

DECLARATION OF RESTRICTIONS, CONDITIONS, EASEMENTS,
COVENANTS, AGREEMENTS, LIENS AND CHARGES

TALAMORE.

THIS DECLARATION, made this 6th day of May, 1993, by TALAMORE PARTNERS LIMITED PARTNERSHIP, a Pennsylvania Limited Partnership hereafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property located in Moore County, North Carolina, as set forth on that certain plat entitled: :

Plat of Talamore, Phase I

consisting of 1 sheets (hereinafter sometimes referred to as "map") which map or plat is recorded in Plat Cabinet 5, Slides 406, in the Office of the Register of Deeds of Moore County, North Carolina, said property being more particularly described **on** said map or plat; and

WHEREAS, Declarant owns additional property more specifically described in Exhibit A attached hereto and incorporated by reference, and it is the intention of Declarant to submit the remainder of said property not subject to this Declaration to said Restrictive Covenants at a future time pursuant to Article IV of this Declaration; and

WHEREAS, it is the desire and intention of Declarant to sell the above described real property and to impose **upon** it mutual, beneficial restrictions, conditions, easements, covenants, agreements, liens and charges under a general plan or scheme of improvement for the benefit of all the said lands and future owners of said lands.

NOW THEREFORE, Declarant hereby declares that all of the property described above and such additions thereto as may hereafter be made pursuant to Article IV hereof, is held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved subject to the following provisions, restrictions, conditions, easements, covenants, agreements, liens and charges, all of which are declared and agreed to be in furtherance of a plan for the development, improvement and sale of the said real property and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of said real property and all of which shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in the described lands or any part thereof.

ARTICLE I
DEFINITIONS.

A. "Association" shall mean and refer to Talamore Homeowners Association, Inc., a North Carolina nonprofit corporation, its successors and assigns.

B. "Board" shall mean and refer to a Board of natural individuals of the number stated in the By-laws Of the Talamore Homeowners Association, Inc. which 'constitutes the Board of Directors of Talamore Homeowners Association, Inc., and who shall manage the business, operation and affairs of the Association.

C. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of Owners of Lots on the Property. The Common Area shall include the areas shown on filed plats as "Common Area" and any streets and roads *which* are not dedicated and accepted by to governmental units for maintenance and repair.

D. "Declarant." shall mean and refer to Talamore Partners Limited Partnership, a Pennsylvania Limited Partnership, its heirs, successors and assigns. Declarant shall include any successor to whom Declarant transfers all of the rights, title and interest in the Property then owned by Declarant and to whom the Declarant shall expressly transfer and assign all of its rights, title and interest under this Declaration or any Amendment or modifications thereof.

E. "Declarant Control Period" shall mean that period of time until the earlier of (i) 120 days after conveyance of 75% of the Lots (**including Lots** created by reason of the Expansion Right) to Owners other than the Declarant; (ii) two (2) years after Declarant has ceased to offer Lots (including Lots created by reason of the Expansion Right) for sale in the ordinary course of business; or (iii) the date Declarant voluntarily terminates the Declarant Control Period pursuant to an instrument recorded in the office where this Declaration is recorded provided, however, the Declarant Control Period shall, in all events, terminate on that date which is ten (10) years from the date hereof; and provided further in the event that the Expansion Right is exercised to add additional Lots to the Property, the Declarant Control Period shall be adjusted and extended (or revived as the case may be) to reflect the addition of such additional Lots.

F. "Expansion Right" shall have the meaning ascribed to such term in Article IV hereafter.

G. "Lot" shall mean and refer to any numbered lot of land, with delineated boundary lines, appearing on any recorded subdivision map of the Properties with the exception of the Common Areas.

H. "Member's" shall mean and refer to every person or entity who holds a membership in the Association.

I. "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. Owner shall not include those **having an** interest merely as security for the performance of **an** obligation.

J. "Properties" or "Property" shall mean and refer to the "existing property" described in Article IV hereof. The Property shall not include *any* property shown as Golf Course, clubhouse, or property used for ancillary purposes and shall not include the Hotel/Inn site as described in Exhibit E.

ARTICLE II
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All of the provisions, restrictions, conditions, easements,
covenants, agreements, liens and charges set forth herein shall
affect each and all of the above described Lots delineated on

said map, shall run with the land and shall exist and be binding upon all parties and all persons claiming under them for a period of thirty (30) years from the date of recordation hereof, after which they shall be automatically extended for successive ten (10) year periods, unless sooner annulled, amended or modified pursuant to the provisions of Article XVIII hereof.

ARTICLE III
MUTUALITY OF BEHEFIT AND OBLIGATION

All of said restrictions, conditions, easements, covenants, provisions, agreements, liens and charges set forth herein are made for the mutual and reciprocal benefit of each and every Lot of the Property and are intended to create mutual, equitable servitudes upon each of said Lots in favor of each and all other Lots of the Property; to create reciprocal rights between the respective owners of all the Lots in the development; to create a privity of contract and estate between the grantees of said Lots, and their heirs, successors and assigns; and as to the Owner of each Lot in said development, his heirs, successors or assigns, shall operate as covenants running with the land for the benefit of each and all other Lots in said development and their respective owners.

