

STATE OF
NORTH
CAROLINA



Department of The
Secretary of State

SEP 29 4 59 PM '89
MRS. JUDITH H. ADAMS
REGISTER OF DEEDS
MOORE COUNTY

00681 00499

To all whom these presents shall come, Greeting

I, Rufus L. Edmisten, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached (6 sheets) to be a true copy of

ARTICLES OF INCORPORATION

OF

LONGLEAF LAKESIDE VILLAS HOMEOWNERS ASSOCIATION, INC.

and the probates thereon, the original of which was filed in this office on the 25th day of September, 1989 after having been found to conform to law.

In Witness Whereof, I have hereunto set my hand and affixed my official seal.

Done in Office, at Raleigh, this 25th day of September in the year of our Lord 1989.



Rufus L. Edmisten

Secretary of State

MAY: \$17.00

9/23/89

ARTICLES OF INCORPORATION
OF
LONGBLEAF LAKESIDE VILLAS HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirements of the laws of the State of North Carolina, the undersigned, all of whom are residents of Moore County, North Carolina, and of full age, does this day form a corporation not for profit and does hereby certify:

ARTICLE I

The name of the corporation is LONGBLEAF LAKESIDE VILLAS HOMEOWNERS ASSOCIATION, INC. hereafter called the "Association".

FILED
RUTH L. LINDSTEN
SECRETARY OF STATE
NORTH CAROLINA

ARTICLE II

The principal office of the Association is located at 2001 Midland Road, Southern Pines, North Carolina 28387.

ARTICLE III

RICHARD F. MARR, whose address is 2001 Midland Road, Southern Pines, Moore County, North Carolina 28387, is hereby appointed the initial registered agent of this Association and the registered office shall be at 2001 Midland Road, Southern Pines, Moore County, North Carolina 28387.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of that certain tract of land as described in Exhibit "A" attached hereto, and any other properties which may be subsequently annexed thereto, and to promote the health, safety and welfare of the residents within the above described property. The Association shall have the following general powers and any other impliedly arising therefrom, to be exercised in the manner provided and in conformity with applicable laws, the Declaration hereinafter referred to, the Bylaws of the Association, and those Articles (subject to the authority of the Longleaf Master Homeowners Association, Inc. to assume such powers as provided in the Declaration):

(a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions, and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Register of Deeds of Moore County, North Carolina, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

BOOK 00681 PAGE 00500

(b) To fix, levy, collect and enforce payments by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association, subject always to the provisions and requirements of the Declaration;

(c) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association, subject always to the provisions and requirements of the Declaration and limitations imposed by law.

(d) To borrow money, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject always to the provisions and requirements of the Declaration; and

(e) To have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

BOOK PAGE
00681 00501

ARTICLE V
MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Condominium Unit which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Condominium Unit which is subject to assessment by the Association. Ownership of such Condominium Unit shall be the sole qualification for membership.

ARTICLE VI
VOTING RIGHTS

On all matters in which the membership shall be entitled to vote, each and every Condominium Unit shall have one vote. The vote of each Unit may be cast or exercised by the owner of owners of each Condominium Unit in such manner as may be provided in the Bylaws hereafter adopted by the corporation. Should any member own more than one (1) Condominium Unit; such member shall be entitled to exercise or cast the votes associated with each Condominium Unit owned in the manner provided by said Bylaws.

Until such time as the property described in Schedule "A" hereof, and the improvements constructed thereon, are submitted to a plan of condominium ownership by the recordation of the Declaration of Condominium, the membership of the corporation shall be composed of the three (3) individuals named in Article VII hereof as the initial Board of Directors of the corporation, and each such individual shall be entitled to cast one (1) vote on all matters on which the membership shall be entitled to vote.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of not less than three (3) nor more than five (5) Directors, who need not be members of the Association. The number of Directors may be changed by amendment of the By-Laws of the Association. The name and address of the person who is to act in the capacity of directors until the selection of his successors is:

PAGE 00502
BOOK 00681

	<u>NAME</u>	<u>ADDRESS</u>
	Richard F. Marr	2001 Midland Road PO Box 3819 Pinehurst, NC 28374
	John M. May	10 Turnberry Wood PO Box 370 Pinehurst, NC 28374
	Mary Lynn Kayes	2001 Midland Road PO Box 3819 Pinehurst, NC 28374

Subject to the Declarant Control Rights, at the first annual meeting the members shall elect not less than three (3) nor more than five (5) Directors for a term of one (1) year, voting shall be by secret ballot and those persons who receive the highest number of votes shall be deemed to have been elected.

ARTICLE VIII

MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same or similar purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the membership in this Association except that during the time of Declarant Control only the Declarant's consent shall be required.

ARTICLE IX

AUTHORITY TO MORTGAGE

Any mortgage by the Association of the Common Area defined in the Declaration shall have the assent of members entitled to cast two-thirds (2/3) of the votes of the membership except that during the time of Declarant Control only the Declarant's consent shall be required.

ARTICLE X

AUTHORITY TO DEDICATE

The Association shall have power to dedicate, sell 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 has been signed by members entitled to cast two-thirds (2/3) of the votes of the entire membership except that during the time of Declarant Control only the Declarant's consent shall be required.

As to lenders and purchasers for value, the certification by the Secretary of the Association that the required number of members or the Declarant have executed instruments in conformity with this Article, shall be conclusive as to the fact recited by such certification and shall be binding upon the Association and all of its members.

ARTICLE XI

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the entire membership. Upon dissolution of the Association, a dedication of the Common Areas as they exist for public use for purposes as similar to those to which they were required to be devoted by the Association, shall be offered to the appropriate unit of local government and the area thus dedicated shall be conveyed to the local governmental unit, provided that such dedication shall be subject to the superior right of the owner of each Unit to an easement for reasonable ingress and egress between his Unit and the public street as well as an easement for the exclusive use of Limited Common Area assigned to such owner's Unit and for reasonable off-street parking area to accompany his Unit; and provided further, that the Association may in its discretion designate the boundaries of said egress which shall accompany each Unit. In the event that the local governmental unit refuses to accept such dedication and conveyance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association. This corporation shall have no capital stock. In the event of dissolution, no member, director or officer of the Corporation or any private individual shall be entitled to share in the distribution of the assets of this Corporation.

ARTICLE XII

DURATION

The corporation shall exist perpetually.

00681 00503

ARTICLE XIII

AMENDMENTS

Section 1. Amendment by Membership. Except during the Declarant Control as herein provided, any amendment of these Articles shall require the assent of members or proxies entitled to cast sixty-seven (67%) percent of the entire vote membership.

ARTICLE XIV

The names and addresses of the incorporators are: John M. May, 10 Turnberry Wood, P.O. Box 370, Pinehurst, Moore County, North Carolina 28374; Richard F. Marr, 2001 Midland Road, PO Box 3819, Pinehurst, Moore County, North Carolina 28374; and Mary Lynn Kayes, 2001 Midland Road, PO Box 3819, Pinehurst, Moore County, North Carolina. 28374.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, we, the undersigned, constituting the incorporator of this Association, have executed these Articles of Incorporation this the 15th day of September, 1989.

PAGE 00504
00681

John M. May (SEAL)
JOHN M. MAY

Richard F. Marr (SEAL)
RICHARD F. MARR

Mary Lynn Kayes (SEAL)
MARY LYNN KAYES

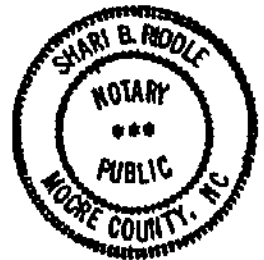
NORTH CAROLINA

MOORE COUNTY

I, Shari B. Riddle Notary Public, hereby certify that on this 15th day of September, 1989, personally appeared before me and JOHN M. MAY, RICHARD F. MARR, AND MARY LYNN KAYES, each of whom being by me first duly sworn, declared that they signed the foregoing document in the capacity indicated, that they were authorized so to sign, and that the statements therein contained are true.

