

***Declaration of Covenants, Conditions
and Restrictions
of Pinnacle***

***The attached document is filed on record in the
Moore County, NC Register of Deeds Office
in Book 609 at Page 201
and as amended Book 1368, Page 410
and as amended Book 1368, Page 412
and as amended Book 1954, Page 244
and as amended Book 2468, Page 383***

PINNACLE DECLARATION

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STATE OF NORTH CAROLINA
COUNTY OF MOORE

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
PINNACLE

THIS DECLARATION, made the 6th day of June, 1988, by SEVEN LAKES PINNACLE, INC., a North Carolina corporation, hereinafter referred to as "DECLARANT";

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Seven Lakes, County of Moore, State of North Carolina, which is more particularly described as follows:

Being all of Pinnacle as the same is shown on a map thereof recorded in Plat Cabinet 4, Slides 61 and 62, in the Office of the Register of Deeds of Moore County, to which map reference is hereby made for a more particular description.

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

ARTICLE I
DEFINITIONS

Section 1. Architectural Committee. "Architectural Committee" shall mean a committee elected by the Members to carry out the duties herein assigned to the Architectural Committee.

Section 2. Common Facilities; Common Open Space; Common Area. "Common Facilities," "Common Open Space," and "Common Area" shall mean all real property together with all personal property used in connection therewith, now or hereafter owned or leased by the Corporation for the common use and enjoyment of the Lot Owners.

Section 3. Corporation; Maintenance Corporation; Association. "Corporation," "Maintenance Corporation," and "Association" shall mean Seven Lakes West Landowners Association, Inc., a

North Carolina nonprofit corporation, its successors and assigns. Every Lot Owner shall be a member of the Corporation; provided, however, that, if the Lot Owner includes one or more persons or entities, all such persons or entities shall be Members, but the voting rights appurtenant to the Lot shall be exercised as the Lot Owners so determine and, in no event, shall more than one (1) vote accrue to one (1) Lot.

Section 4. Developer; Declarant. “Developer” and “Declarant” shall mean Seven Lakes Pinnacle, Inc., a North Carolina corporation, its successors, assigns, and any persons or entities succeeding to its respective rights and obligations under the Declaration.

Section 5. Declaration. “Declaration” shall mean, collectively, the Declaration of Covenants and Restrictions for Declaration of Covenants, Conditions, and Restrictions of Pinnacle recorded in Book 609, Page 201, Moore County Registry, and all amendments thereto recorded in the Moore County Registry.

Section 6. Lot; Homesite. “Lot” or “Homesite” shall mean any individual or numbered plot of land as shown upon any recorded subdivision map subject to the jurisdiction of the Declaration.

Section 7. Member. “Member” shall mean each Lot Owner—except Developer—of a Lot in his capacity as a member of the Corporation. Each member of the Corporation shall be entitled on all issues to vote in accordance with the Articles of Incorporation and By-Laws of the Corporation.

Section 8. Owner; Lot Owner. “Owner” and “Lot Owner” shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot but shall exclude those having such interest merely as security for the performance of an obligation.

Section 9. Property; Properties. “Property” and “Properties” shall mean any and all real property subject to the jurisdiction of this Declaration.

Section 10. Utility Area. “Utility Area” shall mean those tracts or parcels of the Properties set aside for fire stations, maintenance buildings, and the installation of utility systems to serve the remainder of the Properties. Utility systems shall include, but shall not be limited to, water, sewer, telephone, electricity, and gas. The Utility Areas may be conveyed to a municipality or to public utility companies that operate and maintain such systems. Utility Areas shall be accessible by easements of ingress and egress if not located on a public or private road.

ARTICLE II **PROPERTY RIGHTS**

Section 1. The Developer for each Lot dedicated as a site for a dwelling unit shall have a right of easement of enjoyment in and to the Common Area that shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

- (a) The right of the Corporation to charge reasonable admission and other fees for the use of any facility situated upon the Common Area.
- (b) The right of the Corporation to suspend the voting rights and right to use of the 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 Corporation, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, and the rights of such mortgage in said properties shall be subordinate to the rights of the homeowners hereunder.

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 his property.

Section 3. Title to the Common Area. The Developer hereby covenants for itself, its successors or assigns, that, prior to the conveyance of the first lot in each separate plat of real property subject to the Declaration, it will convey fee simple title to the Corporation of the Common Area specifically described in said recorded plat. Such conveyance shall be free and clear of all encumbrances and liens, but shall be subject to these covenants and to all easements of record for utilities for access.

