

Henry Taylor

023426

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR

NEEDLESTONE

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THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is entered into this the 7 day of Sept., 2000 between COULTER HOMES, INC., a North Carolina Corporation, called "Declarant" and all parties hereafter acquiring any of the described property.

WITNESSETH:

WHEREAS, Declarant is the owner of all lots within a subdivision in the County of Catawba, State of North Carolina, known as **NEEDLESTONE**;

WHEREAS, it is in the best interest of the Declarant and to the benefit, interest and advantage of every party hereafter acquiring any of the described property that certain covenants, conditions, easements, assessments, lines and restrictions governing and regulating the use and occupancy of the property be established; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities and the desirability and attractiveness of the property in Needlestone; and for the continued maintenance and operation of common areas.

NOW, THEREFORE, in consideration of the premises, the Declarant agrees with all parties hereafter acquiring any of the property hereinafter described, that it shall be and is hereby subject to the following restrictions, covenants, conditions, easements, assessments and liens relating to the use and occupancy thereof, which shall be construed as covenants running with the land which shall be binding on all parties acquiring any right, title or interest in any of the properties and which shall inure to the benefit of each owner thereof.

ARTICLE I

PROPERTIES SUBJECT TO THIS DECLARATION

Section One. The property which shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Catawba County, North Carolina, as more particularly described on a Plat recorded in Plat Book 51, Page 92, Catawba County Registry and being a total of 1.695 acres and which Plat is referred to for a more particular description. The Declarant hereby subjects the property, more particularly described in Plat Book 51, Page 92, Catawba County Registry, to this Declaration and the jurisdiction of the Association.

Section Two. The Declarant hereby reserves the right to subject other real property to the restrictions in order to extend the scheme of this Declaration to other property to be developed and thereby to bring such additional properties within the jurisdiction of the Association. Each additional parcel or tract of land, with the improvements to be placed thereon, which is subjected to this Declaration, shall be designated consecutively as "Needlestone"; and such similar designation for each phase.

ARTICLE II

DEFINITIONS

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Section One. "Association" shall mean and refer to Needlestone Homeowners' Association, Inc., its successors and assigns.

Section Two. "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, including contract sellers, but excluding those having any interest merely as security for the performance of an obligation.

Section Three. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section Four. "Common Area(s)" shall mean all property owned by the Association, or such other property which the Association may hold subject to the provisions of the Declaration. Common Areas shall be defined and described in Phase One & Two of the Plat of Needlestone, recorded in Plat Book 51, Page 92, Catawba County Registry, and amendments thereof and designated thereon as "Common Areas" or "Common Open Space". Common Areas in each phase shall be conveyed to the Association free and clear of encumbrances.

Section Five. "Lot" shall mean and refer to any plot or unit of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area and shall include all improvements thereon.

Section Six. "Declarant" shall mean and refer to Coulter Construction Company, Inc., its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purposes of development.

ARTICLE III

PROPERTY RIGHTS

Section One. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- a. the right of the Association to suspend the voting rights for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- b. the right of the Association 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 by the Members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of Members agreeing to such dedication or transfer has been recorded;
- c. the right of the Association to limit the number of guests of Members;
- d. the right of the Association, in accordance with its Articles and By-Laws, to

borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, and the rights of such mortgage in said Properties shall be subordinate to the rights of the homeowners hereunder;

e. the right of the Association to adopt, publish and enforce rules and regulations as provided in Article X;

f. the right of the Association to enter any Lot in order to perform any maintenance, alteration or repair required herein to be performed by the Association and the Owner of such Lot shall permit the Association or its representative to enter for such purpose at reasonable times and with reasonable advance notice;

g. the right of the Association or its representative to enter any Lot in the case of an emergency threatening such Lot or any other Lot for the purpose of remedying or abating the cause of such emergency. Such right of entry shall be immediate.

Section Two. Delegation of Use. 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 family, his tenants, or contract purchasers who reside on the property.

Section Three. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area to the Association, prior to the conveyance of the first Lot, reserving therefrom any utility and storm drainage easements, an easement for access to other lot owners in Needlestone, and an easement for ingress, egress, regress and utilities reserved to the Declarant.