ARTICLE IV
PROPMZTY SUBJECT TO THIS DECLARATICH AND WITHIN THE
JURISDICTION OF THE TAIMORE HOMWNERS ASSOCIATION

A. Existing Property: The existing property is located in McNeill Township, Moore County, North Carolina, and is more particularly described on that certain plat of Talamore Phase I, which is shown on* a plat filed in Plat Cabinet 5, Slide 106 to __. No property shown as "golf course" or any part of the golf course, clubhouse, or related golf course improvements shall be brought within the scheme of this Declaration or within the jurisdiction of the Association unless such property shall be conveyed to the Association. In the event that such property is conveyed to the Association, then it shall be considered Common Area for the purpose of this Declaration.

B. Additions to Existing Property: Additional land may be brought within the scheme of this Declaration and the jurisdiction of the Association in the following manner (hereinafter referred to as the "Expansion Right"):

1. Additional land owned by the Declarant or by Talamore Golf Partners Limited Partnership and being more specifically described in Exhibit A attached hereto and incorporated by reference or a part of the property conveyed to Talamore Golf Partners Limited Partnership by Deed filed in Book 773, Page 061 of the Moore County, North Carolina, Registry, may be annexed to the existing property by the Declarant, in future phases of development, provided that said annexations must occur within fifteen (15) years after the filing of this instrument. Upon annexation, said additional land shall be considered Existing Property. The additions authorized by this section shall not require the approval of the Association

2. The additions authorized under subsection (1) above shall be made by filing of record a plat of the next phase or portion of a phase of Talamore in the Of f ice of the Register of Deeds of Moore County, North Carolina, with respect to the additional properties which shall extend the scheme of this Declaration and the jurisdiction of the Association for such properties and thereby subject such additions to the benefits, agreements, restrictions, and obligations set forth herein, including, but not limited to, assessments as herein determined to pay for the Association expenses.

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C. Hotel/Inn Site: The Hotel/Inn Site described in Exhibit D attached hereto is specifically excluded from this Declaration. However, nothing herein shall preclude the inclusion of the Hotel/Inn Site described in Exhibit D as an addition to the existing property pursuant to this Article IV by the filing of a Supplement to this Declaration specifically stating that the Hotel/Inn Site will be brought within the scheme of this Declaration and within the jurisdiction of the Association. Upon said filing, if made, the property or any portion of it shall be considered existing property.

ARTICLE V
APPEARANCE OF LOTS

A. Each Lot, at all times, shall be kept in a clean, sightly and wholesome condition. No trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber or other building materials shall be permitted to remain exposed upon any Lot so they are visible from any neighboring Lot, golf course, or road, except as necessary during a period of construction.

B. All service yards, woodpiles and storage piles shall be walled in or kept screened by adequate solid fencing or walls in such manner as to conceal them from neighboring Lots, golf courses and roadways.

C. No Lot shall be used in whole or in part f or the storage of any property or thing that will cause such Lot to appear in an unclean, disorderly or untidy condition or that will be otherwise obnoxious. No obnoxious or offensive activity shall be carried on upon any Lot nor shall anything be done, placed or stored thereon which may be or become an annoyance or nuisance to the neighborhood or occasion any noise or odor which will, or might, disturb the peace, quiet, comfort or serenity of the occupants of nearby Lots.

D. The Owner of each Lot shall keep the Lot and the buildings and other improvements thereon in good order, and free of debris. The lawn shall be seeded and mowed, the shrubbery trimmed and painted exterior surfaces repainted, all in a manner and with such frequency as is consistent with good property management. In the event the Owner of a Lot shall fail to maintain the Lot and the buildings and other improvements thereon as provided herein, the Association, after notice to the owner and with the approval of the Board of Directors, shall have the right to enter upon the Lot to perform such work as is reasonably required to restore the Lot and the buildings and other improvements thereon to a condition of good order and repair. All costs incurred by the Association in connection with the restoration shall be reimbursed to the Association by the owner of the Lot, upon demand. All unreimbursed costs shall be a lien upon the Lot as more particularly set forth in Article X of this Declaration until reimbursements is made.

ARTICLE VI
CONSTRUCTION AND IMPROVEMENT

Each of the Lots of the development described above shall be improved, constructed upon, occupied, and used for the respective purposes and permitted uses as follows:

A. Single Family Residence: The improvements made on each Lot shall be one single family attached or detached residence and related structures.

B. Architectural Review committee: The following architectural control shall be in effect for the improvement of the property At Talamore:

1. No building, fence, wall, obstruction, outside or exterior wiring, balcony, screen, patio, patio cover, tent, awning, carport, carport cover, improvement, or structure of any kind shall be commenced, installed, erected, painted, repainted, or maintained upon the property, nor shall any alteration or improvement of any kind be made to the property until the same has been approved in writing by the Board of Directors, or by the Architectural Review Committee appointed by the Board of Directors.

2. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such improvements, alterations, and the like, shall be submitted to the Board of Directors or to the Architectural Review Committee for approval as to quality and design and harmony of external design with existing structures, and as to location to surrounding structures, topography, and finish grade elevation. No permission or approval shall be required to repaint in accordance with a color scheme previously approved by the Board of Directors or the Architectural Review Committee, or to rebuild in accordance with plans and specifications previously approved by the Board of Directors or by the Architectural Review Committee. Nothing contained herein shall be construed to limit the right of an Owner to, paint the interior of his or her unit any color desired.

3. No landscaping of patios or yards visible from the street, the common areas or the golf course not involving the use of natural plants, grass, trees, or shrubs, and which does involve the use of synthetic materials, or concrete, rock, or similar materials, shall be undertaken by any Owner until plans and specifications showing the nature, kind, shape, and location of the materials shall have been submitted to and approved in writing by the Board of Directors or by an Architectural Review Committee appointed by the Board of Directors.

