

prepared by
After recording, return to:
David R. Shearon, Atty.
4038 Barrett Dr.
Raleigh, NC 27609

DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
HUNTINGTON RIDGE

THIS DECLARATION, made on the date hereinafter set forth by The Drees Company d/b/a The Drees Homes Company 7701 Six Forks Road, Ste. 132, Raleigh, North Carolina 27615, a corporation authorized to do business in North Carolina, hereinafter referred to as "Declarant";

WITNESSETH:

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

All that property shown on Exhibit A attached hereto, the terms of which are incorporated herein by reference.

WHEREAS, it is the intent of the Declarant hereby to cause such land to be subjected to this Declaration of Covenants, Conditions and Restrictions.

NOW, THEREFORE, Declarant hereby declares that all of the property described hereinafter shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of enhancing and protecting the value and desirability of, and which shall run with, the 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. "Association" shall mean and refer to Huntington Ridge Homeowners Association of Durham, 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 Properties, as hereinafter defined, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property more particularly described on Exhibit A attached hereto and incorporated herein by this reference, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is described with greater particularity on Exhibit B attached hereto and incorporated herein by this reference.

Declarant reserves the right, in its sole discretion, to convey from time to time additional property to the Association, which property may include all or any portion of the property, including any additional land annexed by Declarant pursuant to Article VIII, Section 6 hereof and the Association shall accept any such conveyance of additional property and thereafter such additional property shall be held and maintained by

the Association as Common Area. Improvements, which may include, but shall not be limited to, roadways, retention or detention ponds or erosion control devices.

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

Section 6. "Declarant" shall mean and refer to The Drees Company d/b/a The Drees Homes Company, a Corporation authorized to do business in North Carolina, as well as its successors and assigns, if Declarant shall make an express conveyance of its rights as developer hereunder to such successor or assign. When Declarant Class B Membership terminates, Association may, but is not required to exercise all rights of Declarant, including, but not limited to the promulgation of Landscape Guidelines.

Section 7. "Lot" shall mean and refer to any separately numbered plot of land shown upon any now or subsequently recorded subdivision map of the Properties with the exception of the Common Area. Declarant hereby reserves the right to reconfigure, from time to time and without the consent of the Owners or the Members of the Association, the boundaries of any Lot or Lots owned by Declarant and to thereby create additional Lots, eliminate existing Lots or create additional Common Area. If Declarant elects to exercise its right to revise the boundaries of one or more Lots owned by Declarant, Declarant shall record a revised plat of the affected Lot or Lots. Upon the recording by Declarant of such a revised plat, each lot shown on the previously recorded plat or plats, the boundaries of which are revised by the revised plat, shall cease to be a "Lot" as defined in this Declaration and each newly configured lot shown on the revised plat shall be a "Lot" as defined in this Declaration.

Section 8. "Family Dwelling Unit" shall mean and refer to any improved property or any property formally classified as a Lot for which a Certificate of Occupancy has been issued by the appropriate governmental authorities, which property is located within the Properties and intended for use as a single-family dwelling.

Section 9. "Board of Directors" shall mean and refer to the Board of Directors of the Association which is the governing body of the Association.

Section 10. "Bylaws" shall mean and refer to the Bylaws of the Association as amended from time to time. The initial Bylaws are attached as Exhibit B.

Section 11. "Assessments" shall mean and refer to the share of the Common Expenses from time to time assessed against a Lot and its owner by the Association in the manner herein provided.

Section 12. "Common Expenses" shall mean and refer to all sums lawfully assessed against a Lot by the Association; expenses of administration, maintenance, repair or replacement of the Common Areas; expenses agreed upon as Common Expenses by the Association; expenses declared Common Expenses by the provisions of this Declaration or the Bylaws; and, insurance premiums.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the 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 Association to suspend the voting rights and right to use any of the Common Area by an Owner for any period during which any Assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(b) the right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area, and aid thereof, to deed in trust the Common Area;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of Members has been recorded; and

(d) the right of the Association to formulate, publish, impose and enforce rules and regulations for the use and enjoyment of the Common Area, which regulations may further restrict the use of the Common Area.