Shari B. Riddle (SEAL)
Notary Public

My Commission Expires
9-27-93



Legal Description

LONGLEAF LAKESIDE VILLAS CONDOMINIUMS PHASE 1

A certain tract or parcel of land in McNeills Township, Moore County, North Carolina lying about 50 yards Northeast of Knoll Road, Bounded on the North and South by Longleaf Associates Limited Partnership Lakeside Villas tract, and on the East by Maples Properties, Inc., tract no. 4, (Longleaf Golf Course) that is recorded in plat cabinet 4 in slide 51 in the Moore County Registry, described as follows:

BEGINNING at an iron stake in the Longleaf Associates Limited Partnership Lakeside Villas tract; said corner being located about 150 feet from the Northeast line of Knoll Road said beginning corner further located N 49 30' 59" W 331.12 feet; N 40 29' 01" E 137.23 feet; and S 81 30' 11" E 35.34 feet from a corner of the Maples Property, Inc. tract no. 4, in the Northeast line of Knoll Road; running thence from the beginning as new lines N 19 31' 39" E 154.04 feet to an iron stake; Thence N 40 33' 42" E 57.51 feet to an iron stake in a line of the Maples Property, Inc. tract no. 4, near a Sewer Easement; Thence with said line the following calls; S 49 26' 45" E 39.02 feet to an iron stake; in a Sewer Easement; Thence S 24 52' 20" E 119.56 feet to an iron stake near a Sewer Easement; Thence as new lines S 65 07' 07" W 86.40 feet to an iron stake; Thence N 81 30' 11" E 137.53 feet to the beginning, containing 26,855 square feet more or less and being Longleaf Associates Limited Partnership site No. 3.

Also conveyed with the above described property is an access easement for the purpose ingress and egress leading from the above described tract to Knoll Road, described as follows:

BEGINNING at an iron stake in the Northeast line of Knoll Road; said stake being located N 49 30' 59" W 391.12 feet from a corner of the Maples Properties, Inc. tract no. 4 in the line of the road; running thence from the beginning, leaving the road N 40 29' 01" E 163.51 feet to a corner; thence S 81 30' 11" E 82.85 feet to a corner in the West line of the above described tract; thence with said line S 19 31' 39" W 55.09 feet to a corner, the Southwest corner of the above described tract; thence N 81 30' 11" W 35.34 feet to a corner; thence S 40 29' 01" W 137.23 feet to a corner in the Northeast line of Knoll Road; thence with the line of the road N 49 30' 59" W 60.00 feet to the beginning.

00681 00505

BOOK PAGE

STATE OF NORTH CAROLINA
COUNTY OF MOORE

LONGLEAF LAKESIDE VILLAS
DECLARATION
OF
CONDOMINIUM

SEP 27 3 24 PM '89

MRS. JENNIFER M. ADAMS

THIS DECLARATION, made ^{RECORDS FILED} ~~MADE~~ ^{IN THE} ~~AT~~ ^{OFFICE OF} ~~BY~~ ^{RECORDS} ~~ON~~ ^{DEEDS} ~~THIS~~ ^{IN} ~~DATE~~ ^{MOORE} ~~OF~~ ^{COUNTY} ~~IN~~ ^{N.C.} August, 1989, by LONGLEAF ASSOCIATES LIMITED PARTNERSHIP, a North Carolina Limited Partnership ("Developer"), pursuant to the Uniform Condominium Act, Chapter 47C, North Carolina General Statutes.

WITNESSETH:

WHEREAS, Developer is the owner in fee simple of certain real estate situated in/near the Town of Southern Pines, County of Moore, and State of North Carolina, legally described in Exhibit "A", together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate (the "Property"); and

WHEREAS, Developer desires to submit all of Property to the Act.

NOW, THEREFORE, Developer, as the owner of Property, hereby declares as follows:

ARTICLE I
Definitions

Definitions. As used herein, the following words and terms shall have the following meanings:

- 1.1. Act. The Uniform Condominium Act, Chapter 47C, North Carolina General Statutes.
- 1.2. Association. Longleaf Lakeside Villas Homeowners Association, Inc., a nonprofit corporation organized under Chapter 55A, North Carolina General Statutes.
- 1.3. Board. The Board of Directors of the Association or the Master Association as appropriate.
- 1.4. Bylaws. The Bylaws of the Association which are hereby incorporated herein and made a part hereof by this reference. See Exhibit F.
- 1.5. Common Elements. All portions of the Condominium except the Units.
- 1.6. Common Expenses. Expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.
- 1.7. Condominium. The condominium created by this Declaration.
- 1.8. Declarant. Developer and (i) any other person who has executed this Declaration, or who hereafter executes an amendment to this Declaration to add Additional Real Estate, except Security Holders and except persons whose interests in the Property will not be conveyed to Unit Owners, and (ii) any person who succeeds to any Special Declarant Rights pursuant to Section 47C-3-104 of the Act.
- 1.9. Declarant Control Period. The period commencing on the date hereof and continuing until the earlier of (i) the date five (5)

TAX ADDRESS
RECORDING
Fees - \$22.00
Stamp - \$4.00
TOTAL \$26.00

John M. May
Prep

1.18. Security Holder. Any person owning a Security for an Obligation in a Unit.

1.19. Special Declarant Rights. The rights reserved herein and in the Bylaws for the benefit of a Declarant, as follows: to complete the improvements indicated on the Floor Plans, to maintain sales offices, management offices, models and signs advertising the Condominium; to use easements through the Common Elements; to elect, appoint or remove members of the Board during the Declarant Control Period; and to add Additional Real Estate. Declarant shall have no right to subdivide or convert Units owned by Declarant.

1.20. Unit. A portion of the Condominium, whether or not contained solely or partially within a building, together with its percentage of undivided interest in the Common Elements as set forth on Exhibit "C". Each Unit is designated and delineated on the Floor Plans.

1.21. Unit Boundaries. The boundaries of each Unit, both as to vertical and horizontal planes, as shown on the floor Plans, are the undecorated surfaces of the perimeter walls, exterior doors and exterior windows facing the interior of the Unit, the undecorated surfaces of the ceiling facing the interior of the Unit, and the topmost surfaces of the subflooring, and include the decoration on all such interior and topmost surfaces, including, without limitation, all panelling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the decorated surfaces thereof, and also includes all spaces, interior partitions and other fixtures and improvements without such boundaries.

1.22. Unit Owner. The person or persons, including the Declarant, owning a Unit in fee simple, including contract-for-deed purchasers of a Unit, but excluding contract-for-deed purchasers of a Unit who are Security Holders, and also excluding all other Security Holders.

1.23. Common Areas. The properties owned or to be owned by the Master Association.

ARTICLE II

Submission of Property to the Act

2.1. Submission. Developer hereby submits the Property to the Act.

2.2. Name. The Property shall hereafter be known as the Longleaf Lakeside Condominiums.

2.3. Division of Property into Separately Owned Units. Developer, pursuant to the Act, and to establish a plan of condominium ownership for the Condominium, does hereby declare that the Property is hereby divided four (4) Units and does hereby designate all such Units for separate ownership, subject, however, to the provisions of Section 2.4 hereof.

2.4. Alterations of Units. Subject to the provisions of the Bylaws, a Unit may be altered pursuant to the provisions of Sections 47C-2-113(a) and (b) of the Act.

Longleaf Lakeside VI Declaration of Condominium

2.5. Limited Common Elements. The Limited Common Elements serving or designed to serve each Unit are hereby allocated solely and exclusively to each such Unit. In addition to those defined in Section 1.13, Limited Common Elements include those set forth on Exhibit "B" and are hereby allocated to Units as shown on Exhibit "B".

2.6. Unit Allocations. The allocations to each Unit of a percentage of undivided interest in the Common Elements, and of a percentage of the Common Expenses, are as stated on Exhibit "C". The allocation of undivided interest in the Common Elements and of the Common Expenses is according to the percentage of one Unit to the total number of Units then subject to the Declaration. The votes in the Association are equally allocated to all Units so that each and every Unit has one vote.

2.7. Encumbrances. The liens, defects and encumbrances on the Property to which the rights of Unit Owners and Occupants are hereby made subject are set out on Exhibit "D".

2.8. Condominium Ordinances. The Condominium is not subject to any code, real estate use law, ordinance, charter provision, or regulation (i) prohibiting the condominium form of ownership, or (ii) imposing conditions or requirements upon a condominium which are not imposed upon physically similar developments under a different form of ownership. This statement is made pursuant to Section 47C-1-106 of the Act for the purpose of providing marketable title to the Units in the Condominium.

2.9. Expansion. Declarant presently intends, but is not obligated, to expand Lakeside Condominiums beyond the four (4) initial Units to include up to ninety-six (96) additional Units. The nine-six (96) additional Units would be located in several buildings similar in design and construction to the initial buildings, and would be built on the property described in Exhibit "E" attached hereto. The methods and procedures for expanding the Condominium to include these additional Units and the effects of such expansion are described in Articles III and XII of this Declaration.

2.10. Reservation of Special Declarant Rights. Declarant hereby reserves all Special Declarant Rights as those terms are defined by the Act.

2.11. Restraint Upon Separation and Partition of Common Elements. Recognizing that the proper use of a Unit by a Unit Owner or Owners is dependent upon the use and enjoyment of the Common Elements in common with the Unit Owners of all other Units, and that it is in the interest of all Unit Owners that the ownership of the Common Elements be retained in common by the Unit Owners, it is hereby declared that the proportional undivided interest in the Common Elements appurtenant to each Unit shall remain undivided and no Unit Owner shall bring or have any right to bring any action for partition or division.

Ownership of Condominium Units and Common Elements.

3.1 Each Condominium Unit shall be conveyed and treated as an individual property capable of independent use and fee simple ownership, and the Owner of each Unit shall also own, as an appurtenance to the ownership of each said Condominium Unit an undivided interest in the Common Elements. The undivided interest appurtenant to each Condominium Unit as of the date of this Declaration is as set out on Exhibit "C" attached hereto and made a part hereof. The proportional interest in the Common Elements that is appurtenant to each Condominium Unit as shown in said Exhibit, the percentage for responsibility of the Common Expenses and each Unit's voting percentage have been determined by a fraction, the numerator of which is one (1) and the denominator of which is the total number of Units then subject to the Declaration.

3.2. In the event Declarant, acting pursuant to this Article of this Declaration, elects to construct additional phases to the Condominium, then the percentage of undivided interest in the Common Elements appurtenant to each Condominium Unit, the percentage for responsibility of the Common Expenses and each Unit's voting percentage will change and shall be as set forth in an appropriate amendment to Exhibit "C". The proportionate interest in the Common Elements appurtenant to each Condominium Unit shown in Exhibit "C" has been determined in Section 3.1. above. In the event Declarant elects to construct additional phases in the Condominium, Declarant shall, in that event, file an Amendment to this Declaration containing an amended Exhibit "C" stating that the percentage of undivided interest in the Common Elements appurtenant to each Unit, the percentage for responsibility of the Common Expenses and each Unit's voting percentage then a part of the Condominium at the time of such filing is as shown on the amended Exhibit "C". Each Unit Owner shall be deemed by his acceptance of the Deed to a Condominium Unit to have consented to the powers of amendment herein reserved by Declarant and to any amendments previously or thereafter executed by Declarant pursuant to this Article and to Article XII hereof. Further, each Unit Owner and each institutional lender shall be deemed by the Owner's acceptance of a Deed to a Condominium Unit to have appointed Declarant their attorney-in-fact to give, execute and record the consent of said Owner and institutional lender to any and all amendments executed pursuant to this Article and to Article XII. Except as provided herein, the percentage of undivided interest in the Common Elements assigned to each Condominium Unit shall not be changed except with the unanimous consent of all the Owners of all the Condominium Units and with the consent of all of the institutional lenders holding first mortgages or first Deeds of Trust on the Condominium Units.

3.3 The Declarant reserves as a Special Declarant Right as generally defined in Article 1.19 the right in its discretion to add Additional Real Estate and Units to the Condominium in future stages of development on any of the property described in Exhibit "E". No

assurance is given either fixing the boundaries of the area of future development, nor of the order in which such additions may be made, nor that the exercise of any such reserved Special Declarant Right in any portion of that property would result in the exercise of the same right in other portions of that property. Any areas noted on the plat of the Condominium as "Reserved for Future Development" are subject to this Special Declarant Right to add Additional Real Estate and Units. Any areas noted on the plat of the Condominium as "Proposed Future Units" NEED NOT BE BUILT.

ARTICLE IV

Easements

4.1. Encroachments. In the event that, by reason of the construction, reconstruction, rehabilitation, alteration or improvement of the buildings or improvements comprising a part of the Property, any part of the Common Elements now or hereafter encroaches upon any part of any Unit, or any part of any Unit now or hereafter encroaches upon any part of the Common Elements, or upon any part of another Unit, an easement for the continued existence and maintenance of such encroachment is hereby declared and granted and shall continue for so long as each such encroachment exists; provided that in no event shall an easement for such encroachment be created if such encroachment is detrimental to or interferes with the reasonable use and enjoyment of the Common Elements or Units so encroached upon.

4.2. Easements Through Walls. Easements are hereby declared and granted to the Association and to such persons as are authorized by the Association, to install, lay, maintain, repair and replace any chutes, flues, ducts, vents, pipes, wires, conduits and other utility installations, and structural components running through the walls of the Units, whether or not such walls lie in whole or in part within the boundaries of any Unit. To the extent required such easements shall also run to the Master Association.

4.3. Easements to Repair, Maintain, Restore and Reconstruct. Wherever in, and whenever by, this Declaration, the Bylaws or the Act, a Unit Owner, the Association, the Master Association, the Board, or any other person, is authorized to enter upon a Unit or the Common Elements to repair, maintain, restore or reconstruct all or any part of a Unit or the Common Elements, such easements as are necessary for such entry and such repair, maintenance, restoration or reconstruction are hereby declared and granted.

4.4. Declarant's Easements. Declarant hereby reserves such easements through the Common Elements as are reasonably necessary for the purposes of discharging its obligations, exercising Special Declarant Rights, and completing the development and construction of the Condominium, which easements shall exist as long as reasonably necessary for such purposes.

4.5. Easements to Run With Land. All easements and rights described in this Article IV are appurtenant easements running with

the land, and except as otherwise expressly provided in this Article IV shall be perpetually in full force and effect, and shall inure to the benefit of and be binding upon Declarant, the Association, Unit Owners, Occupants, Security Holders and any other person having any interest in the Condominium or any part of any thereof. The Condominium and every part thereof shall be conveyed and encumbered subject to and together with all easements and rights described in this Article IV, whether or not specifically mentioned in any such conveyance or encumbrance.

4.6. Cable Television Easement. Declarant is presently negotiating a cable television wiring agreement with Sandhills Cablevision which would provide Sandhills Cablevision with an easement for installing and maintaining a line connecting cable television wires located in the buildings to the Sandhills Cablevision system. Any such agreement would be entered into by Sandhills Cablevision and the Association.

ARTICLE V

Restrictions, Conditions and Covenants

5.1. Compliance with Declaration, Bylaws and Rules and Regulations. Each Unit Owner and Occupant shall comply with all applicable provisions of the Act, this Declaration, the Bylaws, the Articles of Incorporation of the Association, and rules and regulations promulgated by the Board, the Association, or the Master Association and as amended. Failure to comply shall be grounds for an action by the Association, the Master Association, an aggrieved Unit Owner, or any person adversely affected, for recovery of damages, penalties as provided in the Bylaws, injunction or other relief.

5.2. Administration of Condominium. The Condominium shall be administered in accordance with the provisions of the Act, this Declaration and the Bylaws.

5.3. Use Restricted; Use by Declarant.

(a) The Units shall be occupied and used by Unit Owners and Occupants for residential purposes only.

(b) No "For Sale" or "For Rent" signs or other window displays or advertising shall be maintained or permitted by any Unit Owner or Occupant on any part of the Condominium without the prior written consent of the Board.

(c) Each Unit Owner may decorate the interior of his Unit as he determines, provided, however, that any draperies, curtains, blinds or other materials covering the windows of the Unit and visible from the exterior of the Unit must be lined with white fabric or painted white so that the exterior appearance of the Units are uniform in appearance.

(d) The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, Declarant may maintain not more than two (2) sales offices for sales of Units in

the Condominium and not more than two (2) models as Declarant, from time to time, shall designate.

Declarant shall have the right to relocate, from time to time, and to discontinue and reestablish, from time to time, within the Condominium, until all of the Units have been conveyed to a Unit Owner other than a Declarant, any one or more of such offices or models. Declarant also shall have the right to change the use or combination of uses of such offices or models, provided that such offices or models shall be used only for sales offices or models. The total number of such offices or models maintained at any time by a Declarant shall not exceed the number set out above, and the size of any such relocated or reestablished office or model shall not exceed the size of the largest Unit in the Condominium.

(e) Declarant also may maintain signs on the Common Elements advertising the Condominium until all of the Units have been conveyed to Unit Owners other than a Declarant. Declarant shall remove all such signs not later than thirty (30) days after all of the Units have been conveyed to Unit Owners other than Declarant and shall repair or pay for the repair of all damage done by removal of such signs.

(f) Use of and restriction on parking facilities within the Common Element shall be governed by the rules and regulations regarding same as established by the Association or the Master Association.

(g) The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, the Association may maintain an office in the Condominium for management of the Condominium. . . .

5.4. Hazardous Use and Waste. Nothing shall be done to or kept in any Unit or the Common Elements that will increase any rate of insurance maintained with respect to the Condominium without the prior written consent of the Board. No Unit Owner or Occupant shall permit anything to be done to or kept in his Unit or the Common Elements that will result in the cancellation of insurance maintained with respect to the Condominium, or that would be in violation of any law, or that will result in the commitment of waste (damage, abuse or destruction) to or in his Unit or the Common Elements.

5.5. Alterations of Common Elements. No Unit Owner or Occupant, except Declarant during the Declarant Control Period, shall alter, construct anything upon, or remove anything from, the Common Elements, or paint, decorate, landscape or adorn any portion of the Common Elements, without the prior written consent of the Association and Master Association as hereinafter provided.

5.6. Lease of a Unit. Any lease or rental of a Unit shall be for the entire Unit, shall be in writing, and shall be subject to this Declaration and the Bylaws, and any failure of the lessee to comply with the terms of such documents shall be a default under the lease. Any Unit Owner who enters into a lease of his Unit shall promptly notify the Association of the name and address of each lessee, the

Unit rented, and the term of the lease. Other than the foregoing restrictions, each Unit Owner shall have the full right to lease his Unit.

5.7. Pets. Pets shall be allowed in the Condominium as provided by the rules and regulations promulgated from time to time by the Board or the Association or in the Bylaws.

5.8. Rules and Regulations. In addition to the foregoing restrictions, conditions and covenants concerning the use of the Condominium, reasonable rules and regulations not in conflict therewith and supplementary thereto may be promulgated and amended from time to time by the Board or the Association, as more fully provided in the Bylaws.

5.9. Restrictions, Conditions and Covenants to Run With Land. Each Unit Owner and Occupant shall be subject to all restrictions, conditions and covenants of this Declaration, and all such restrictions, conditions and covenants shall be deemed to be covenants running with the land, and shall bind every person having any interest in the Property, and shall inure to the benefit of every Unit Owner.

5.10. Rights of Action. The Association, the Master Association and any aggrieved Unit Owner shall have a right of action against Unit Owners and any aggrieved Unit Owner shall have a right of action against the Association for failure to comply with the provisions of this Declaration, the Bylaws and the rules, regulations, and decisions of the Association made pursuant to authority granted to the Association in this Declaration and the Bylaws.

5.11. Right of First Refusal. The right of a Unit Owner to sell, transfer, mortgage or otherwise convey his interest in his Unit shall be subject to a right of first refusal as hereinafter set forth:

In the event that any person, firm or corporation who owns a Unit shall desire to sell such Unit, then the said Unit which such Owner shall desire to sell shall first be offered for sale to the Association at the same price and on the same terms under which the highest acceptable bona fide offer has been made to the Owner of the said Unit. The Owner desiring to sell a Unit shall give the Association written notice by registered mail, return receipt requested, of the Owner's desire to sell such Unit and shall provide the Association a certified true copy of said Offer. The Association shall have a period of thirty (30) days after receipt of said written notice within which to exercise its option to purchase such Unit at the same price and on the same terms as the highest acceptable bona fide offer and shall have an additional period of not less than thirty days within which to close the said transaction. The Association may elect to purchase such Unit on behalf of all of the remaining Unit Owners as a group or, if the remaining Unit Owners as a group do not which to purchase such Unit, then on behalf of any one or more individual Unit Owners. In the event the Association shall elect to purchase a

Longleaf Lakeside Villas - Declaration of Condominium

Unit offered for sale on behalf of the remaining Unit Owners, the cost thereof shall be shared by the remaining Unit Owners in the same proportion as common area expenses, adjusted, however, to reflect the exclusion of the Unit purchased; and any profit or loss realized upon the sale by the Association of a Unit so acquired shall likewise be shared by the remaining Unit Owners. In the event that the Association shall elect to purchase a Unit offered for sale on behalf of any one or more individual Unit Owners, then the cost thereof shall be shared by such purchasing Unit Owners in such proportion as they shall agree upon.

ARTICLE VI

Assessments

6.1. Assessment Liens. The Association subject to approval of the budget by the Master Association has the power to levy assessments against the Units for Common Expenses. Such assessments shall be a lien on the Units against which they are assessed, and if any payment thereof becomes delinquent, the lien may be foreclosed and the Unit sold, and/or a money judgment obtained against the person liable thereof, all as set forth in the Bylaws.

6.2. Personal Liability of Transferees; Statement; Liability of First Mortgages.

(a) The personal obligation for assessments which are delinquent at the time of transfer of a Unit shall not pass to the transferee of said Unit unless said delinquent assessments are expressly assumed by said transferee.

(b) Any transferee referred to in (a) above shall be entitled upon ten (10) days prior written request to a statement from the Association, pursuant to Section 8.11 of the Bylaws, and such transferee's Unit shall not be subject to a lien for any unpaid assessments against such Unit in excess of the amount therein set forth.

(c) Where a Mortgagee, or other person claiming through such Mortgagee, pursuant to the remedies provided in a Deed of Trust, or by foreclosure or by deed, or assignment, in lieu of foreclosure, obtains title to a Unit, the liability of such Mortgagee or such other person for assessments shall be only for the assessments, or installments thereof, that would become delinquent, if not paid, after acquisition of title. For purposes hereof, title to a Unit shall be deemed acquired by foreclosure upon expiration of the applicable period of redemption.

(d) Without releasing the transferor from liability therefor, any unpaid portion of assessments which is not a lien under (b) above or, resulting, as provided in (c) above, from the exercise of remedies in a Deed of Trust, or by foreclosure thereof or by deed, or assignment, in lieu of such foreclosure, shall be a Common Expense collectible from all Unit Owners, including the transferee under (b)

above and the Mortgagee or such other person under (c) above who acquires ownership by foreclosure or by deed, or assignment, in lieu of foreclosure.

6.3. Prohibition of Exemption from Liability for Contribution Toward Common Expenses. No Unit Owner may exempt himself from liability for his share of the Common Expenses assessed by the Association by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit or otherwise.

6.4. Purpose of Assessments. The assessments provided herein shall be used to pay the costs of common expenses set forth herein including the cost of maintaining, insuring, repairing, and otherwise caring for the Common Elements and the Common Areas owned by the Master Association and including the cost of management and attorney fees in connection therewith all as more particularly set forth in the Bylaws of the Association.

6.5. Assessments. Assessments shall be due and payable in quarterly installments. As provided in Article VIII of the Bylaws and as required by Section 47C-3-115 of the Act, Declarant shall pay all accrued expenses of the Condominium until assessments are levied against the Units. An assessment shall be deemed levied against a Unit upon the giving of notice by the Board to a member of the Association who is a Unit Owner of that Unit. Unit Owners shall have no obligation to pay quarterly assessments until an assessment is levied. Assessments will commence on the first day of the month following the conveyance of the first unit.

ARTICLE VII

Management, Maintenance, Repairs,

Replacements, Alterations and Improvements

7.1 Common Elements.

(a) By the Association and the Master Association. The management, replacement, maintenance, repair, alteration and improvement of the Common Elements including appropriate dues to the Longleaf Master Homeowners Association shall be the responsibility of the Association, and, subject to the provisions of Section 7.2 hereof, the cost thereof shall be a Common Expense to the extent not paid by Unit Owners pursuant to Section 7.1(b) hereof. All damage caused to a Unit by any work on or to the Common Elements done by or for the Association shall be repaired by the Association, and the cost thereof shall be a Common Expense. In the event the Association fails to fulfill its obligations hereunder and pursuant to the minimum standards established by Declarant, to the extent required the Longleaf Master Association shall have the same rights as the Association herein for the purpose of fulfilling such obligations. The Master Association shall have the sole and final decision as to whether the responsibilities delegated to the Association herein are being properly performed and to the extent required the Master Association shall succeed to the rights and powers of the Association enumerated herein for such time

as is necessary in the sole judgement of the Master Association to properly carry out such responsibilities.

(b) By Unit Owners. Each Unit Owner shall pay all costs to repair and replace all portions of the Common Elements that may become damaged or destroyed by reason of his intentional use or the intentional acts of any Occupant of his Unit. Such payment shall be made upon demand made by the Association.

7.2. Common Expenses Associated With Limited Common Elements or Benefitting Less Than All Units.

(a) Any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed against the Unit, or in equal shares to the Units, to which such Limited Common Element was allocated at the time the expense was incurred.

(b) In addition, the Association may assess any Common Expense benefitting less than all of the Units against the Units benefitted in proportion to their Common Expense liability.

7.3. Units. Each Unit Owner shall maintain his Unit at all times in a good and clean condition, and repair and replace, at his expense, all portions of his Unit; shall perform his responsibilities in such manner as not to unreasonably disturb other Occupants; shall promptly report to the Board, or its agents, any defects or need for repairs the responsibility for which is that of the Association; and, to the extent that such expense is not covered by the proceeds of insurance carried by the Association, shall pay all costs to repair and replace any portion of another Unit that has become damaged or destroyed by reason of his own acts or omissions, or the acts or omissions of any Occupant of his Unit. Such payment shall be made upon demand by the Unit Owners of such other Unit. Nothing herein contained shall modify any waiver by insurance companies of rights of subrogation.

7.4. Waiver of Claims. Except only as provided in Section 7.5(a) and (b), the Association agrees that it shall make no claim against a Unit Owner or Occupant, and each Unit Owner and Occupant agrees that he shall make no claim against the Association, the members of the Board, Officers of the Association, or employees or agents of any thereof, or against any manager retained by the Board, or his or its officers, directors, employees or agents, or other Unit Owners or Occupants, for any loss or damage to any of the Property, or to a Unit or personal property therein, even if caused by the omission or neglect of any one or more of such persons and all such claims are hereby waived and released; provided, that this waiver shall not apply to any such loss or damage due to intentional acts.

7.5. Right of Entry.

(a) By the Association and Master Association. The Association, the Master Association and any person authorized by the same, may enter any Unit or any of the Limited Common Elements in case of any emergency or dangerous condition or situation originating in or

threatening that Unit or any of the Limited Common Elements. The Association, the Master Association and any person authorized by the same, after reasonable notice to a Unit Owner or Occupant, may enter that Unit or any of the Limited Common Elements for the purposes of performing any of the Association's duties or obligations or exercising any of the Association's powers under the Act; this Declaration or the Bylaws with respect to that or any other Unit, any Limited Common Elements, or the Common Elements. Notwithstanding Section 7.4, the Association shall be responsible for the repair of any damage caused by the Association or its authorized person to the entered Unit, and the cost thereof shall be a Common Expense. All such entries shall be made and done so as to cause as little inconvenience as possible to the Unit Owner and Occupant of the entered Unit or any portion of the Limited Common Elements allocated to the Unit Owner.

(b) By Unit Owners. Each Unit Owner and Occupant shall allow other Unit Owners and Occupants, and their representatives, to enter his Unit, or Limited Common Elements allocated to his Unit, when reasonably necessary for the purpose of altering, maintaining, repairing or replacing the Unit of, or performing the duties and obligations under the Act, this Declaration or the Bylaws of the Unit Owner or Occupant making such entry, provided that requests for entry are made in advance and that such entry is at a time convenient to the Unit Owner or occupant whose Unit or Limited Common Element is to be entered. In case of an emergency or dangerous condition or situation, such right of entry shall be immediate. Notwithstanding Section 7.4, the person making such entry shall be responsible for repair of any damage caused by such person to the entered unit or Limited Common Element.

ARTICLE VIII

Insurance

8.1. Casualty Insurance. The Association shall maintain casualty insurance upon the Property in the name of, and the proceeds thereof shall be payable to, the Association, as trustee for all Unit Owners and Security Holders as their interests may appear, and be disbursed pursuant to the Act. Such insurance shall be in an amount equal to not less than the full insurable value of the Property on a replacement cost basis and shall insure against such risks and contain such provisions as the Board from time to time shall determine, but at a minimum shall conform in all respects to the requirements of the Act, and shall provide that, notwithstanding any provision thereof that gives the insurer an election to restore damage in lieu of making a cash settlement, such option shall not be exercisable if such restoration is prohibited pursuant to Section 47C-3-113(h) of the Act.

8.2. Public Liability Insurance. The Association shall maintain public liability insurance for the benefit of the Unit Owners, Occupants and holders of a vendor's interest in a contract for deed on a Unit, the Association, the Board, the manager, if any, the Declarant,

and their respective officers, directors, agents and employees, in such amounts and with such coverage as shall be determined by the Board; provided that the public liability insurance shall be for at least One Million Dollars (\$1,000,000.00) per occurrence for death, bodily injury and property damage. Said insurance shall contain a severability-of-interest endorsement precluding the insurer from denying liability because of negligent acts of any insured; insure all of such benefited parties against such liability arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the streets, sidewalks and public spaces adjoining the Condominium; and insure the Association, the Board, the manager, if any, and their respective officers, directors, agents and employees against such liability arising out of or in connection with the use or maintenance of the Units.

8.3. Fidelity Coverage. Fidelity coverage shall be maintained by the Association in commercial blanket form covering each director and officer of the Association, any employee or agent of the Association and any other person handling or responsible for handling funds of the Association and any other person handling or responsible for handling funds of the Association in the face amount of at least the greater of (i) one and one-half (1½) times the estimated annual operating expenses and reserves of the Association, or (ii) the sum of three months' aggregate assessments on all units plus the Association's reserve funds. Such bonds shall contain an appropriate endorsement to cover persons who serve without compensation. The premiums on such bonds shall be a Common Expense.

8.4. Other Insurance. The Association may procure such other insurance, including worker's compensation insurance, as it may from time to time deem appropriate to protect the Association or the Unit Owners.

8.5. Insurance Trustee. The Board may engage, and pay as a Common Expense, any appropriate person to act as an insurance trustee to receive and disburse insurance proceeds upon such terms as the Board shall determine, consistent with the provisions of the Act and this Declaration.

8.6. Individual Policy for Unit Owners. Each Unit Owner may obtain insurance, at his own expense, affording personal property, additional living expense, condominium assessment, personal liability, and any other coverage obtainable, to the extent and in the amounts such Unit Owner deems necessary to protect his own interest; provided that any such insurance shall contain waivers pursuant to Section 7.4 and shall provide that it is without contribution as against the insurance purchased by the Association. If a casualty loss is sustained and there is a reduction in the amount of the proceeds that would otherwise be payable on the insurance purchased by the Association due to the proration of insurance purchased by a Unit Owner under this Section, such Unit Owner shall be liable to the Association to the extent of such reduction and shall pay the amount of such

00681 90015

reduction to the Association upon demand, and assigns the proceeds of his insurance, to the extent of such reduction, to the Association.

IX

Casualty Damage

If all or any part of the Property shall be damaged or destroyed, the same shall be repaired or replaced, and proceeds of insurance shall be used and applied in accordance with the provisions of Section 47C-3-113(e) and (h) of the Act.

ARTICLE X

Condemnation

In the event of a taking by eminent domain, or by a conveyance in lieu thereof, of all or any part of the Property, the same shall be repaired or restored, and the awards paid on account thereof shall be used and applied in accordance with Section 47C-1-107 of the Act.

ARTICLE XI

Termination

The Condominium may be terminated only in strict compliance with Section 47C-2-118 of the Act.

ARTICLE XII

Amendment

This Declaration may be amended only in strict compliance with the Act, including, without limitation, Section 47C-2-117 of the Act, except that no amendment altering or impairing Special Declarant Rights may be made without the written consent of Declarant.

ARTICLE XIII

Rights of Mortgagees

The following provisions shall take precedence over all other provisions of this Declaration and the Bylaws:

13.1. Availability of Condominium Documents, Books, Records and Financial Statements. The Association shall at all times maintain a Register setting forth the names of the Unit Owners of all of the Units. In the event of the sale or transfer of any Unit to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such Unit, together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any Unit. The Association shall, upon request and during normal business hours, make available for inspection by Unit Owners and the Mortgagees and the insurers and guarantors of a Mortgage on any Unit, current copies of the Declaration, the Bylaws, other rules and regulations governing the Condominium and the books, records and financial statements of the Association. The Association shall provide a financial statement for the preceding fiscal year if requested in writing by a Mortgagee or

Longleaf Lakeside Villas - Declaration of Condominium

insurer or guarantor of a Mortgage for a reasonable charge. The Association shall, upon request and during normal business hours, make available for inspection by prospective purchasers of Units, current copies of the Declaration, Bylaws, other rules and regulations governing the Condominium, and the most recent annual financial statement (if one is prepared).

13.2. Successors' Personal Obligation for Delinquent Assessments. The personal obligation for assessments which are delinquent at the time of transfer of a Unit shall not pass to the successors in title or interest to said Unit unless said delinquent assessments are expressly assumed by them.

13.3 Notice. Each Mortgagee and each insurer or guarantor of a Mortgage, upon written request stating its name and address and describing the Unit encumbered by the Mortgage, held, insured or guaranteed, shall be entitled to timely written notification by the Association of (i) any proposed action which requires consent of a specified percentage of Mortgagees; (ii) any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing its Mortgage; (iii) any 60-day delinquency in the payment of assessments or charges owed by the Unit Owner of the Unit on which the Mortgagee held its Mortgage or in the performance of any obligation under this Declaration or the Bylaws by said Unit Owner; or (iv) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association. Each Mortgagee who has requested the Association to notify it of any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders shall be considered an "Eligible Mortgage Holder". With respect only to non-material amendments such as for the correction of technical errors or for clarification, any Mortgagee who receives a written request by the Association, or any Unit Owner, to approve an addition or amendment to the Declaration or Bylaws who does not deliver or post to the requesting party a negative response within 30 days shall be deemed to have approved such request.

ARTICLE XIV

General Provisions

14.1. Conflict With the Act; Severability. Should any of the terms, conditions, provisions, paragraphs, or clauses of this Declaration conflict with any provisions of the Act, the provisions of the Act shall control unless the Act permits the Declaration to override the Act, in which event the Declaration shall control. The invalidity of any covenant, restriction, condition, limitation, provision, paragraph or clause of this Declaration, or of any part of the same, or the application thereof to any person or circumstance, shall not impair or affect in any manner the validity, of any such covenant, restriction, condition, limitation, provision, paragraph or clause to any other person or circumstances.

14.2. Interpretation of Declaration. Whenever appropriate singular may be read as plural, plural may be read as singular, and the masculine gender may be read as the feminine or neuter gender. Compound words beginning with the prefix "here" shall refer to this entire Declaration and not merely to the part in which they appear.

14.3. Captions. The captions herein are only for convenience and reference and do not define, limit or describe the scope of this Declaration, or the intent of any provision.

14.4. Exhibits. Exhibits "A", "B", "C", "D", "E" and "F" attached hereto are hereby made a part hereof.

14.5. Master Association. The Longleaf Master Association in its sole discretion shall have the right to replace the Association in the performance of the duties and responsibilities of the Association enumerated herein in the event the Association is not performing such duties and responsibilities in accordance with the terms hereof when compared to the standards being enforced by other Associations which are members of the Master Association and when compared with the general plan and development scheme of the entire Longleaf development. The Master Association is herewith granted the same rights and authority as the Association under the terms hereof for the purpose of assuming the responsibilities of the Association in those instances when the Master Association is required to act.

IN WITNESS WHEREOF, the undersigned has executed this Declaration as of the day and year first above written.

LONGLEAF ASSOCIATES LIMITED PARTNERSHIP

By: James J. O'Brien (SEAL)
JAMES J. O'BRIEN, General Partner

Commonwealth of Massachusetts
STATE OF NORTH CAROLINA
COUNTY OF MOORE

I, Shelly A. Watson, Notary Public, do hereby certify that JAMES J. O'BRIEN, General Partner, LONGLEAF ASSOCIATES LIMITED PARTNERSHIP, a North Carolina Limited Partnership, personally appeared before me this date and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal, this the 9th day of September, 1989.

My commission expires:
My Commission Expires Sept. 14, 1993

Shelly A. Watson Notary Public
Notary Seal

See Unit Ownership Book II Page 48-54

North Carolina—Moore County
The foregoing certificate(s) of Shelly A. Watson, Notary/Notaries Public is/are certified to be correct. This instrument and this certificate are duly registered at the date and time in the book and page shown in the first page hereof.

Judith M. Adams Register of Deeds
Assistant

Legal Description

LONGLEAF LAKESIDE VILLAS CONDOMINIUMS PHASE 1

A certain tract or parcel of land in McNeills Township, Moore County, North Carolina lying about 50 yards Northeast of Knoll Road, bounded on the North and South by Longleaf Associates Limited Partnership Lakeside Villas tract, and on the East by Maples Properties, Inc., tract no. 4, (Longleaf Golf Course) that is recorded in plat cabinet 4 in slide 51 in the Moore County Registry, described as follows:

BEGINNING at an iron stake in the Longleaf Associates Limited Partnership Lakeside Villas tract; said corner being located about 150 feet from the Northeast line of Knoll Road said beginning corner further located N 49 30' 59" W 331.12 feet; N 40 29' 01" E 137.23 feet; and S 81 30' 11" E 35.34 feet from a corner of the Maples Property, Inc. tract no. 4, in the Northeast line of Knoll Road; running thence from the beginning as new lines N 19 31' 39" E 154.04 feet to an iron stake; Thence N 40 33' 42" E 57.51 feet to an iron stake in a line of the Maples Property, Inc. tract no. 4, near a Sewer easement; Thence with said line the following calls; S 49 26' 45" E 9.02 feet to an iron stake; in a Sewer Easement; Thence S 24 52' 20" 119.56 feet to an iron stake near a Sewer Easement; Thence as new lines S 65 07' 07" W 86.40 feet to an iron stake; Thence N 81 30' 11" 137.53 feet to the beginning, containing 26,855 square feet more or less and being Longleaf Associates Limited Partnership site No. 3.

Also conveyed with the above described property is an access easement for the purpose ingress and egress leading from the above described property to Knoll Road, described as follows;

BEGINNING at an iron stake in the Northeast line of Knoll Road; said stake being located N 49 30' 59" W 391.12 feet from a corner of the Maples Properties, Inc. tract no. 4 in the line of the road; running thence from the beginning, leaving the road N 40 29' 01" E 63.51 feet to a corner; thence S 81 30' 11" E 82.85 feet to a corner on the West line of the above described tract; thence with said line S 9 31' 39" W 55.09 feet to a corner, the Southwest corner of the above described tract; thence N 81 30' 11" W 35.34 feet to a corner; thence N 40 29' 01" W 137.23 feet to a corner in the Northeast line of Knoll Road; thence with the line of the road N 49 30' 59" W 60.00 feet to the beginning.

EXHIBIT "B"

To Declaration

Limited Common Elements

Each Unit Owner shall be allocated those Limited Common Elements, as shown on the Floor Plans, in the manner set forth below.

- A. Storage Compartments for individual Units as shown on plans of the Condominium.
- B. Units 409 & 412 have attached carports.
- C. All other condominium Units have an allocated parking area in which all automobiles can park in any open spaces.
- D. Outside decks (Patios) as shown on the plans attached to each Unit along with five (5') feet extending from all deck areas shall be Limited Common Areas.

EXHIBIT "C"

To Declaration

<u>Unit No.</u>	<u>Percentage of Undivided Interest in Common Elements</u>	<u>Percentage of Common Expenses</u>
409	25%	25%
410	25%	25%
411	25%	25%
412	25%	25%

These percentages represent the maximum possible percentages of undivided ownership in the common elements. Subsequent amendments may reduce these percentages by up to twenty four (24%) percent (each Unit would then be allocated one (1%) percent of the common elements).

EXHIBIT "D"

To Declaration

Liens, Defects and Encumbrances

- a. Building and zoning laws, ordinances, and state and federal regulations;
- b. The provisions of Articles of Incorporation and the Bylaws of Longleaf Lakeside Villas Homeowners Association, Inc.
- c. The Floor Plans of the Condominium;
- d. Existing streets and alleys, utility easements and other easements of record, if any; restrictions of record, if any;
- e. The provisions of North Carolina General Statutes, Section 47C, as amended;

EXHIBIT "E"
(ADDITIONAL REAL ESTATE)

A certain tract or parcel of land in McNeills Township, Moore County, North Carolina, lying between Pinehurst and Southern Pines; said tract located about 500 yards south of Seals Road (S.R. No. 1843) and about 1000 yards North of Midland Road (N.C. Hwy. No. 2), described as follows:

Beginning at an iron stake in the East line of the proposed 80 foot wide Knoll Road; running thence from the beginning on a map entitled Longleaf Associates Limited Partnership property that is recorded in Plat Cabinet 4 at Slide 51 in the Moore County Registry, N. 79 58'25" E 463.53 feet, crossing a lake to a corner in the lake; thence continuing with the lines of tract No. 4 S 16 10' 05" W 238.17 feet to an iron stake; thence S 32 35' 58" E 422.69 feet to an iron stake; thence S 49 26' 18" E 371.72 feet to an iron stake; thence S 24 52' 53" E 382.93 feet to an iron stake; S 45 01' 14" W 110.00 feet to an iron stake; thence N 83 13' 54" W 95.51 feet to an iron stake; thence S 45 01' 14" W 35.00 feet to an iron stake in the northeast line of the proposed 80 foot wide Knoll Road; thence with the line of the proposed road the following calls; N 49 30' 59" W 913.28 feet to an iron stake; thence with the line of the proposed road as it curves to the right having a radius of 555.00 feet, an arc distance of 616.57 feet, a chord bearing of N 17 41' 24" W, and a chord distance of 585.35 feet to an iron stake; thence N 14 08' 10" E 34.94 feet to the beginning, containing 12.74 acres more or less.

EXCEPTING, HOWEVER, the building site on Exhibit "A".

RSF/0965/TXTSHELL
5/6/91

original 3/1/91 details

RESTATED
ARTICLES OF INCORPORATION
OF
LONGLEAF MASTER HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirements of G.S. 55A-1, et. seq., the undersigned, being residents of the State of North Carolina and of full age, and for the purpose of forming a not-for-profit corporation, do hereby certify:

ARTICLE I - NAME

The name of the corporation is Longleaf Master Homeowners Association, Inc., (hereinafter called the "Master Association").

ARTICLE II - REGISTERED OFFICE

The registered office of the Master Association is located at 2001 Midland Road, Southern Pines, Moore County, North Carolina 28387.

ARTICLE III - INITIAL REGISTERED AGENT

Mitchell K. Adams is hereby appointed the registered agent of the Master Association at the registered office of the Master Association set forth in Article II.

ARTICLE IV - PURPOSE AND POWER OF THE MASTER ASSOCIATION

This Master Association does not contemplate pecuniary gain or profit to the Members thereof and the specific purposes for which it is formed are to provide for and enforce architectural control of the residential property and improvements described in Exhibit "A" attached hereto and incorporated herein by reference ("Property") over which it has indirect or direct control as herein provided, to directly or indirectly provide for the construction, repair, maintenance and preservation of the Common Area described in Exhibit "B" attached hereto and herein incorporated by reference, as such Property and Common Area are enlarged or reduced from time to time as herein provided and for the other purposes set forth herein and in the Declarations, as such term is described below. To effect the foregoing purposes ~~either the Master Association or, in the Master Association's sole discretion, an individual Association described in (1) below,~~ shall have the power, authority and duty to:

(1) Exercise all of the powers and privileges and to perform all of the duties and obligations delegated to the individual Associations described on Exhibit "C" attached hereto and incorporated herein by reference, as set forth in those certain Declarations of Condominium, Declarations of Covenants, Conditions and Restrictions, Articles of Incorporation and By-Laws (hereinafter collectively called the "Declarations"), applicable to the properties described in such

Declarations (such properties being part of the Property), as such properties may be expanded or reduced from time to time, and certain of which are recorded or will be recorded in the Office of the Register of Deeds for Moore County, North Carolina, and as the same may be amended from time to time as therein provided, said Declarations being incorporated herein as if set forth herein at length;

(2) After consultation with the individual Associations over which the Master Association has jurisdiction; fix, levy, collect and enforce payment by any lawful means, all charges or assessments provided for pursuant to the terms of the Declarations; to fix, levy, collect and enforce payment by any lawful means, all charges or assessments for the construction, repair, maintenance and preservation of Common Area; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Associations, including all licenses, taxes or governmental charges levied or imposed against the property of the Declarant, Master Association or the Associations;

(3) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Associations.

(4) Borrow money, and in accordance with the Declarations, to mortgage, pledge, deed in trust or hypothecate any and all of their real or personal property as security for money borrowed or debts incurred;

(5) Dedicate, sell or transfer all or any part of the Common Area to Declarant, Master Association or the Associations or any municipal or public agency, authority, or utility or any other entity for such purposes and subject to such conditions as may be agreed to by the members, in accordance with the Declarations;

(6) Participate in mergers and consolidations with other non-profit corporations organized for the same or similar purposes or annex additional residential property and Common Area, in accordance with the Declarations;

(7) Have and exercise any and all powers, rights, and privileges which a corporation organized under the non-profit corporation law of the State of North Carolina by law may now or hereafter have or exercise;

(8) Levy, collect and enforce payment by any lawful means by way of assessments for any deficiencies in the monies collected by the Associations for repairs, maintenance, insurance, and improvements caused by the taxation of the Associations by Federal, State, County or municipal authorities, which said assessments for deficiencies shall be made according to those methods set out in said Declaration.

(9) Establish an Architectural Review Board to enforce any recorded or unrecorded architectural guidelines or restrictions on the Properties, as set forth in the Declarations or elsewhere.

ARTICLE V - MEMBERSHIP AND VOTING RIGHTS

A. Every Owner of a Unit or Lot as defined by the Declarations (hereinafter referred to by the single reference to Unit) shall be a Member of the Master Association. Membership shall be appurtenant to and may not be separated from ownership of the Unit.

B. Subject to the provisions of subparagraph D. hereinafter, the voting rights of membership shall be appurtenant to the ownership of the Units. Ownership of a Unit shall entitle the Owner of said Unit to one (1) vote. When more than one person owns an interest (other than a leasehold or a security interest) in any Unit, all such persons shall be Members and the voting rights appurtenant to said Unit shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any one (1) Unit.

C. Subject to the provisions of subparagraph D. hereinafter, Members of each Association set forth in Exhibit "C" attached hereto, each Association shall be represented at meetings of the Master Association by Delegates who are elected in the following manner and such Delegates shall cast the total votes of all Members of the Master Association as herein provided:

(1) The Board of Directors of each Association set forth on Exhibit "C" hereof shall designate a Delegate for such Association who shall represent the Association and its Members at meetings of the Master Association.

(2) As to any issue presented to the Membership of the Master Association for vote, each Association's Delegate shall be eligible to cast that number of votes on the issue being considered equal to the number of Members in good standing of his Association as exist at the time of the meeting of the Master Association.

(3) All votes of the Master Association involving matters to be decided by the Master Association's Members shall be decided by a majority of the votes of Members represented through their Delegate.

(4) The Board of Directors of each Association described herein may designate one or more Alternate Delegate who may act for the Association in the event the named Delegate is unable to attend the Master Association meeting.

(5) Each Associations described herein shall have an affirmative duty to notify the Master Association in writing of the names, addresses, and telephone numbers of its Delegate and Alternate Delegate. Until notified to the contrary, the Master Association may rely on the most recent notice as to who is the properly designated Delegate and Alternate Delegate from each Association.

(6) In the absence of a properly named Delegate or Alternate Delegate, the Board of Directors of the Master Association shall designate in writing a Delegate from each Association to represent such Association until the Association properly names a replacement, provided that any Delegate named by the Master Association to represent an Association must be a member in good standing of that Association.

75-600-450

D. Longleaf Associates Limited Partnership ("Declarant") shall maintain the right to designate all Members of the Board of Directors of the Master Association, and hence maintain control over the Master Association, until such time as seventy-five percent (75%) of the Units in the Properties (including proposed Units to be located in areas to be added to the Properties pursuant to the Declarations or as permitted by law) shall be sold by the Declarant. For purposes of interpreting the preceding sentence, and for purposes of determining the number of memberships owned by the Declarant where the number of memberships in the Master Association, their votes and their ownership is relevant, the Declarant shall be deemed to own a minimum of 600 Units which represents the proposed number of Units to be located on the Properties. The Declarant shall retain the right to elect a lesser number or none of the Directors, and hence surrender a portion of or all of the control of the Master Association to the Owners of Units any time the Declarant may choose.

ARTICLE VI - BOARD OF DIRECTORS

The affairs of this Master Association shall be managed by a Board of Directors, consisting of five (5) individuals. While the Declarant controls the Board, none of the Directors need be Members of the Master Association. After Declarant's control ceases, at least three (3) Directors must be Members of the Master Association. Subject to the terms hereof, the number of Directors and the method of their election shall be as set forth in the Bylaws of the Master Association. The names and addresses of the persons who are to serve as Directors until the election of their successors are:

NAME	ADDRESS
James J. O'Brien	600 Atlantic Avenue, Suite 2000 Boston, MA 02210
Stuart R. Johnson	600 Atlantic Avenue, Suite 2000 Boston, MA 02210
Vincent J. Costantini	600 Atlantic Avenue, Suite 2000 Boston, MA 02210
Robert T. Karp	600 Atlantic Avenue, Suite 2000 Boston, MA 02210
Robert S. Farrington, Jr.	600 Atlantic Avenue, Suite 2000 Boston, MA 02210

ARTICLE VII - DISSOLUTION

The Master Association may be dissolved with the assent given in writing and signed by Members having not less than ninety percent (90%) of the votes of the Master Association, other than incident to a transfer, merger or consolidation, the assets of the Master Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Master Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE VIII - DURATION

The Master Association shall exist perpetually.

ARTICLE IX - AMENDMENTS

Amendments to these Articles shall require the vote of not less than two-thirds (2/3) of the votes of the Members of the Master Association.

ARTICLE X - DEFINITIONS

All capitalized terms used herein shall be defined in the By-Laws of the Master Association unless otherwise indicated.

ARTICLE XI - INCORPORATION

The name and address of the incorporator is as follows:

NAME	ADDRESS
John M. May	10 Turnberry Wood P.O. Box 370 Pinehurst, North Carolina 28374

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, we, the undersigned, being the incorporators of this Longleaf Master Homeowners Association, Inc., have hereunto set my hand and seal this ____ day of _____, 19__.

_____(SEAL)
John M. May

STATE OF NORTH CAROLINA
COUNTY OF MOORE

This is to certify that on the ___ day of _____, 19___, before me, _____, a Notary Public of said County and State, personally appeared JOHN M. MAY, who I am satisfied is the person named in and who executed the foregoing Restated Articles of Incorporation of LONGLEAF MASTER HOMEOWNERS ASSOCIATION, INC., and I having first made known to them the contents thereof, he did acknowledged that he signed, sealed, and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal, this ___ day of _____, 19___.

My Commission Expires:

Notary Public

SCHEDULE "A"

(All Longleaf Property)

Reference is hereby made to that certain Property described in Deed Book 595, Page 214, Moore County North Carolina, Registry.

LONGLEAF MAGNOLIA CIRCLE TOWNHOMES

BEING ALL OF LOTS, 301 and 302, shown on a map entitled "Longleaf Magnolia Circle Townhomes, Property of Longleaf Associates Limited Partnership, McNeills Township, Moore County, North Carolina," dated May 3, 1989, drawn from an actual survey by C.H. Blue and Associates, and recorded in the Moore County, North Carolina, Registry.

LONGLEAF HUNTER TRAIL TOWNHOMES

BEING ALL OF LOTS, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209,
210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223,
224, 225, 227, 229, 231 and 233, as shown on a map entitled "Longleaf
Hunter Trail Townhouses, Plat No.2, Property of Longleaf Associates
Limited Partnership, McNeills Township, Moore County, North Carolina,"
dated October 11, 1990, drawn from an actual survey by C.H. Blue and
Associates, and recorded in Plat Cabinet 5, Slide 24, Moore County,
North Carolina Registry.

30 lots

20

LONGLEAF SINGLE FAMILY HOMES

25
BEING ALL OF THE LOTS, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624 and 625, as shown on a map entitled "Longleaf Country Club, Fairway Homes, Phase I, Property of Longleaf Associates Limited Partnership, McNeills Township, Moore County, North Carolina" dated September 10, 1990, drawn from an actual survey by C.H. Blue and Associates and recorded in Plat Cabinet 5, Slide 23, Moore County, North Carolina Registry.

LONGLEAF LAKESIDE VILLAS CONDOMINIUMS PHASE 1

A certain tract or parcel of land in McNeills Township, Moore County, North Carolina lying about 50 yards Northeast of Knoll Road, bounded on the North and South by Longleaf Associates Limited Partnership Lakeside Villas tract, and on the East by Maples Properties, Inc., tract no. 4, (Longleaf Golf Course) that is recorded in plat cabinet 4 in slide 51 in the Moore County Registry, described as follows;

BEGINNING at an iron stake in the Longleaf Associates Limited Partnership Lakeside Villas tract; said corner being located about 150 feet from the Northeast line of Knoll Road said beginning corner further located N 49 30' 59" W 331.12 feet; N 40 29' 01" E 137.23 feet; and S 81 30' 11" E 35.34 feet from a corner of the Maples Property, Inc. tract no. 4, in the Northeast line of Knoll Road; running thence from the beginning as new lines N 19 31' 39" E 154.04 feet to an iron stake; Thence N 40 33' 42" E 57.51 feet to an iron stake in a line of the Maples Property, Inc. tract no 4, near a Sewer Easement; Thence with said line the following calls; S 49 26' 45" E 99.02 feet to an iron stake; in a Sewer Easement; Thence S 24 52' 20" E 119.56 feet to an iron stake near a Sewer Easement; Thence as new lines S 65 07' 07" W 86.40 feet to an iron stake; Thence N 81 30' 11" W 137.53 feet to the beginning, containing 26,855 square feet more or less and being Longleaf Associates Limited Partnership site No. 3.

Also conveyed with the above described property is an access easement for the purpose ingress and egress leading from the above described tract to Knoll Road, described as follows;

BEGINNING at an iron stake in the Northeast line of Knoll Road; said stake being located N 49 30' 59" W 391.12 feet from a corner of the Maples Properties, Inc. tract no. 4 in the line of the road; running thence from the beginning, leaving the road N 40 29' 01" E 163.51 feet to a corner; thence S 81 30' 11" E 82.85 feet to a corner in the West line of the above described tract; thence with said line S 19 31' 39" W 55.09 feet to a corner, the Southwest corner of the above described tract; thence N 81 30' 11" W 35.34 feet to a corner; thence S 40 29' 01" W 137.23 feet to a corner in the Northeast line of Knoll Road; thence with the line of the road N 49 30' 59" W 60.00 feet to the beginning.

LONGLEAF CLUB COTTAGE CONDOMINIUMS PHASE 1

A certain tract or parcel of land in McNeills Township, Moore County, North Carolina lying about 100 yards West of the intersection of Knoll Road with Hunter Trail; said parcel bounded on the North and East by Longleaf Associates Limited Partnership, on the South and West by Maples Properties, Inc., tract no. 5 (Longleaf Golf Course) that is recorded in Plat Cabinet 4 at Slide 51 in the Moore County Registry, described as follows:

BEGINNING at an iron stake, a corner of Maples Properties, Inc., tract no. 5; running thence from the beginning with a line of the tract no. 5 N 06 38' 40" E 142.45 feet to an iron stake in said line; thence as new lines S 83 21' 20" E 160.00 feet to an iron stake; thence S 06 38' 40" W 139.21 feet to an iron stake in a line of the Maples Properties, Inc., tract no. 5; thence with said line N 84 30' 59" W 160.03 feet to the beginning, containing 22,530 square feet more or less.

Also conveyed with the above described parcel is an access easement for the purpose of ingress and egress that extends from the above described tract to Knoll Road, described as follows:

BEGINNING at an iron stake in the Southeast line of Knoll Road; said stake also being common with the South corner of a carpath tunnel easement; running thence from the beginning with the line of the road having a radius of 845.00 feet, an arc distance of 50.03 feet, a chord bearing of S 47 49' 13" E and a chord distance of 50.02 feet to an iron stake; thence leaving the road S 40 29' 01" W 86.05 feet to an iron stake; thence S 38 22' 16" E 84.49 thence S 06 38' 40" W 267.84 feet to the Northeast corner of the above described tract; thence with the North line of said tract N 83 21' 20" W 65.00 feet to a corner; thence N 06 38' 40" E 277.84 feet to a corner; thence N 83 21' 20" W 88.30 feet to a corner in a line of the Maples Properties, Inc., tract no. 5, thence with said line N 40 29' 01" E 180.92 feet to the beginning.

EXHIBIT "B"

Common Area

(Roads)

(Common Area is contained within the Property described on Exhibit A)

EXHIBIT "C"

1. That certain Longleaf Magnolia Circle Declaration of Covenants, Conditions and Restrictions by Longleaf Associates Limited Partnership recorded or to be recorded in the Moore County, North Carolina Registry as hereby referenced.
2. That certain Longleaf Hunter Trail Declaration of Covenants, Conditions and Restrictions by Longleaf Associates Limited Partnership recorded or to be recorded in the Moore County, North Carolina Registry as hereby referenced.
3. That certain Longleaf Club Cottages Declaration of Condominiums by Longleaf Associates Limited Partnership recorded or to be recorded in the Moore County, North Carolina Registry as hereby referenced.
4. That certain Longleaf Lakeside Villa Declaration of Condominium by Longleaf Associates Limited Partnership recorded or to be recorded in the Moore County, North Carolina Registry as hereby referenced.
5. That certain Longleaf Single Family Declaration of Covenants, Conditions and Restrictions by Longleaf Associates Limited Partnership recorded or to be recorded in the Moore County, North Carolina Registry as hereby referenced.

5 Assns