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JUDITH A. GIBSON REGISTER OF DEEDS MECKLENBURG COUNTY, NC	

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
HAMPTON PLACE SUBDIVISION

THIS DECLARATION is made this 30 day of April, 1999, by Hill Land Corporation, a North Carolina corporation, referred to in this instrument as "Developer," and Hampton Homes of South Carolina, Inc., a South Carolina corporation, currently the owner of five (5) Lots which are part of the Submitted Property as hereinafter defined.

STATEMENT OF PURPOSE

Developer is the owner of that certain parcel of land which is known as Hampton Place located in Mecklenburg County, North Carolina, more particularly described in Exhibit A attached hereto and incorporated herein by reference (the "Submitted Property"), except for five (5) Lots located within the Submitted Property which are owned by Hampton Homes of South Carolina, Inc. Hampton Homes of South Carolina, Inc. is joining in the execution of this Declaration in order to declare and does hereby declare that the Lots which it owns which are part of the Submitted Property shall be held, sold and conveyed subject to the easements, restrictions, covenants and conditions (all of which are collectively referred to in this instrument as "Restrictions"), which Restrictions shall be construed as covenants running with the land and shall be binding upon all parties having any right, title or interest in said real property or any part thereof, and to their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

It is in the best interest of Developer, as well as to the benefit, interest and advantage of each person or other entity later acquiring any property in Hampton Place that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulating the use and occupancy of the same be established, fixed and set forth and declared to be covenants running with the land.

Developer desires to provide for the preservation of the values and attractiveness of the real property in Hampton Place and for the continued maintenance and operation of such common areas as may be provided.

Developer further desires to create an organization to which will be delegated and assigned the powers of owning, maintaining and administering the Common Area, administering and enforcing the covenants and restrictions contained herein, and collecting and disbursing the assessments and charges hereinafter created, in order to sufficiently preserve, protect and

enhance the values and amenities in the Development, to ensure the residents' enjoyment of the specific rights, privileges and easements in the Common Area, and to provide for the maintenance and upkeep of the Common Areas and amenities. To that end, the Developer has or will cause to be incorporated under North Carolina law, pursuant to the Articles of Incorporation attached hereto as Exhibit "B" and incorporated herein by reference, Hampton Place Property Owners Association, Inc., as a nonprofit corporation for the purpose of exercising and performing the aforesaid functions, said corporation to be governed by the bylaws attached hereto as Exhibit "C" and incorporated herein by reference.

In consideration of the premises and for the purposes stated, Developer hereby declares that all of the Submitted Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions (all of which are collectively referred to in this instrument as "restrictions"), which restrictions shall be construed as covenants running with the land and shall be binding upon all parties having any right, title or interest in the described real property or any part thereof, and to their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I: DEFINITIONS

The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(1.1) "Additional Property" shall mean additional real estate other than the submitted property which may be subject to the terms of this declaration in accordance with the provisions of Section 2.2 of this declaration.

(1.2) "Annual Assessments" shall mean the assessments established pursuant to Paragraph 5.2 of the Declaration.

(1.3) "Association" shall mean Hampton Place Property Owners Association, Inc., a nonprofit corporation organized and existing under the laws of the State of North Carolina and its successors and assigns.

(1.4) "Board of Directors" shall mean and refer to the Board of Directors of the Association, which shall be elected and serve pursuant to the Bylaws.

(1.5) "Bylaws" shall mean the Bylaws for the Association attached as Exhibit "C" hereto and incorporated herein by reference.

(1.6) "Common Area" shall mean all real property owned by the Association in Hampton Place for the common use and enjoyment of members of the Association lying within the boundaries of the Properties. Common Areas, with respect to the Properties subject to this Declaration, shall be shown on the plats of Hampton Place recorded in the

Mecklenburg County Public Registry and designated thereon as "Common Area" or "Common Open Space."

(1.7) "Developer" shall mean and refer to Hill Land Corporation and its successors and assigns.

(1.8) "FHA and VA" shall mean and refer to the Federal Housing Administration, U.S. Department of Housing and Urban Development, and the Veteran's Administration, respectively. If either or both of these federal agencies shall hereafter cease to exist or perform the same or similar functions they now serve, references hereto to FHA or VA shall be deemed to mean and refer to such agency or agencies as may succeed to the duties and services now performed by either or both of these departments.

(1.9) "Lot" shall mean any numbered plot of land to be used for residential purposes shown upon any recorded subdivision plat of the Properties subject to this Declaration.

(1.10) "Owner" shall mean the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of Hampton Place, but excluding those having such interest merely as security for the performance of an obligation.

(1.11) "Person" shall mean a natural person, as well as a corporation, partnership, limited liability company, firm, association, trust or other legal entity. The use of the masculine pronoun shall include the neuter and feminine, and the use of the singular shall include the plural where the context so requires.

(1.12) "Property" or "Properties" shall mean the Submitted Property described in Exhibit "A" together with such additions thereto as may from time to time be designated by Developer in accordance with Article II hereof, whether or not such additions are contiguous with or adjoining the boundary lines of the Submitted Property. "Property" or "properties" may sometimes be referred to herein as "Hampton Place."

(1.13) "Special Assessments" shall mean the assessments established pursuant to Paragraph 5.6 of the declaration.

(1.14) "Submitted Property" shall mean that certain parcel of real property described on Exhibit "A" attached hereto.

ARTICLE II: PROPERTY SUBJECT TO THIS DECLARATION

(2.1) The Submitted Property shall be held, transferred, sold, conveyed and occupied subject to this Declaration. Only the Submitted Property is hereby made subject to this Declaration; provided, however, Developer shall have the right to subject other real property to these restrictions as provided in Section 2.2.

(2.2) Without further assent or permit, Developer shall have the right from time to time to submit any of the real property described on Exhibit D attached hereto to the terms and scheme of this Declaration said property to be developed as part of Hampton Place and thereby bringing such additional properties within the jurisdiction of the Association by filing a Supplemental Declaration in the office of the Register of Deeds for Mecklenburg County, North Carolina containing a description of the additional property and a statement by the Developer of its intent to extend the operation and effect of this Declaration to the additional property.

(2.3) Any addition of real property shall be made by filing of record one or more Supplemental Declarations in respect to the property to be then made subject to this Declaration, and the jurisdiction of the Association shall thereby then extend to such property and subject such addition to the assessments provided in this instrument for a just and proportionate share of the Association's expenses. Each Supplemental Declaration may contain such complementary additions and modifications of the covenants, conditions and restrictions contained herein as may be necessary to reflect the different character of the added properties.

(2.4) Any Supplemental Declaration may contain complementary additions to the covenants and restrictions contained herein as may be necessary in the judgment of Developer to reflect the different character of the Additional Property. In no event, however, shall any Supplemental Declaration revoke, modify or add to the covenants and restrictions contained herein with respect to the Submitted Property, nor revoke, modify, change or add to the covenants and restrictions established by previously filed Supplemental Declarations, without meeting the requirements for Amendment set forth in Section 8.3 of this Declaration.

ARTICLE III: PROPERTY RIGHTS

(3.1) Owner's Easements of Enjoyment. Every Owner shall have a nonexclusive 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 provisions of this Declaration, including but not limited to the following:

(a) The right of the Association to limit the use of the Common Area to Owners, their families and guests;

(b) The right of the Association to suspend the voting rights, and/or the rights to use recreational facilities, of an Owner for any period during which any assessment against his Lot remains unpaid, or for any infraction of the Association's published rules and regulations, if any;

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Association members. No such dedication or transfer shall be effective after the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B membership unless the members entitled to at least two-thirds (2/3) of the vote appurtenant to Class A Lots and Class B Lots agree to such dedication or transfer and signify their agreement by a signed and recorded written document, provided that this paragraph shall not preclude the Board of Directors of the Association from granting easements for the installation and maintenance of electrical, telephone, cablevision, water and sewerage utilities and drainage facilities upon, over, under and across the Common Area without the assent of the membership.

(d) The right of the Developer or the Association to grant utility, drainage and other easements across the Common Areas;

(e) The Board of Directors of the Association shall have the right to dedicate or transfer all or any part of the Common Area to third parties provided the Association acquires in return other Common Area of equal or greater value.

(3.2) Delegation and Use. The right and easement of enjoyment granted to every Owner in Section 3.1 of this Article may be exercised by members of Owner's family and guests thereof. An Owner may delegate to his tenants his rights of enjoyment in and to the Common Area and such facilities thereon as may be provided, in accordance with the Association's Bylaws and rules and regulations, if any.

ARTICLE IV: ASSOCIATION

(4.1) Membership. Every Owner of a Lot shall be a member of the Association which shall be activated no later than January 31, 2000. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

(4.2) Voting and Voting Rights. The Association shall have two classes of voting membership:

(a) Class A. Class A members shall be all Owners with the exception of Developer and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. 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.

(b) Class B. The Class B member shall be Developer 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 first:

(i) Six months after the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership but Developer at its discretion may elect to have Class B membership cease before the end of such six-month period; provided that the Class B Lots shall be reinstated with all rights, privileges and responsibilities, if after conversion of the Class B Lots to Class A Lots hereunder, additional land containing Lots is annexed to the existing property pursuant to Section 2.2 hereof, or

(ii) Seven years from the date of this Declaration.

(4.3) Suspension of Rights. During any period in which a member shall be in default in the payment of any annual, special or other periodic assessment levied by the Association, the voting rights of such member and/or the right of such member to use the recreational facilities of the Common Area may be suspended by the Board of Directors until such assessment is paid. In the event of violation by a member of any rules and regulations established by the Board of Directors, such member's voting rights may be suspended by the Board after a hearing. Such hearings shall be held by the board or a committee thereof after giving a member ten (10) days prior written notice specifying each alleged violation and setting the time, place and date of the hearing. Determination of the violation shall be made by a majority vote of the board or the committee thereof. During any period in which a member shall be in default in the payment of any monthly, special or other periodic assessment levied by the Association or in violation of any rules or regulations established by the Board of Directors, such member shall be subject to a fine imposed by the Board of Directors which shall be the personal obligation of the person who is the Owner of such Lot at the time when the fine was levied.

(4.4) Management Contracts. The Association is authorized and empowered to engage the services of any person, firm or corporation to act as managing agent of the Association at a compensation level to be established by the Board of Directors and to perform all of the powers and duties of the Association. Provided, however, that the term of any such agreement with a managing agent shall not exceed one (1) year and shall only be renewed by agreement of the parties for successive one year terms. Any such contract shall be terminable by the Association with or without cause upon ninety (90) days prior written notice to the manager without payment of a termination fee.

(4.5) Insurance.

(a) Insurance of Common Area

(i) At all times during the term of this Declaration, the Association, its successors and assigns, shall be required to keep any and all recreational facilities and any other insurable improvements located on the Common Area fully insured by a reputable insurance company authorized to transact business in the State of North Carolina with (a) fire, vandalism, malicious mischief and cost or replacement of such improvements in the event of loss of any and/or all of such improvements, fixtures and contents thereof; and (b) public liability insurance in such amounts as shall be determined by the Board of Directors of the Association as appropriate for the type of recreational activities which shall be allowed on the Common Area. Any such policies of insurance shall require that the certificate holders and insured be given thirty (30) days prior written notice of any cancellation of such policies, to the extent such provision is available.

(ii) Immediately after the damage or destruction by fire or other casualty to all or any portion of any improvement covered by insurance written in the name of the Association, the Board of Directors of the Association or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Article IV, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty.

(b) Repair or Reconstruction of Common Area.

(i) Any damage or destruction of a Common Area shall be repaired or reconstructed unless, within sixty (60) days after the casualty, members entitled to cast at least seventy-five percent (75%) of the total votes of the Class A members, and the Class B member, if any, shall otherwise agree. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed one hundred and twenty (120) days. No mortgagee of any Lot shall have the right to participate in the determination of whether damage or destruction shall be repaired or reconstructed.

(ii) If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors of the Association shall,

without the necessity of a vote of the Association's members, levy a special assessment. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess shall be deposited for the benefit of the Association. In the event that it should be determined by the Association in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then in that event the property shall be restored to its natural state and maintained as an undeveloped portion of the Properties in a neat and attractive condition.

(c) Allocation of Deductible. The deductible for any casualty insurance policy carried by the Association shall, in the event of damage or destruction, be allocated among the persons who are responsible hereunder for maintenance of the damaged or destroyed property.

(d) Additional Insurance. In addition to the coverage described hereinabove, the Association shall obtain such additional amounts and types of insurance as may be required from time to time, by either the Veterans Administration or the Federal Housing Administration, their successors and assigns, for similar type residential subdivision communities.

(4.6) Limitation of Liability; Indemnification. The personal liability of the Association's directors and officers shall be limited as provided in the Bylaws of the Association. In addition, each director and officer of the Association shall be indemnified and held harmless by the Association, as a common expense of the Association, from any expense, loss or liability by reason of having served as such director or officer, all as set forth in the Bylaws of the Association.

ARTICLE V: COVENANT FOR MAINTENANCE ASSESSMENTS

(5.1) Purpose of Assessment. The assessments levied by the Association shall be used: (a) to provide funds for maintenance, upkeep, landscaping and beautification of the Common Area in Hampton Place; (b) to provide services for the Association members to promote the health, safety and welfare of the residents of Hampton Place, and in particular for the acquisition, improvement and maintenance of properties, services and facilities related to the use and enjoyment of the Common Areas, including but not limited to the cost of repair, replacement and additions thereto; (c) for the payment of taxes assessed against the Common Area, for insurance related to the Common Area, for the employment of attorneys, accountants and other professionals to represent the Association when necessary or useful, the employment of security personnel; and (d) the

provision of any service which is not readily available from any governmental authority related to the use, occupancy and enjoyment of the properties and which the Association shall decide to provide. The purposes for which assessments may be levied shall include payment for utilities necessary to accomplish the foregoing purposes.

(5.2) Budgeting and Allocating Common Expenses. At least 60 days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated expenses for the operation of the Association and the operation and maintenance of the Common Areas for the coming year. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots, and the amount to be generated through the levy of Annual Assessments and Special Assessments against the Lots, as authorized in Section 5.6.

The Association is hereby authorized to levy Annual Assessments equally against all Lots subject to assessments to fund the Common Expenses. In determining the Annual Assessment rate per Lot, the Board may consider any assessment income expected to be generated from any additional Lots reasonably anticipated to become subject to assessment during the fiscal year.

The Developer may, but shall not be obligated to, reduce the Annual Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Developer under Section 5.3), which may, in the Developer's discretion, either be a contribution, an advance against future assessments due from the Developer, or a loan. Any such subsidy shall be disclosed as a line item in the income portion of the budget. The payment of such subsidy in any year shall not obligate the Developer to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and the Developer.

The Board shall send a copy of the final budget and notice of the amount of the Annual Assessment to be levied to each Owner at least 30 days prior to the effective date of such budget. The budget shall automatically become effective unless disapproved at a meeting by Members holding at least 75% of the total Class "A" votes and by the Class "B" Member, if such exists. There shall be no obligation to call a meeting for the purposes of considering the budget except on petition of the members as provided for special meetings in the Bylaws. Any such petition must be presented to the board within 10 days after delivery of the budget and notice of any assessment.

If any proposed budget is disapproved or the board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

The Board may revise the budget and adjust the Annual Assessment from time to time during the year, subject to the notice requirements and the right of the Members to disapprove the revised budget as set forth above.

(5.3) Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot by acceptance of a Deed therefor, whether or not it shall be so expressed in said Deed, is deemed to covenant and agree to pay to the Association:

(a) Annual assessments ("Annual Assessments") as established in Section 5.2 for the purposes specified in Section 5.1 which shall be paid annually no later than January 31 of each year; and

(b) Special assessments ("Special Assessments") as may be established in Section 5.6 for the purposes specified in Section 5.1 as may be approved by the members, to be established, and collected as provided herein.

In order to secure payment of the Annual and Special Assessments, such charges as may be levied by the Association against any Lot, together with interest, costs of collection and reasonable attorneys' fees, shall be a continuing lien upon the Lot against which each such assessment or charge is made. Each such assessment, together with interest, fines, late charges, costs of collection and reasonable attorneys' fees shall also be the personal obligation of the person who is the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to an Owner's successor in title unless expressly assumed by them. Such assumption shall not relieve an Owner of his obligations.

(5.4) Exempt Property. The assessments, charges and liens created under this Article shall not apply to the Common Area, nor shall they apply to any Lot the title to which is vested either in any first mortgagee subsequent to foreclosure or in the Secretary of Housing and Urban Development or the Administrator of Veterans Affairs or any other state or federal governmental agency which acquired title by reason of such agency's guarantee or insurance of a foreclosed mortgage loan; provided, however, that upon the resale of such property by such first mortgagee or such governmental agency the assessment shall again accrue on such Lot. Any Lot which Developer may hereinafter designate for common use as part of the Common Areas shall also be exempt by a local public authority, and all land granted to or used by a utility company shall be exempt from the assessments created herein.

(5.5) Maximum Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessment shall be \$400.00 per Lot. Annual Assessments may only be increased in accordance with the following:

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to the owner, the maximum Annual Assessment may be increased each year not more than ten percent (10%) above the maximum Annual Assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to the owner, the maximum Annual Assessment may be increased above ten percent (10%) of the previous year's Annual Assessment 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.

(c) The Board of Directors may fix the Annual Assessment at an amount not in excess of the maximum herein provided without the approval of the members.

The Annual Assessments shall be paid as provided in Subparagraph 5.3(a) above.

(5.6) Special Assessments. In addition to the Annual Assessments authorized above, the Association may levy, in any assessment year, a Special Assessment applicable to that year only provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of the Association members who are voting in person or by proxy at a meeting duly called for this purpose.

(5.7) Date of Commencement of Annual Assessments; Due Dates; Certificate of Payment. The Annual Assessments shall commence as to all Lots on the first day of the month following the date such property is sold by the Developer to a purchaser. The first Annual Assessment shall be adjusted according to the number of days remaining in the calendar year when filed. The Association shall, upon demand 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 to date.

(5.8) Effect of Non-Payment of Assessment; Remedies of the Association.

Notwithstanding Section 5.7 hereof, the Developer may, at its election, postpone in whole or in part the date on which the assessment shall commence provided that the Developer maintains the Common Area for which no assessment is being collected during the period of such postponement. Any assessment not paid within thirty (30) days after the due date shall be assessed a late charge of \$25.00 and bear interest from the due date at an annual rate of twelve percent (12%) but in no event above the then maximum legal rate, and to the extent allowed by law. The Association, or its agent or representative, may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot to which the assessment relates, and interest, costs and reasonable attorneys' fees for such action or foreclosure shall be added to the amount of such assessment to the extent allowed by law. No Owner may waive or otherwise escape

liability for the assessment provided for herein by non-use of the Common Area, abandonment of his Lot or for any other reason.

(5.9) Subordination of the Lien to First Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first priority deed of trust or first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any first mortgage pursuant to a foreclosure thereof or under a power of sale or any proceeding in lieu of foreclosure thereof shall extinguish the lien of such assessment as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof.

(5.10) Contributions by Developer. Anything in this Declaration to the contrary notwithstanding, for so long as Developer shall be the Class B Member, Developer shall not be liable for the payment of, and Developer's Lots shall be subject to, any assessments under this Declaration; provided, however, that during said period Developer shall be obligated to pay any deficit which may exist between the actual operating expenses of the Association (excluding any allocations for reserve accounts) in the sum of the Annual and Special Assessments and any other amounts collected by the Association. Developer's obligation to pay said deficit shall be secured by a lien of the assessments created against all of Developer's Lots, which liens shall be subordinate as provided in Section 5.9 above.

ARTICLE VI: USE RESTRICTIONS

(6.1) Use of Common Areas. No planting or gardening by individual Owners shall be done upon any Common Area. Except for the right of easement of enjoyment in and to the Common Areas herein given to each Owner, Owners are hereby prohibited and restricted from using any of the Common Area except as may be allowed and prescribed by the Association's Board of Directors or as expressly provided for herein. It is Developer's intent that this paragraph inure to the mutual benefit of all Owners within the properties, and each Owner shall have a nonexclusive easement right to use and enjoy the Common Areas which shall be appurtenant to and shall pass with the title to his Lot, subject to the following:

(a) The right of the Association to promulgate and enforce reasonable regulations governing the use of the Common Areas to ensure the availability of the right to use the Common Areas to the Owners and the safety of all Owners on the Common Areas;

(b) The right of the Association to suspend the voting rights of an Owner in the Association and the right of the Association to suspend the right to use certain or all of the Common Areas, including the recreational facilities, by an Owner for

any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Developer or the Association to grant utility, drainage or other easements across the Common Areas; and

(d) The right of the Developer or the Association to permit use of any recreational facility situated on the Common Area by persons other than Owners, their families, lessees and guests upon payment of use fees established by the Developer or the Association.

(6.2) Use of Lots. Each Lot now or hereafter subjected to this Declaration is subjected to the following restrictions as to the use thereof running with said property by whomsoever owned:

(a) Residential Lots Only. All lots in the tract shall be known and described as residential lots. No structure shall be erected, altered, placed or permitted to remain on any lot other than a single-family dwelling not to exceed two and one-half (2-1/2) stories in height excluding basement and one other accessory structure customarily incidental to the use of the lot. All accessory structures shall be constructed in harmony with the dwelling house.

(b) Setbacks. No building shall be located nearer to the front property line or any side street line than the building setback line as shown on the recorded map. No building shall be located nearer any side lot than the applicable zoning ordinance shall allow. In the event of the unintentional violation of any minimum setback requirements herein set forth, Developer, for itself and for its successors and assigns, reserves the right, by and with the mutual consent of the owner of the lot in question, to change the restrictions set forth in this instrument, provided, however, that such changes shall not exceed ten percent (10%) of the marginal requirements of such restrictions.

(c) Minimum Square Footage. The total heated area of each dwelling unit shall be not less than 1,600 square feet under roof.

(d) Limitation of Subdivision of Lots. No Lot shall be subdivided so as to increase the total number of lots shown on said recorded plat.

(e) Driveway. Any driveway constructed or used in or on any lot in the subdivision shall have either an asphalt, brick or concrete surface which shall be kept and maintained in good condition and repair.

(f) Maintenance. Exterior maintenance, upkeep and repair to the yard, fence, walkways, shrubbery, dwelling and other improvements on each lot shall be the sole responsibility and expense of the owner of the lot. The owner of each lot shall maintain his lot or lots in a neat and clean condition, free of all trash, debris, weeds and vines. The yard, grounds, shrubbery and trees shall be maintained in a neat and trim condition at all times.

(g) Nuisances. No obnoxious or offensive trade or activity shall be carried on or upon any lot nor shall anything be done thereof which may be or become any annoyance or nuisances to the neighborhood.

(h) Other Structures. No trailer, tent, shack, garage, barn or other outbuilding erected on the tract shall at any time be used as a residence temporarily or permanently nor shall any structure of a temporary character be used as a residence. No above-ground swimming pools shall be permitted on any lot. No accessory structure shall be moved onto any lot unless it shall conform to and be in harmony with the existing structures in the tract as to design and color. No metal buildings shall be allowed to remain on any lot and all accessory structures must be situated on a permanent foundation. Nothing contained herein shall prevent a construction trailer or sales trailer from being located temporarily on a lot during the construction of improvements within the subdivision.

(i) Utility and Drainage Easements. A perpetual easement is reserved over the rear ten (10) feet of each lot for utility installation and maintenance, and public drainage, and/or as shown on the recorded map. A perpetual easement is reserved over the side five (5) feet of each lot line for utility installation, and/or as shown on the recorded map.

(j) Signs. No sign of any kind shall be displayed to the public view on any lot except one sign of not more than five (5) square feet advertising the property for sale or rent, or a sign used by a builder or Developer to advertise the property during the construction and sales period and except as may be required by legal proceedings. Developer shall have the right to place permanent signs and temporary signs for Hampton Place within the development.

(k) Animals and Pets. No animals, livestock or poultry of any kind shall be raised, bred, pastured or maintained on any lot, except household pets which may be kept thereon for the sole pleasure and use of the occupants, but not for any commercial use or purpose and no more than three (3) pets over the age of six (6) months which stay primarily outside the residence shall be permitted at any time. No animals shall be allowed to become a nuisance. No structure for the care, housing or confinement of any animal shall be constructed, placed or altered on any lot unless plans and specifications for said structure have been approved by

the Board of Directors of the Association or its designated committee or are in compliance with any written guidelines, rules or regulations promulgated from time to time by said Board of Directors or committee, at its discretion.

(l) Rubbish and Garbage. No Lot shall be used or maintained as a dumping ground for rubbish. No person shall dump, place or allow to accumulate rubbish, garbage or any other form of solid waste on any Lot or Common Area. Trash, garbage or waste shall not be kept except in sanitary containers shielded from view from neighboring residences and streets.

(m) Fences and Walls. No fence or wall shall be erected on a Lot closer to the street right-of-way line than the front of the house. In the case of a corner Lot, no fence or wall shall be erected within the side yard setback adjoining the road right-of-way, except for split rail fences. Solid or privacy fences shall be erected entirely to the rear of the residence exclusive of decks and porches. "Solid" is defined for purposes of this Declaration as fencing with more than 60% of any of its surface closed as viewed from a point on a line of sight perpendicular to the line of the fence.

The following types of fences or walls shall not be erected on any Lot:

- A. Chain link or other metal fencing is not permitted, except that 2 inch by 4 inch metal mesh may be used with split rail fencing to contain animals or children.
- B. Any fence or wall in excess of six (6) feet in height.
- C. Any fence or wall located within the road right-of-way.
- D. Dog runs or animal cages.

The location restrictions set forth above shall not pertain to any fencing erected within the Common Area or as part of the permanent entryways to Hampton Place.

(n) Clotheslines, Garbage Cans, Etc. All garbage cans, lawnmowers and similar equipment shall be kept in an enclosed structure or screened by adequate planting or fencing as to conceal same from the view of neighboring owners and streets. Clotheslines shall not be used nor permitted to be erected or placed on any lot.

(o) Radio and Television Antennas. No freestanding radio or television transmission or reception towers, antennas, dishes or discs shall be erected on a

lot. Only one radio and one television antenna attached to the residence not exceeding five (5) feet in height above the roofline of the residence and only one (1) dish attached to the house not exceeding two (2) feet in diameter not visible from the street in front of the residence shall be permitted.

(p) Commercial Vehicles, Buses, Etc. No commercial vehicle in excess of one (1) ton capacity or buses, including, but not limited to, school buses, shall be parked within the property shown on the above-described recorded plats. In addition, no boats and trailers or campers shall be parked in front of the residence on any lot, or within the front or side setback of any lot. Only one (1) boat and trailer or one (1) camper may be parked on any lot at any one time. No tagless or junk vehicles shall be parked on the street in front of the residence or on any lot unless in an enclosed garage.

(q) Sight Lines. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadway shall be placed or permitted to remain on any corner lot within the triangle area formed by the street property lines and a line connecting them at points thirty-five (35) feet from the intersection of the street property lines extended or within any sight easement shown on any recorded plat.

(r) Basketball Goals Within Road Right-of-way. No basketball goal shall be erected or allowed to remain within the right-of-way of any street located within the Submitted Property.

(s) Covenants Independent of One Another. Invalidity of any one of these covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

(t) Limitations. It is distinctly understood and agreed that nothing herein contained shall be taken and construed as imposing any conditions or restrictions upon any land not specifically covered by these restrictions.

(u) Rules and Regulations. The Board of Directors of the Association, or its designated committee, may promulgate from time to time such additional or reasonable guidelines, rules or regulations for the use of Lots and/or the Common Area as it shall deem to be appropriate or desirable for the purposes of protecting and enhancing the value and desirability of the Lots and Common Area, copies of which guidelines, rules and regulations, if any, shall be made available to any owner upon request.

(6.3) Architectural Control. After completion of the construction of the principal residence located on any Lot, no building, driveway, fence, wall, or other structure shall

be commenced or maintained upon the properties, nor shall any exterior addition to or change or alteration therein be made, including the erection of antennas, aerials, awnings, the replacement of reflective or other material in the windows of a house or other exterior attachment, until the plans and specifications showing the nature, kind, shape, heights, color, or change in color, materials, and locations of the same shall have been submitted to and approved in writing as to the harmony of external design and location in relation to surrounding structures and topography by an Architectural Control Committee composed of three or more representatives appointed by Developer or by the Board of Directors, once Developer assigns to it the right of appointment hereunder. In the event said committee fails to approve or disapprove such design and location within 30 days after said plans and specifications have been submitted to it, approval will not be required, and this paragraph 6.3 will be deemed to have been fully complied with. The Architectural Control Committee shall have the right to charge a reasonable fee for receiving such application in an amount not to exceed \$50.00. The Architectural Control Committee shall not approve any alterations, decorations, or modifications which would jeopardize or impair the soundness, safety or appearance of any Lot. Refusal or approval of plans, specifications, builder or location may be based upon any grounds including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Architectural Control Committee shall be deemed sufficient. Provided that nothing contained herein shall be construed to permit interference with the development of the properties by the Developer in accordance with its general plan of development.

ARTICLE VII: EASEMENTS

(7.1) General. Each Lot now or hereafter subjected to this Declaration shall be subject to all easements shown or set forth on the recorded plat or plats of survey upon which such Lot is shown. No structure of any type shall be erected or placed upon any part of a Lot or the Common Area which shall interfere with rights and use of any and all easements shown on said recorded plat.

(7.2) Utility and Drainage. An Easement on each Lot is hereby reserved by Developer for itself and its successors and assigns along, over, under and upon a strip of land ten (10) feet in width along the rear lot lines of all Lots shown on the recorded plats, and easements five (5) feet in width along the front and side lot lines of all Lots shown on recorded plats, in addition to such other easements as may appear on a recorded subdivision plat for Hampton Place. The purposes of these easements shall be to provide, install, maintain, construct and operate drainlines to, from or for each of the Lots. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities, or which may change the direction or flow or drainage channels in the easements except for party walls located on a portion of the side line or lines of a Lot. The easement area of each and all improvements in it shall be maintained continuously by Owner, except for those improvements for which a public authority or utility is responsible. With ten (10) days' prior written notice to Owner, Developer may exercise the right to remove obstructions in such easements upon Owner's failure to do so; provided however,

Developer may remove obstructions in such easements without notice if such obstructions present a safety hazard to persons or property. For the purpose of this covenant, Developer reserves the right to modify or extinguish the herein reserved easements along any Lot lines when in its sole discretion adequate reserved easements are otherwise available for the installation of drainage facilities and/or utility service lines. For the duration of these restrictions, no such utilities shall be permitted to occupy or otherwise encroach upon any of the easement areas reserved without first obtaining the prior written consent of Developer, provided, however, local service from utilities within easement areas to residence constructed upon any such lots may be established without first obtaining separate consents therefor from Developer. The Association may likewise reserve and grant easements for the installation and maintenance of sewerage, utility and drainage facilities in, across, under and over the Common Area.

(7.3) Control of Signs. Developer shall have the right to place permanent and temporary directional and advertising signs for Hampton Place on the Common Area and unsold Lots and within street rights-of-way until one hundred percent (100%) of the Lots have been sold.

(7.4) Emergency. There is hereby reserved without further assent or permit and to the extent allowed by law, a general easement to all firemen, ambulance personnel, policemen and security guards employed by Developer and all similar persons to enter upon the Properties or any portion thereof, in the performance of their respective duties.

(7.5) Municipal Easement. A general easement of access is granted to all utility providers, into, over and through each Lot for the purpose of maintaining, repairing and servicing the utility lines located on said Lot and for providing municipal services to which said Lot is entitled.

ARTICLE VIII: GENERAL PROVISIONS

(8.1) Covenants Running with the Land. All provisions of this Declaration shall be construed to be covenants running with the land, and with every part thereof and interest therein, and every Owner or any other person or legal entity claiming an interest in any Lot, and his heirs, executors, administrators, successors and assigns, shall be bound by all of the provisions of this Declaration.

(8.2) Duration. The covenants, conditions and restrictions of this Declaration shall be binding for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive and additional periods of ten (10) years each.

(8.3) Amendment. This Declaration may be amended or terminated during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Owners, and thereafter may be amended or terminated by an instrument signed by not less than seventy-five percent (75%) of the Owners subject to the following conditions:

(a) All additions or amendments must be consented to by Developer in writing so long as Developer is the owner of any lot in the development;

(b) Notwithstanding anything in this Section 8.3 to the contrary, Developer may, at Developer's option, amend this Declaration without obtaining the consent or approval of any other person or entity if such amendment is necessary to cause this Declaration to comply with the requirements of the FHA, VA, the Federal National Mortgage Association or other similar agency;

(c) No amendment shall become effective until the instrument evidencing such change has been filed of record in the Mecklenburg County Public Registry.

(8.4) Enforcement. If any Owner shall violate or attempt to violate any of these restrictions, failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, maintainable by the Board of Directors on behalf of the Association, or, in proper case, by an aggrieved Owner. Any failure by Association or any other Owner to enforce any of the foregoing restrictions or other provisions shall in no event be deemed a waiver of their right to do so thereafter. Invalidation of any covenant, condition or restriction or other provision of this Declaration shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

(8.5) Headings. Headings are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular paragraphs to which they refer.

(8.6) Unintentional Violation of Restrictions. In the event of unintentional violation of any of the foregoing restrictions with respect to any Lot, the Developer or its successors reserves the right (by and with the mutual written consent of the then Owner or Owners of such Lot) to change, amend or release any of the foregoing restrictions as the same may apply to that particular Lot.

(8.7) Severability. The provisions of this Declaration are severable and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder hereof.

(8.8) Recording. This Declaration is to be recorded in the office of the Registry of Deeds for Mecklenburg County, North Carolina.

(8.9) Notice. Any notice required to be given shall be given to any homeowner living within the Submitted Property at the address of such property and to the Developer at: Hill Land Corporation, Attn: Edward L. Terry, 2401 Lake Park Drive, Suite 355, Smyrna, GA 30080.

(8.10) Joinder of Lenders.

Registry; and (2) Deed of Trust from Hill Land Corporation to Jerome C. Herring, Trustee for Branch Banking and Trust Company of South Carolina dated February 25, 1998, recorded in Book 9519 at Page 388 in the Mecklenburg County Public Registry.

(b) Trustee and Fidelity National Bank, a national banking association, join in the execution of these Restrictive Covenants solely for the purpose of subordinating the lien of the following deeds of trust to these Restrictions: Deed of Trust from Hill Land Corporation to R. Gregory Tomchin, Trustee for Fidelity National Bank dated December 22, 1998, recorded in Book 10134 at Page 390 in the Mecklenburg County Public Registry.

IN WITNESS WHEREOF the Developer has caused this Declaration to be executed under seal on the day and year first above written.

DEVELOPER:

HILL LAND CORPORATION

ATTEST:

By: 

President


Secretary

[CORPORATE SEAL]

ATTEST:

HAMPTON HOMES OF SOUTH CAROLINA, INC.

By: 

President


Secretary

[CORPORATE SEAL]

TRUSTEE:

_____, Trustee [SEAL]

LENDER:

BRANCH BANKING AND TRUST COMPANY
OF SOUTH CAROLINA

ATTEST:

Secretary

By: _____
President

[CORPORATE SEAL]

TRUSTEE:

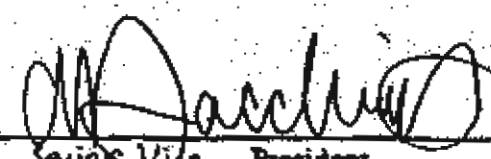

_____, Trustee [SEAL]
R. Gregory Tomchin, Trustee

LENDER:

FIDELITY NATIONAL BANK

ATTEST:


_____, Secretary
Martha C. Fleming
Corp. Secretary

By: 
_____, President
Senior Vice President

[CORPORATE SEAL]



~~NORTH CAROLINA~~ Georgia

~~MECKLENBURG COUNTY~~ Cobb County

I, Robin L. Brown, a notary public of the County and State aforesaid, certify that Marie M. Cole personally came before me this day and acknowledged that (s)he is _____ Secretary of Hill Land Corporation a N.C. 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/himself as its _____ Secretary.

Witness my hand and official seal, this 13th day of April, 1999.

(Official Seal)



Robin L. Brown
Notary Public

My Commission expires 10-27-00

~~NORTH CAROLINA~~ Georgia

~~MECKLENBURG COUNTY~~ Cobb County

I, Robin L. Brown, a notary public of the County and State aforesaid, certify that Marie M. Cole personally came before me this day and acknowledged that (s)he is _____ Secretary of Hampton Homes of SC South 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/himself as its _____ Secretary.

Witness my hand and official seal, this 13th day of April, 1999.

(Official Seal)



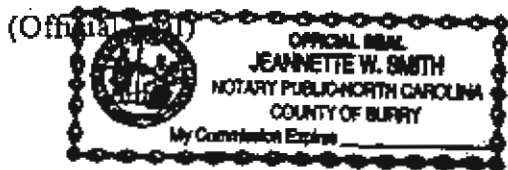
Robin L. Brown
Notary Public

My Commission expires 10-27-00

NORTH CAROLINA
Surry
MECKLENBURG COUNTY

I, Jeannette W. Smith, a notary public of the County and State aforesaid, certify that Jerome C. Herring, Trustee personally came before me this day and acknowledged that (s)he is ~~Secretary~~ of the due execution of ~~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/himself as its Secretary.~~

Witness my hand and official seal, this 16th day of April, 1999.



Jeannette W. Smith
Notary Public

My Commission expires: 11-12-2001

NORTH CAROLINA
MECKLENBURG COUNTY

I, _____, a notary public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged that (s)he is _____ Secretary of _____, a _____ 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/himself as its _____ Secretary.

Witness my hand and official seal, this _____ day of _____, 1999.

(Official Seal)

Notary Public

My Commission expires: _____

NORTH CAROLINA

MECKLENBURG COUNTY

I, _____, a notary public of the County and State aforesaid, do hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument. Witness my hand and official seal this the _____ day of _____, 1999.

(Official Seal)

Notary Public

My Commission Expires: _____

SOUTH CAROLINA

CHARLESTON COUNTY

I, Katherine Blackman, a notary public of the County and State aforesaid, certify that Kenneth M. Pickens personally came before me this day and acknowledged that (s)he is Assistant Secretary of Branch Banking and Trust Company of South Carolina, a State Chartered Bank, and that by authority duly given and as the act of the Bank, the foregoing instrument was signed in its name by its vice President, sealed with its corporate seal and attested by herself/himself as its Assistant Secretary.

Witness my hand and official seal, this 14th day of April, 1999.

(Official Seal)

Katherine Blackman
Notary Public

My Commission expires: MY COMMISSION EXPIRES
JULY 01, 2001

NORTH CAROLINA

MECKLENBURG COUNTY

I, Sally Lightfoot Halls, a notary public of the County and State aforesaid, do hereby certify that R. Gregory Tomchin, Trustee, personally appeared before me this day and acknowledged the due execution of the foregoing instrument. Witness my hand and official seal this the 20th day of April, 1999.

(Official Seal)

Sally Lightfoot Halls
Notary Public

My Commission Expires: 6/6/03

GEORGIA

DEKALB COUNTY

I, ANDREW Y. GARNER, a notary public of the County and State aforesaid, certify that MARTHA C. FLEMING personally came before me this day and acknowledged that (s)he is CORP. Secretary of Fidelity National Bank, a GEORGIA CORPORATION, and that by authority duly given and as the act of the COMP. SECRETARY, the foregoing instrument was signed in its name by its SENIOR VICE President, sealed with its corporate seal and attested by herself/himself as its CORP. Secretary.

Witness my hand and official seal, this 13 day of APRIL, 1999.

(Official Seal)

Andrew Y. Garner
Notary Public

Notary Public, DeKalb County, Georgia.
My Commission Expires April 21, 2002.

My Commission expires: _____

EXHIBIT A

Being all of Lots 1 through 68, inclusive, of Hampton Place, Phase I, Map 1 as the same is shown on a map thereof recorded in Map Book 29 at Page 464 in the Mecklenburg Public Registry.

EXHIBIT B

State of North Carolina
Department of the Secretary of State

**ARTICLES OF INCORPORATION
NONPROFIT CORPORATION**

Pursuant to Section 55A-2-02 of the General Statutes of North Carolina, the undersigned corporation does hereby submit these Articles of Incorporation for the purpose of forming a nonprofit corporation.

1. The name of the corporation is: Hampton Place Property Owners Association, Inc.

2. (Check only if applicable.) The corporation is a charitable or religious corporation as defined in N.C.G.S. Section 55A-1-40(4).

3. The street address and county of the initial registered office of the corporation is:

Number and Street 2813 Coltsgate Road, Suite 200

City, State, Zip Code Charlotte, NC 28211 County Mecklenburg

4. The mailing address *if different from the street address* of the initial registered office is:

The name of the initial registered agent is:

Charles H. Cranford

6. The name and address of each incorporator is as follows:

Charles H. Cranford, Esq.
2813 Coltsgate Road, Suite 200
Charlotte, NC 28211

7. (Check either a or b below.)

- a. The corporation will have members.
b. The corporation will not have members.

8. Attached are provisions regarding the distribution of the corporation's assets upon its dissolution.

9. Any other provisions which the corporation elects to include are attached.

10. The street address and county of the principal office of the corporation is:

2401 Lake Park Drive, Suite 355, Smyrna, GA 30080-8812 County

11. The mailing address *if different from the street address* of the principal office is:

12. These articles will be effective upon filing, unless a later time and/or date is specified: _____

This is the 25 day of March, 1999.

Hampton Place
Property Owners Association, Inc.


Signature of Incorporator

Charles H. Cranford, Incorporator
Type or print Incorporator's name and title, if any

NOTES:

1. Filing fee is \$50. This document and one exact or conformed copy of these articles must be filed with the Secretary of State. (Revised July 1994)

CORPORATIONS DIVISION

300 N. SALISBURY STREET

RALEIGH, NC 27603-5009

**ATTACHED PROVISIONS
TO
ARTICLES OF INCORPORATION OF
HAMPTON PLACE PROPERTY OWNERS ASSOCIATION, INC.**

I. Purpose and Powers of the Association

The Association does not contemplate pecuniary gain or profit to the members thereof and no part of the Association's net income shall inure to the benefit of any of its officers, directors or members or any other private individual. The purposes and objectives of the Association shall be to provide for administration, maintenance and preservation of the Lots and Common Area within that certain tract of property described in the Declaration of Covenants, Conditions and Restrictions of Hampton Place Subdivision (herein the "Declaration") recorded in the Mecklenburg Public Registry, and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of the Association, and for this purpose to:

A. Exercise all of the powers and privileges and to perform all of the duties and obligations of the corporation as set forth in the Declaration, said Declaration being incorporated herein by this reference as if set forth in full herein;

B. Fix, levy, collect and enforce payment of, by any lawful means, all charges or assessments pursuant to the terms of the Declaration as amended from time to time and the Bylaws of the corporation; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the corporation, including all taxes, license fees, or governmental charges levied or imposed against the property of the corporation;

C. 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;

D. Borrow money, and with the assent of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

E. Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, utility or third party for such purposes and subject to such conditions as may be agreed to by the Board of Directors. No such dedication or transfer shall be effective after the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership unless an instrument has been signed by at least two-thirds (2/3) of each class of Members agreeing to such dedication, sale or transfer,

F. Participate in mergers and consolidations with other non-profit corporations organized for the same purposes provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of each class of members;

G. Annex additional residential property and Common Area pursuant to the provisions of the Declaration; and

H. 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.

II. Distribution of Association's Assets Upon Dissolution

Upon dissolution of the Association, the assets of the Association shall be used first to discharge all of the liabilities and obligations of the Association and the remainder of the Association's assets shall be distributed as follows:

A. Assets held by the Association upon condition, requiring return, transfer, or conveyance, which condition occurs by reason of a dissolution, shall be returned, transferred, or conveyed in accordance with such requirements;

B. Other assets, if any, of the Association shall be dedicated to a public body or conveyed to a non-profit organization with similar purposes.

III. Amendment of Articles of Incorporation

Amendment of the Articles of Incorporation requires the approval of at least two-thirds (2/3) vote of the Members.

IV. Membership and Voting Rights

Every person or entity who is a record owner of any Lot in Hampton Place Subdivision is entitled to membership and voting rights in this Association. Membership is appurtenant to and inseparable from ownership of the Lot.

EXHIBIT C

BYLAWS OF HAMPTON PLACE PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE 1

NAME AND LOCATION

Section 1.1. Name. The name of the corporation is Hampton Place Property Owners Association, Inc., hereinafter referred to as the "Association."

Section 1.2. Location. The principal office of the Association shall be located in Mecklenburg County, North Carolina. The registered office of the Association may be, but need not be, identical with the principal office.

Section 1.3. Purpose. The purpose for which the Association is organized is to provide service to owners (herein "Owners") of Lots in Hampton Place Subdivision located in Mecklenburg County, North Carolina, manage and maintain the Common Area and administer and endorse all covenants and restrictions dealing with the Property located in Hampton Place Subdivision and any other purposes allowed by law.

ARTICLE 2

DEFINITIONS

All capitalized terms when used in these Bylaws, or any amendment hereto (unless the context shall otherwise require or unless otherwise specified herein or therein), shall have the meanings set forth in that certain Declaration of Covenants, Conditions and Restrictions for Hampton Place Subdivision executed by Hill Land Corporation (herein "Declarant") and duly recorded in the Office of the Register of Deeds for Mecklenburg County, North Carolina, as the same may be supplemented and amended from time to time (the "Declaration").

ARTICLE 3

MEETINGS OF MEMBERS

Section 3.1. Annual Meetings. The first annual meeting of the Members shall be held on the first (1st) Tuesday of February in 2000 or on such other date as determined by a vote of the Board of Directors, and each subsequent regular annual meeting of the Members shall be held on the first (1st) Tuesday in June each year thereafter, at the hour of 7:00 o'clock, P.M. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 3.2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes appurtenant to the Lots.

Section 3.3. Place of Meetings. All meetings of the Members shall be held at such place, within Mecklenburg County, North Carolina, as shall be determined by the Board of Directors of the Association.

Section 3.4. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than thirty (30) days nor more than sixty (60) days before the date of such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 3.5. Classes of Lots and Voting Rights. The voting rights of the Membership shall be appurtenant to the ownership of Lots. There shall be two classes of Lots with respect to voting rights.

(a) **Class A.** Class A members shall be all Owners with the exception of Developer and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. 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.

(b) **Class B.** The Class B member shall be Developer 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 first:

(i) Six months after the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; provided that the Class B Lots shall be reinstated with all rights, privileges and responsibilities, if after conversion of the Class B Lots to Class A Lots hereunder, additional land containing Lots is annexed to the existing property pursuant to Section 2.2 hereof; or

(ii) Seven years from the date of this Declaration.

Section 3.6. Quorum. The first such meeting called for purpose of taking action, the presence of Members or proxies entitled to cast the votes of the Class B Member, if any, and 60% of all votes of the Class A Members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements as set forth

above, and the required quorum at the subsequent meeting shall be the Class B Member, if any, and one-half (1/2) of the Class A Members required for a quorum at the first called meeting. Subsequent meeting held to take such action shall be held more than sixty (60) days following the first called meeting.

Section 3.7. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 3.8. Action by Members. Except as provided otherwise in the Articles of Incorporation, the Declaration or these Bylaws, any act or decision approved by a vote of no less than two-thirds (2/3) of all votes present at a duly held meeting of the Members at which a quorum is present shall be regarded as the act of the Members.

Section 3.9. Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice by him of the time and place thereof except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the Members, or are present at a meeting of such Members, no notice shall be required and any business may be transacted at such meeting.

Section 3.10. Informal Action by Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association's minute book.

ARTICLE 4

BOARD OF DIRECTORS

Section 4.1. Number. The business and affairs of the Association shall initially be managed by a Board of three directors, who need not be Members of the Association. At the first annual meeting of the Members following cessation of Class B membership as provided in Section 3.5 of the Bylaws, a Board of three directors shall be elected as described in Section 4.5.

Section 4.2. Initial Directors. The initial directors shall be selected by the Declarant. Such initial directors shall serve at the election of the Declarant from the date upon which the Declaration is recorded in the Office of the Register of Deeds of Mecklenburg County until such time as their successors are duly elected and qualified.

The names of the persons who shall serve on the initial Board of Directors from the date upon which the Declaration is recorded in the Office of the Register of Deeds of Mecklenburg County until such time as their successors are duly elected and qualified are as follows:

<u>Name</u>	<u>Address</u>
Edward L. Terry	2401 Lake Park Drive, Suite 355 Smyrna, GA 30080
C.J. Harris, Jr.	5020 Shadow Pine Drive Charlotte, NC 28269

Section 4.3. Nomination. Nomination for election to the Board of Directors shall be made from the floor at the first meeting of the Members. After the first election of directors, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 4.4. Election. Except as provided in Section 4.6, Directors shall be elected at the annual meeting of the Members by written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 4.5. Term of Office. Each director shall hold office for the term for which he was elected, or until his death, resignation, retirement, removal, disqualification or until his successor is elected and qualified. At the first annual meeting of the Members following the cessation of Class B membership as set forth in Section 3.7 of the Bylaws, the Members shall elect three directors one of which for a term of three (3) years, another for a term of two (2) years, and the third for a term of one (1) year. Following the first annual election after cessation of Class B membership, all Directors shall be elected for three-year terms to succeed any director whose term then expires. Nothing contained herein shall be construed to prevent the election of a director to succeed himself.

Section 4.6. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board

and shall serve for the unexpired term of his predecessor. The Members may elect a director at any time to fill any vacancy not filled by the directors.

ARTICLE 5

MEETINGS OF DIRECTORS

Section 5.1. Regular Meetings. Meetings of the Board of Directors shall be held on a regular basis as often as the Board sees fit, but no less often than annually, on such days and at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 5.2. Special Meetings. Special Meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 5.3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 5.4. Informal Action by Directors. Action taken by a majority of the directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 5.5. Chairman. A Chairman of the Board of Directors shall be elected by the directors and shall preside over all Board meetings until the President of the Association is elected. Thereafter, the President shall serve as Chairman. In the event there is a vacancy in the office of the Presidency, a Chairman shall be elected by the Board of Directors and serve until a new President is elected.

Section 5.6. Liability of the Board. The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association, except to the extent that they are Owner(s).

ARTICLE 6

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 6.1. Powers. The Board of Directors shall have power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members, their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities of a Member, any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties;
- (f) employ attorneys to represent the Association when deemed necessary;
- (g) grant easements for the installation and maintenance of sewer or water lines and other utilities or drainage facilities upon, over, under and across the Common Area without the assent of the membership;
- (h) appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient;
- (i) do anything necessary or desirable, including, but not limited to, establishing any rules or regulations which the Association deems necessary to carry out the purposes of the Association as set forth herein or as permitted by law;
- (j) to enforce the provisions of the Declaration and any Additional or Supplementary Declaration and any rules or regulations made hereunder or thereunder and to enjoin and/or, at its discretion, seek damages or other relief for violation of such provisions or rules.

(k) to levy assessments as more particularly set forth in the Declaration.

Section 6.2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members entitled to at least one-third (1/3) of the vote appurtenant to the Lots;

(b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.

(c) As more fully provided in the Declaration:

(1) Fix the amount of the assessments as more particularly described in the Declaration;

(2) Send written notice of each assessment to every Owner subject thereto before its due date; and

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same;

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid (A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.);

(e) Procure and maintain adequate liability insurance covering the Association and the directors and officers thereof and adequate hazard insurance on the property owned by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) Cause the Common Areas to be maintained.

ARTICLE 7

OFFICERS AND THEIR DUTIES

Section 7.1. Officers. The officers of the Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 7.2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 7.3. Term. Each officer of the Association shall be elected annually by the Board and each shall hold office for one (1) year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

Section 7.4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 7.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7.7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 7.4.

Section 7.8. Compensation. No officer shall receive any compensation from the Association for acting as such.

Section 7.9. Duties. The duties of the officers are as follows:

President

(a) The President shall be the principal executive officer of the Association, and subject to the control of the Board, shall supervise and control the management of the Association. The President shall preside at all meetings of the Board of Directors; shall see that

orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, shall keep the corporate seal of the Association and affix it on all papers requiring said seal, shall serve notice of meetings of the Board and of the Members, shall keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, shall sign all checks and promissory notes of the Association, shall keep proper books of account, shall cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE 8

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE 9

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE 10

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association Annual Assessments and Special Assessments as defined in the Declaration. Any assessments which are not paid when due shall be delinquent. If an assessment is not paid by its due date, as set forth in the Declaration, the assessment shall bear interest from such due date at the rate of eighteen percent (18%) per annum or the highest rate then permitted by law, whichever is less, plus such late charge as may be established by the Board, and the Association may bring an action at law against the Member personally obligated to pay the same. The late charges, costs of collection and reasonable attorneys' fees related to any such action shall be added to the amount of such assessment, all in accordance with the provisions of the Declaration. No Member may waive or otherwise escape liability for the assessments provided for herein by non-use of the Property.

ARTICLE 11

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words HAMPTON PLACE PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE 12

AMENDMENTS

Section 12.1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of at least two-thirds (2/3) of all votes present at a duly held meeting of the Members at which a quorum is present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B membership.

Notwithstanding anything in this Section 12.1 to the contrary, the Class B Member may at its option amend these Bylaws without obtaining the consent or approval of any other person or entity if such amendment is necessary to cause these Bylaws to comply with the requirements of the FHA, VA, Federal National Mortgage Association or similar agency.

Section 12.2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE 13

MISCELLANEOUS

The fiscal year of the Association shall be the calendar year and shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE 14

INDEMNIFICATION OF DIRECTORS, AND OFFICERS

The Association shall indemnify any director or officer or former director or officer of the Association or any person who may have served at the request of the Association as a director or officer of another corporation, whether for profit or not for profit, against expenses (including attorneys' fees) or liabilities actually and reasonably incurred by him in connection with the defense of or as a consequence of any threatened, pending or completed action, suit or proceeding (whether civil or criminal) in which he is made a party or was (or is threatened to be made) a party by reason of being or having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of a duty.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, bylaw, agreement, vote of members or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability.

The Association's indemnity of any person who is or was a director or officer of the Association, or is or was serving at the request of the Association as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his behalf by the Association or (ii) from such other corporation, partnership, joint venture, trust or other enterprise.

Nothing contained in this Article 14, or elsewhere in these Bylaws, shall operate to indemnify any director or officer if such indemnification is for any reason contrary to any applicable state or federal law.