(e) the right of the Association to exchange portions of Common Area with the Declarant or with any Owner for substantially equal areas of the Properties for the purpose of eliminating unintentional conveyances of Common Areas or unintentional encroachments of Improvements onto portions of the Common Areas or for the purpose of enhancing the utility of the Common Areas to be retained by the Association or for the purpose of correcting any setback violations or encroachments of any Improvements located on any Lot.

Section 2. Delegation of Use. Subject to Section 1 above, any owner may delegate, in accordance with the Bylaws, his rights of use and enjoyment in and to the Common Area, to the members of his family, his lawful tenants, or contract purchasers who reside on such owner's Lot and, to his guests, invitees and licensees.

Section 3. General Easements and Associated Undertakings. All of the Properties, including Lots and Common Area, shall be subject to such easements for private roads or drives, public streets, water lines, sanitary sewers, storm drainage facilities, gas lines, cable communication transmission, telephone and electric power lines and other public utilities as shall be established by the Declarant or by his predecessor in title, prior to the subjecting of the Properties to this Declaration, provided, however, as to any easements which may be granted that run across or affect any of the Lots, such easements shall not be granted so as to run under or disturb in any way any of the dwelling structures which may be constructed upon such Lots; and the Association shall have the power and authority to grant and establish upon, over, under and across the Common Area conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Properties. Sight easements, if any, as may be shown upon any recorded subdivision map of the Properties are hereby reserved by the Declarant.

An easement is hereby established for the benefit of the County of Durham or agency thereof over all Common Area and Lots hereby or hereafter established for the setting, removal, and reading of water meters, the maintenance and replacement of water, sewer and drainage facilities, the fighting of fires, collection of garbage and police protection.

Section 4. Temporary Construction Access and Disturbance Easement. An easement over, through and to the Common Area is hereby reserved, conveyed and established in favor of Declarant and owners of any Lot to be used for purposes of ingress, egress, regress, conduct of construction activity, storage of construction materials, the necessary disturbance of land for construction on any Lot, and installation of driveways, sidewalks, underground drainage and utility conduits and hookups. This easement shall be used only as and when necessary to facilitate the construction of improvements at any time on a Lot of Declarant or Owner as well as the extension of driveways, sidewalks, underground drainage and utility conduit and hookups to any dwelling structure situated on a Lot. In using and taking the benefits of said easement, Declarant or its designate and Owners shall use their best efforts to minimize any soil or land disturbance activities, and shall restore the land to a condition which is graded smooth and in harmony with surrounding areas. Should Declarant, its designate or an owner fail to restore the disturbed land as required above, the Association may restore the land to the required condition and Declarant, its designate or Owner, as the

case may be, shall indemnify the Association for the reasonable expense incurred in performing such restoration. Where any Owner shall seek to take advantage of the easement herein conveyed, such Owner's rights of use shall be restricted to that Common Area which shall be reasonably servient and proximate to his Lot.

Section 5. Easement for Minor Encroachments. All Lots and the Common Area shall be subject to a perpetual easement for the encroachment of Initial Improvements constructed on Lots by the Declarant to the extent that such Initial Improvements actually encroach, including, without limitation, such items as overhanging eaves, roofs, gutters, downspouts, exterior storage rooms, bay windows, stoops, decks, patios, porches, steps and walls. If any encroachment shall occur subsequent to subjecting the Properties to the Declaration as a result of settling or shifting of any improvement or as a result of any permissible repair, construction, reconstruction, or alteration, there is hereby created and there shall be a valid easement for such encroachment and for the perpetual maintenance of the same. Every Lot shall be subject to any easement for entry and encroachment by the Declarant for a period not to exceed eighteen (18) 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 6. Emergencies and Entrance. Every Lot thereon 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 and that endangers any improvement or portion of the Common Area.

Section 7. Title to the Common Area. The Declarant hereby covenants for itself, its heirs and assigns that it will convey fee simple title to the Common Area to the Association, which Common Area shall include any private roads or drives which may have been previously created, free and clear of all encumbrances and liens, except those matters of record.

Section 8. Utility Charges for Water and Street Lights. As consideration for the conveyance of the Common Area and consideration for the rights, entitlements and benefits granted to and conferred upon the Association under and by virtue of this Declaration, the Association covenants and agrees to accept the responsibility for payment of any and all fees, charges and expenses arising by virtue of the use of water provided to and used in connection with any of the Common Area and by virtue of the use and operation of the street lights installed and erected within the Common Area from and after the date of acceptance. Such cost of fees, charges and expenses paid by the Association shall be charged ratably to the Owners as an Assessment according to the provisions of Article IV below.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

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

Section 2. The Association shall have two classes of voting membership.