Section 4. Rights; Delegation of Use. Every Lot Owner shall have a right and easement of enjoyment in and to the Common Area that shall be appurtenant to and shall pass with the title to every Lot, subject to the right of the Corporation to impose regulations for the use and enjoyment of the Common Area that may restrict the use and conditions of use of the Common Area. A Lot Owner may delegate, in accordance with the Corporation's by-laws, his rights of enjoyment of the Common Area only to the members of his immediate family, tenants of his Lot, contract purchasers who reside on the Lot and guests of any of the foregoing.

ARTICLE II-A **RIGHTS AND OBLIGATIONS OF THE CORPORATION**

Section 1. Management. The Corporation shall be responsible for the exclusive management, maintenance, and control of the Common Area and shall keep the Common Area in good, clean, attractive and sanitary condition, order and repair.

Section 2. Powers. The Corporation, through action of its Board of Directors, may acquire, hold, lease and dispose of tangible and intangible personal property and real property upon such terms and conditions as the Board deems desirable and in the best interests of the Corporation. The Board, acting on behalf of the Corporation, may accept any real or personal property, leasehold or other property interest within the Properties conveyed to it by the Developer.

Section 3. Other Powers. The Corporation, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Common Area, which rules and regulations shall be consistent with the rights and duties established by the Declaration. The Board, acting on behalf of the Corporation, shall also have the power to seek relief in any court of competent jurisdiction for violations of its rules and regulations and to enforce any and all obligations imposed upon the Members by (a) such rules and regulations, (b) the By-Laws of the Corporation, (c) the Articles of Incorporation of the Corporation or (d) this Declaration.

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:

- (a) 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 (1) vote be cast with respect to any lot.
- (b) CLASS "B" Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each lot owned. The Class 8 membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier.
 - (1) when the total votes outstanding in Class A membership equals the total votes outstanding in the Class B membership, and construction of Pinnacle homes is discontinued for one year.
 - (2) on September 1, 1999.

ARTICLE IV
COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Assessments. Except for the Developer, each Lot Owner within the Properties as well as each future Lot Owner, 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 Corporation (a) annual assessments (hereinafter "Annual Assessments") and (b) special assessments (hereinafter "Special Assessments") (hereinafter, collectively, the "Assessments"). The Assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which an Assessment is made. All Assessments, together with interest, costs and reasonable attorney's fees shall also be the personal obligations of the person who was the Owner of the Lot subject thereto at the time when the Assessment fell due; provided, however, that the personal obligation for any delinquent Assessments shall not pass to successors in title unless expressly assumed thereby.

Section 2. Use of Assessments. The Annual Assessments levied by the Corporation shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Lots including, but not limited to, costs, fees, expenses, and other obligations related to (a) management and administration of the Association, (b) provision of utility services to and for the Common Area, (c) premiums on all policies of insurance obtained for the use and benefit of the Corporation, (d) real property or equipment that is hereafter leased or rented for the use and benefit of the Corporation, (e) maintenance of reasonable and appropriate funds for working capital, general operation reserves, and replacement reserves, (f) ad valorem taxes related to the Common Area, (g) maintenance, operation, acquisition, and improvement of the Common Area, (h) procurement and maintenance of fidelity and performance bonds for its officers, agents, and employees, (i) incurrence of secured or unsecured debt, and (j) all other items and expenditures requisite or advisable for the performance of the obligations and responsibilities of the Corporation.

Section 3. Budget. It shall be the duty and obligation of the Board, within thirty (30) days after adoption of any proposed budget for the planned community, which budget shall be sufficient to discharge in full the responsibilities and obligations of the Association for the new fiscal year, (hereinafter the "Budget") to provide to all the Members (a) a summary of the Budget and a notice of

the meeting to consider ratification of the Budget and (b) a statement therein that the Budget is subject to ratification without a quorum. The Board shall set a date for a meeting of the Members, to be held not fewer than ten (10) nor more than sixty (60) days after mailing of the summary and notice, to consider ratification of the Budget (hereinafter the “Budget Meeting”). The Budget shall, notwithstanding the presence or absence of a quorum, be ratified unless a vote of not less than a majority of all Members, considered and counted in the aggregate, subject to (a) that certain Declaration of Covenants and Restrictions for Seven Lakes West recorded in Book 449, Page 662, Moore County Registry, as amended from time to time and at any time, (b) that certain Declaration of Covenants and Restrictions for Pinnacle recorded in Book 609, Page 201, Moore County Registry, as amended from time to time and at any time, (c) that certain Declaration of Covenants and Restrictions for Morganwood recorded in Book 1694, Page 541, Moore County Registry, as amended from time to time and at any time, (d) that certain Declaration of Covenants and Restrictions for Seven Lakes West Country Club (now known as Beacon Ridge) recorded in Book 563, Page 503, Moore County Registry, as amended from time to time and at any time, and (e) that certain Declaration of Covenants, Conditions and Restrictions of Beacon Ridge Lakeview Homes recorded in Book 947, Page 247, Moore County Registry, as amended from time to time and at any time, (hereinafter, collectively, the “Membership”) vote to reject the Budget. Notwithstanding the foregoing, however, in the event that (y) the Membership rejects the Budget or (z) the Board fails for any reason so to determine the Budget or the Assessments for the succeeding fiscal year, then, and until such time as the Budget shall have been adopted and the Assessments shall have been determined, as provided herein, the Budget and the Assessments in effect for the then-current year shall be deemed to be applicable for the succeeding fiscal year.

Section 4. Special Assessment. In addition to the Annual Assessments authorized above, the Corporation may levy—upon the affirmative vote of two-thirds ($\frac{2}{3}$) of the votes of the Membership as voted in person or by proxy at a meeting duly called for this purpose—a Special Assessment in any fiscal year for the purpose of defraying, in whole or in part, the costs of any purchase, construction, repair or replacement of any capital improvement—including personal property and fixtures related thereto—upon the Common Area. This provision shall in no way affect the Annual Assessments to the Corporation or any other fees imposed by the Corporation for the use and enjoyment of Common Area.

Section 5. Annual Assessment. The Corporation shall determine the rate of annual assessment and establish one or more categories of Lots and assessments as it, in its discretion, deems proper as set forth in the Articles of Incorporation and Bylaws of the Corporation; provided, however, that the annual assessment and maintenance dues shall be levied on the Lots pursuant to the schedule hereinafter set forth.

| <i>Applicable Period</i> | <i>Annual Assessment</i> | <i>Maintenance Dues</i> | <i>Total Due</i> |
|--------------------------------|--------------------------|-------------------------|------------------|
| January 1, 2004-April 30, 2004 | \$180.00 | \$200.00 | \$380.00 |
| May 1, 2004-April 30, 2005 | \$540.00 | \$600.00 | \$1,140.00 |
| May 1, 2005-April 30, 2006 | \$540.00 | \$600.00 | \$1,140.00 |
| May 1, 2006-April 30, 2007 | \$540.00 | \$600.00 | \$1,140.00 |
| May 1, 2007-April 30, 2008 | \$600.00 | \$600.00 | \$1,200.00 |
| May 1, 2008-April 30, 2009 | \$630.00 | \$630.00 | \$1,260.00 |

On May 1, 2009 (hereinafter the “Parity Date”) and thereafter, Owners shall pay any and all assessments, dues, fees, costs, and other expenses to the Corporation in amounts equivalent and identical to those paid by owners of improved lots subject to that certain Declaration of Covenants and Restrictions for Seven Lakes West recorded in Book 449, Page 662, Moore County Registry, as amended from time to time and at any time, including, but not limited to, the amendment thereto recorded in Book 653, Page 560, Moore County Registry.

Section 6. Collection. The Annual Assessments provided for herein shall be collected on an annual basis and shall commence on the first day of the month following the conveyance of such Lot. The first Annual Assessment shall be adjusted according to the number of months remaining in the fiscal year after recording of this Amendment for the purposes of creating a lien upon Lots. The Corporation shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Corporation setting forth whether the assessments on a specified Lot have been paid.

Section 7. Fees. Any Assessment, if not paid within thirty (30) days after the date such assessment is due, together with interest established by the Board of Directors at the beginning of each fiscal year, costs of collection, court costs, and reasonable attorney's fees, shall constitute a lien against the Lot upon which such assessment is levied at the time that the Corporation records the notice of the same in the Office of the Clerk of Superior Court of Moore County. The Corporation also may file a suit to collect such delinquent assessments and charges. The Corporation may file Notice of Lis Pendens, bring an action at law against the Owner personally obligated to pay the same and/or bring an action to foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of a Lot.

Section 8. Subordination. The assessment liens provided for herein shall be subordinate to the lien of any first mortgage or deed of trust on all or any portion of the Lots. Sale or transfer of any Lot shall not affect the assessment lien or liens provided for herein. However, the sale or transfer of any Lot that is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien for such assessments as to the payment thereof which become due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or deed of trust.