4. The Architectural Review Committee shall consist of five (5) members. Declarant shall appoint all the original members of the Committee and all replacements until twenty-five percent (25%) of the Lots in the Master Plan for the development have been sold, at which time the members of the Association shall appoint one (1) member of the Architectural Review Committee. When fifty percent (50%) of the Lots shown on the Master Plan for the development have been sold, the members of the Association shall appoint two (2) members to the Committee. After the termination of the Declarant's Control Period, the Board of Directors of the Association shall appoint all the members of the Architectural Review Committee. Members of the Architectural Review Committee need not be members of the Association. A majority of the members of the Architectural Review Committee may designate a representative to act for the Committee. In the event of death or resignation of any member of the Committee, the successor shall be appointed by the person, entity, or group that appointed such member until Declarant no longer has the right to appoint any members to the Committee. Thereafter the Board of Directors shall appoint such successor. Neither the members of the Committee nor any designated representatives shall be entitled to any compensation for services performed on behalf of such Committee. The Architectural Review Committee shall meet to consider plans submitted to it within 14 days of submission of a plan and shall respond to the owner within 14 days after such meeting. In the event the Committee fails to approve or disapprove plans and specifications submitted to it by an owner pursuant to this Article, within forty-five (45) days after such plans and specifications have been submitted to it, the plans submitted will be deemed approved by the Committee.

5. The members of the Architectural Review Committee shall be appointed on an annual basis. The Board of the Association may hire consultants to assist the Architectural Review Committee in its duties.

6. Guidelines for the Architectural Review Committee are attached to this Declaration as Exhibit B and are incorporated herein by reference. The Architectural Review Committee shall apply such guidelines and standards to review of the plans as provided hereunder.

7. The Architectural Review Committee shall have no affirmative obligation to assure that all the elements of the design comply with the restrictions contained in this Declaration or that the improvements are constructed in accordance with the approved plans.

8. No member of the Architectural Review 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 a review and approval function and the sole responsibility for compliance with all the terms of this Declaration shall rest with the Owner. Each Owner agrees to save, defend and hold harmless the Architectural Review Committee and each of its members on account of any activities of the Architectural Review Committee relating to such owner's property or building to be constructed on his or her property.

9. In the event that the improvements made on any Lot do not comply with the provisions of this Article or the plans approved by the Architectural Review Committee, the Board of Directors of the Association shall have the right to injunctive relief against the owner until the improvements are approved by the Architectural Review Committee or until the deviation is corrected.

10. The above provisions requiring architectural review and approval shall not apply to Declarant if the Declarant builds the residence and sells the lot and residence together to an Owner.

Residence Size: Any home constructed on a building site shall have a minimum main floor area of the main structure, exclusive of one story open porches and garages, of fully enclosed heated floor space devoted to living purposes as shown on the filed plat. Said floor area shall be exclusive of roofed or unroofed porches, terraces, garages, carports and other out buildings and shall be computed from faces of exterior walls.

D. Building Setback: Building setbacks shall be determined by the building envelope as shown on the filed plat. All structures constructed on the Lot shall be constructed within the building envelope as shown on the filed plat. Setbacks will be measured to building foundation.

E. Buffers on Talamore Boundary Lines: on each exterior boundary line of the Talamore Property, there shall be a fifty (50) foot buffer which shall be retained in its natural condition. In the event that the fifty (50) foot natural vegetation buffer is disturbed during the construction period accidentally, the owner shall replace the vegetation removed with substantially similar vegetation to retain the natural appearance of the buffer. Declarant may grant an easement to other Lot Owners for the use and enjoyment of the buffer.

F. Construction: The work of constructing, altering, or remodeling any building on any Lot or Lots shall be pursued diligently from the commencement until the completion thereof.

G. Lot Clearing, Grading and Filling: All planned Lot clearing, grading and filling shall be approved in advance by the Architectural Review Committee. No lot may be filled to a point higher than the highest point- on the Lot in its natural state.

H. Setback from Southern Pines Reservoir: No buildings shall be placed closer than 150 feet to the shoreline of the Southern Pines Reservoir. Underground utilities lines shall not be closer than 100 feet to the shoreline.

I. Further Subdivision: No Lot shall be subdivided or its boundary lines changed except with the written consent of the Declarant. However, Declarant hereby expressly reserves the right to replat any of the Lots show on the filed plat prior to its sale in order to create a modified building Lot or Lots. The provisions of this Declaration shall apply to each newly created or modified Lot as if it had been a platted Lot at the time of the filing of this Declaration.

Changes to filed plats shall comply with the development standards for Talamore set by the Southern Pines Town Council and shall require administrative approval of the Southern Pines Zoning Administrator pursuant to the Southern Pines Unified Development ordinance.

J. Combination Into Single Curtilage: In the event that the Owner of two or more adjoining Lots decides to build a residential structure on the two or more Lots with the structure crossing the boundary line between the Lots, then the Lots shall be considered a single curtilage for the purpose of the building restrictions and setbacks and the building envelope line for the two adjoining Lots shall be extended to join the building envelopes on the adjoining Lots. The Lots will then become a single curtilage however subject to two (2) assessments (and 2 votes in the Association) as provided hereinafter within this Declaration. The home built on the single curtilage must be built across the common boundary line of the two Lots.

K. Landscaping: All Lots shall be landscaped in accordance with the Architectural Review Committee guidelines attached hereto as Exhibit B. Initial landscaping for each Lot must be approved by the Architectural Review Committee. Any plants approved for landscaping by the Architectural Review Committee must be cared for by the Lot Owner.

