot Owner of its objection within such 14-day period, then such site plans and specifications shall be deemed to have been approved by the Committee, provided that the plans conform to, or are in harmony with, these restrictions, the applicable zoning ordinance or other governmental regulations, if any, and the existing structures in the Development, and further provided that no suit to enjoin the construction has been commenced prior to the completion of any improvements to the Lot.

(e) In the event that a Lot Owner shall file revised site plans and specifications for a structure or alteration with the Committee after receiving objections from the Committee with respect to original site plans and specifications, and the Committee has neither approved them nor notified the Lot Owner of further objections within fourteen (14) days from the date of submission, then such revised site plans and specifications shall be deemed to have been approved by the Committee. The date of submission is herein defined as the date upon which any member of the Committee has received said site plans and specifications.

ARTICLE 9
LAKE ACCESS-RELATED FACILITIES

- 9.1 All water related facilities, if any, are strictly for the use and enjoyment of Lot Owners and their guests. The high water mark of Blewett Falls Lake is not adjacent to the Development, therefore there is no private access directly to Blewett Falls Lake.
- 9.2 At such time as the Developer may obtain authorization from the appropriate entity to develop any lake access-related facilities for the benefit of the Development, the Developer reserves the right to establish such facilities, utilizing roadways, easements, Common Lands and Development infrastructure improvements, and to allocate, sell and regulate such lake access-related facilities in such manner as it, in its sole judgment, deems appropriate.

ARTICLE 10
LANDSCAPING AND GRADE

- 10.1 It is the intent of the Developer that the Development retains a more, rather than less, “wooded” aesthetic. In furtherance of that end, not more than 50% of the now existing trees which are twelve (12) inches or more in diameter, measured at a height of four (4) feet, shall be removed from any Lot, except for dead, hazardous and diseased trees. As a general guideline, Lot Owners are strongly encouraged to embrace the landscaping concept of naturally occurring vegetative screening buffers within fifteen (15) feet of any side Lot line in which not more than 50% of the now-existing trees are removed.
- 10.2 Natural groundcover, wood chips or other natural plantings indigenous to the wooded areas are encouraged.
- 10.3 Existing trees and natural cover (wildflowers, groundcover, shrubs, etc.) shall be preserved wherever possible and practical.
- 10.4 The grade of the Lots shall be maintained in harmony with the topography of the Development and with respect to adjoining Lots.
- 10.5 In the interest of preserving the existing condition of natural slopes, Lot Owners shall maintain groundcover to prevent water and wind erosion on their Lot.
- 10.6 The location of all improvements shall be designed and located so as to be compatible with the natural surroundings and with other Lots.
- 10.7 All land cuts caused by driveway installation and home construction must be stabilized upon commencement of construction with appropriate erosion control materials and in accordance with applicable permits.

- 10.8 All stumps, trees and brush cut or cleared during construction on any Lot must be removed from the Development, except timber cut and saved for firewood. Prior to burning, a permit shall be obtained from the appropriate authority.
- 10.9 All foundation landscaping must be completed according to the site plan approved by the Committee within six (6) months upon completion of the dwelling and all disturbed areas shall be stabilized or seeded and/or sodded within three (3) months upon completion of the dwelling and properly maintained thereafter in order to prevent erosion and any unsightly condition.
- 10.10 Silt fencing shall be installed in appropriate areas prior to site excavation, driveway construction, landscaping activity and where exposed soil may be subject to runoff and erosion. Said silt fences shall be maintained until the landscaping necessary to prevent erosion of soil is completed.
- 10.11 Lot Owners owning Lots adjacent to the lands owned by Progress Energy shall not permit any collected runoff from their Lots to discharge directly onto Progress Energy lands. All finish grading of said Lots shall as much as reasonably possible slope the grade away from Progress Energy lands.
- 10.12 No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any Lot without the prior written approval of the Committee.
- 10.13 No outdoor property night light of any kind shall be permitted to cast its direct rays beyond any of the boundary Lot lines of the Lot on which it is installed or maintained.

ARTICLE 11
EASEMENTS, RESERVATIONS AND DEDICATIONS

- 11.1 No Lot Owner shall be permitted to grant any right-of-way or easement across their Lot, except to another Lot Owner or to benefit a Lot governed hereby. A Lot Owner may not use all or any portion of his Lot to establish a road access to property not included in the Development.
- 11.2 Any type of permanent construction or improvement within designated easement areas, other than those provided for herein (and including the construction of driveways and placement of mailboxes), is prohibited.
- 11.3 Easements for installation and maintenance of the electric utility, phone, CATV, gas, sewer and water are hereby reserved ten (10) feet in width outside of and adjacent to all road right-of-ways within the Development, five(5) feet wide on each side and adjacent to all side Lot lines and rear Lot lines within the Development, and ten (10) feet along and adjacent to any boundary line of the Development. Within these easements, no structure, planting or other material shall be placed or permitted to remain, which may interfere with the installation and maintenance of said utilities. Exception shall be made

for the proper construction of driveways required for normal access to each Lot and as approved by all regulating bodies.

