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NORTH CAROLINA
GUILFORD COUNTY

AMENDED AND RESTATED
DECLARATION OF
COVENANTS, CONDITIONS AND
RESTRICTIONS
FOR
CAPE MAY

THIS AMENDED AND RESTATED DECLARATION is made on the date hereinafter set forth by ninety percent (90%) of the Lot Owners in Cape May Development.

WITNESSETH:

WHEREAS, Cornwallis Development Co., hereinafter referred to as "Declarant," caused to be filed in the Office of the Register of Deeds of Guilford County, North Carolina, in Book 4149, Page 445, a Declaration of Covenants, Conditions and Restrictions for Cape May, Phase One, and in Book 4220, Page 1002, a Declaration of Covenants, Conditions and Restrictions for Cape May, Phase Two, (collectively, the "Original Declarations"); and

WHEREAS, the Original Declarations were recorded in 1993 and 1994, respectively; and

WHEREAS, the Original Declarations provided that they could be amended during the first twenty years thereof by a vote of at least ninety percent (90%) of the Lot Owners in Cape May (the "Requisite Majority"); and

WHEREAS, the Requisite Majority of the Lot Owners in Cape May have approved this Amended and Restated Declaration and any and all of the amendments to the Original Declarations contained herein; and

WHEREAS, Declarant was the owner of certain property in the County of Guilford, State of North Carolina, which is more particularly described as:

TRACT ONE: All of that certain parcel of land shown on the plats entitled “Cape May, Phase One, Maps 1, 2 and 3” which appear of record in the Office of the Register of Deeds of Guilford County, North Carolina, in Plat Book 110, Pages 68, 69 and 70; and

TRACT TWO: All of that certain parcel of land shown on the plats entitled “Cape May, Phase Two, Maps 1 and 2” which appear of record in the Office of the Register of Deeds of Guilford County, North Carolina, in Plat Book 112, Pages 83 and 84;

Tracts One and Two are hereinafter collectively referred to as the “Property” and the plats recorded in Plat Book 110, Pages 68, 69 and 70 and in Plat Book 112, Pages 83 and 84, are hereinafter collectively referred to as the “Plats”; and

WHEREAS, Tract One above is subject to a master Declaration of Covenants, Conditions and Restrictions for Lake Jeanette Development, recorded in Book 4149, Page 425, Office of the Register of Deeds of Guilford County, North Carolina, as it may be amended from time to time; and

WHEREAS, Tract Two above is subject to a master Declaration of Covenants, Conditions and Restrictions for Lake Jeanette Development, recorded in Book 4220, Page 983, Office of the Register of Deeds of Guilford County, North Carolina, as it may be amended from time to time; and

WHEREAS, the individual master Declarations of Covenants, Conditions and Restrictions for Lake Jeanette Development covering the Property hereinabove referred to are hereinafter collectively referred to as the “Master Declarations”; and

WHEREAS, Declarant imposed upon the Property additional conditions, easements, covenants and agreements under a general plan or scheme of improvement for the benefit of the Property and the future owners thereof;

NOW, THEREFORE, the Requisite Majority hereby declares and confirms that the Property 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 properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

SECTION 1. “Section Association” shall mean and refer to Cape May Association, Inc., its successors and assigns.

SECTION 2. "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, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 3. "Property" shall mean and refer to that certain real property hereinabove described.

SECTION 4. "Section Common Area" shall mean all real property and interests in real property (including easements and open spaces) owned by the Section Association for the common use and enjoyment of the Owners. The Section Common Area at the time of the recording of this Declaration is described as follows:

TRACT ONE: All of that land designated "Section Common Area" as shown on the plats entitled "Cape May, Phase One, Maps 1, 2 and 3" which appear of record in the Office of the Register of Deeds of Guilford County, North Carolina, in Plat Book 110, Pages 68, 69 and 70 (as revised in Plat Book 111, Page 75); and

TRACT TWO: All of that land designated "Section Common Area" as shown on the plats entitled "Cape May, Phase Two, Maps 1 and 2" which appear of record in the Office of the Register of Deeds of Guilford County, North Carolina, in Plat Book 112, Pages 83 and 84;

SECTION 5. "Master Association" shall mean and refer to Lake Jeanette Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

SECTION 6. "Section Member" and "Member" shall mean and refer to every person or entity who holds membership with voting rights in the Section Association.