L. Variances: Variances from the setbacks on the filed plat may be granted by the Board of Directors of the Association upon recommendation of the Architectural Review Committee in the following situations: (1) when the setbacks shown on the plat render the Lot unbuildable due to topographical features; and (2) for minor encroachments due to an inadvertent error in construction. However, no variance shall be granted which causes encroachment on the Boundary Line Buffers (paragraph E) or Reservoir Buffer (paragraph H)

ARTICLE VII
USE OF TALAMORE PROPERTY

The use of the Property, Lots, and Common Areas shall be in accordance with the following provisions as long as this Declaration remains in effect:

A. Single Family Use: Each of the Lots shall be occupied only by the owner (or owners), his family, his servants and guests, or lessees and shall be used only as a residence and for no other purpose. No Lot may be divided or subdivided by any Owner, other than Declarant, into a smaller Lot nor any portion thereof separately sold or otherwise transferred. Lease or rental of a Lot to one or more tenants for single family residential purposes, subject to the other provisions of this Declaration, shall not be considered a violation of this covenant. No structures of a temporary character, trailer, recreational vehicle, tent, shack, carport, barn or other outbuilding shall be erected or used as a residence on any portion of the Property at any time.

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B Nuisances: No nuisances shall be allowed upon the Property, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents. All parts of the Property and the Common Areas shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate, nor any fire hazard allowed to exist. No damage to or waste of the Common Areas or any part thereof shall be committed by any owner or his family, visitors, guests, servants, lessees, agents, invitees and each Owner shall indemnify and hold the Association and the other Owners harmless against all losses resulting from any such damage or waste.

C. Lawful Use: No immoral, improper, offensive, or unlawful use shall be made of any part of the Property, and all applicable laws, zoning ordinances and regulations of all governmental bodies shall be observed. The expense of complying with any such laws, ordinances or regulations which compliance requires maintenance, modification or repair of the Common Areas shall be borne by the Association unless necessitated by the misuse, misconduct, or neglect of an owner, or his family, visitors, guests, servants, lessees, agents, or invitees, in which case such expense shall be assessed against such owner.

D. Rules and Regulations: Rules and regulations adopted by the Board shall be binding upon the owners, their families, visitors, guests, servants, lessees, agents, invitees, successors and assigns.

E. Pets and Other Animals: No livestock of any description may be kept or permitted on any Lot with the exception of dogs, cats and other animals which are bona fide household pets, and which do not make objectionable noise or constitute a nuisance or inconvenience to Owners of other Lots. No raising, breeding, training or dealing in dogs, cats or any other animals shall be permitted on or from any Lot.

F. Fences and Walls: No fences or walls shall be erected or maintained on the perimeter of a Lot or outside the building envelope. Retaining walls and fences for screening may be erected as allowed by the Architectural Review Committee. Fences shall be allowed around swimming pools as approved by the Architectural Review Committee or as required by Town ordinance.

G. Parking Areas: No Owner of a Lot shall park, store or keep any motor vehicle, boat, trailer, recreational vehicle or other vehicle upon the Property except in accordance with rules and regulations adopted by the Association. The parking spaces located within the Common Areas shall be for the sole and exclusive use of all of the owners. No person shall repair or restore any motor vehicle, boat, trailer, recreational vehicle or other vehicle upon any portion of the Common Area except for emergency repairs thereto and then only to the extent necessary to enable movement thereof to a proper facility.

H. Waste Material Containers: No rubbish, trash, garbage or other waste material shall be kept or permitted upon the Common Areas except in sanitary containers located in appropriate areas and otherwise in accordance with rules and regulations adopted by the Association from time to time.

I. Signs: Unless prior written approval is **obtained** from Declarant or the Architectural Review Committee, no sign shall be posted on the Common Areas or Lots. Signs showing property available for sale or rent are prohibited.

J. Refuse: No Lot shall be used or **maintained** as a dumping ground for rubbish, refuse or garbage. Garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the disposal or storage of

such matters shall be kept in a clean and sanitary condition, and all incinerators shall be approved by the Architectural Review Committee before installation or use.

K. Boat and Trailer Storage: No boat, boat trailer, travel trailer, camp trailer, recreational vehicle, house trailer, or other similar property shall be stored on any of the Lots or streets except in enclosed areas.

L. Rights to Water and Operation of Boats: No vehicle or boat shall be anchored in any waters within the Property. Regardless of whether any waters on the Property cover any Lot, Declarant reserves all rights to the use and enjoyment of said water covered areas.

M. Sales offices: Declarant shall have the right to maintain and use one or more improved Lots within the Property for sales offices.

N. Antennas and Satellite Dishes: No exterior antennas shall be used on the property unless approved by the Architectural Review Committee. Television antennas approved by the Architectural Review Committee may be used only until cable service becomes available. Satellite dish antennas are prohibited.

O. Clothes Lines: No clothes lines or drying of clothes outside the home shall be allowed on the Property.

ARTICLE VIII
TALAMORE HOMEOWNERS ASSOCIATION, INC.

Declarant has incorporated under North Carolina law a North Carolina nonprofit corporation, Talamore Homeowners Association, Inc., for the purpose of owning and *maintaining* the Common Areas and streets and roads not dedicated to a municipality, administering the Architectural Review Committee, collecting dues and assessments necessary to achieve its purposes, enforcing these covenants and restrictions, and any other purposes properly adopted by the Association Board. The Association shall be governed by this Declaration and the By-laws attached hereto as Exhibit C and made a part hereof.