Section Four. Parking Rights. Ownership of each Lot shall entitle the Owner or Owners thereof to the use of not more than two automobile parking spaces, which shall be as near and convenient to said Lot as reasonably possible, together with the right of ingress and egress in and upon said parking areas. The Association may regulate the parking of boats, trailers and other such items on the Common Area. No boats, trailers or recreational vehicles, owned or leased by any Owner, tenant, family or guest of Owner shall be parked within the right of way of any public or private street in Needlestone or upon the common area owned by the Homeowner's Association. Parking shall be only in designated parking areas.

Section Five. Antennas and Cablevision. The Association may provide one or more central television antennas for the convenience of the Members and may supply cablevision and the cost of these may be included in annual or special assessments. The Declarant hereby prohibits the erection of exterior antennas or satellite dishes exceeding eighteen inches (18") in diameter on individual Lots.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section One. 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 Two. The Association shall be two classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

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

- a. when the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership, but provided that the Class B membership shall be reinstated if thereafter and before the time stated in subparagraph (b) below, additional lands are annexed to the Properties without the assent of Class A Members on account of the development of such additional lands by the Declarant, as provided for in Article IX, Section Two, below, or;
- b. five years following conveyance of the first unit.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section One. Creation of the Lien and Personal Obligation. 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 as further described and set forth in this document, 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 (as set by the Board, not in excess of the rate as set forth in N.C.G.S. 47F. 3-115(b)), 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, cost 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 fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section Two. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of Common Areas, including the maintenance, repair and reconstruction of private street, driveways, walks and parking areas situated on the Common Area, such maintenance to include the cutting and removal of weeds and grass, the removal of trash and rubbish or any other maintenance and for the exterior maintenance of the residences situated upon the Properties as hereinafter provided or for the use and enjoyment of the Common Area, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the cost of water and sewer services, the cost of any other utilities, the payment of taxes and public assessments assessed against the Common Area, the procurement and maintenance of insurance in accordance

with this Declaration, the employment of attorneys to represent the Association when necessary, the provisions of adequate reserves for the replacement of capital improvements including, without limiting, the generality of the foregoing, roofs, paving, and any other major expense for which the Association is responsible, and such other needs as may arise.

Specifically excluded are maintenance and repair or items outside each unit or dwelling that are attendant or collateral to things inside the dwelling or unit, such as the maintenance and repair of the heat pump, air conditioning compressor, water or sewer lines or other utilities on Common Area or within the Owners' lot that serve on that Owners' unit. These expenses should be born by the unit Owner. All repairs or replacement of exterior glass and lights of any individual unit shall be the financial responsibility of the unit Owner.

Section Three. Reserves. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the common areas and those other portions of the Properties which the Association may be obligated to maintain. Such reserve fund is to be established out of regular assessments for common expense.

Section Four. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum assessment shall be eighty (\$80.00) Dollars per month per lot.

- a. From and after January of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of membership by up to twenty percent (20%) of the previous years total annual assessment upon a two-thirds (2/3) vote of the Board of Directors of the Homeowner's Association.
- b. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above the increase permitted in Section 4 above by a vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.
- c. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section Five. 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 Common Area, and in connection with exterior maintenance, including any fixtures and personal property related thereto, provided that any assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section Six. Notice and Quorum for any Action Authorized Under Section Four and Five. Written notice of any meeting called for the purpose of taking any action authorized under Section Four or Five shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section Seven. Uniform Rate of Assessment. Both annual and special assessments shall, except as herein otherwise specifically provided, be fixed at a uniform rate for all recorded Lots and shall be collected on a monthly basis. Provided, however, that the assessment for Lots owned by Declarant which are not occupied as a residence, may be lesser amount as fixed by the Board of Directors of the Associations, but shall not be less than twenty-five percent (25%) of the regular assessments for other Lots.

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Amendment
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Section Eight. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots in each phase on the first day of the month following the conveyance of the Common Areas to the Homeowner's Association in that phase. Such annual assessments shall be paid ratably on a monthly basis. 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 demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section Nine. 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 highest rate permitted by law on the date the assessment became due. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property and in either event interest, costs and reasonable attorney's fees of any such action shall be added to the assessment. The priority of lien for assessment shall be as set forth in N.C.G.S. 47F-3-116. 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 Ten. Subordination the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or tax 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 such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

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

Section Twelve. Working Capital Fund. At the time of closing of the sale of each unit, a sum equal to at least two months assessment for each unit shall be collected and transferred to the

Association to be held as a working capital fund. The purpose of said fund is to insure that the Association Board will have adequate cash available to meet unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund shall not be considered advance payment of regular assessments.