SECTION 7. "Declarant" shall mean and refer to Cornwallis Development Co., its successors and assigns.

SECTION 8. "Lot" shall mean and refer to any numbered parcel or plot of land shown upon any recorded subdivision map of the Property, with the exception of Section or Master Association Common Area.

SECTION 9. "Lake Tract" shall mean and refer to that parcel of land upon which Lake Jeanette (Richland Dam Lake) is located and which is more particularly described on Exhibit "B" to the Master Declarations.

ARTICLE II

PROPERTY RIGHTS

SECTION 1. OWNERS' EASEMENTS OF ENJOYMENT. Every Owner shall have a right and easement of enjoyment in and to the Section Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

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

(b) the right of the Section Association to suspend the voting rights and the right to the use of the recreational facilities and the Section Common Area by an Owner for any period during which any assessment, fine or other charge against such Owner's Lot remains unpaid;

(c) the right of the Section Association to grant easements and rights-of-way, to dedicate or transfer all or any part of the Section Common Area to any public agency, authority or utility (including any entity authorized by the City of Greensboro to supply cable television service) for such purposes and subject to such conditions as may be agreed to by the Executive Board of the Section Association. No such dedication or transfer shall be effective unless an instrument signed by a majority of the Executive Board of the Section Association, agreeing to such dedication or transfer, has been recorded;

(d) the right of the Section Association to impose regulations for the use and enjoyment of the Section Common Area and improvements thereon, which regulations may impose fines for the violation thereof and may further restrict the use of the Section Common Area, and specifically including the right to establish parking regulations; and

(e) the rights of Owners of Lots 186 and 187 to ingress, egress and regress to the Lake Tract over portions of the Section Common Area located to the northwest of Lots 186 and 187 and shown on the Plat of Map 2 of Phase One of Cape May.

SECTION 2. DELEGATION OF USE. Any Owner may delegate his right of enjoyment to the Section Common Area and recreational facilities to the members of such Member's family (as that term is hereinafter defined) and guests, and to other persons permitted under the terms of Article VIII, Section 1, hereof, subject to such rules and regulations as may be established from time to time by the Section Association.

ARTICLE III

SECTION MEMBERSHIP AND VOTING RIGHTS

SECTION 1. MEMBERSHIP. Every Owner of a Lot which is subject to a lien for assessments shall be a Member of the Section Association. Section Membership shall be

appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

SECTION 2. VOTING RIGHTS. The Section Association shall have one (1) class of voting Section Membership and each Member shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Section Members. The vote or votes for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

ARTICLE IV

COVENANT FOR MAINTENANCE AND ASSESSMENTS

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. The Declarant, for each Lot owned within the Property, covenanted, and each Owner for 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 Section Association: annual assessments or charges; and special assessments for capital improvements, such assessments to be established and collected as hereinafter provided; and to the appropriate governmental taxing authority: (1) a pro rata share of ad valorem taxes levied against the Section Common Area; and (2) a pro rata share of assessments for public improvements to or for the benefit of Section Common Area if the Section Association shall default in the payment of either or both for a period of six (6) months, all as hereinafter provided. The annual and special assessments, and any fine, late fee or other charge, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, fine, late fee and charge, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment or charge fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

SECTION 2. PURPOSE OF ASSESSMENTS.

(a) The assessments levied by the Section Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Property and in particular for the acquisition, improvement and maintenance of property, services and facilities devoted to this purpose, related to the maintenance, use and enjoyment of the Section Common Area, or to those improvements outside of the Section Common Area but which benefit the Property, including but not limited to: (i) landscaped areas within the streets and cul-de-sacs in the Property; and (ii) the storm water drainage system that carries storm water runoff from Lots, the Section Common Area and the Master Common Area and located in drainage easements shown on the Plats and consisting of grates, berms, swales and ditches. (The City of Greensboro maintains the storm water drainage system which collects street storm water runoff, which system includes any grates located in the public street rights-of-way). The improvements listed in (i) and (ii) above may be hereinafter collectively referred to as "Other Maintained Improvements." Expenditures may include, but are not limited to, the cost of repairs,

replacements and additions, the cost of labor, equipment, materials, management and supervision, the extension and provision of utility services to the Section Common Area, the payment of taxes assessed against the Section Common Area, the procurement and maintenance of insurance, the payment of charges for garbage collection service for the Section Common Area, the employment of attorneys to represent the Section Association when necessary, and such other needs as may arise.

(b) All monies collected by the Section Association shall be treated as the separate property of the Section Association, and such monies may be applied by the Section Association to the payment of any expense of operating and managing the Property, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the Bylaws of the Section Association. As monies for any assessment are paid unto the Section Association by any Lot Owner, the same may be commingled with monies paid to the Section Association by the other Lot Owners. Although all funds and common surplus, including other assets of the Section Association, and any increments thereto or profits derived therefrom shall be held for the benefit of the Members of the Section Association, no Member of the Section Association shall have the right to assign, hypothecate, pledge or in any manner transfer his Membership interest therein, except as an appurtenance to his Lot. When a Lot Owner shall cease to be a Member of the Section Association by reason of his divestment of ownership of his Lot, by whatever means, the Section Association shall not be required to account to such Owner for any share of the funds or assets of the Section Association, or which may have been paid to the Section Association by such Owner, as all monies which any Owner has paid to the Section Association shall be and constitute an asset of the Section Association which may be used in the operation and management of the Property.

SECTION 3. MAXIMUM ANNUAL ASSESSMENT. For the calendar year 2012, the maximum annual assessment shall be:

Five Hundred Seventy Two and 00/100 Dollars (\$572.00) per year, which shall be deemed to be a rate of maximum annual assessment of Two Hundred Eighty Six and 00/100 Dollars (\$286.00) semianually.

(a) The maximum annual assessment for the calendar year 2013 and for each calendar year thereafter shall be established by the Executive Board. The maximum annual assessment for all Lots may be increased by the Executive Board without approval by the Section Membership by an amount not to exceed five percent (5%) of the maximum annual assessment of the previous year.

(b) The maximum annual assessment for 2013 and for each calendar year thereafter may be increased without limit by a vote of two-thirds (2/3) of the Section Members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Executive Board may fix the annual assessment at an amount not in excess of the maximum.

SECTION 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized above, the Section Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part the costs of any construction, reconstruction, repair or replacement of (i) capital improvements upon the Section Common Area, or (ii) Other Maintained Improvements, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the vote of the Section Members who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed at a uniform rate for all Lots. Such special assessments may be collected on a monthly, quarterly or annual basis.

SECTION 5. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 3 AND 4. Written notice (including notification by electronic mail for those Section Members who have furnished their e-mail addresses to the Secretary of the Association for such purposes) of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all Section Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Section Members or of proxies entitled to cast sixty percent (60%) of all the votes of the Section 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 sixty (60) days following the preceding meeting.

SECTION 6. RATE OF ANNUAL ASSESSMENT. Annual assessments must be fixed at a uniform rate for all Lots.

SECTION 7. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS; DUE DATES. The annual assessments provided for herein shall be collected on a quarterly or semi-annual basis, in advance, and shall commence as to all Lots at the time the first Lot shown on the recorded subdivision plats (that includes the particular Lot) is conveyed to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year after conveyance of such Lot.

At least thirty (30) days in advance of each annual assessment period, the Executive Board shall fix the amount of the annual assessment and shall send written notice thereof to every Owner subject thereto. The due dates shall be established by the Executive Board. The Section Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Section Association setting forth whether the assessments on a specified Lot have been paid.

SECTION 8. EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES OF THE SECTION ASSOCIATION. Assessments authorized by this Declaration shall be due and payable on the dates established by the Executive Board from time to time. Fees, including late fees, fines and penalties authorized by this Declaration shall be due and payable thirty (30) days after written notice thereof from the Section Association to the Owner. Any assessment, fee, fine or penalty not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum. The Section Association may bring an action at

law against the Owner personally obligated to pay any past due assessment fee fine or penalty or may foreclose the lien created herein against the property in the same manner prescribed by the laws of the State of North Carolina for the foreclosures of deeds of trust. Interest, costs and reasonable attorney's fees for representation of the Section Association in such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Section Common Area or abandonment of his Lot.

SECTION 9. SUBORDINATION OF THE LIEN TO MORTGAGES. The liens provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the lien or liens provided for in the preceding sections. However, the sale or transfer of any Lot which is subject to any such first mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments, fees, fines or penalties as to the payment thereof which become due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments, fees, fines or penalties thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or deed of trust.

SECTION 10. EXEMPT PROPERTY. All property dedicated to and accepted by, a local public authority and all property owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE V

MAINTENANCE OF SECTION COMMON AREA, OTHER MAINTAINED IMPROVEMENTS AND LOTS

SECTION 1. MAINTENANCE OF SECTION COMMON AREA AND OTHER MAINTAINED IMPROVEMENTS. The Section Association shall maintain the Section Common Area and the Other Maintained Improvements. The Section Association shall perform its maintenance obligations under this Declaration in a reasonable manner and on a reasonable basis as shall be determined by the Executive Board, in the exercise of its discretion. The storm water drainage system that does not carry street storm water, and the wet detention ponds which are a part of the Section Common Area, shall be maintained and repaired in accordance with all ordinances and requirements of the City of Greensboro. If the Section Association should be dissolved or cease to exist, and therefore cease to maintain the storm water drainage system and the wet detention ponds, then in such event, the Owners of Lots shall be jointly and severally liable for the cost of such maintenance.

SECTION 2. MAINTENANCE OF LOTS. Each Owner shall be responsible for the repair, maintenance and upkeep of the Lot and the dwelling on such Lot, including but not limited to any and all vegetation, driveways and walks, patios, wooden decks or any part thereof.

ARTICLE VI

ARCHITECTURAL CONTROL

SECTION 1. THE ARCHITECTURAL CONTROL COMMITTEE. An Architectural Control Committee consisting of five (5) or more persons shall be appointed by the Executive Board.

SECTION 2. PURPOSE. The Architectural Control Committee shall regulate the external design, appearance, use, location and maintenance of the Property and of improvements thereon in such a manner so as to preserve and enhance values and to maintain an harmonious relationship among structures and the natural vegetation and topography.

SECTION 3. CONDITIONS. No improvements, alterations, repairs, change of paint colors, tree plantings, excavations, changes in grade, or other work which in any way alters the exterior of any dwelling, Lot or improvements located thereon as of December 1, 2012, shall be made or done without the prior written approval of the Architectural Control Committee. No building, fence, wall, residence or other structure shall be commenced, erected, maintained or improved, altered, removed, made or done without the prior written approval of the Architectural Control Committee. Outside radio or television antennae or dishes shall be permitted, subject to the approval of the Architectural Control Committee.

SECTION 4. GUIDELINES. Subject to the approval of the Executive Board, the Architectural Control Committee may, from time to time, promulgate architectural guidelines ("Guidelines") for the Property.

SECTION 5. PROCEDURES.

(a) Any Lot Owner or other person desiring to make any improvement, alteration or change described in Section 3 above shall submit the plans and specifications therefor, showing the nature, kind, shape, height, materials and location of the same, to the Architectural Control Committee which shall evaluate such plans and specifications in light of the purpose of this Article as set forth in Section 2 above and the Guidelines as set forth in Section 4 above. In the event the Committee fails to approve, modify or disapprove in writing an application within sixty (60) days after 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. The applicant may appeal an adverse Architectural Control Committee decision to the Executive Board of the Section Association which may reverse or modify such decision by a two-thirds (2/3) vote of the Directors.

(b) No approval by the Architectural Control Committee of any request made under this Article shall in any way alter an Owner's maintenance obligations set forth in Article V, Section 2; provided, however, if the Architectural Control Committee determines that such approval would result in an increase in maintenance costs to the Association, as a condition to the granting of approval of any request made under this Article, it shall require that the Owner requesting such change be liable for any cost of maintaining or repairing the approved project. If

such condition is imposed, the Owner shall evidence his consent thereto by a written document in recordable form satisfactory to the Architectural Control Committee. Thereafter, the Owner, and any subsequent Owner of the Lot, by acceptance of a deed therefor, whether or not it shall be expressed in such deed, is deemed to covenant and agree that any cost of maintenance and repair of such improvement shall be a part of the annual assessment or charge set forth in Article IV, Section 1, and subject to the lien rights described in said Article IV.

ARTICLE VII

TRAFFIC REGULATIONS AND MAINTENANCE OF RIGHT-OF-WAY

SECTION 1. TRAFFIC REGULATIONS. All Section Members, their family members, guests, invitees and tenants shall abide by all state and local traffic regulations and other laws and ordinances regulating motor vehicles while on the Property.

SECTION 2. PROHIBITED PARKING. Parking is prohibited in the rights-of-way of public streets that are not bounded with curb and gutter, including the sides, shoulders and side ditches.

SECTION 3. ENFORCEMENT. Violations of Sections 1 and 2 above shall constitute a nuisance and, in addition to all other remedies available to it at law and in equity, the Section Association shall have the authority to assess reasonable fines against a Member for violations by him/her or by his/her family member, guest, invitee or tenant. Such fines shall be deemed to be assessments as set forth in Article IV of this Declaration and if not paid within thirty (30) days after notice and demand therefor, the Association shall be entitled to the remedies set forth in Article IV, Section 8.

ARTICLE VIII

USE RESTRICTIONS

SECTION 1. LAND USE AND BUILDING TYPE. No Lot shall be used except for single-family residential purposes and such use shall be limited to:

- (a) The Owner;
- (b) Members of the Owner's immediate family or members of the immediate family of the Owner's spouse. For purposes of this Declaration "immediate family" shall mean lineal ancestors of descendants of the Owner or the Owner's spouse;
- (c) A tenant of an Owner holding a leasehold estate of at least one (1) year under a written lease agreement, which lease agreement shall have the prior written approval of the Executive Board before the tenant takes possession;
- (d) Such other occupancies as may be approved from time to time by the Executive Board upon prior written application therefor by the Owner. Such application shall set forth the

type, nature and duration of the proposed occupancy arrangement, the name and relationship of the proposed occupant and such other pertinent information as the Board may require;

SECTION 2. NUISANCE. No noxious or offensive activity shall be conducted upon any Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. Owners of Lots with garages shall keep the interior of such garages in a neat and orderly condition and shall keep garage doors closed as much as practical.

SECTION 3. ANIMALS. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and further provided that they are kept and maintained in compliance with all laws and ordinances of the City of Greensboro and the County of Guilford relating thereto.

SECTION 4. BOATS, TRAILERS AND CERTAIN MOTOR VEHICLES. No boats, buses, trailers, commercial vehicles, campers or recreational vehicles shall be parked on a Lot unless such boat or recreational vehicles shall be parked in a garage with the garage door fully closed.

ARTICLE IX

EASEMENTS

SECTION 1. UTILITIES. Easement for installation and maintenance of utilities (including cable television service) and drainage facilities are reserved as shown on the recorded Plats. Within these easements no structures planting or other material shall be placed or permitted to remain, nor will the alteration or removal of any berms, swales or ditches be permitted which may interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. An easement is hereby established for the benefit of the City of Greensboro over all Section Common Areas as may be reasonably necessary for the setting, removal and reading of water meters, the maintenance and replacement of water, sewer and drainage facilities, for affording police protection, and for the fighting of fires and collection of garbage. An easement is also hereby established for the benefit of the Section Association over drainage easements shown on the Plats for the maintenance, repair and replacement of the storm water drainage system.

SECTION 2. UNINTENTIONAL ENCROACHMENTS. In the event that any improvements on a Lot shall encroach upon any Section Common Area for any reason not caused by the purposeful or negligent act of the Owner or agents of such Owner, then an easement appurtenant to such Lot shall exist for the continuance of such encroachment upon the Section Common Area for so long as such encroachment shall naturally exist; and, in the event that any portion of the Section Common Area shall encroach upon any Lot, then an easement shall exist for the continuance of such encroachment of the Section Common Area into any such Lot for so long as such encroachment shall naturally exist.

ARTICLE X

MASTER ASSOCIATION

SECTION 1. MEMBERSHIP. In addition to membership in the Section Association, every record Owner of a Lot in the Property shall also be a Member of the Master Association. Membership in the Master Association is appurtenant to, and may not be separated from, ownership of a Lot. Each Owner shall have the voting rights in the Master Association as set forth in Article III of the Master Declaration.

SECTION 2. MASTER ASSOCIATION ASSESSMENTS. In addition to the covenant for assessments to the Section Association, every Owner of a Lot within the Property, by acceptance of a deed therefor, whether or not so expressed in such deed, is deemed to covenant and agree to pay to the Master Association all assessments imposed upon its Section Members by the Master Association under Article IV of the Master Declaration. The lien rights created under Article IV of the Master Declaration shall apply to the Property.

SECTION 3. PROPERTY RIGHTS. In addition to property rights in the Section Common Area, every record Owner of a Lot within the Property shall have the property rights in all of the Lake Jeanette Development Common Area as set out in the Master Declarations.

ARTICLE XI

RIGHTS RESERVED UNTO INSTITUTIONAL LENDERS

SECTION 1. ENTITIES CONSTITUTING INSTITUTIONAL LENDERS.
“Institutional Lender” as the term is used herein shall mean and refer to banks, savings and loan associations, insurance companies or other firms or entities customarily affording loans secured by first liens on Lots and/or dwellings.

SECTION 2. OBLIGATION OF ASSOCIATION TO INSTITUTIONAL LENDERS.
So long as any Institutional Lender shall hold any first lien upon a Lot, or shall be the Owner of any Lot, such Institutional Lender shall have the following rights:

(a) To inspect the books and records of the Section Association during normal business hours and to be furnished with at least one (1) copy of the annual financial statement and report of the Section Association prepared by a certified public accountant designated by the Executive Board of the Section Association, such financial statement or report to be furnished by April 15 of each calendar year.

(b) To be given notice by the Section Association of the call of any meeting of the membership to be held for the purpose of considering any proposed amendment to this Declaration of Covenants, Conditions and Restrictions or the Articles of Incorporation or Bylaws of the Section Association or of any proposed abandonment or termination of the Section Association or the effectuation of any decision to terminate professional management of the Section Association and assume self management by the Section Association.

- (c) To receive notice of any condemnation of the Section Common Areas or any portion thereof.
- (d) To receive notice of any substantial damage to the Section Common Area.
- (e) To have the right to approve of any alienation, release, transfer, hypothecation or other encumbrance of the Section Common Areas, other than those specific rights vested in the Section Association under Article II hereof.

SECTION 3. REQUIREMENTS OF INSTITUTIONAL LENDERS. Whenever any Institutional Lender desires to avail itself of the provisions of this Article, it shall furnish written notice thereof to the Section Association by CERTIFIED MAIL to the address shown in the Articles of Incorporation identifying the Lot or Lots upon which any such Institutional Lender holds any first lien or identifying any Lot or Lots owned by such Institutional Lender and such notice shall designate the place to which notices, reports or information are to be given by the Section Association to such Institutional Lender.

ARTICLE XII

GENERAL PROVISIONS

SECTION 1. ENFORCEMENT. The Section 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 the Declarations.

As more fully set out in Article XIII of the Bylaws, the Executive Board shall have the authority to establish an adjudicatory panel to provide a hearing to determine if any Owner should be fined or if Association privileges or services (other than access to the Owner's Lot) should be suspended for violation of the Declarations, the Bylaws or any Association rule and regulation. Any fine established by the panel shall be an assessment against the Owner charged with the violation and a lien against the Owner's Lot, subject to all provisions of Article IV of the Declarations.

In any enforcement action, the prevailing party shall be entitled to seek recovery of its attorneys' fees as allowed by law.

Failure by the Section 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. The Section Association shall have the right to request that law enforcement, public safety and animal control officers come on the Section Common Area to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.

SECTION 2. SEVERABILITY. Invalidation of any one of the covenants or restrictions by judgment or court order shall in no wise affect any other provision which shall remain in full force and effect.

SECTION 3. AMENDMENT. The covenants and restrictions of this Declarations 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 a vote of not less than ninety percent (90%) of the Lot Owners, and thereafter by a vote of not less than seventy-five percent (75%) of the Lot Owners, provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements, as herein provided, or affect any lien for the payment thereof established herein. Any amendment must be signed by the proper officers of the Association or by the required percentage of Lot Owners and properly recorded.

IN WITNESS WHEREOF, the undersigned President and Secretary of the Section Association have executed this Amended and Restated Declaration and hereby certify that it was approved by a vote of not less than ninety percent (90%) of the Lot Owners.

CAPE MAY ASSOCIATION, INC.

By: Robert E. Neal
President

By: [Signature]
Secretary

STATE OF NORTH Carolina
COUNTY OF Guilford

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document:

Robert E. Neill and Helen P. Grant

WITNESS my hand and official seal, this 19th day of Dec, 2012.



Marie Apple
Notary's Official Signature

MARIE APPLE
Notary's Printed or Typed Name

My commission expires: 8/31/2016

STATE OF _____
COUNTY OF _____

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document:

WITNESS my hand and official seal, this _____ day of _____, _____.

Notary's Official Signature

(Official Seal)

Notary's Printed or Typed Name

My commission expires: _____