ARTICLE IX
MEMBERSHIP AND VOTING RIGHTS

A. Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from the ownership of a Lot. An Owner of a Lot may not withdraw from the Association.

B. The Association shall have one (1) class of *voting* membership. The members shall be all of the Owners of the Lots. Each member shall be entitled to one (1) vote per Lot for each Lot owned by it, in a proceeding in which action shall be taken by members of the Association. The vote of any member comprised of two or more persons, or legal entities, or any other combination thereof shall be cast in a manner provided for in the Articles of Incorporation or By-laws of the Association, or as the several constituents may determine, but in no event shall all such constituents cast more than one (1) vote per Lot for each Lot owned by them. During the Declarant Control Period, the Declarant shall be entitled to appoint and remove the members of the Board of Directors of the Association; provided, **however; (a) not later** than sixty (60) days following conveyance twenty-five percent (25%) of the Lots to Owners other than

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the Declarant, one (1) member of the Board of Directors shall be elected by Owners other than Declarant, and (b) not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots to Owners other than Declarant, not less than thirty-three percent (33%) of the members of the Board of Directors shall be elected by owners other than Declarant. Following the expiration of the Declarant Control Period the Board of Directors shall be elected by Owners in the manner set forth in the Articles of incorporation and the By-laws of the Association.

ARTICLE X
COVENANT FOR ASSOCIATION ASSESSMENTS

A. 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 a deed therefore, 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. Any such assessment or 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 property against which each such assessment is made. Each such assessment or charge, together with interest, costs and reasonable attorneys fees shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to his successors in title unless expressly assumed by them.

B. Purpose of Assessments: The assessments or charges levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and more particularly for the maintenance, repair and reconstruction of the Common Area roads not dedicated to the municipality, access easements, parking areas as shown on the filed plats of Talamore, and any other property owned by the Association, and for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas, including, but not limited to, the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management and supervision thereof, the payment of taxes assessed against the Common Areas, administration of the Association and the Architectural Review Committee, the procurement and maintenance of insurance in accordance with the By-laws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise. The Association may at its option maintain the unpaved area of municipal rights of way and irrigate Lots within the development.

In the event that the need for maintenance, repair, or replacement is caused through the willful or negligent act of the owner, his family, guests, or invitees, the cost of such maintenance, replacement, or repairs incurred by the Association, shall be added to and become a part of the assessment to which such Lot is subject.

Various neighborhoods within Talamore may have a neighborhood association with additional duties and responsibilities related to the specific neighborhood. The Association may contract with the neighborhood association for collection of the neighborhood association's dues. The duties of such neighborhood associations shall be defined in Supplemental Restrictive Covenants filed by the Declarant.

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C. Amount of Annual Assessment: Until December 31st of the year in which the first Lot is conveyed to an Owner, the annual assessments shall be \$250.00 per Lot which shall be the maximum annual assessment for that year. Thereafter, the maximum permissible annual assessment increase each year without the necessity of a vote of the membership of the Association shall be the greater of five percent (5%) of the annual assessment for the previous year or the "Consumer Price Index for Urban Wage Earners and Clerical Workers as published by the Bureau of Labor Statistics, U. S. Department of Labor. The maximum permissible annual assessment may be increased above the five percent (5%)/CPI limitation specified in the preceding sentence only by a vote of 2/3 of the Members of the Association voting in person or by proxy at a meeting called for such purpose. The Board of Directors of the Association may fix the annual assessment against each Lot in any amount not in excess of the maximum permissible annual assessment applicable to that year without the necessity of a vote of the membership of the Association. The Lots of the Declarant shall not be subject to assessment until such time as the Lot is conveyed by the Declarant to an Owner.

D. Special Assessments for Capital Improvements: In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the streets, roads, access easements, or Common Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the consent of members entitled to no less than 3/4 of the votes represented in person or by proxy at a meeting called for this purpose.

E. Procedure to Setting Annual and Special Assessments: The Board of Directors of the Association shall annually adopt a proposed budget and annual assessment for each Lot for the following year. The annual assessment must be fixed in a uniform rate for all Lots and each owner shall be assessed his pro rata share of the proposed budget. Written notice of any meetings of members of the Association called for the purpose of taking any action on annual or special assessments in the sections above shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At such meeting, the presence or proxies of ten percent (10%) of the votes of members *which* are entitled to be cast at the meeting shall be necessary and sufficient to constitute a quorum. In the event that the necessary majority for consent to any budget is unavailable or fails to pass said budget, then the Board of Directors shall prepare a new budget and assessment as provided above within thirty (30) days and submit said budget as required.

F. Nonpayment of Assessments 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 twelve percent (12%) per annum and shall constitute a continuing lien in favor of the Association on the Lot when notice of said lien is filed of record in the office of the Clerk of Court of Moore County, North Carolina. In addition to such interest charge, the delinquent owner shall also pay such late charge as may have been theretofore established by the Board of Directors of the Association to defray the cost of late payment. The Association may bring an action at law against the person personally obligated to pay the assessment, or foreclose the lien against the property, and interest, late payment fees, fines, costs and reasonable attorneys fees of such action of foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the streets, roads, or Common Areas of the development or abandonment of his Lot.