ARTICLE VI

EXTERIOR MAINTENANCE

In addition to maintenance of the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint and/or stain the exterior of the townhouses, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, mailboxes, fences installed by Declarant or the Association, exterior post lights, and other exterior improvements. Such exterior maintenance shall not include glass surfaces. Further, the Owner of any Lot may, at his election, plant trees, shrubs, flowers and grass within 5-feet of his rear property line with the prior written approval of the association and may also maintain portions or all of his rear yard, provided that such maintenance and planting by the Owner does not hinder the Association in performing its maintenance of the exterior of the units and the remaining yard spaces. No such maintenance by a Lot owner shall reduce the assessment payable by him to the Association. If, in the opinion of the Association, any such Owner fails to maintain his yard in a neat and orderly manner, the Association may undertake any required maintenance and add the cost thereof to the assessment against such Owner's Lot. The Owner shall not plant any vegetation in the front yard except with the prior written approval of the Association.

(As a matter of information of future Members of the Association, the developers wish to make it known that due to differing amounts of exposure to the elements and other factors, some dwellings may require more maintenance than others and that it is in the best interest of the entire Association that all units be properly maintained and that the Association shall be required to provide such maintenance provided for herein and make a uniform rate of charge without regard to the actual cost of maintenance of each dwelling.)

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or guests, or invitees, or is caused by fire, lightning, windstorm, hail, explosion, riot, vehicles and aircrafts or smoke as the foregoing are defined and explained in N.C. standard fire and extended coverage insurance policies, and extended the cost of such maintenance replacement or repairs shall be added to and become a part of the assessment to which such Lot is subject. The Association is hereby granted an easement right of access to go upon any Lot for performance of repairs or maintenance, the responsibility of which is the Association's hereunder.

Note: Lot owners are responsible for disconnecting hoses from outside faucets to prevent freezing and further agrees to bear the cost of repairs and replacement if he or she should neglect to do so.

ARTICLE VII

PARTY WALLS

Section One. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and places on the dividing line between the Lots and all reconstruction or extensions of such walls shall constitute party walls, and, to that extent

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not inconsistent with the provisions of this Article, the general rules of law regarding party walls, lateral support in below-ground construction and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section Two. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section Three. Destruction by Fire or other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts, or omissions.

Section Four. Easement and Right of Entry for Repair, Maintenance and Reconstruction. Every Owner shall have an easement and right of entry upon the Lot of another Owner to the extent necessary to perform repair, maintenance or reconstruction of a party wall. Such repair, maintenance or reconstruction shall be done expeditiously. Upon completion of such construction, such Owner shall restore the adjoining Lot to as near the same condition which prevailed on it before the commencement of such construction as is reasonably practicable.

Section Five. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section Six. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section Seven. Certification by Adjoining Property Owner That No Contribution is Due. If any Owner desires to sell his property, he may, in order to assure a prospective purchaser that no adjoining property owner has a right of contribution as provided in this Article VII, request of the adjoining property Owner or property Owners a certificate that no contribution exists, whereupon it shall be the duty of each adjoining property owner to make such certification immediately upon requests without charge; provided, however, that where the adjoining property owner claims a right of contribution, the certification shall contain a recital of the amount claimed.

Section Eight. Arbitration. In the event of any dispute arising concerning party wall, or under the provisions of this Article, such dispute shall be settled by arbitration as provided by the laws of North Carolina, relating to arbitration as then existing. In no event may the demand for Arbitration be made after the date when the institution of legal or equitable proceedings based upon the claims would have been barred by the applicable Statute of Limitations or repose.

ARTICLE VIII

ARCHITECTURAL CONTROL

No building, fence, signs, wall or other structure shall be commenced, erected or maintained upon the Properties, no boats, RV's or camping trailers shall be parked upon the Properties, no draperies shall be installed unless they have white linings, no automobile repairs shall take place upon the Properties, nor shall any exterior addition to or change or alteration of the structures

(including placement of a satellite dish) be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. There shall be no conversion of garage space into living quarters. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE IX

INSURANCE

Section One. Insurance coverage on the Property shall be governed by the following provisions:

a. **Ownership of Policies.** All insurance policies upon the Common Areas shall be purchased by the Association for the benefit of all the Association and Owners and their mortgagees as their interest may appear, and provisions shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of owners. Owners shall obtain coverage on their own individual buildings and improvements thereon at their own expense, and Owners may, at their option, obtain coverage upon their own personal property and for their personal liability and living expense such other coverage as they may desire. Proof of such insurance shall be provided upon the closing of the sale of each unit to the Association and proof of each renewal thereto shall be forwarded with the next monthly assessment payment as is appropriate.

