

NORTH CAROLINA

CHATHAM COUNTY

Book 415 Page 597

DECLARATION

THIS DECLARATION, made this 31st day of JULY, 1978, by FITCH CREATIONS, INC., a corporation organized under the laws of North Carolina, hereinafter referred to as "Declarant";

W I T N E S S E T H :

THAT WHEREAS, Declarant is the owner of certain property in Williams Township, Chatham County, North Carolina, which is more particularly described as:

Being all of Lots Nos. 75 through 131, as shown on plat entitled "Farrington", Section II, prepared by Smith and Smith, Surveyors, dated MAY 23, 1978, and recorded in Plat Book 23, Page 95, Chatham County Registry.

NOW, THEREFORE, Declarant hereby declares that all of the properties described shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Farrington Homeowners Association, Inc., a nonprofit corporation organized under the laws of North Carolina, 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, 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 hereinbefore described, and such additions thereto as may thereafter be brought within the jurisdiction of the Association or this Declaration.

Section 4. "Common Area" shall mean all real property owned or leased by the Association for the common use and enjoyment of the owners.

Section 5. "Lot" shall mean and refer to any plot of land shown upon

Book 415 Page 598
any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" and "Corporation" shall mean and refer to Fitch Creations, Inc., its successors and assigns.

ARTICLE II

PROPERTY RIGHTS

Section 1. 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 charge reasonable admission and other fees for the use of any recreational facility;

(b) The right of the Association to suspend the voting rights and right to the 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 (60) days for any infraction of its published rules and regulations;

(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 signed by two-thirds (2/3) of the members agreeing to such dedication or transfer has been recorded.

Section 2. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his immediate family who reside with him. A tenant occupying a residence on a Lot in "Farrington" shall have the same rights to the use of the Common Area as the Owner of the Lot.

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. Voting Rights. Until such time as Declarant has deeded or leased the Common Area in Farrington Subdivision to the Association, only

Declarant shall have voting rights. Following such time the Owner of each Lot (including Declarant) 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 (provided that in the event a corporation, partnership, or more than one family owns a Lot, they may select only one family to enjoy the membership privileges of the Association). The vote for such Lot shall be exercised as the Owners may among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

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 a 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 fall due.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

Section 3. Maximum Annual Assessment. Until such time as Declarant has deeded or leased the Common Area to the Association, there shall be no assessment. In the first year following the deed of the Common Area to the Association, the assessment shall not exceed Ten Dollars (\$10.00) per month per lot.

(a) From and after the time Declarant has deeded the Common Area to the Association, the maximum annual assessment may be increased each year not more than five per cent (5%) above the maximum assessment for the previous year without a vote of the membership,

(b) From and after the time Declarant has deeded the Common Area to the Association, the maximum annual assessment may be increased above five per cent (5%) by vote of two-thirds (2/3) of the members who are voting in person or by proxy, at a meeting duly called for this purpose; provided in no event shall the annual assessment exceed the amount of the annual Chatham County ad valorem real property taxes for a house and lot without the unanimous consent of all Lot Owners.

(c) The Board of Directors of Fearrington Homeowners Association 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 assessment 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 Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the vote of the members who are voting in person or by proxy at a meeting duly called for this purpose; and provided further that the total assessment plus annual dues may not exceed the amount of the annual Chatham County ad valorem real property taxes for a house and lot without the unanimous consent of all Lot Owners.

Section 5. 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 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 the first such meeting called, the presence of members or of proxies entitled to cast sixty per cent (60%) of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots.

Section 7. Date of Commencement of Annual Assessments; Due Dates.
The annual assessment provided for herein shall commence as to all lots on the

date the Common Area is deeded to the Association. The first annual assessment shall be adjusted according to the number of days remaining in the calendar year. 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 dates shall be established by the Board of Directors. The Association shall, upon request, 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.

Section 8. 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 six per cent (6%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. 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 9. 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.

ARTICLE V

RESTRICTIONS AS TO INDIVIDUAL LOTS

The residential lots in Farrington Subdivision as shown on the plat recorded in Plat Book 23, Page 45, Chatham County Registry, shall be subject to the following restrictive covenants which shall run with the land:

1. The said property shall be used for residential purposes and nothing but one single or double family dwelling/or residence and appurtenant garage shall be erected on any plot of this subdivision.
2. The said property or any building thereon shall not be at any time used for the purpose of trade, business or manufacturing.
3. No residential structure shall be erected or placed on any plot

which structure does not have a minimum area of at least 1,000 square feet not including basement, attic, outside porches and garages.

4. For the purpose of further insuring the development of the lands so platted as an area of high standards, Fitch Creations, Inc., its duly authorized agent or committee, reserves the power to control the buildings, structures, and other improvements placed on each lot, as well as to make such exceptions to these reservations and restrictions as Fitch Creations, Inc. shall deem necessary and proper.

Whether or not provision therefor is specifically stated in any conveyance of a lot made by Fitch Creations, Inc., the owner or occupant of each and every lot, by acceptance of title thereto or by taking possession thereof, covenants and agrees that no building, wall, fence or other structure shall be placed upon such lot unless and until the plans and specifications, exterior color or finish, plot plan showing proposed location of structures, drive and parking area, landscape plan and construction schedule, shall have been approved in writing by the Committee hereinafter provided. Each such building, wall, or structure shall be placed on the premises only in accordance with the plans and specifications and plot plan so approved. Refusal of approval of plans and specifications by Fitch Creations, Inc. may be based on any ground, including purely aesthetic grounds which, in the sole and uncontrolled discretion of the Committee shall seem sufficient. No alteration in the exterior appearance of the buildings or structures shall be made without like approval. If Fitch Creations, Inc. shall fail to approve or disapprove the plans and specifications within thirty (30) days after written request therefor, then such approval shall not be required; provided that no building or other structure shall be erected which violates any of the covenants herein contained and the design shall be in harmony with other structures in the subdivision.

Upon relinquishment of all lots by Fitch Creations, Inc., all privileges, powers, rights, and authority shall be exercised by and vested in a Committee of three persons appointed by the President of Fearrington Homeowners Association, Inc.

5. All conveyances of Lots in Fearrington Subdivision are made and accepted subject to any easements or rights of way that may have been granted for power, light and telephone lines and drainage facilities, or as shown on the recorded plat of "Fearrington". An easement is also reserved for the water system

and pipes now or hereafter located on the property and Ferrington Utilities, its agents, employees, successors and assigns shall have the right to go upon the property for the purpose of making repairs to the water pipes and system. Ferrington Utilities reserves unto itself, its successors and assigns, perpetual, alienable and releasable easements and the right on, over and under the ground to erect, maintain and use sewers and sewer lines on, in and over the rear and front ten feet of each lot and ten feet along each side of each lot within the Subdivision.

6. No building shall be placed on any lot nearer than forty (40) feet to the front of the lot or nearer than twelve (12) feet to any side line without the written consent of the adjoining owner affected thereby, and no nearer than fifteen (15) feet to the rear line without the written consent of the owner affected thereby; provided, however; that the side and rear line restrictions shall not apply to a garage located on the rear one-quarter of any lot.

7. No lot shall be subdivided, or its boundary lines changed, nor shall application for same be made to Chatham County, except with the written consent of Fitch Creations, Inc. However, the corporation hereby expressly reserves to itself, its successors, or assigns, the right to replat any lot or lots owned by it and shown on the plat of the subdivision in order to create a modified building lot or lots; and to take such other steps as are reasonably necessary to make such replatted lot suitable and fit as a building site including, but not limited to, the relocation of easements, walkways, right of ways, private roads, bridges, parks, recreational facilities and other amenities to conform to the new boundaries of said replatted lots, provided that no lot originally shown on a recorded plat is reduced to a size more than ten per cent (10%) smaller than the smallest lot shown on the first plat of the subdivision section recorded in the public records. The provision of this paragraph shall not prohibit the combining of two (2) or more contiguous lots into one (1) larger lot. Following the combination of two (2) or more lots into one (1) larger lot, only the exterior boundary lines of the resulting larger lot shall be considered in the interpretation of these covenants. Nor shall this restriction prohibit adjoining property owners from exchanging small portions of their lots to provide better building sites. The exchanged portions become a part of the lot and the restrictions shall apply to the modified plots.

8. No animals except dogs and cats shall be kept by the owners and

occupants in the subdivision, and these pets shall be confined to the occupant's premises. In addition to other remedies available for violation of this provision, the Association may, in its discretion, assess a fine not exceeding Twenty-Five Dollars (\$25.00) for a violation of this provision.

9. No horses or minibikes shall be permitted on any of the Lots shown on the plat referred to above, on the streets, or on the Common Area of "Farrington" unless such Common Area shall be designated for such use by Fitch Creations, Inc. or the Association.

10. No house trailers, tents, mobile homes or motor homes, or temporary structures of any kind may be placed on any lot at any time, either temporarily or permanently.

11. No tubular or other receptacles for newspapers or advertising publications nor any mail boxes shall be placed in the front yards or within the street right-of-ways in front of any house.

12. No commercial signs, including "for rent", "for sale" and other similar signs, shall be erected or maintained on any lot by anyone including, but not limited to, the owner, a realtor, a contractor or subcontractor, except with the written permission of Fitch Creations, Inc. or except as may be required by legal proceedings, it being understood that Fitch Creations, Inc. will not grant permission for said signs unless their erection is reasonably necessary to avert serious hardship to the property owner. If such permission is granted, Fitch Creations, Inc. reserves the right to restrict size, color and content of such signs.

13. No private water wells for human consumption may be drilled or maintained on any residential lot so long as Farrington Utilities, its licensee, agents, successors or assigns, plans a water distribution line within one hundred (100) feet of such lot with an average daily water pressure in such line adequate for normal household use in dwellings served by such distribution line.

14. Each lot owner shall provide space for parking two (2) automobiles off the street prior to the occupancy of any dwelling constructed on said lot in accordance with reasonable standards established by Fitch Creations, Inc.

15. No trees measuring six (6) inches or more in diameter (outside bark to outside bark) at four feet above the ground shall be removed without

prior written approval of Fitch Creations, Inc., or upon a relinquishment of all lots by said corporation, then by the Association.

16. All garbage cans and trash shall be screened from view from the street or any adjoining lot.

17. Each lot owner within the development shall maintain and preserve his lot in a clean, orderly and attractive appearance within the spirit of the development. Lot owners shall be responsible for maintaining the portion of the street right-of-way between their lot and the pavement of the streets.

No junk cars may be abandoned within the subdivision or otherwise parked on the lots. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to the neighborhood. There shall not be maintained any plants or animals, or device or thing of any sort whose normal activities or existence is in any way noxious, dangerous, unsightly, unpleasant of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the owners thereof. In the event that any owner of any property in the subdivision shall fail or refuse to keep such premises free from weeds, underbrush, or refuse piles or other unsightly growths or objects, then Fitch Creations, Inc. or the Association may enter upon such lands and remove the same at the expense of the owner and such entry shall not be deemed a trespass, and in the event of such a removal a lien shall arise and be created in favor of Fitch Creations, Inc. or the Association and against such lot for the full amount chargeable to such lot and such amount shall be due and payable within thirty (30) days after the owner is billed therefor.

18. Fitch Creations, Inc. reserves the right to subject the real property in this subdivision to a contract with Carolina Power and Light Company for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Carolina Power and Light Company by the owner of each building.

19. Minor violations of setback lines and square footages of less than ten per cent (10%) shall not be cause for corrective action by other record Owners of Lots.

20. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempt-

ing to violate or circumvent any covenant or restriction, either to restrain violation or to recover damages, and failure by any party hereto to enforce any covenant or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce any or all restrictions thereafter.

ARTICLE VI

RESTRICTION APPLICABLE TO COMMON AREA

A portion of the Common Area shall be subject to a perpetual easement in favor of Fearrington Utilities, a partnership, its successors and assigns, for wells, machinery and apparatus for the operation of a water system. If Fitch Creations, Inc. assigns the rights for providing a water system to a separate private firm of which it is not a partner, it is understood Fitch Creations, Inc. will have no personal obligation, liability, or responsibility in connection with the water system.

ARTICLE VII

ADDITIONS

Declarant, its successors and assigns, and the Association shall have the right to bring within the plan and operation of this Declaration additional properties in future stages of development.

The additions shall be made by filing of record of Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the operation and effect of the covenants and restrictions of this Declaration to such additional property.

The Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary or convenient in the judgment of Declarant to reflect a different character, if any, of the added properties and as are not inconsistent with the plan of this Declaration.

Lot owners in such additions to "Fearrington" shall be entitled to all the rights and privileges of the original lot owners and shall also be subject to the same obligations and duties imposed upon lot owners by this Declaration or by rules and regulations adopted by the Association.

ARTICLE VIII

AMENDMENT

These covenants and restrictions shall run with the land and shall be binding on all parties and all persons claiming title to any property to which

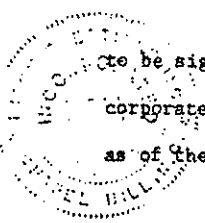
the restrictions may apply until December 31, 2008, at which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended prior to December 31, 2008, by an instrument signed by not less than ninety per cent (90%) of the lot owners and thereafter by an instrument signed by not less than seventy-five per cent (75%) of the lot owners. Any amendment to the restrictive covenants must be recorded in the Office of the Register of Deeds of Chatham County.

ARTICLE IX

SEVERABILITY

Invalidation of any one of these covenants by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

IN WITNESS WHEREOF, Fitch Creations, Inc. has caused this instrument to be signed in its name by its President and attested by its Secretary and its corporate seal to be hereto attached, all by order of its Board of Directors, as of the day and year first above written.



FITCH CREATIONS, INC.

By: Roy B. Fitch, Jr.
President



Miles M. Fitch
Secretary

NORTH CAROLINA

ORANGE COUNTY

This 31 day of July, 1978, personally came before me, Miles M. Fitch, who being by me duly sworn, says that he knows the common seal of Fitch Creations, Inc. and is acquainted with Roy B. Fitch, Jr., who is the President of said Corporation and that he, the said Miles M. Fitch, is the Secretary of the said Corporation, and saw the said President sign the foregoing instrument, and saw the said common seal of said Corporation affixed to said instrument by said President, and that he, the said Miles M. Fitch, signed his name in attestation of the execution of said instrument in the presence of said President of said Corporation. Let the same with this certificate be registered.

Witness my hand and notarial seal, this 31 day of July, 1978.

Katherine W. Ingle
Notary Public

My commission expires: 11-30-79

Prepared by and return to: Loftin & Bayliss, P. O. Drawer 389, Chapel Hill, N.C. 27514

NORTH CAROLINA, CHATHAM COUNTY

The foregoing certificate(s) of Katherine W. Ingle, Notary Public

is (are) certified to be correct. This instrument was presented for registration at 11:30 o'clock AM, on August 1, 1978, and recorded in Book 415, Page 597.

FLEET BARBER REDDISH
Register of Deeds
OWEN S. BROWN CO. 21000

By: Delia Co.
Assistant/Deputy