Class A: Class A Members shall be all owners, with the exception of the Declarant, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B: The Class B Member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When 75% of the maximum number of Residential Units allowed for the Properties (as amended and supplemented from time to time) under the Subdivision Plan have certificates of occupancy thereon and have been conveyed to Residential Unit owners; or

(b) Seven (7) years from the date this Declaration is recorded in the Office of the Register of Deeds of Durham County, North Carolina.

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 Properties, hereby covenants, and each owner of any Lot by acceptance of deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual Assessments or charges, and (2) special Assessments for capital improvements, such Assessments to be established and collected as hereinafter provided. The annual and special Assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such Assessment is made. Each such Assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the Assessment became due. The personal obligation for 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 Association shall be used exclusively to promote the health, safety and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of properties and services devoted to this purpose and related to the use and enjoyment of the Common Area, including but not limited to, the costs of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against the Common Area; the maintenance of water and sewer mains in and upon the Common Area; the maintenance and operation of a swimming pool and other recreational facilities located on common property; the maintenance of open spaces and streets which have not been accepted for dedication by a public authority, roadway medians and islands (including medians and islands located in dedicated rights-of-way within the Properties), drives and parking areas within the Common Area; the procurement and maintenance of insurance in accordance with the By-Laws; the maintenance of dams and ponds or other bodies of water, if any, located within the Common Area; the maintenance of entranceways, landscaping and lighting of Common Area, road medians and islands and entranceways; the cost of operating, maintaining and repairing any street lights erected by the Association or the Declarant in the rights-of-way of streets (whether public or private) or in any other easement provided therefor within the Properties; the payment of charges for garbage collection and municipal water and sewer services furnished to the Common Area; the employment of attorneys and other agents to represent the Association when necessary; the provision of adequate reserves for the replacement of capital improvements including, without limiting the generality of the foregoing, paving, and any other major expense for which the Association is responsible; and such other needs as may arise.

(b) All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of

operating and managing the Properties, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the By-Laws of the Association. As monies for any assessment are paid to the Association by any Owner, the same may be commingled with monies paid to the Association by the other Owners. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom shall be held for the benefit of the members of the Association, no member of the 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 any Owner shall cease to be a member of the Association by reason of his divestment of ownership of his Lot, by whatever means, the Association shall not be required to account to such Owner for any share of the fund or assets of the Association, or which may have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Properties.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, other than a builder, the maximum annual Assessment shall be \$ 800.00.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual Assessment may be increased each year not more than twenty percent (20%) above the maximum Assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above twenty percent (20%) by a 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 this purpose.

(c) The Board Directors 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 Association may levy, in any Assessment year, a special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided, however, 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. Fines levied by the Board of Directors shall be treated as a Special Assessment otherwise due to the Association, as such, will be a lien against the Owner's lot if not paid. Such fines shall be paid not later than thirty (30) days after notice of the imposition or assessment of the fines.

Section 5. Working Capital Fund. At the time of closing of the sale of each Family Dwelling Unit from the builder to the third-party owner, two hundred dollars (\$200.00) assessment for each Lot (based on the monthly portion of the maximum annual assessment in effect at the time of the sale) shall be collected from the third-party Owner and transferred to the Association to be held as a working capital fund. The purpose of said Fund is to insure that the Board of Directors of the Association will have adequate cash available to meet unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the Fund shall not be considered advance payment of regular assessments.

Section 6. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 of this Article shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the 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 annual and special Assessments must be fixed at a uniform rate for all Lots and annual Assessments shall be due and payable and collected on a monthly basis or as deemed appropriate by the Board of Directors; provided, however, annual and special Assessments for all Lots owned by Declarant, its successors and assigns, which are not occupied as a residence shall be twenty-five percent (25%) of such Assessments for other Lots. Builder assessments for each lot shall begin on the first day of the month after construction is commenced on a house on a lot and shall be payable at the time of closing of the sale of a completed home and lot to an owner at twenty-five percent (25%) of such assessments for occupied lots. Special Assessments may be collected on a quarterly basis, or as deemed appropriate by the Board of Directors.

