

STATEMENT OF RESERVATIONS, RESTRICTIONS
TAXES AND ASSESSMENTS

Employer's IRS No. – 560931571
Developer – Carolina Trace Corporation
Owner – Carolina Trace Corporation

NAME OF DEVELOPER:	Carolina Trace Corporation
ADDRESS:	Box 2250, Sanford, N. C. 27330
OWNER:	Carolina Trace Corporation
ADDRESS:	Box 2250, Sanford, N. C. 27330
NAME OF SUBDIVISION:	Carolina Trace (Golf West)
LOCATION:	Approximately 3 miles southeast of Sanford, N. C.
NUMBER OF LOTS IN SUBDIVISION:	46
NUMBER OF ACRES IN SUBDIVISION:	35

1. RESERVATIONS AND RESTRICTIONS

(a) A reservation or easement for right-of-way to Carolina Power and Light Company, its successors and assigns, the right, privilege and easement to go upon the lands to construct, maintain and operate in and upon and through said premises in a manner suitable to it with wires and other necessary apparatus and appliances, a line or lines for the purpose of transmitting power by electricity, together with the right at all times to enter upon said premises for the purpose of inspecting said lines and making necessary repairs and alterations thereon. The right to permit the attachment of and/or carry in conduit wires and cables of any other company or person, together with the right at all times to cut away and keep clear of said lines all trees and other obstructions that may in any way endanger the proper maintenance and operation of the same.

It is understood and agreed that the right-of-way herein granted is for a system of underground electric lines to provide electric service at any point where it is requested on the above described land, and that said electric lines shall be installed at locations mutually suitable to the parties hereto. The excavations necessary to install, inspect, repair and operate said system of lines shall be backfilled and tamped to conform to the adjacent ground surface, and the surplus dirt, if any, shall be removed; and, having done this in a reasonable satisfactory manner, the grantee shall have no further responsibility in respect thereto.

(b) Reservation or easement to Heins Telephone Company, the right and privilege to go in and upon said property to construct, maintain and operate in, upon, and through said premises, in a proper manner, with wires and other necessary apparatus and appliances, a line for communications and for the purpose of transmitting electricity, together with the right at all times to enter upon said premises for the purpose of inspecting said line and making necessary repairs and alterations thereon; and the right to permit the attachment of and/or carry in conduit wires and cables of any other company or person; together with the right at all times to cut away and keep clear of said line all trees and other obstructions that may, in any way, endanger the proper maintenance and operation of the same. To have and to hold the aforesaid right, privilege and easement unto Heins Telephone Company, its successors and assigns forever. This easement for underground telephone facilities only.

(c) Restrictions on use of property applicable to lots shown on map recorded in Map Book 14, page 28, as recorded in the Office of the Register of Deeds of Lee County, North Carolina, and said Restrictions being in the following form:

"KNOW ALL MEN BY THESE PRESENTS Caroline Trace Corporation of Lee County, North Carolina, does hereby covenant and agree to and with all the persons or corporations who may become the owners of the following lots or parcels of land or any of them, lying and being in Jonesboro Township, Lee County, North Carolina, and more particularly described as follows:

All of the lots recorded in the Office of the Register of Deeds of Lee County, North Carolina, in Map Book 14, Page 28, reference to said Map is hereby made for a more perfect description of said lots.

The said lots or parcels of land are hereby impressed and subject to the following covenants with restrictions which are hereby made covenants and restrictions running with the land shown upon said map by whomsoever owned or hereafter acquired, to-wit:

SECTION 1. PROPERTY OWNERS ASSOCIATION.

A) There is established for Golf West, the Golf West Property Owners Association. The Association may operate as an unincorporated Association or as a non-profit Corporation as the members shall determine by majority vote.

(B) Every person or entity who purchases any lot in Golf West shall be a member of Golf West Property Owners Association, provided that any such person or entity who holds such ownership or interest merely as a security for the performance of an obligation shall not be a member.

(C) There shall be one class of voting membership in the Association. Voting members shall be all those members who hold the title to a lot in Golf West. When more than one person holds such interest in any lot, all such persons shall be members and shall be entitled to only one vote which the joint owners shall exercise as they among themselves determine.

(D) Every property owner shall have a right of enjoyment in and to the common properties shown on the map of Golf West and such easement shall be appurtenant to and shall pass with the title to every lot, subject to provisions set out in this section.

(E) Carolina Trace Corporation shall convey the legal title to and control of the common properties of Golf West to the Golf West Property Owners Association when the Golf West Property Owners Association is organized. The Property Owners Association will be organized as soon as possible after the approval of the Statement of Reservations, Restrictions, Taxes and Assessments by the Office of Interstate Land Sales Registration of the Department of Housing and Urban Development. Legal title to and control of the common properties in any event will be conveyed by Carolina Trace Corporation to the Property Owners Association within a period of one year from the time of the approval of the Statement of Reservations, Restrictions, Taxes and Assessments of Carolina Trace, Golf West by the Office of Interstate Land Sales Registration.

Prior to the time that the legal title and control of the common properties is transferred to the Property Owners Association, it may allocate and assign functions and responsibilities to the Property Owners Association for the maintenance and operation of the common properties or any part thereof. Funds collected from the annual assessments for maintenance purposes shall also be transferred to the Property Owners Association at such time as functions and responsibilities are given to the Property Owners Association by Carolina Trace Corporation; in all events funds collected from the annual assessments shall be paid over to the Property Owners Association when the legal title and control of the common properties is transferred to the Property Owners Association.

(F) Each property owner, by acceptance of a conveyance of a lot within Golf West, whether or not it shall be expressed in any such deed or conveyance, shall be deemed to covenant and agree to pay:

(a) Annual assessments or charges; (b) Special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and cost of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made as hereinafter set out.

(G) The assessments, annual and special, as aforesaid, shall be for the purpose of promoting the recreation, health, safety and welfare of property owners and in particular for the improvement, maintenance, service and facilities relating to the common areas, including, but not limited to the payment of taxes on the common areas, insurance thereon, maintaining landscaping and repairing private roads and walkways and like common areas and facilities in Golf West, provide for pest control when needed and in general provide those services important to the development and preservation of an attractive community appearance and for the privacy and general safety of all homesites.

(H) The annual assessments shall be \$100.00 per lot. The amount of this assessment may, after consideration of current maintenance cost and future needs, be reduced for any year. The amount thereof, however, shall not be increased as long as title to the common properties or any part thereof remains in Carolina Trace Corporation. When the Association obtains title to common properties, it may change the maximum and basis of the annual assessments for any period provided that any such changes shall have the assent of two-thirds of the voting members of the Association voting whether in person or by proxy at a meeting duly called for this purpose, and written notice of which shall be sent to all members at least thirty days in advance and shall set forth the purpose of the meeting. At such meeting, members or proxies entitled to cast at least 51% of the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirements set forth herein and the required quorum as set forth herein. Provided, that no such subsequent meeting shall be held more than sixty days following the preceding meeting.

(I) The annual assessments provided for herein shall be on a calendar year basis and shall commence at the time each lot is conveyed to a property owner. Annual assessment shall be

payable in advance and shall be adjusted where ownership is acquired during the year according to the number of days remaining in the calendar year.

(J) In addition to the annual assessments authorized herein, 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 costs of any construction or reconstruction, unexpected repair or replacement of a capital improvement upon the common properties, provided, any such assessment shall have the assent of two-thirds of the votes of all voting members who are voting in person or by proxy duly called for this purpose, written notice of which shall be sent to all members at least thirty days in advance and shall set forth the purpose of the meeting, and at such meeting, the members or their proxies entitled to cast 51% of all the votes of the membership shall constitute a quorum.

(K) The Association shall prepare and maintain a roster of all members and assessments applicable thereto which roster shall be accessible to all members of the Association at all times.

(L) If the assessments, either annual or special, are not paid when due, then such assessments shall become delinquent and shall, together with such interest thereon, and costs of collection thereof, as hereinafter provided, become a continuing lien on the property, in the hands of the owner, his heirs and assigns. The personal obligation of the owner to pay such assessment, however, shall remain his personal obligation for the statutory period provided by law and shall not pass to his successors in title unless expressly assumed by them. The Property Owners Association may bring an action at law against the owner personally obligated to pay the same or to foreclose the lien against the property.

(M) The lien of the assessments provided for in this section shall be prior to and superior to all other liens except only (a) ad valorem taxes (b) all sums unpaid on a first mortgage or deed of trust to secure debt or record. The sale or transfer of any lot shall not affect the assessments lien; provided, however, that the sale or transfer of any lot pursuant to the foreclosure of a first mortgage thereon shall extinguish the lien of such assessments as to the payments thereof which become due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessment thereafter becoming due or from the lien thereof.

(N) There shall be exempted from the charge and liens credited herein all properties on which there is any easement or dedication to any public authority or for public use, upon all common property and all property held by Carolina Trace Corporation for sale.

(O) Annual assessments as herein provided shall be collected by Carolina Trace Corporation until such time as the common properties are turned over to the property owners association, but Carolina Trace Corporation will disburse only such amounts of the sums collected as may be needed for the repair and maintenance of roads lying within the area of Golf West; Carolina Trace Corporation will be accountable to the Association for all funds collected; when the Golf West Property Owners Association assumes control of the common properties, assessments shall be collected and disbursed for the purposes set out in Section 1 (G).

SECTION 2. ARCHITECTURAL CONTROL

The Architecture of home and/or improvements to and on each of the lots subject to these protective covenants will be controlled in the following manner by the 'The Architectural Committee'.

(A) The Architectural Committee:

The Architectural Committee will be composed of three persons designated and appointed by the Property Owners Association of Golf West, in which appointment each owner of each lot would be entitled to one vote, and a majority vote of property owners would be controlling. Carolina Trace Corporation would be entitled to only one vote as a property owner. Architectural Committee would be appointed at a meeting of the property owners after at least a thirty day notice of a meeting to appoint the Architectural Committee. In the event the Architectural Committee fails to approve or disapprove plans or locations of home on lot within thirty (30) days after said plans and specifications have been submitted to it, or, in any event, if no suit to enjoin the erection of such building or the making of such alterations has been commenced prior to the completion thereof, such approval will not be required, and this covenant will be deemed to have been fully complied with. Members of such Architectural Committee shall not be entitled to any compensation for services performed pursuant to this covenant.

(B) No house, garage, carport, playhouse, outbuilding, fence, wall or other above-ground structure shall be commenced, erected or maintained upon any property subject to this Declaration, nor shall any exterior addition to, change in or alteration of any of said structures be made until complete final plans and specifications showing the nature, kind, shape, height, materials, basic exterior finished and colors, location and floor plan thereof, and showing front, side and rear elevations thereof and the name of the builder, have been submitted to and approved by the Architectural Committee, its agents, successors or assigns, as to harmony of exterior design and general quality with the existing standards of the neighborhood and as to location in relation to surrounding structures and topography.

SECTION 3. APPROVAL OF BUILDERS

Any builder of any home upon any property subject to this Declaration must, before beginning construction of each such home, be approved by the Architectural Committee as to financial stability, building experience and ability to build homes or other structures of the class and type of those which are to be built on the property subject to this Declaration. No person shall be approved as a builder by the Architectural Committee unless such person obtains his income primarily from construction or residences. No lot owner will be permitted to act as his own builder or contractor except where such owner obtains his income primarily from the construction of residences and otherwise meets the qualifications for approval by the Architectural Committee as hereinabove set forth.

SECTION 4. HOUSE REQUIREMENTS

(A) The enclosed, heated living area (exclusive of garages, carports, porches, terraces, bulk storage and basement) of a one-story or split-level dwellings shall cover a ground area of not less than 1,700 square feet.

(B) The enclosed, heated living area (exclusive of garages, carports, porches, terraces, bulk storage and basement) of all story-and-a-half dwellings shall cover a ground area of not less than 1,500 square feet. All story-and-a-half dwellings shall have a minimum of 2,100 square feet of floor space in enclosed; heated living areas, except that if the ground area covered is at least 1,700 square feet, the requirement of the 2,100 square feet of total living area shall not apply.

(C) The enclosed heated living area (exclusive of garages, carports, porches, terraces, bulk storage and basement) of all two-story dwellings shall cover a ground area of not less than 1,100 square feet. All two-story dwellings shall have a minimum of 2,200 square feet of floor space in enclosed, heated living areas, except that if the ground area covered is at least 1,700 square feet, the requirement of 2,200 square feet of total living area shall not apply.

SECTION 5. BUILDING LOCATION

No building of any kind, including garages shall be located on any building site less than 50 feet from the front lot line, and no building shall be located less than 20 feet from any side lot line, or less than 70 feet from the property line of any lake or golf course or less than 50 feet from any rear lot line, except if building set back lines so indicate on the recorded plat, or with the prior written approval of the Architectural Committee.

SECTION 6. GENERAL REQUIREMENTS

(A) Before any house may be occupied, it must be completely finished on the exterior; all of the yard which is visible from any street must be planted with grass or have other ground cover approved by the Architectural Committee.

(B) Containers for garbage or other refuse shall be underground or kept in sanitary enclosures so as not to be accessible to animals or visible when any such enclosure is shut and shall be maintained under sanitary conditions. Incinerators for garbage, trash or other refuse shall not be used. Air conditioners shall be screened.

(C) No building, fence, mail box, outside lighting, newspaper box, screen planting or other improvements shall be erected, placed or altered on any building site until the building plans, specifications and plot plans showing the location of such improvements on the building site have been approved in writing as to conformity and harmony of external design, and external materials with existing structures in the area and as to locations with respect to topography, lake, golf course, finished ground elevations and neighboring structures by the Architectural Committee.

(D) Clothes lines should be placed so that it will not be in an unsightly manner with regard to the Carolina Trace residents.

(E) Appurtenant private structures:

(1) Appurtenant private structures will be permitted only upon written approval of the Architectural Committee.

(2) On those lots permitting a stable facility to be built thereon, complete plans, including site, location must have written approval of the Architectural Committee.

(3) Kennel operations will not be permitted. A kennel is defined as housing for three or more dogs.

(F) No fence, wall, hedge or mass planting shall be permitted to extend beyond the minimum building set back line established herein or within 70 feet of the rear lot line or within 70 feet of the property line on any lake, except upon the approval by the Architectural Committee.

(G) All lots subject to these requirements shall be used as residential building sites only.

(H) Adequate off-street parking shall be provided by the owner of each building site for the parking of automobiles owned by such owner, and owners of building sites agree not to park their automobiles on the streets in this subdivision.

(I) For the purpose of avoiding an unsightly or undesirable water-front, no boathouse, bathhouse, private dock, pier, raft or landing site or other structure shall be erected or maintained at or upon the shoreline of any building site having water frontage or upon land under water in front of such building site, excepting where special written permission is granted by the Architectural Committee. The Architectural Committee will only give permission for such structure, if the structure does not in any way distract from the natural beauty of the lake.

(J) Each owner shall keep his building site or lot and the lake bank adjacent thereto, if any, free of tall grass, undergrowth, trash, dead trees and rubbish and properly maintained, so as to present a pleasing appearance, and maintain the proper contour of the lake bank and prevent erosion. In the event an owner of any lot does not properly maintain his building site or lot, as above provided, in the opinion of the Architectural Committee, then the Architectural Committee may have the required work done and the costs thus incurred in performing the work shall be paid by the owner.

(K) No noxious or offensive trade or activity shall be carried on upon any building site, nor shall anything be done thereon which may be or become any annoyance or nuisance to the neighborhood.

(L) No trailer, basement, (unless said basement is part of a residence erected at the time), tent, shack, barn, or other outbuilding shall be erected or placed on any building site covered by these covenants, except as specifically permitted herein.

(M) No animals or poultry of any kind, other than house pets, shall be kept or maintained in any part of said property. All pets must remain in the confines of the owner's property.

(N) No trade materials or inventories may be stored upon the premises and no trucks, boats, trailers, buses, self-motorized camping vehicles, or tractors may be stored or regularly parked on the premises except in garages, or well-screened enclosures.

(O) Carolina Trace Corporation for itself and its successors and assigns hereby reserves, and is given a perpetual easement, privilege and right for utility, sewer line, water line and pedestrian walkway purposes, on, in and under a ten (10) foot strip along the interior side lot line of each building site, and on, in and under a thirty (30) foot strip along the shore line of the Carolina Trace Lake. This easement will be controlled and regulated by the Architectural Committee.

2. TAXES

(A) Taxes are assessed against the property of Carolina Trace by Lee County.

(B) All taxes for the year 1973 which were assessed on the property have been paid.

(C) Taxes for the year 1974 were listed during the month of January 1974 and will be payable on or before December 31, 1974. Each lot will have an assessed value, all to be determined by the Lee County Tax Department and will be assessed on the basis of 100% of the appraised value of said lots. The tax rate for the year 1974 is estimated to be on the basis of \$0.91 per \$100.00 tax value. For each year after 1974, taxes will be listed in January. The tax rate will be set in July of each year and taxes must be paid on or before December 31 of each year.

(D) Where lots are sold during 1974 or thereafter, the taxes will be pro-rated between the seller and the purchases as of the date of sale, with the seller and purchaser paying only for the portion of the year that each owned the property.

(E) Taxes are a lien on the property from the beginning of the tax year, although taxes are not due and payable until the first of September of the tax year. They are past due after December 31st of the tax year and thereafter carry penalties.

(F) It is estimated that on the basis of \$0.91 per \$100.00 assessed value, estimated tax will be approximately \$100.00 per lot.

3. ASSESSMENTS

Assessments which may be made are as follows:

(A) By state or local authorities: None.

(B) Assessment by the Property Owners Association are annual assessments of \$100.00 per lot initially and thereafter may be increased by assent of two-thirds of the members of the Property Owners Association. Special Assessments may be assessed by assent of two-thirds of the members of the Property Owners Association.

(C) Assessment may be made under the Restrictions by the Architectural Committee appointed by the property owners where any property owner shall fail to keep his building site and the lake bank adjacent thereto, if any, free of tall grass, undergrowth, dead trees, trash and rubbish, and in the event that any property owner does not properly maintain his building site, in the opinion of the Architectural Committee and the costs thereof will be charged to the owner whose property has become unkempt.

(D) Assessment may be made in an amount not exceeding \$35.00 for the services of an architect in approving plans for residences.

(E) An assessment will be made in an amount not to exceed \$250.00 per lot for installation of a water and sanitary sewer system.

(F) There are no itemized assessments, dues, fees, amounts and rates other than as set out herein.

WARNING: This subdivision is not registered with the Office of Interstate Land Sales Registration nor has that Office passed upon the accuracy or adequacy of this statement, nor does this statement serve as an endorsement or recommendation by that Office of the above offering.

The undersigned, by his signature, hereby acknowledges that he has received a Statement of Reservations, Restrictions, Taxes and Assessments, on Carolina Trace Corporation, P. O. Box 2250, Sanford, North Carolina, and that he has made a personal on-the-lot inspection of Lot _____, recorded in Map Book 14, Page 28, Lee County Registry, which is the lot upon which the undersigned plans to execute a contract of sale or lease.

This _____ day of _____, 1974.

Signature of Purchaser or Lessee

Signature of Purchaser or Lessee