b. **Coverage.** All buildings and improvements and all personal property included in the Common Areas shall be insured in an amount equal to one hundred percent (100%) insurable replacement value as determined annually by the Association with the assistance of the insurance company providing coverage. Such coverage shall provide protection against:

- i. loss or damage by fire and other hazards covered by a standard extended coverage endorsement.
- ii. such other risks as from time to time shall be customarily covered with respect to building of the land.
- iii. such policies shall contain clauses providing for waiver of subrogation.

c. **Liability.** Public liability insurance shall be secured by the Association with limits of liability of no less than One Million Dollars (\$1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be desirable and necessary.

d. **Premiums.** Premiums for insurance policies purchased by the Association shall be paid by Association and charged to the owners as an assessment according to the

provisions of Article V above.

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e. Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustees under this Declaration. The sole duty of the Association as insurance trustees shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein or stated in the By-Laws and for the benefit of the Owners and their mortgagees in the following shares:

i. Proceeds on account of damage to Common Areas and facilities held for the Association.

ii. In the event a mortgagee endorsement has been issued for any Lot, the share of the Owner shall be held in trust for the mortgagee and Owner as their interests may appear.

Section Two. Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Association as insurance trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:

a. Expense of the Trust. All expenses of the insurance trustees shall be first paid or provisions made therefore.

b. Reconstruction or Repair. The remaining proceeds shall be paid to defray the cost of repairs. Any proceeds remaining after defraying such cost shall be distributed to the beneficial Owners as above provided.

Section Three. Fidelity Insurance or Bond. All persons responsible for or authorized to expend funds or otherwise deal in the assets of the Association or those held in trust, shall first be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties in an amount equal to six (6) months' assessments plus reserves accumulated.

ARTICLE X

USE RESTRICTIONS

Section One. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the front yard space of each Lot and Common Areas. Such rules and regulations may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration.

Section Two. Use of Properties. No portion of the Properties (except for temporary office of the Declarant and/or model townhouses used by Declarant) shall be used except for residential purposes and for purposes incidental or accessory thereto.

Section Three. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood such as loud music, barking dogs or loud mufflers.

Section Four. Animals. No animals, livestock or poultry of any kind shall be kept or

maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and weigh no more than twenty-five (25) pounds and limited to no more than two (2) per household. Owners must abide by the any leash law enacted by any appropriate local governing agency.

ARTICLE XI

EASEMENTS

All of the Properties, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power line and other public utilities as shall be established by the Declarant or by his predecessors in title, prior to the subjecting of the Properties to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under and across the Common Areas conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Properties. In addition, there is hereby reserved in the Declarant and its agents and employees an easement and right of ingress, egress and regress and utilities across all Common Areas, now or hereafter owned by the Association, for the purposes of construction of improvements including utilities within or adjoining the Properties.

All Lots shall be subject to easements for the encroachment of initial improvements constructed on adjacent lots by the Declarant to the extent that such initial improvements actually encroach including, but not limited to, such items as overhanging eaves, gutters and downspouts and walls.

Every lot owner shall afford to the Association, the Declarant (and when necessary to another lot owner), such access through the lot owners' lot which is reasonably necessary for the maintenance, repair or replacement of residences, yards and landscaped areas, the common elements and an adjoining lot owners' lot.

Anything contained herein to the contrary notwithstanding, it shall be permissible for the Declarant to maintain, during the period of construction and sale of said lots, and adjoining lots, upon such portion of the property as the Declarant may deem necessary, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction of said lots, including, but without limitation, a business office, storage area, construction yards, signs, model units and sales office.

ARTICLE XII

GENERAL PROVISIONS

Section One. Enforcement. The Association, or any Owner, shall have the right to enforce, by and 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.

Section Two. Severability. Invalidity of any of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section Three. Amendment. The covenants and restrictions of this Declarant shall run with

and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners.

Section Four. Management and Contract Rights of Association. Declarant may enter into a contract with a Management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the property. Any contract or lease entered into by Declarant or by the Association while Declarant is in control thereof shall contain a provision allowing the Association to terminate such contract for a period of thirty (30) days without justification or penalty after transfer of management by Declarant to the Association.