Section 8. Date of Commencement of Annual Assessments: Due Dates. The annual Assessments provided for herein shall commence and shall be due and payable as to all Lots on the first day of the month following the conveyance of the lot to a builder or the commencement of construction on a lot by Declarant and shall be payable prior to or at or at the time of the sale of a completed dwelling to an owner other than the builder as set forth in Section 7 above. Thereafter dues shall be paid as established by the Board of Directors but no more often than monthly. The first annual Assessment shall be adjusted according to the number of months remaining in the calendar year. In addition to the annual Assessment, there shall be paid at the time of the initial sale of each Lot a working capital fund as established in Section 5 Above as established in Section 5 above for the initial months of the Association's operation. Amounts paid into such fund shall not be considered as advance payment of any portion of the annual assessment. 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 date shall be as previously set forth herein, unless otherwise established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of Assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any Assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18.0%) per annum or highest rate allowed by law and shall be subject to a late charge of Twenty Five and No/100 Dollars (\$25.00). The Association may bring an action at law against the Owner personally obligated to pay the same for such delinquent Assessment, late charges and reasonable attorney's fees of any such action, or foreclose the lien against the property. For purposes of this Section, the amount of delinquent Assessment and late charge shall be considered evidenced by this paragraph and therefore, evidence of indebtedness shall exist hereby. No owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. All property dedicated to, and accepted by, a local public authority and all properties 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 assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 12. Fines Designated to be Special Assessments. The Board may impose fines against any Lot and such fines shall be treated as a Special Assessment otherwise due to the Association, and as such will be a lien against the Owner's Residential Unit or Lot. Fines shall be paid not later than thirty (30) days after notice of the imposition or assessment of the fines. These fines shall not be construed to be exclusive, and shall exist in addition to other rights and remedies to which the Association may be otherwise legally entitled; however, any fine paid by the offending Owner(s) shall be deducted from or offset against any damages that the Association may otherwise be entitled to recover by law from such Owner. Fines shall be as follows:

- (a) First non-compliance or violation: a fine not in excess of fifty Dollars (\$50.00).
- (b) Second non-compliance or violation: a fine not in excess of One Hundred Dollars (\$100.00).
- (c) Third and subsequent non-compliance, or violation or violations that are of a continuing nature: a fine not in excess of One Hundred Dollars (\$100.00) for each week of continued violation or non-compliance.

ARTICLE V INSURANCE

Section 1. Ownership of Policies. All insurance policies upon the Common Area which shall be purchased by the Association shall be for the benefit of all the Association and the Owners and their mortgages as their interest may appear.

Section 2. Coverage. Public liability insurance shall be secured by the Association with limits of liability of no less than One Million Dollars (\$1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be desirable and necessary. Such policies shall contain clauses providing for waiver of subrogation, if possible.

Section 3. Fidelity Insurance or Bond. All persons responsible for or authorized to expend funds or otherwise deal in the assets of the Association, shall first be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties in an amount equal to at least one-half the annual Assessment plus reserves accumulated.

Section 4. Premiums. Premiums for contracts of insurance purchased by the Association shall be paid by the Association and charged ratably to all owners as an Assessment according to the provisions of Article IV above.

Section 5. Proceeds. All contracts of insurance purchased by the Association shall be for the benefit of the Association and its mortgagees, if any, as their interest may appear, and the Owners, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. The sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein.

Section 6. Distribution of Insurance Proceeds. Proceeds of contracts of insurance received by the Association as insurance trustee shall be distributed to or for the benefit of the beneficiary or beneficiaries thereof in the following manner:

- (a) the proceeds shall be paid first to defray the cost of reconstruction and repair of casualty or liability so covered.

(b) any expense of the insurance trustee may be paid from proceeds after payment of reconstruction or repair expenses or liability. Any proceeds remaining thereafter shall be distributed to the beneficiary or beneficiaries of the trust.

ARTICLE VI

ARCHITECTURAL AND APPEARANCE CONTROL

Section 1. Purpose. The primary purpose of these covenants and restrictions and the foremost consideration in the origin of same has been the creation of a community which is aesthetically pleasing and functionally convenient. The establishment of certain objective standards relating to design, size and location of dwellings and other structures makes it impossible to take full advantage of the individual characteristics of each parcel of Properties and of technological advances and environmental values. In order to implement the purposes of these covenants, the Declarant shall establish and amend from time to time objective standards and guidelines, including, but not limited to, Architectural Standards and Construction Specifications, Uniform Sign Regulations, Uniform Mailbox Regulations, Landscape Guidelines, and Environmental Rules and Regulations as defined hereinafter, and which shall be binding on all Owners within Huntington Ridge.