Section 9. Exempt Property. The following property—as well as the following individuals, partnerships, and corporations—subject to this Declaration shall be exempted from the assessment charge and lien created herein:

- (a) the grantee of conveyances made to utility companies for wells, tanks, pipelines, treatment plants, dispersion fields, lines, pumping stations, maintenance facilities, and for the creation of utility easements; and
- (b) the Common Area.

ARTICLE V
THE DECLARANT

The Declarant will not be required to pay any assessments, annual or special, on any lot.

ARTICLE VI
ARCHITECTURAL CONTROL

No building, fence, wall 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 the harmony of external design and location in relation to surrounding structures and topography by the Corporation or its assigns.

ARTICLE VII
EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each lot which is subject to assessment hereunder as follows: paint, repair, replace and care of roofs, exterior building surfaces, porches, fences, trees, shrubs, grass, walks and other exterior improvements outside fenced in yard. Such exterior maintenance shall not include glass surfaces, septic tank maintenance, or corresponding drain field maintenance, garage door and opener, and screen replacement. The Corporation shall assess the Owners, as hereinafter set forth, and shall establish a discrete account, which may be budgeted and assessed to include appropriate reserve funds, for the satisfaction of its obligations—including, but not limited to, the maintenance of the landscaped areas within the area subject to the Pinnacle Declaration and the Lakeview Declaration to the extent described in that certain Amendment to the Declaration of Covenants, Conditions, and Restrictions of Pinnacle recorded in Book 1368, Page 412, Moore County Registry—pursuant to this Article VII; provided, however, the Owners subject to the Pinnacle Declaration and the Lakeview Declaration shall be assessed, *pro rata*, for the maintenance of the landscaped areas within the area subject to the Pinnacle Declaration and the Lakeview Declaration; further provided, however, that, under no circumstances or conditions, shall Owners not subject to this Declaration be liable, directly or indirectly, for the costs incurred by the Corporation in the discharge of its obligations pursuant to this Article VII.

ARTICLE VIII
USE RESTRICTIONS

Section 1. LAND USE AND BUILDING TYPE. No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one single family dwelling. Any building erected, altered, placed or permitted to remain on any lot shall be subject to the provisions of Article VI of this Declaration of Covenants, Conditions and Restrictions relating to architectural control. No structure of any type shall be built on common area without approval of Declarant.

Section 2. NUISANCES. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 3. TEMPORARY STRUCTURES. No structure of a temporary character, trailer, basement, tent, shack, garage, bam or other outbuilding shall be used on any lot at any time as a residence either temporarily or permanently.

Section 4. RECREA TIONAL VEHICLES. No boat, motor boat, camper, trailer, motor or mobile homes or similar type vehicle, shall be permitted to remain on any lot at any time, unless by consent of the Association.

Section 5. ANIMALS. No animals, livestock or poultry of any kind shall be kept or maintained on any lot or in any dwelling except that dogs (under 50 pounds), cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and provided further that they are kept inside the dwelling except when personally controlled by an adult with leash.

Section 6. OUTSIDE ANTENNAS. No outside radio or television receiving equipment shall be erected on any lot or dwelling unit within the Properties unless and until permission for the same has been granted by the Declarant or its assigned.

Section 7. WINDOW COVERINGS. All drapes, curtains or other similar materials hung at windows so as to be visible from the outside of any building erected upon any lot shall be of a white or neutral background or material.

Section 8. EXTERIOR LIGHTS. All light bulbs or other lights installed in any fixture located on the exterior of any building or any Lot shall be clear, white, or non-frost lights or bulbs, with replacements the responsibility of the occupant.

Section 9. VEHICLES. Only vehicles with current license and state inspection shall be parked in owner's driveway. At the sole discretion of the Board of Directors or Declarant, a vehicle may be deemed to be unsightly and detrimental to the community. Action can be taken by Board to require vehicle to be removed or stored out of sight in garage.

ARTICLE IX EASEMENTS

Section 1. Easements are reserved as necessary in the Common Areas for installation and maintenance of underground utilities, drainage and private sewer facilities.

Section 2. The Association, acting through its officers, agents, servants, and/or employees shall have the right of unobstructed access at all reasonable times to all properties as may be reasonably necessary to perform the exterior maintenance called for in Article VII of this Declaration.

Section 3. Easements are also reserved over those portions of the Common Area that may be necessary or required to accommodate overhanging eaves or other cantilevered construction which may encroach upon the Common Area on the air and light space above such Common Area.

Section 4. The Declarant expressly reserves unto itself, its successors and assigns, and subjects the properties which are the subject to this Declaration to an easement and right of way over the roadways shown on the map of Pinnacle recorded in Plat Cabinet ____ Slide ____ of the Moore County Registry, for access to adjoining properties owned by Declarant, and such easements as may be necessary to provide public utility service to adjoining properties owned by Declarant.

ARTICLE X ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. If the Declarant, its successors and assigns, shall decide to develop additional lands in any area adjoining the lands described in the preambles herein, such additional lands may be annexed to said properties without consent of owners or Association, provided, however, the development of the additional lands described in this section shall be in accordance with the same general scheme of development as Pinnacle.

ARTICLE XI GENERAL PROVISIONS

Section 1. ENFORCEMENT. The Declarant, or its assigns, 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 Declarant 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 anyone 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. LOTS SUBJECT TO DECLARATION. All present and future owners, tenants and occupants of lots and their guests or invitees, shall be subject to, and shall comply with the provisions of the Declaration, and as the Declaration may be amended from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any Lot shall constitute an agreement that the provisions of the Declaration are accepted and ratified by such owner, tenant or occupant.

Section 4. AMENDMENTS

(a) Notwithstanding any other provision of this Declaration, as amended, except for Section 4(b) of this Article XI, this Declaration may be amended from time to time and at any time by an affirmative vote of or written agreement signed by not fewer than sixty-seven percent (67%) of the Lot Owners.

(b) Notwithstanding any other provision of the Declaration, as amended, or this Fourth Amendment, the provisions set forth in Section V of Article IV of this Fourth Amendment shall not be subject to amendment without the prior consent of Corporation.

ARTICLE XII
ADOPTION OF NORTH CROLINA PLANNED COMMUNITY ACT

The terms and provisions of the North Carolina Planned Community Act as set forth in Chapter 47F of the North Carolina General Statutes and as amended and as recodified from time to time and at any time (hereinafter the “Planned Community Act”) shall apply to the Properties as the Planned Community Act applies to planned communities created after the effective date of the Planned Community Act.

ARTICLE XIII
CERTAIN AMENDMENTS

Article VI, Article VII, and Article VIII of this Declaration shall, notwithstanding any other provision hereof, be subject to amendment by the Owners and shall not require the consent or approval of any other parties. The amendment of any other provision of this Declaration shall require the affirmative vote of sixty-seven percent (67%) of the owners of lots, considered and counted in the aggregate, subject to (a) that certain Declaration of Covenants and Restrictions for Seven Lakes West recorded in Book 449, Page 662, Moore County Registry, as amended from time to time and at any time, (b) that certain Declaration of Covenants and Restrictions for Declaration of Covenants and Restrictions for Pinnacle recorded in Book 609, Page 201, Moore County Registry, as amended from time to time and at any time, (c) that certain Declaration of Covenants, Conditions and Restrictions of Beacon Ridge Lakeview Homes recorded in Book 947, Page 247, Moore County Registry, (d) that certain Declaration of Covenants and Restrictions for Declaration of Covenants and Restrictions for Morganwood recorded in Book 1694, Page 541, Moore County Registry, as amended from time to time and at any time, and (e) that certain Declaration of Covenants and Restrictions for Seven Lakes West Country Club (now known as Beacon Ridge) recorded in Book 563, Page 503, Moore County Registry, as amended from time to time and at any time.

IN WITNESS WHEREOF, SEVEN LAKES PINNACLE, INC., the Declarant herein, has caused this Declaration to be signed in its corporate name by DONALD R. BILLINGS, President, attested by its DAVID ALAN SHAW, Secretary and sealed with its corporate seal, all on the day and year first above written.

SEVEN LAKES PINNACLE, INC.

By: Donald R. Billings, President

ATTEST:

By: David Alan Shaw, Secretary

(Corporate Seal)

**STATE OF NORTH CAROLINA
COUNTY OF MOORE**

I, the undersigned Notary Public in and for the aforesaid State and County, certify that David Alan Shaw personally came before me this day and acknowledged that s/he is Secretary of SEVEN LAKES PINNACLE, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by him/herself as its Secretary.

WITNESS my hand and notarial seal this 6th day of June, 1988.

**Judith Urian Lownes
Notary Public**

(NOTARIAL SEAL)

My commission expires: 12/7/91