Section Five. Rights of Noteholders. Any institutional holder of a first mortgage on a Lot will, upon request, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive an annual audited financial statement of the Association within ninety (90) days following the end of its fiscal year, (c) receive written notice of all meetings of the Association and the right to designate a representative to attend all such meetings, (d) receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage, (e) receive written notice of any sixty-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage, (f) receive written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Owners Association, (g) receive written notice of any proposed action that requires the content of a specified percentage of mortgage holders, and (h) be furnished with a copy of the master insurance policy.

ARTICLE XIII

ELECTRICAL SERVICE

Declarant reserves the right to subject the above described Property to a contract with a Power Company of its choice for 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 such Power Company by the Owner of each Lot within said Property.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal, the day and year first above written.

COULTER HOMES, INC.,
a North Carolina Corporation

By: Michael K. Coulter

Michael K. Coulter, President

ATTEST:

By: Sheila S. Coulter

Sheila S. Coulter



STATE OF NORTH CAROLINA
COUNTY OF Catawba

I, a notary public in and for ^{Caldwell} ~~sed~~ county and state, certify that Sheila S. Coulter personally came before me this day and acknowledged that she is Secretary of Coulter Homes, Inc., a North Carolina Corporation, and that by authority duly given and as the act of the corporation the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by herself as its Secretary.



WITNESS my hand and notarial seal this 7 day of September, 2000.

Cindy B. Rushing
Notary Public
My commission expires: 3/8/2004

STATE OF NORTH CAROLINA
COUNTY OF CATAWBA

The foregoing certificate of Cindy B. Rushing, a notary public of Caldwell County, North Carolina, is certified to be correct. Filed this 7th day of September, 2000, at 11:43 o'clock A.M. and recorded in the Office of the Register of Deeds of ^{Catawba} ~~Alexander~~ County, North Carolina, in Book 2224, Page 411.

This the 7th day of September, 2000.

Ruth Mackie
Register of Deeds -- RUTH MACKIE

rsb

By: Rita Beaver
Ass't. Register of Deeds

Prepared by and Returned to: Terry M. Taylor, Attorney 2000 NOV 16 PM 12 11

NORTH CAROLINA
CATAWBA COUNTYAMENDMENT TO THE DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR NEEDLESTONE
030688

A Declaration of Covenants, Conditions and Restrictions was entered into on the 7th day of September, 2000, between Coulter Homes, Inc. (hereinafter called the "Declarant") and all parties thereafter acquiring any of the property described in Plat Book 51, Page 92, and Plat Book 51, Page 176, of the Catawba County Registry.

WITNESSETH:

Declarant is the owner of all lots within a subdivision in the County of Catawba, State of North Carolina, known as Needlestone, Phases One, Two and Three;

WHEREAS, it is in the best interest of the Declarant and to the benefit, interest and advantage of every party hereinafter acquiring any of the described property that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulation the use and occupants of the property be amended; and

NOW, THEREFORE, in consideration of the premises, the Declarant agrees with all parties hereinafter acquiring any of the properties hereinafter described that it shall be and is hereby subject to the original Declaration of Covenants, Conditions and Restrictions recorded in Book 2224, Page 411 of the Catawba County Registry and the following amendments set forth below:

ARTICLE II**PROPERTY SUBJECT TO THIS DECLARATION**

The below paragraph is hereby added to Article II, Section One;

The Declarant hereby confirms that the property, more particularly described in Plat Book 51, Page 92, and Plat Book 51, Page 176, Catawba County Registry and being identified as Needlestone, Phases One, Two and Three are subject to all the terms of the original Declaration as are recorded in Book 2224, Page 411 of the Catawba County Registry and the jurisdiction of the Homeowners Association.

ARTICLE III**DEFINITIONS**

The below paragraph is hereby added to Section One:

Common areas shall mean all property owned by the association or such other property which the association may hold subject to the provisions of the original Declaration and its amendments. Common areas shall also be defined and bounded on the Plat as is recorded in Book 51, Page 92, and Book 51, Page 176, Catawba County Registry, and amendments thereof and designated thereon as common areas or common open space.

All other provisions of the original Declaration of Covenants, Conditions and Restrictions for Needlestone Homeowners Association, Inc. are hereby incorporated by reference and confirmed as if fully set forth verbatim.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, and owner of all lots in Needlestone, Phases One, Two and Three has here unto set their hand and seal the day and year first above written.