The Association's lien may be foreclosed in the same manner as deeds of trust *on real estate under* power of sale under Article 2A of Chapter 45 of the General Statutes of North Carolina, as the same may be in effect at the time the foreclosure is commenced and each Owner hereby grants to the Association a power of sale under said statutes. Each Owner of a Lot agrees that the Association may appoint a trustee for such purpose, and upon request by the Association, *it* shall be lawful and the duty of the trustee so appointed to sell the tract subject to the lien at public auction for cash, after having first given such notice of bearing as to commencement of foreclosure proceedings and obtaining such findings or leave of court as may then be required by law and by giving such notice and advertising the time and place of such sale in the manner as then provided by law. Any sale or resale shall be according to the law for foreclosure proceedings under power of sale to convey title to the purchaser in as full and ample manner as the trustee is hereby empowered. The trustee shall be authorized to retain an attorney to represent the trustee in such proceedings and the cost of any such attorney shall be an expense of the trustee which shall be chargeable against the proceeds from the sale or resale of the Lot. A proceeding to enforce the lien for unpaid assessments or charges or repair or maintenance costs must be commenced within three (3), years after the delivery of notice of the assessments or charges or repair or maintenance costs to the Owner. Each assessment or charge together with the interest, costs, and reasonable attorneys fees incurred or expended by the Association in collection thereof, shall also be the personal obligation of the owner of the Lot. The personal obligation for any delinquent assessment or charge, together with interest, costs and reasonable attorneys fees, however, shall not pass to the owner's successors in title unless expressly assumed by them.

The proceeds of the sale after the trustee retains a commission, together with any reasonable attorney's fees incurred by the trustee in such proceeding, shall be applied to the costs of sale, including, but not limited to, cost of collection, taxes, assessments, cost of recording, service fees and incidental expenditures, the amount due on the assessment and any accrued interest thereof which the lien secures and any advancements and other sums expended by the Association according to the provisions hereof and otherwise as required by the then existing law relating to foreclosures under power of sale. The trustee's commission shall be five percent (5%) of the gross proceeds of sale or the minimum of Five Hundred Dollars (\$500.00), whichever is greater, for completed foreclosure. In the event foreclosure of the lien is commenced but not completed, the Lot Owner shall pay all expenses incurred by the trustee, including reasonable attorney's fees and a partial commission computed on five percent (5%) of the outstanding indebtedness or the above stated minimum sum, whichever is greater, in accordance with the following schedule: one fourth (1/4) thereof before the trustee issues a Notice of Bearing on the Right to Foreclosure; one half (1/2) thereof after issuance of said Notice; three quarters (3/4) thereof after such hearing; and the greater of the full commission or minimum after the initial sale.

Each Lot owner and any trustee appointed hereunder, covenant and agree that in case the appointed trustee or any successor trustee shall die, become incapable of acting, renounce his trust, or for any reason the Association desires to replace such trustee, then the Association may appoint, in writing, a trustee to take the place of the trustee; and upon the probate and registration of any initial or subsequent appointment of trustee, the trustee thus appointed shall be vested with or succeed to all rights, powers, and duties of the trustee herein described.

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In the event the trustee is named as a party to any civil action as trustee in foreclosing the Association's lien rights, the trustee shall be entitled to employ an attorney at law, including the trustee if a licensed attorney, to represent the trustee in said action and the reasonable attorney's fee of the trustee in such action shall be paid by the Association and added to the outstanding indebtedness which the Association's lien secures and bear interest at the rate provided by the Amendment for unpaid assessments.

Each owner of any Lot by acceptance of a deed therefor or by incorporation of Property under this Declaration, whether or not it shall be so expressed in such deed or by request to join the Association, is deemed to bargain, sell, grant, give and convey to any such appointed trustee for the benefit of the Association a real property interest in said Lot to secure the Association's lien TO HAVIE AND TO HOLD said interest with all privileges and appurtenances thereto belonging to said trustee, his heirs, successors and assigns forever, upon the trust, terms and conditions and for the use as herein set forth.

G. Subordination of the Lien to Mortgages: The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage granted to a bank, trust company, insurance company or other recognized lending institution, or deed of trust on a Lot or any mortgage or deed of trust to the Declarant. 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, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage or deed of trust as above provided.

ARTICLE XI
PROPERTY RIGHTS

A. Owners' Easements of Enjoyment: Every owner shall have a right and easement of enjoyment in and to the Common Area, including an easement and full and mutual right of use for *the* purpose of access, ingress and egress, over such portions of the Common Area designated for such purposes, all of which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

1. the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
2. the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty days for any infraction of its published rules and regulations; and
3. the right of the Association to grant utility, drainage and other easements across the Common Area.

B. Delegation of Use: Any Owner may delegate, in accordance with the By-laws of the Association (a copy of which is attached as Exhibit C), his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

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ARTICLE XII
SUPPLEMENTAL RESTRICTIVE COVENANTS

The restrictive covenants contained herein are intended to apply to all Lots at Talamore. In addition to these Restrictions, Conditions, Easements, Covenants, Agreements, Liens and Charges, phases of development within Talamore may be subjected to additional or Supplemental Covenants by filing at or near the time of platting of such phase and before Lots within the phase are sold, a Supplemental Declaration in the Moore County Registry of Deeds. Said Supplemental Declaration will affect the property as stated in the Supplemental Declaration and shall not affect other property within the Development.

ARTICLE XIII
TRAFFIC REGULATION ON UNDEDICATED STREETS

On streets and roads within the development which have not been dedicated to the Town of Southern Pines, the Association shall have the right, power, and option to establish and enforce rules and regulations governing the operation of vehicles and conveyances, motor powered or otherwise, on the streets and roads of the subdivision. Such rule and regulation making power and option shall include, but is in no way limited to, the establishment and enforcement of speed limits, stop signs, yield signs, no parking zones, traffic control signals, safety zones and other traffic control and safety devices, rules and regulations together with reasonable remedies, including fines for violations of such rules and regulations. The right, power and option given to the Association in this paragraph may be assigned to any appropriate governmental body or authority.