- 11.4 The Developer hereby reserves all minerals in the Development and, except as otherwise provided herein, mineral exploration of any kind is expressly prohibited upon the surface of the Development. Exploration and removal of minerals is permitted by the Developer or its assigns or successors in title, but only if no surface activity or reduction of vertical support of the surface will occur.
- 11.5 In efforts to develop future phases of Chalk's Landing, the Developer hereby reserves the right to make minor and reasonable changes to those boundaries between Common Lands, if any, and future phases of the Development.
- 11.6 The Developer hereby reserves the right unto itself and its assigns the right to extend and construct roadways and utilities, and any and all appurtenant structures normally associated therewith, across, under and through Common Lands, if any, in order to access and develop lands abutting the Development, and to do anything necessary and proper in the furtherance of its development aims in respect of such lands. Any such future expansion of the Development will be in keeping with the general nature of the Plat of Chalk's Landing, Phase One and any lots created through such development shall become Lots in the Development and be governed by this Declaration.
- 11.7 The easements identified on the Plat of Chalk's Landing as "D" and "E" are for the express use of Richmond County (and the Owner of Lot 3). Richmond County has the right to use the easement as recorded in the Richmond County Registry of Deeds in Book 652, pages 448-449 and Book 1154, pages 0297-0301. Lot 3 of the Development is subject to easements in favor of Richmond County, as shown on the Plat of Chalk's Landing. That portion of Lot 3 subject to said easements shall not be paved and must remain gravel. No improvements (other than utilities) may be constructed and no shrubs, tress or plants of any kind may be planted within said easement areas. Access to, through and across the easements shall not be hindered or prevented in any manner.
- 11.8 An easement is hereby created for the benefit of the Developer, The Association and Lot Owners within all private roadways in the Development for the purposes of ingress, egress and, as reasonable and appropriate, the placement of an entryway gate and its appurtenant infrastructure and landscaping elements.

ARTICLE 12

RULES AND REGULATIONS

- 12.1 The Association may promulgate rules and regulations specifically authorized hereunder and such other rules and regulations as may be reasonably necessary or helpful to achieve the quality of living in the Development desired by the Association. All Lot Owners and their guests and invitees shall abide by such rules and regulations, and the Association may establish and levy fines for any failure to comply with the same.

ARTICLE 13
ASSIGNMENT OF RIGHTS

- 13.1 Except as specifically provided for elsewhere in this Declaration, all rights hereunder granted to Lot Owners shall not be further assignable except as an appurtenance to and in conjunction with the sale of their Lot.

ARTICLE 14
VIOLATION OF PROVISIONS

- 14.1 In the event that any Lot Owner violates the terms of this Declaration, the Developer or the Association, not earlier than thirty (30) days after it has delivered written notice to a Lot Owner of a violation of one or more of the provisions hereof, may enter upon the violating Lot Owner's Lot and correct the violation and alter, repair or change any building, structure or thing which may be upon the Lot in violation thereof, so as to make such improvement or thing conform to such provisions.
- 14.2 The Developer or the Association may charge the Lot Owner in violation for the entire cost of the work done pursuant to the provisions of this Section, which shall become a lien against the Lot Owner's Lot.

ARTICLE 15
ENFORCEMENT

- 15.1 In addition to any rights set forth in Article 14.1 for a violation or breach of any of the provisions hereof, the Developer, the Association, any Lot Owner(s) or any municipal governing authority shall have the right to proceed at law or in equity to prevent the violation or breach of the provisions of this Declaration and/or to recover damages for such violation and to foreclose any lien granted hereunder.
- 15.2 In any action or suit to enforce the provisions hereof, the prevailing party shall be entitled to recover its reasonable attorney fees and other legal costs.

ARTICLE 16
DURATION AND EFFECT

- 16.1 The provisions hereof shall run with the Development and shall be binding upon all Lot Owners and all persons claiming under them for a period of forty (40) years from the date this Declaration is recorded, after which time said Declaration shall be automatically extended for successive periods of ten (10) years each, unless an instrument, signed by the requisite number of Lot Owners set forth in Article 17 hereof, has been recorded agreeing to cancel, amend or change, in whole or in part, this Declaration.

ARTICLE 17
AMENDMENT

- 17.1 The Developer, so long as it owns any Lot in the Development, hereby reserves the right to amend these covenants and restrictions without the consent of the Lot Owners for any purpose, if the amendment does not materially alter or change the rights of a Lot Owner.
- 17.2 These restrictions may be rescinded or amended, in whole or in part, by an appropriate recorded written instrument executed and acknowledged by not less than three-fourths (3/4ths) of the Lot Owners; provided, however, that any such rescission or amendment must be acknowledged by all of the Lot Owners if:
- (a) it changes the single-family nature of the Development; or
 - (b) it expands the rights of a Lot Owner to subdivide a Lot or to place more than one house on a Lot.
- 17.3 Any amendments shall become effective ten (10) days after a notice of adoption of the amendment, together with a copy of the recorded amendment, are mailed to all Lot Owners. Notwithstanding the foregoing provisions of this Section, certain rights reserved herein by the Developer shall not be terminated by any amendment without the consent of the Developer.

ARTICLE 18
SEVERABILITY

- 18.1 The invalidation of any one or more of the reservations and restrictions provided herein, by judgment or court order, or the amendment of any one or more of the restrictions as hereinabove provided, shall in no way affect any of the other provisions herein, which shall remain in full force and effect.
- 18.2 In the event that there exist now or in the future regulations, federal, State, local or otherwise, that are more restrictive than those contained herein, the more restrictive regulation shall apply.
- 18.3 In the event this Declaration conflicts with the provisions of the Articles of Incorporation or Bylaws of the Association, the provisions of this Declaration shall control.

IN WITNESS WHEREOF, the Developer has caused this instrument to be executed this 16th day of November, 2006.

McKEOUGH LAND COMPANY, INC.

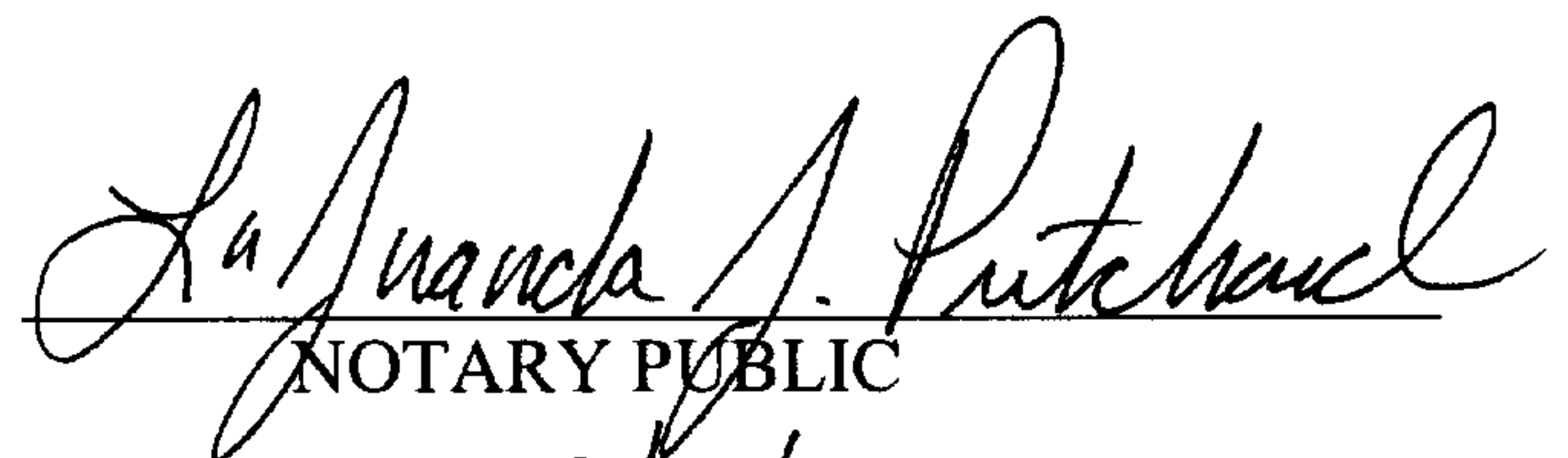
By: 
Andrew C. Baker
Acquisition/Development Specialist

STATE OF NORTH CAROLINA)
 }
COUNTY OF Buncombe)

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared Andrew C. Baker, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged himself upon oath to be the Acquisition/Development Specialist of McKEOUGH LAND COMPANY, INC., an Illinois corporation, and that he as such Acquisition/Development Specialist, being authorized so to do, executed the foregoing instrument for the purposes therein contained and expressed, by signing the name of the said corporation as such Acquisition/Development Specialist.

WITNESS my hand and official seal at office in said County this 16th day of November, 2006.




NOTARY PUBLIC

My commission expires: 9/9/09

PREPARED BY AND RETURN TO:

McKeough Land Company, Inc.
140 Airport Road
Suite Q
Arden, North Carolina 28704