



# Adams Mountain

Homeowners Association,  
Inc.

Adams Mountain  
Covenants



Mail To: ROBERT W WILSON, JR.  
P.O. BOX 10096  
RALEIGH, NC 27605-0096  
Prepared By: Poyner & Sprull

WITHDRAWAL AND  
RESTATED DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS WITHDRAWAL AND RESTATED DECLARATION, made on the date hereinafter set forth by A-M LIMITED PARTNERSHIP, a North Carolina limited partnership, hereinafter referred to as "Declarant" and the undersigned unit owners (the "Lot Owners");

W I T N E S S E T H:

WHEREAS, Declarant and the Lot Owners are the owners of certain property in or near the City of Raleigh, County of Wake, State of North Carolina, which is more particularly described as follows:

See Exhibit "A"

and;

WHEREAS, Declarant and the Lot Owners desire to withdraw and revoke in its entirety the Declaration of Covenants, Conditions and Restrictions recorded in Book 3429, Page 959, Wake County Registry, as amended in Book 3537, Page 552, Wake County Registry (the "Original Declaration"); and

WHEREAS, pursuant to Article I, Section 7 of the Original Declaration, A-M Limited Partnership is the successor to Adam Mountain Limited.

NOW, THEREFORE, Declarant and the Lot Owners hereby withdraw and revoke the Original Declaration and declare that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions,

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WAKE COUNTY

which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Adams Mountain Homeowners Association, Inc., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean; (i) all real property owned by the Association for the common use and enjoyment of the owners, and (ii) the areas designated "wall and landscape easement" on recorded maps of the Properties. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:



## TRACT 1

Being all of the area of the private streets designated as Permanent Common Open Space containing 4.120 acres according to map entitled "Adam Mountain, Wake Co., Bartons Creek Twsp.. Lot 27 & Open Space of Section 1" dated January 15, 1985, revised January 18, 1985 and February 14, 1985, prepared by Triangle Engineering Services, Inc. and recorded in Book of Maps 1985, Page 280, Wake County Registry.

## TRACT 2

Being that area of Adams Mountain Road designated as "existing 40' R/W widened to 50' and realigned to match existing pavement" on map entitled "Recombination Plat. Adams Mountain - Phase 1, Lots 1-5, 44-48", dated 9/17/90, prepared by Bass, Nixon & Kennedy, Inc., consulting engineers and recorded in Book of maps 1991, Page 173, Wake County Registry.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties upon which a Dwelling is to be situated, with the exception of the Common Area and "Well Lot(s)."

Section 6. "Declarant" shall mean and refer to A-M LIMITED PARTNERSHIP, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 7. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 8. "Supervising Engineer" shall mean and refer to Bass, Nixon & Kennedy, Consulting Engineers and its successors, or such other consulting engineer employed by Declarant to design and supervise the subdivision improvements of the Properties.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment, ingress and egress in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility leased or owned by the Association for use by the Members.

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3)

of each class of members agreeing to such dedication or transfer has been recorded.

(d) the right of the Association to limit the number of guests of members;

(e) the right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, and the rights of such mortgagee in said properties shall be subordinate to the rights of the homeowners hereunder;

(f) the right of the Association to regulate parking as provided in this Article.

(g) easements as provided in Article IX hereof.

(h) the right of Declarant or the Association to exchange Common Area.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Title to the Common Area. The Declarant hereby covenants for itself, its heirs and assigns, that it will convey fee simple title to the Common Area to the Association, free and clear of all encumbrances and liens, except utility and storm drainage easements as follows:

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- (i) Tract 1 described in Article I, Section 4 above was conveyed to the Association by deed recorded in Book 3580, Page 750, Wake County Registry.
- (ii) Tract 2 described in Article I, Section 4 above and all additional private roads shown on recorded maps of the Properties shall be conveyed to the Association within thirty (30) days after a written statement has been issued to the Declarant and the Association by the Supervising Engineer that the road has been paved with 1.5" of I-2 asphalt pavement and otherwise meets or exceeds the County of Wake minimum standards for private roads.
- (iii) The recreation site planned on the Properties shall be conveyed to the Association within thirty (30) days after the certificate of compliance for the improvements planned to be constructed thereon has been issued by the County of Wake.

Section 4. Parking Regulations. The Association may regulate the parking of boats, trailers and other such items on the Common Area, and in the front yard of each lot. No boats or trailers of owners, members or their guest shall be parked within the right of way of any public or private street in or adjacent to Adams Mountain.

Section 5. TV Antennas and Dishes. No television or radio antennas or dishes shall be installed or permitted to remain on any of the Properties without the prior written approval of the Architectural Committee.

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## ARTICLE III

## MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all owners with the exception of the Declarant and shall be entitled to one 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. No fractional vote shall be allowed.

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

(a) when the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership, but provided that the Class B membership shall be reinstated if thereafter and before the time

stated in Sub-paragraph (b) below, such additional lands are annexed to the Properties without the assent of Class A members on account of the development of such additional lands by the Declarant, all as provided for in Article VII, Section 2, below, or

(b) January 1, 1996, provided, however, Declarant, without the assent of Class A Members, shall have the right to extend this date for an additional two (2) years if on January 1, 1996 the Class B membership has not ceased and converted to Class A membership as provided in subparagraph (a) above, by filing in the Wake County Registry on or before January 31, 1996 an instrument extending such date.

#### ARTICLE IV

##### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and

special assessments, together with interest, late fees, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, late fees, cost and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments - Common Expenses. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of properties, including the maintenance, repair and reconstruction of any private streets on the Property, any erosion control devices situated on the Common Area required by the County of Wake to comply with its erosion and sedimentation control ordinances, and services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including but not limited to, the cost of repairs, replacements (including reserves therefor) and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes and public assessments assessed against the Common Area, the procurement and maintenance of insurance in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, the payment of lease payments on leases

of recreational facilities for use by the members, and such other needs as may arise ("Common Expenses").

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Section 3. Maximum Annual Assessment. Until January 1, 1992, the maximum annual assessment shall be One Thousand Dollars (\$1,000.00) per Lot, which assessment shall be payable monthly, quarterly, semi-annually or annually, as determined by the Board.

(a) From and after January 1, 1992, the maximum annual assessment may be increased effective January 1 of each year without a vote of membership by up to twelve per cent (12%) of the previous year's maximum annual assessment.

(b) From and after January 1, 1992, the maximum annual assessment may be increased above the increase permitted in Section 3.(a) above by a vote of the members, provided that any such charge shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.



Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, and in connection with exterior maintenance, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Section 3 or 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

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

Notwithstanding any provision in this Declaration, the Articles of Incorporation and By-Laws to the contrary, no lot shall be subject to the assessment until the first day of the first month following the recording of the conveyance of the lot by Declarant to another Owner, and the assessment for each lot shall be fifty percent (50%) of the regular assessments until the date the dwelling constructed thereon is under a completed roof, or one (1) year after the date of recording of the conveyance, which ever date shall first occur, and shall increase to one hundred percent (100%) on the first day of the first month following such date. Notwithstanding the foregoing, the annual assessment for lots 1, 2, 3, 4, 5, 47 and 48 shall not commence until the first day of the first month following the recording of this Declaration in the Wake County Registry.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots as provided in Section 6 above. The first annual assessment for each lot shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto prior to such assessment period. The due dates shall be established by the Board of Directors.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the

rate of 12 percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against his property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or tax foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. All properties dedicated to, and accepted by, a local public authority, all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina, and "well lots" shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 11. Responsibility for Maintenance of Private Streets.

(a) The maintenance responsibility of any private streets as shown on the aforesaid recorded maps shall rest with the

Association pursuant to the provisions of the Wake County Code applicable thereto; provided, however, the Association's responsibility shall not commence, and such responsibility shall remain with Declarant, its successors or assigns as follows:

(i) With respect to Tract 1 described in Article I, Section 4 above, until (a) access to undeveloped portions of the Properties by road and other subdivision improvement equipment and vehicles is available by means of other roads graded sufficiently to permit such access, and (b) a written certification has been issued by the Supervising Engineer that all "potholes" and crushed pavement edges have been repaired and the width of the pavement meets or exceeds the minimum private road width established by the Wake County Code; and

(ii) With respect to Tract 2 described in Article I, Section 4, and all additional roads shown on recorded maps of the Properties until a written certification has been issued by the Supervising Engineer that the road has been constructed in accordance with the plans therefor submitted to and approved by the County of Wake, which plans shall provide for pavement of not less than 1.5" of I-2 asphalt pavement and which shall otherwise conform to the minimum private road standards contained in Wake County Code at the time the plans are approved.

(b) Declarant has been required by the County of Wake as a condition of the subdivision approval of the Properties to provide access over the private streets situated within the Properties from

Six Forks Road (NCSR 1005) to the McMillan Property, and Declarant has agreed to such condition subject to the following terms and conditions:

(i) The McMillan Property is not used for any commercial purposes,

(ii) The McMillan Property is subjected to the provisions of Article IV, Sections 1 and 8 of this Declaration, and

(iii) The owners of the McMillan Property shall pay to the Association on the due date specified in the payment notice (the "Payment Notice") issued by the Association a pro rata share (the "McMillan Share") of the budgeted private street maintenance cost as determined by the Association. The McMillan Share shall be determined by dividing the number of lots on record in the McMillan Property on the date of the Payment Notice by the total number of lots on record in both the McMillan Property and the Properties on the date of the Payment Notice.

(iv) The Association shall not be responsible for maintenance of any roads within the McMillan Property unless the McMillan Property is added to the Properties and annexed as provided in Article VI, Section 2 of this Declaration.

Section 12. Working Capital. In order to insure that the Association will have sufficient monies available to meet operational needs during the initial months of its existence, the Association has established a Working Capital Fund. At the time of the closing of the sale of each Lot by Declarant, the purchaser

thereof shall pay into such Fund an amount equal to two-twelfths (2/12ths) of the current annual assessment established by the Association. No such payments made into the Working Capital Fund shall be considered advance or current payment of regular assessments. All monies paid into the Working Capital Fund shall be held and administered by the Association in accordance with the terms of this Declaration and the By-Laws. Notwithstanding the foregoing, lots 1, 2, 3, 4, 5, 47 and 48 shall not be subject to the payment requirement set out in this Section 12.

#### ARTICLE V

#### ARCHITECTURAL CONTROL

No building, fence, signs, wall, storage buildings or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Declarant, or the Board of Directors of the Association (after such approval rights have been assigned to the Association) (the Declarant reserves the right to assign all or a portion of its approval rights to the Association at any time), or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Declarant, Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30)

days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

## ARTICLE VI

### ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Annexation of additional property, except as provided in Section 2 of this Article VII, shall require the assent of two-thirds (2/3) of the Class A membership and two-thirds (2/3) of the Class B membership, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The presence of members or of proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirement set forth above and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

Section 2. If within five (5) years after the date of recording this Declaration in the Wake County Registry (or within seven (7) years if such time is extended as provided in Article



III, Section 2, Class B.(b) above), the Declarant or other developer approved by Declarant should develop additional land within the boundaries shown on the general plan of ADAMS MOUNTAIN heretofore submitted to and approved by the County of Wake on June 20, 1990, or subsequently submitted and approved for addition to the general plan (including the property of Robert L. McMillan described in Book 2629, Page 779, Wake County Registry (the "McMillan Property") for the purpose set out in Article IV, Section 11 hereof), such land may be annexed by the Declarant without the consent of members provided that the County of Wake determines that the annexation is in accord with the general plan heretofore approved, or subsequently approved, by it.

#### ARTICLE VII

##### EXTERIOR MAINTENANCE

Section 1. Lots. The Association shall have no obligation or responsibility for any maintenance of Lots, or any dwellings and driveways located thereon, such being the obligation and responsibility of the Owner.

Section 2. Maintenance by Owner. In cases where maintenance or repair is required in this Declaration to be done or made by an Owner, and such maintenance or repair has not commenced within sixty (60) days, or if commenced, is not completed within a reasonable time thereafter, the Association may, upon thirty (30) days written notice to such Owner, make or complete such maintenance or repairs, and the cost thereof shall be an additional



assessment applicable only to such lot and Owner, and shall be payable as determined by the Board of Directors.

ARTICLE VIII

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish, amend and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Areas and the front yard of each lot. Such rules and regulations may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration.

Section 2. Use of Properties. No portion of the Properties (except for temporary office and/or model homes used by Declarant or its delegate) shall be used except for residential, recreational and street purposes and for purposes incidental or accessory thereto.

Section 3. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood.

Section 4. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes, and no animals shall be permitted upon the Common Area unless such animal is under leash.

Section 5. Dwelling Specifications. Except with prior written approval of The Architectural Committee; (a) No dwelling shall be constructed or permitted to remain on any lot having an area of the main structure, exclusive of open or screened porches, carports, garages and decks, of less than 2,500 square feet for a one-story dwelling nor less than 3,000 square feet for a dwelling of more than one-story; provided, however, existing dwellings on lots 1, 2, 3, 4, 5, 47 and 48 are hereby deemed to be in compliance with this Section 5.

Section 6. Building Setbacks. The location of dwellings on Lots shall be governed by the applicable provisions of the Wake County Code in effect at the time the dwelling is constructed. Declarant may waive any deviation from the requirements of the Wake County Code, provided such waiver has received the approval of the County of Wake, and is recorded in the Wake County Registry.

Section 7. Screening. All garbage containers, utility meters and any dumpsters shall be permanently screened from view from all street rights-of-way.

#### ARTICLE IX

#### EASEMENTS

All of the Properties, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power line and other public utilities as shall be established by the Declarant or by his predecessors in title; and the Association shall have the power and authority to

grant and establish upon, over, under and across the Common Areas conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Properties.

An easement is hereby established over the common areas and facilities for the benefit of applicable governmental agencies, public utility companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical, telephone, gas and cable antenna lines, fire fighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities.

All Lots shall be subject to a perpetual access easement in favor of the Association to perform the maintenance and repair provided for in Article VII, Section 2. hereof.

#### ARTICLE X

##### GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at Law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no

way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Owners.

No amendment which would change or delete any provision herein required by the County of Wake (the "County") shall become effective until submitted to and approved by the County; provided, however, if the County fails to approve or disapprove such amendment within thirty (30) days after the same has been submitted to it, such approval shall not be required and this covenant shall be deemed to have been fully complied with. Any amendment must be recorded in the office of the Register of Deeds of Wake County, North Carolina.

#### ARTICLE XI

#### ELECTRICAL SERVICE

Declarant reserves the right to subject the above-described Property to a contract with Carolina Power and Light Company for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to

Carolina Power and Light Company by the Owner of each lot within said property.

ARTICLE XII

RIGHTS OF INSTITUTIONAL LENDERS

Section 1. The prior written approval of 51% of all institutional holders ("Holder") of a first deed of trust on Lots in the property will be required for the following:

(a) The abandonment or termination of the project except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(b) Any material amendment to the declaration or to the Bylaws of the Association.

(c) The effectuation of any decision by the Association to terminate professional management and assume self management of the property.

(d) A Holder shall be deemed to have approved any matter specified in this Section I if it fails to respond within thirty (30) days after notice of such matter was delivered to the Holder by certified or registered mail with a return receipt requested.

Section 2. No Lot may be partitioned or subdivided without the prior written approval of the first lien holder of the Lot.

Section 3. Upon written request, any institutional holder of a first lien on a Lot will be entitled to:

(a) inspect the books and records of the Association during normal business hours;

(b) receive an annual audited financial statement of the Association within 90 days following the end of any fiscal year; and

(c) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

Section 4. Each institutional holder of a first mortgage on a lot shall be entitled to timely written notice of:

(a) Any event of substantial damage to or destruction of any Lot or any part of the Common Area.

(b) If any Lot or portion thereof or the Common Area or any portion thereof is made the subject matter of otherwise sought to be acquired by a condemnation otherwise sought to be acquired by a condemning authority.

(c) of any default by the Lot mortgagor's obligations hereunder not cured within thirty (30) days of said default.

(d) A lapse, cancellation or material modification of any insurance policy or fidelity bond.

(e) Any proposed action that requires the consent of a specified percentage of mortgage holders.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed this 13<sup>th</sup> day of DECEMBER, 1990.

A-M LIMITED PARTNERSHIP, a North Carolina Limited Partnership

By: 1905 CORPORATION (SEAL)  
GENERAL PARTNER

By: Stanley E. Wright

President



[Signature]

ASSISTANT Secretary

ATTEST:

[Signature]  
Secretary

ADAM MOUNTAIN HOMEOWNERS ASSOCIATION, INC.

By: [Signature]  
President



LOT OWNERS

Lot

<u>OLD</u>	<u>NEW</u>
<u>3</u>	<u>1</u>
<u>4</u>	<u>2</u>
<u>24</u>	<u>3</u>
<u>27</u>	<u>4</u>
<u>11</u>	<u>48</u>
<u>30</u>	<u>5</u>

	<u>WIT.</u>
<u><i>[Signature]</i></u> (SEAL)	<u>JK</u>
<u><i>[Signature]</i></u> (SEAL)	<u>JK</u>
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<u><i>[Signature]</i></u> (SEAL)	<u>JK</u>
<u><i>[Signature]</i></u> (SEAL)	<u>JK</u>

Raleigh Federal Savings Bank

BY *Stanley E. Wright* President

ATTEST: *Lauren B. Coe* Asst. Secretary

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Thomas Gipson & Co.  
BY: *[Signature]* President

ATTEST: *[Signature]* Secretary



STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, Bonita H. Ruchawey, a Notary Public of Johnston County and State aforesaid, certify that Laura B. Cone personally came before me this day and acknowledged that she is 1st Secretary of RALEIGH FEDERAL SAVINGS BANK and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its ~~Vice~~ BNR President, sealed with its corporate seal, and attested by himself as its Asst Secretary.

WITNESS my hand and notarial seal this 25 day of January, ~~1990~~ 1991.  
BNR

Bonita H. Ruchawey  
Notary Public



My Commission Expires:

11-25-91

STATE OF NORTH CAROLINA

COUNTY OF WAKE

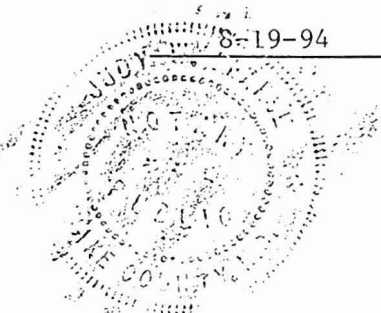
I, Judy W. Pearse, a Notary Public of Wake County and State aforesaid, certify that Thomas C. Worth, Jr. personally came before me this day and acknowledged that he is Asst. Secretary of THOMAS GIPSON & CO. and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Asst. Secretary.

WITNESS my hand and notarial seal this 30th day of January, ~~1990~~ 1991.

Judy W. Pearse  
Notary Public

My Commission Expires:

8-19-94

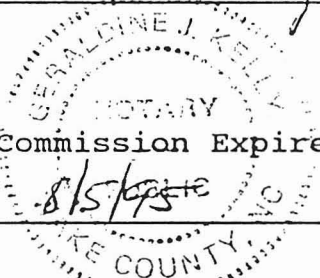


STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, Suzanne J. Kelly, a Notary Public of Wake County and State aforesaid, certify that Kathleen Southern personally came before me this day and acknowledged that she is Secretary of ADAM MOUNTAIN HOME OWNERS ASSOCIATION, INC. 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 himself as its Secretary.

WITNESS my hand and notarial seal this 21st day of February, 1991.



Suzanne J. Kelly  
Notary Public

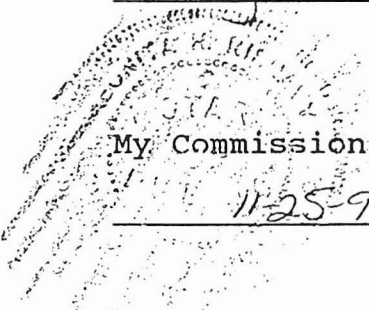
My Commission Expires:

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, Bonita H. Rishavy, a Notary Public of Johnston County and State aforesaid, certify that L.E. Lane personally came before me this day and acknowledged that he is Asst Secretary of 1905 CORPORATION, a North Carolina corporation, General Partner of A-M LIMITED PARTNERSHIP, a North Carolina limited partnership, 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 himself as its Asst Secretary.

WITNESS my hand and notarial seal this 25 day of January, 1991.



Bonita H. Rishavy  
Notary Public

My Commission Expires:

RWW00202.DEC

WITNESS:

*Ernie Reddish*

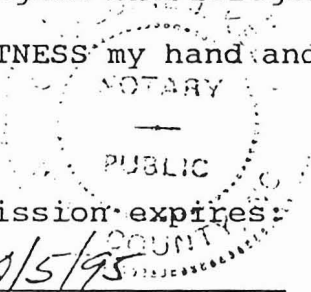
Ernie Reddish

(SEAL)

NORTH CAROLINA  
WAKE COUNTY

I, *Geraldine J. Kelly*, a Notary Public in and for the County and State aforesaid, do hereby certify that Ernie Reddish, personally appeared before me this day and being duly sworn stated that in his presence Milton D. Quigless, Jr., Anita L. Quigless, Joseph Lughes, Virginia R. Lughes, Adele A. Reddish, Vincent J. Dugan, Karen Dugan, Rainer Jenke and Mary Nell Jenke signed the foregoing instrument.

WITNESS my hand and notarial seal this 13<sup>th</sup> day of December, 1990.



*Geraldine J. Kelly*  
Notary Public

My commission expires:  
8/5/95

NORTH CAROLINA  
WAKE COUNTY

I, *Geraldine J. Kelly*, a Notary Public in and for the County and State aforesaid, do hereby certify that Ernie Reddish personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal this 13<sup>th</sup> day of December, 1990.



*Geraldine J. Kelly*  
Notary Public

My commission expires:  
8/5/95

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate 5 of *Bonita H. Riskavy*  
*Judy W. Pease*  
*Geraldine J. Kelly*

Notar(y)(ies) Public is

(are) certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the first page hereof.

KENNETH C. WILKINS, Register of Deeds

*D. Anna Radd*

EXHIBIT A

Being all of Lots 1, 2, 3, 4, 5, 44, 45, 46, 47 and 48 according to map entitled "Recombination Plat Adams Mountain-Phase 1, Lots 1-5, 44-48" dated 9/17/90, revised 2/6/91, prepared by Bass, Nixon & Kennedy, Inc., Consulting Engineers, and recorded in Book of Maps 1991, Page 173, Wake County Registry.