Coulter Homes, Inc., a North Carolina Corporation

By: Michael M. Coulter (SEAL)
Michael M. Coulter, President

ATTEST:
Sheila S. Coulter
Sheila S. Coulter, Secretary

(Corporate Seal)

STATE OF NORTH CAROLINA
COUNTY OF Catawba

I, Cindy B. Rushing, a Notary Public of Caldwell County and State aforesaid, certify that Sheila S. Coulter personally came before me this day and acknowledged that she is Secretary of Coulter Homes, Inc., a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Secretary, sealed with its corporate seal, and attested by herself as its Secretary.

IN WITNESS my hand and official stamp or seal, this 16 day of November, 2000.

Cindy B. Rushing
Notary Public
My commission expires: 3/8/2004

STATE OF NORTH CAROLINA
COUNTY OF CATAWBA

The foregoing certificates of Cindy B. Rushing, a Notary Public of Caldwell Co, N.C. is ~~was~~ certified to be correct. This instrument was presented for registration this 16th day of November, 2000, at 12:11 o'clock P.M., and duly recorded in the Office of the Register of Deeds for Catawba County in Book 2235 at Page 1955.

This the 16th day of November, 2000.

RUTH MACKIE By: Ruth Mackie
Register of Deeds Deputy Register of Deeds

tdn

✓ Prepared by and Returned to: Terry M. Taylor, Attorney

Dec. 4, 2000

NORTH CAROLINA
CATAWBA COUNTY

**SECOND AMENDMENT TO THE DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR NEEDLESTONE**

A Declaration of Covenants, Conditions and Restrictions was entered into on the 7th day of September, 2000, between Coulter Homes, Inc. (hereinafter called the "Declarant") and all parties thereafter acquiring any of the property described in Plat Book 51, Page 92, Plat Book 51, Page 176, and Plat Book 52, Page 16 of the Catawba County Registry.

WITNESSETH:

Declarant is the owner of all lots within a subdivision in the County of Catawba, State of North Carolina, known as Needlestone, Phases One, Two, Three and Four;

WHEREAS, it is in the best interest of the Declarant and to the benefit, interest and advantage of every party hereinafter acquiring any of the described property that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulation the use and occupants of the property be amended; and

NOW, THEREFORE, in consideration of the premises, the Declarant agrees with all parties hereinafter acquiring any of the properties hereinafter described that it shall be and is hereby subject to the original Declaration of Covenants, Conditions and Restrictions recorded in Book 2224, Page 411 and First Amendment to the Declaration of Covenants, Conditions and Restrictions for Needlestone recorded in Book 2235, Page 1955, of the Catawba County Registry and the following amendments set forth below:

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

The below paragraph is hereby added to Article II, Section One;

The Declarant hereby confirms that the property, more particularly described in Plat Book 52, Page 16, Page 51, Page 176 and Book 51, Page 92, Catawba County Registry and being identified as Needlestone, Phases One, Two, Three and Four are subject to all the terms of the original Declaration as are recorded in Book 2224, Page 411 and First Amendment to the Declaration of Covenants, Conditions and Restrictions for Needlestone recorded in Book 2235, Page 1955 of the Catawba County Registry and the jurisdiction of the Homeowners Association.

ARTICLE III

DEFINITIONS

The below paragraph is hereby added to Section One:

Common areas shall mean all property owned by the association or such other property which the association may hold subject to the provisions of the original Declaration and its

amendments. Common areas shall also be defined and bounded on the Plat as is recorded in Book 51, Page 92, Book 51, Page 176, and Book 52, Page 16, all of Catawba County Registry, and amendments thereof and designated thereon as common areas or common open space.

All other provisions of the original Declaration of Covenants, Conditions and Restrictions for Needlestone Homeowners Association, Inc. are hereby incorporated by reference and confirmed as if fully set forth verbatim.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, and owner of all lots in Needlestone, Phases One, Two, Three and Four has here unto set their hand and seal the day and year first above written.

Coulter Homes, Inc., a North Carolina Corporation

By: Michael M. Coulter (SEAL)
Michael M. Coulter, President

ATTEST:

Sheila S. Coulter
Sheila S. Coulter

FILED
RUTH MACKIE

2000 DEC 4 AM 11 42

REGIST DEEDS
CATAWBA CO., N.C.

STATE OF NORTH CAROLINA
COUNTY OF CATAWBA

I, Cindy B. Rushing, a Notary Public of Caldwell County and State aforesaid, certify that Sheila S. Coulter personally came before me this day and acknowledged that she is Secretary of Coulter Homes, Inc., a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by herself as its Secretary.

in hand and official stamp or seal, this 4 day of December, 2000.



Cindy B. Rushing
Notary Public
My commission expires: 3/8/2004

STATE OF NORTH CAROLINA
COUNTY OF CATAWBA

Cindy B. Rushing, a Notary Public of
Caldwell County, N.C.

The foregoing certificate of is ~~was~~ certified to be correct. This instrument was presented for registration this 4th day of December, 2000, at 11:42 o'clock A.M., and duly recorded in the Office of the Register of Deeds for Catawba County, NC in Book 2238 at Page 1568.

This the 4th day of December, 2000.

RUTH MACKIE
Register of Deeds

By: Ruth Mackie
~~Deputy~~ Register of Deeds

Prepared by and Returned to: Terry M. Taylor, Attorney

REC'D FEB 1 PM 12 29

REGION NEEDS

NORTH CAROLINA
CATAWBA COUNTY

**THIRD AMENDMENT TO THE DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR NEEDLESTONE
002768**

A Declaration of Covenants, Conditions and Restrictions was entered into on the 7th day of September, 2000, between Coulter Homes, Inc. (hereinafter called the "Declarant") and all parties thereafter acquiring any of the property described in Plat Book 51, Page 92, Plat Book 51, Page 176, Plat Book 52, Page 16 and Plat Book 52, Page 71 all of the Catawba County Registry.

WITNESSETH:

Declarant is the owner of all lots within a subdivision in the County of Catawba, State of North Carolina, known as Needlestone, Phases One, Two, Three, Four and Five;

WHEREAS, it is in the best interest of the Declarant and to the benefit, interest and advantage of every party hereinafter acquiring any of the described property that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulation the use and occupants of the property be amended; and

NOW, THEREFORE, in consideration of the premises, the Declarant agrees with all parties hereinafter acquiring any of the properties hereinafter described that it shall be and is hereby subject to the original Declaration of Covenants, Conditions and Restrictions recorded in Book 2224, Page 411, First Amendment to the Declaration of Covenants, Conditions and Restrictions for Needlestone recorded in Book 2235, Page 1955, Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Needlestone recorded in Book 2238 Page 1568, all of the Catawba County Registry and the following amendments set forth below:

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

The below paragraph is hereby added to Article II, Section One;

The Declarant hereby confirms that the property, more particularly described in Plat Book 52, Page 16, Page 51, Page 176, Book 51, Page 92, and Book 52, Page 71, all of Catawba County Registry and being identified as Needlestone, Phases One, Two, Three, Four and Five are subject to all the terms of the original Declaration as are recorded in Book 2224, Page 411, First Amendment to the Declaration of Covenants, Conditions and Restrictions for Needlestone recorded in Book 2235, Page 1955, Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Needlestone recorded in Book 2235, Page 1955 and Third Amendment to the Declaration of Covenants, Conditions and Restrictions for Needlestone recorded in Book 2248, Page 644, all of the Catawba County Registry and the jurisdiction of the Homeowners Association.

ARTICLE III

DEFINITIONS

The below paragraph is hereby added to Section One:

Common areas shall mean all property owned by the association or such other property which the association may hold subject to the provisions of the original Declaration and its amendments. Common areas shall also be defined and bounded on the Plat as is recorded in Book 51, Page 92, Book 51, Page 176, Book 52, Page 16, and Book 52, Page 71, all of Catawba County Registry, and amendments thereof and designated thereon as common areas or common open space.

All other provisions of the original Declaration of Covenants, Conditions and Restrictions for Needlestone Homeowners Association, Inc. are hereby incorporated by reference and confirmed as if fully set forth verbatim.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, and owner of all lots in Needlestone, Phases One, Two, Three, Four and Five has here unto set their hand and seal the day and year first above written.

Coulter Homes, Inc., a North Carolina Corporation

By: Michael M. Coulter (SEAL)
Michael M. Coulter, President

ATTEST:

Sheila S. Coulter
Sheila S. Coulter

[Corporate Seal]

STATE OF NORTH CAROLINA
COUNTY OF CATAWBA

I, Cindy B. Rushing, a Notary Public of Caldwell County and State aforesaid, certify that Sheila S. Coulter personally came before me this day and acknowledged that she is Secretary of Coulter Homes, Inc., a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by herself as its Secretary.

WITNESS my hand and official stamp or seal, this 1st day of February, 2001.

Cindy B. Rushing
Notary Public
My commission expires: 3/8/2004



STATE OF NORTH CAROLINA
COUNTY OF CATAWBACindy B. Rushing, a Notary Public of
Caldwell County, N.C.

The foregoing certificate of / is
certified to be correct. This instrument was presented for registration this 1st day
of February, 2001, at 12:29 o'clock P.M., and duly recorded in the Office of
the Register of Deeds for Catawba County in Book 2248 at Page 644.

This the 1st day of February, 2001

RUTH MACKIE

By:

Ruth Mackie

Register of Deeds

~~Deputy~~ Register of Deeds

em

WEB

FILED
CATAWBA COUNTY
RUTH MACKIE
REGISTER OF DEEDS

BOOK 2404 PAGE 722

The foregoing certificate(s) of

DANNA JOYCE PERKINS

FILED Oct 25, 2002
AT 04:23:15 pm
BOOK 02404 PAGE 0722

Ruth Mackie
RUTH MACKIE, REGISTER OF DEEDS

notary/notaries public
is/are certified to be correct.

Ruth Mackie
RUTH MACKIE Register of Deeds

NORTH CAROLINA

COUNTY OF CATAWBA

Prepared by: Leslie M. Grant

**034876 AMENDMENT TO RESTRICTIONS FOR
NEEDLESTONE SUBDIVISION**

A Declaration of Covenants, Conditions and Restrictions was entered into on the 7th day of September, 2000, by and between COULTER HOMES, INC., (hereinafter called the "Declarant") and all parties thereafter acquiring any of the property described in Plat Book 51, Page 92, Plat Book 51 Page 176, and Plat Book 52 Page 16, and Plat Book 52 Page 71, all of the Catawba County Registry.

WITNESSETH:

THAT WHEREAS, COULTER HOMES, INC., being the fee simple owner of certain real property located in the City of Hickory, Catawba County, North Carolina and which original Declaration of Covenants and Restrictions for Needlestone Subdivision were recorded in Book 2224, Page 411, Catawba County Registry, and the Declarant does now desire to make an amendment to said restrictions; and

WHEREAS, it is in the best interest of the Declarant and to the benefit, interest and advantage of every party hereinafter acquiring any of the described property that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulation the use and occupants of the property be amended; and

NOW, THEREFORE, in consideration of the premises, the Declarant agrees with all parties hereinafter acquiring any of the properties hereinafter described that it shall be and is hereby subject to the original Declaration of Covenants, Conditions and Restrictions recorded in Book 2224, Page 411 of the Catawba County Registry and the following amendments set forth below:

ARTICLE V

Section Eight. Date of Commencement of Annual Assessments: Due Dates.

The first sentence in Section Eight shall be deleted in its entirety and instead shall read as follows:

The Annual Assessments provided for herein shall commence as follows:

1. The first day of the first month following closing of the conveyance of a lot to a Buyer other than the Declarant.
2. As to all lots owned by the Declarant, the Declarant will pay twenty-five percent

(25%) of the annual rate of assessment adopted by the Board of Directors beginning the first month after the conveyance of the tenth (10th) lot to a party other than Declarant. However, in any case, the Declarant agrees to pay the full rate of assessment no later than the first month after the third (3rd) anniversary from the time of the conveyance of the first lot in Needlestone to a third party other than the Declarant.

All other provisions of the original Declaration of Covenants, Conditions and Restrictions for Needlestone Subdivision are hereby incorporated by reference and confirmed as if fully set forth verbatim.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, and owner of all lots in Needlestone Subdivision, has hereunto set their hand and seal the day and year first above written.

COULTER HOMES, INC., a NC Corporation

By: Michael M. Coulter (SEAL)
Michael M. Coulter

ATTEST:

Sheila S. Coulter
Sheila S. Coulter, Secretary



STATE OF NORTH CAROLINA
COUNTY OF Catawba

I, a Notary Public of Catawba County and State aforesaid, certify that Sheila S. Coulter personally came before me this day and acknowledged that she is Secretary of Coulter Homes, Inc., a North Carolina Corporation, and acknowledged on behalf of Coulter Homes, Inc. the due execution of the foregoing instrument.

2000 WITNESS my hand and official stamp or seal, this 24 day of October.



Dana Joyce Perkins
Notary Public
My commission expires: 07-30-2005