ARTICLE XIV
UTILITY AND DRAINAGE EASEMENTS

A. Until such time as the streets and roads of the development are dedicated to and accepted by the Town of Southern Pines, the Declarant shall have the following rights: to construct and maintain public utilities on the streets and roads of the subdivision, including the removal of such trees or bushes as Declarant deems necessary to accomplish same, either above or below ground and to make all necessary slopes for cuts or fills upon the Lots shown on the map in the original grading of said streets and roads; and Declarant reserves perpetual, alienable and releasable utility easements and easements for ingress and egress in connection with all utility easements under, over and across all areas shown as utility easements on the filed plat for the purpose of placing, laying, erecting, constructing, maintaining and operating, or of authorizing the placement, laying, erection, construction, maintenance and operation of utilities including, without limitation, sewage, water, electricity, gas, telephone, irrigation, telegraph, and drainage systems. No change in the natural drainage shall be made by any Lot Owner without prior written approval from the Architectural Review Committee.

B. The interest conveyed by Declarant in any Lot by contract, deed or other conveyance, shall not in any event be held or construed to include the title to the water, gas, sewer, storm sewer, electric light, power, irrigation, telephone and telegraph lines, poles or conduits, or any other utility or appurtenances thereto constructed by Declarant, or its agents, or by any utility company along or upon said Lots, or any part thereof to serve said property. The right to sell, convey or lease water and sewer lines and their appurtenances erected by or on, behalf of Declarant is hereby expressly reserved to Declarant.

C. The Declarant reserves a perpetual, alienable and releasable utility easement over and across a strip ten feet (10') on either side of the side lot lines and twenty feet (20') along each rear lot line as shown on the filed plat for the purpose of placing, laying, erecting, constructing, maintaining and operating utilities, drainage systems, and irrigation systems on the Lots.

ARTICLE XV
EASEMENT FOR USE OF STREETS, ROADS
AND ACCESS EASEMENTS

A. Declarant reserves the right to dedicate the streets and roads of Talamore to the Town of Southern Pines at time of platting or such other time as it should deem appropriate. It is the intention of the Declarant that the streets and roads of Talamore shall be public and maintained by the Town of Southern Pines at the earliest time practicable.

B. Declarant hereby grants, conveys, assigns and sets over unto the Owners of all Lots of the Property or of any future phases of the Property, a perpetual nonexclusive easement and full and mutual right of use of, for the purpose of access, ingress, egress, and regress, all of the areas designated as access easements, streets, and roads upon the Property and any additions thereto. Access easements on a Lot Owner's property shall remain the property of the respective Lot Owner, subject to the easement herein to the Declarant and other Owners.

C. Declarant reserves for the use and benefit of nonresident members, staff, employees, and invitees of Talamore Golf Course, and users of the golf course facilities within the Talamore development, a perpetual assignable nonexclusive easement over the streets, roads, access easement and cart paths within the Property for the purpose of access, ingress, egress and regress to the golf club, golf course, and related areas and facilities.

ARTICLE XVI
TESTING WELLS AND MAINTENANCE OF STORM
DRAIN FACILITIES

Due to the proximity of Talamore to the Southern Pines Town reservoir, continual testing of underground water sources is necessary to assure there will be no contamination of the reservoir resulting from the use of the Property. The Association shall be responsible for testing the underground water supply through testing wells provided by Declarant at intervals required by the Town of Southern Pines. The expense of such tests shall be borne by the Association. The Association also shall be responsible for the *maintenance* of all storm drainage and water quality structures located on Common Areas, streets, roads or Lots.

ARTICLE XVII
GENERAL PROVISIONS

A. Enforcement: The Association or any owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. - Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

B. Severability: Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect, any other provision which shall remain in full force and effect.

C Amendment by Declarant: This Declaration may be amended by an instrument signed by Declarant and the Owners of not less than seventy-five percent (75%) of the Lots. Any and all such amendments shall be recorded in the Office of the Register of Deeds of Moore County, North Carolina, and upon recording the same shall become effective with respect to the matter to which such amendment pertains.

D. Amendments by Owners: At any time after Declarant relinquishes control of the Association as provided above, this Declaration shall be amended in the following manner:

1. Proposed Amendments: Any member of the Association may propose an amendment to this Declaration. Such proposed amendment must be submitted in writing to the Secretary of the Association at least twenty (20) days prior to the date of the special or regular Association meeting at which the proposal is to be considered.

2. Notice: A statement of the subject matter of the proposed amendment or amendments shall be included in the notice of any Association meeting at which the proposes amendment(s) is to be considered.

3. Resolution: A resolution for the adoption of a proposed amendment may be proposed by any member of the Association. The resolution for adoption must be approved by the owners entitled to cast not less than eighty percent (80%) of the total authorized votes of the Association.

4. Absentee Vote: members not present at any meeting may vote by proxy or by written vote as provided in the By-laws.

5. Execution and Recording: A copy of each amendment adopted pursuant to this Article shall be attached to an affidavit certifying that the amendment was duly adopted, which affidavit shall be executed in recordable form by the President and Secretary of the Association. The amendment shall be effective when such affidavit and a copy of the amendment are filed for record in the office of the Register of Deeds of Moore County, North Carolina.