Section 2. Controls.

(a) No building, fence, or other structure shall be erected, placed, or altered, nor shall a building permit application for such improvement be made on any Lot in Huntington Ridge until the proposed building location, specifications, exterior materials and color or finish, plot plan (showing the proposed location of such building or structure, drives, and parking areas, exterior shape, size and height) shall have been approved in writing by the Declarant, or by the Architectural Review Board of the Association if such review responsibility has been delegated to the Association by the Declarant. In addition, the Declarant may require prior written approval of a landscape plan, including the planting of trees not on the original landscape plan. The Declarant further reserves the right to promulgate and amend from time to time architectural standards and construction specifications (hereinafter referred to as the "Architectural Standards and Construction Specifications") for specific neighborhoods and areas or for all Properties within Huntington Ridge and such Architectural Standards and Construction Specifications shall establish, define, and expressly lift those standards and specifications which will be approved in said neighborhoods and areas or within the Properties, including, but not limited to, architectural style, exterior color or finish, roofing material, siding material, driveway material, landscape design, and construction technique. Refusal or approval of plans, location, exterior color or finish, or specifications may be based by the Declarant upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Declarant shall seem sufficient. No alteration in the exterior appearance of any building or structure, including exterior color or finish, shall be made without like prior written approval by the Declarant. One (1) copy of all plans and related data shall be furnished the Declarant for its records. In the event approval of such plans is neither granted nor denied within sixty (60) days following receipt by the Declarant of written demand for approval, the provisions of this paragraph shall be thereby waived.

(b) In order to assure that buildings and other structures will be located and staggered so that the maximum view, privacy, sunlight, and breeze will be available to each building or structure within the confines of the Lot, and to assure that structures will be located with regard to the topography of the Properties, taking into consideration the location of large trees and other aesthetic and environmental considerations, the Declarant reserves the right to control absolutely and solely to decide (subject to the provisions of the Zoning Ordinance of the county of Durham, North Carolina) the precise site and location of any building or structure on any Lot in Huntington Ridge for reasons which may in the sole and uncontrolled discretion and judgment of the Declarant seem sufficient. Such location shall be determined only after reasonable opportunity is afforded the Owner to recommend a specific site. The provisions of this paragraph shall in no way be construed as a guarantee that the view, privacy, sunlight, or breeze available

to a building or structure on a given lot shall not be affected by the location of a building or structure on any adjacent Lot.

(c) No residence shall be permitted within Huntington Ridge unless said dwelling has a minimum of two thousand five hundred (2,500) square feet of heated floor space and a garage for a minimum of two (2) vehicles.

(d) All buildings must be located a minimum of eight (8') feet from the front lot line; twenty-five (25') feet from the rear lot line; eight (8') feet from a side line; and twelve (12') feet from a side street.

(e) Each Owner shall provide space for the parking of automobiles off public street prior to the occupancy of any building or structure constructed on said Lot in accordance with reasonable standards established by the Declarant.

(f) Except as may be required by legal proceedings or as otherwise provided herein no sign shall be erected or maintained on any Lot that anyone including, but not limited to, an Owner, a tenant, a realtor, a contractor, or a subcontractor, until the proposed sign size, color, content, number of signs, and location of sign(s) shall have been approved in writing by the Declarant. Refusal or approval of size, color, content, number of signs, or location of sign(s) may be based by the Declarant upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Declarant seems sufficient. The Declarant further reserves the right to promulgate and amend from time to time uniform sign regulations (the "Uniform Sign Regulations") which shall establish standard design criteria for all signs, including, but not limited to, real estate sales signs, erected upon any Lot in Huntington Ridge.

The Declarant and its agent shall have the right, whenever there shall have been placed or constructed on any Lot in Huntington Ridge any sign which is in violation of these restrictions, to enter immediately upon such Properties where such violation exists and summarily remove the same at the expense of the Owner.

(g) It shall be the responsibility of each Owner, tenant, contractor, or subcontractor to prevent the development of any unclear, unsightly, unkempt, unhealthy, or unsafe conditions of buildings or grounds on any Lot which shall tend to substantially decrease the beauty or safety of Huntington Ridge, the neighborhood as a whole, or the specific area. The Declarant and its agents shall have the right to enter upon any Lot for the purpose of correcting such conditions, including, but not limited to, the removal of trash which has collected on the Lot, and the cost of such corrective action shall be paid by the Owner. Such entry shall not be made until thirty (30) days after the Owner of the Lot has been notified in writing of the need to take corrective action and unless such Owner fails to perform the corrective action within said thirty (30) day period; provided, however, that should such conditions pose a health or safety hazard, such entry shall not be made until the Owner has been notified in writing of the need to take immediate corrective action and unless such Owner fails to perform the corrective action immediately. The provisions of this paragraph shall not create any obligation on the part of the Declarant to take any such corrective action.

(h) No mailbox shall be erected or maintained on any Lot until the proposed mailbox design, color, and location have been approved in writing by the Declarant. Refusal or approval of design, color, or location may be based by the Declarant upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Declarant seems sufficient. No alteration in the exterior appearance of any mailbox shall be made without like prior written approval by the Declarant. The Declarant further reserves the right to establish uniform mailbox regulations (the "Uniform Mailbox Regulations") which shall define standard design criteria for all mailboxes erected upon any Lot in Huntington Ridge.

(i) Prior to the occupancy of a building or structure on any Lot, proper and suitable provisions shall be made for the disposal of sewage by connection with the sewer mains of the Durham public sewer system, or to a system approved by the Durham County.

(j) The Declarant reserves unto itself, its successors and assigns, and its agent, a perpetual, alienable, and releasable easement and right, on, over and under the Properties to erect, maintain, and use electric, Community Antenna Television, and telephone poles, wires, cables, conduits, drainage ways, sewers, water mains, and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, drainage, or other public conveniences or utilities on, in or over those portions of such Properties as may be reasonably required for utility line purposes; provided, however, that no such utility easement shall be applicable to any portion of such Lot as may (a) have been used prior to the installation of such utilities for construction of a building whose plans were approved pursuant to these covenants by the Declarant, or (b) such portion of the Lot as may be designated as the site for a building on a plot plan for erection of a building which has been filed with the Declarant and which has been approved in writing by said Declarant. These easements and rights expressly include the right to cut any trees, bushes, or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation to maintain reasonable standards of health, safety, and appearance. The Declarant further reserves the right to locate wells, pumping stations, siltation basins, and tanks within Huntington Ridge in any Common Area or on any Lot designated for such use on the applicable plat of said Properties, or to locate same upon any Lot with the permission of the Owners of such Lot. Such rights may be exercised by any licensee of the Declarant, but this reservation shall not create any obligation on the part of the Declarant to provide or maintain any such utility or service.

(k) The Declarant reserves the right to promulgate and amend from time to time landscape guidelines (referred to hereinafter as the "Landscape Guidelines") which shall establish approved standards, methods, and procedures for landscape management on specific Properties in Huntington Ridge and such authorized standards, methods, and procedures may be utilized by the Owners of such specified Properties without prior written approval by the Declarant; provided, however, no trees measuring six (6) inches or more in diameter at a point two (2) feet above ground level may be removed without the prior written approval of the Declarant. Approval for the removal of trees located within ten (10) feet of the approved site for such building will be granted unless such removal will substantially decrease the beauty of the Properties.

(l) Declarant reserves the right to promulgate and amend from time to time fence guidelines which shall establish approved standards for the location, construction materials, and permitted color for any fences to be located within the community. No construction shall begin until approved by the Declarant or its designated Review Board. No chain link fences will be permitted and no fence higher than six feet will be permitted.

Section 3. Review Board. The Architectural Review Board shall be composed of at least three (3) but not more than five (5) Members, all of whom shall be appointed by the Board of Directors. At least one (1) Member of the Association other than the Declarant shall be a Member of the Architectural Review Board at all times. The Architectural Review Board will be formed at such time as architectural approval authority is delegated to the Association by the Declarant. The Declarant shall delegate the approval authority to the Architectural Review Board no later than the time at which the Declarant conveys all of its interest in all of the Lots within the Properties.