E. Anything set forth in this Article to the contrary notwithstanding, but subject to the conditions provided in this paragraph, the Declarant shall have the absolute unilateral right, power, and authority to modify, revise, amend, or change any of the terms or provisions of this Declaration, all as from time to time amended or supplemented, which may be exercised only if the Veterans Administration (VA), the Federal Housing Administration (FHA), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association (Fannie Mae), or the Government National Mortgage Association (Ginnie Mae), or any successor agencies or entities thereto or any agencies or entities providing similar programs shall require such action as a condition precedent to the approval by such agency or entity of the Property or any part thereof or any Lots thereon, for approved mortgage financing purposes under applicable VA, FHA, Freddie Mac, Fannie Mae, Ginnie Mae, or similar programs. If the VA or the FHA or any successor agencies approve the Property or any parts thereof or any Lots thereon for federally approved mortgage financing purposes, any further amendments to the Declaration shall also require the prior consent of the agency giving such approval unless such amendment is approved by all of the owners. Any amendments made pursuant to this paragraph shall not affect the residential character of the Property or the common plan or scheme for

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residential development. All owners and/or the Association shall continue to have the right to fully enforce the terms and provisions of this Declaration, as amended pursuant to this paragraph.

F. Red-Cockaded Woodpecker Management Plan: The Developer has agreed on a Red-Cockaded Woodpecker Management Plan for Talamore which was prepared by J. H. Carter III, Consulting Biologist, dated March 5, 1989. A copy of the this Plan is attached as Exhibit E hereto and incorporated by reference.

IN WITNESS WHEREOF, the Declarant has executed this Declaration this 14 day of May, 1993.

TALAMORE PARTNERS LIMITED PARTNERSHIP, a
Pennsylvania Limited Partnership
By its Sole General partner
Talamore Acquisition Corp., a Pennsylvania
corporation

(CORPORATE SEAL
ATTEST:

Secretary

By:
Robert P. Levy, Jr. President

STATE OF PENNSYLVANIA
COUNTY OF Philadelphia

I, a Notary Public of the County and State aforesaid, certify that Stanley S. Cohen, personally came before me this day and acknowledged that he is Assistant Secretary of TALAMORE ACQUISITION CORP., a Pennsylvania corporation, Sole General Partner of Talamore Partners Limited Partnership, a Pennsylvania Limited Partnership, and that by authority duly given and as the act of the corporation, the annexed instrument was signed in its name by its _____
President, sealed with its corporate seal and attested him as its Assistant Secretary.

Witness my hand and official stamp or seal, this 6th day of May, 1993.
Notary Public

My Commission Expi-res:

North Carolina-Moore County
The foregoing certificate of Anita N. Cerrato,
Notary Public, is certified to be correct. This 19th
day of May, 1993.

Judith M. Adams, Register of Deeds

NORTH CAROLINA
MOORE COUNTY

JOINDER BY MORTGAGEE

THIS JOINDER BY MORTGAGEE, made and entered into this ___ day of _____, 1993, by and between STEPHEN M. GUALBERTI, hereinafter Trustee, and CONTINENTAL BANK, a Pennsylvania banking corporation, hereinafter Lender, and TALAMORE PARTNERS LIMITED PARTNERSHIP, a Pennsylvania Limited Partnership, hereinafter Borrower.

WITNESSETH:

WHEREAS, Lender is the owner and holder of a Promissory Note in the amount of \$4,000,000.00, secured by two Deeds of Trust dated April 30, 1991, to Stephen M. Gualberti, Trustee, for the benefit of Continental Bank, beneficiary; and filed for record in Book 773, Page 108 and Book 773, Page 075 of the Moore County, North Carolina, Registry; and

WHEREAS, Borrower has requested that the Trustee and Beneficiary join herein for the purpose of ratifying, confirming, and approving the attached Declaration of Restrictions, Conditions, Easements, Covenants, Agreements, Liens and Charges for Talamore executed the ___ day of _____, 1993, by Talamore Partners Limited Partnership as Declarant.

NOW THEREFORE, Trustee and Lender do hereby ratify, confirm and approve the Declaration of Restrictions, Conditions, Easements, Covenants, Agreements, Liens and Charges for Talamore and do hereby fully sub-ordinate the said lien in all respects to the terms and provisions of said Restrictions, Covenants and Easements, attached hereto, as fully and to the same extent as if said Declaration of Restrictions, Conditions, Easements, Covenants, Agreements, Liens and Charges for Talamore had been executed, delivered, and filed for record -in the office of the Register of Deeds for Moore County, North Carolina, prior to the execution, delivery and recordation of said Deeds of Trust.

IN WITNESS WHEREOF, the said Trustee and Lender have hereunto set their hands and seals the day and year first above written.

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Stephen M. Gualberti, Trustee

(SEAL)

█ (CORPORATE SEAL)

ATTEST:
STATE OF PENNSYLVANIA
COUNTY OF PHILADELPHIA
CONTINENTAIA. BANK, Lender

By:
VIC-E: President

I, a Notary Public of the County and State aforesaid, certify that STEPHEN M. GUALBERTI, Trustee, personally came before me this day and acknowledged the execution of the annexed Joinder by Mortgagee.

Witness my hand and notarial seal, this 6th day of May, 1993.

My Commission Expires:

STATE OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

I, a Notary Public of the County and State aforesaid, certify that Edyth N. Lahanas, personally came before me this day and acknowledged that She is a Real Estate Loan Officer of CONTINENTAL BANX, a Pennsylvania corporation, and that by authority duly given and as the act of the corporation, the annexed instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by her as its Real Estate Loan Officer
Witness my hand and official stamp or seal, this 6th day May, 1993.

Notary Public

My commission Expires: