

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
PEBBLE CREEK PROPERTIES, INC.

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is entered into this the 25th day of August, 1988, between PEBBLE CREEK PROPERTIES, INC., a North Carolina Corporation, called "Declarant" and all parties hereafter acquiring any of the described property.

W I T N E S S E T H :

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

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

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

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

ARTICLE I

PROPERTIES SUBJECT TO THIS DECLARATION

Section One. The property which shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Catawba County, North Carolina, as more particularly described on a Plat recorded in Plat Book 24, Page 65, Catawba County Registry and being a total of 14.815 acres and which Plat is referred to for a more particular description. Section I, being 2.198 acres is the first in a series of phases which the Declarant proposes to create, each of which will be located within said property described on a Plat as is recorded in Plat Book 24, Page 65, Catawba County Registry. The

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Declarant hereby subjects the property, more particularly described in Plat Book 24, Page 66, Catawba County Registry, to this Declaration and the jurisdiction of the Association.

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

ARTICLE II

DEFINITIONS

Section One. "Association" shall mean and refer to Hickory Racquet Club Homeowners' Association, Inc. d/b/a Pebble Creek H.O.A., its successors and assigns.

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

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

Section Four. "Common Area(s)" shall mean all property owned by the Association, or such other property which the Association may hold subject to the provisions of the Declaration. Common Areas shall be defined and described in Section I of the Plat of Pebble Creek Properties, Inc., recorded in Plat Book 24, Page 66, Catawba County Registry, and amendments thereof and designated thereon as "Common Areas" or "Common Open Space". Common Areas in each phase shall be conveyed to the Association free and clear of encumbrances except for an access easement and Road Maintenance Agreement with Hickory Racquet Club, Inc., prior to deeding the first Lot each the phase.

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

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

ARTICLE III

PROPERTY RIGHTS

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

- a. the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- b. the right of the Association to suspend the voting rights and right of 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 sixty (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 of 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 mortgage in said Properties shall be subordinate to the rights of the homeowners hereunder;
- f. the right of the Association to adopt, publish and enforce rules and regulations as provided in Article X;
- g. the right of the Association to enter any Lot in order to perform any maintenance, alteration or repair required herein to be performed by the Association and the Owner of such Lot shall permit the Association or

its representative to enter for such purpose at reasonable times and with reasonable advance notice;

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

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

Section Three. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area to the Association, free and clear of all encumbrances and liens, prior to the conveyance of the first Lot, except utility and storm drainage easements, and an easement for access to Hickory Racquet Club, Inc.

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

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

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section One. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

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

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

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

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

b. five years following conveyance of the first unit.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section One. Creation of the Lien and Personal Obligation. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges as further described and set forth in this document, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, cost and reasonable attorney's fees, shall also be the personal obligation of the

person who was the Owner of such property at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section Two. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of Common Areas, including the maintenance, repair and reconstruction or private street, driveways, walks and parking areas situated on the Common Area, such maintenance to include the cutting and removal of weeds and grass, the removal of trash and rubbish or any other maintenance and for the exterior maintenance of the residences situated upon the Properties as hereinafter provided or for the use and enjoyment of the Common Area, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the cost of water and sewer services, the payment of taxes and public assessments assessed against the Common Area, the procurement and maintenance of insurance in accordance with this Declaration, the employment of attorneys to represent the Association when necessary, the provisions of adequate reserves for the replacement of capital improvements including, without limiting, the generality of the foregoing, roofs, paving, and any other major expense for which the Association is responsible, and such other needs as may arise.

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

Section Four. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment shall be Thirty-Two Dollars (\$32.00) per month per lot.

a. From and after January of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of membership by up to twenty percent (20%) of the previous years assessment upon a two-thirds (2/3) vote of the Board of Directors of the Homeowner's Association.

b. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner,

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.

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b. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner,

the maximum annual assessment may be increased above the increase permitted in Section 4 above by a vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

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

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

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

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

but shall not be less than twenty-five percent (25%) of the regular assessments for other Lots.*

Section Eight. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots in each phase on the first day of the month following the conveyance of the Common Areas to the Homeowner's Association in that phase. Such annual assessments shall be paid ratably on a monthly basis. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section Nine. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate permitted by law on the date the assessment became due. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property and in either event interest, costs and reasonable attorney's fees of any such action shall be added to the assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

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

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

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

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

ARTICLE VI

EXTERIOR MAINTENANCE

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

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

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject. The Association is hereby granted an easement right of access to go upon any Lot for performance of repairs or maintenance, the responsibility of which is the Association's hereunder.

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

ARTICLE VII

PARTY WALLS

Section One. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and places on the dividing line between the Lots and all reconstruction or extensions of such walls shall constitute party walls, and, to that extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls, lateral support in below-ground construction and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

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

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

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

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

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

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

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

ARTICLE VIII

ARCHITECTURAL CONTROL

No building, fence, signs, wall or other structure shall be commenced, erected or maintained upon the Properties, no boats, RV's or camping trailers shall be parked upon the Properties, no draperies shall be installed unless they have white linings, no automobile repairs shall take place upon the Properties, nor shall any exterior addition to or change or alteration of the structures be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. There shall be no conversion of garage space into living quarters. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE IX

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INSURANCE

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

- a. Ownership of Policies. All insurance policies upon the Common Areas shall be purchased by the Association for the benefit of all the Association and Owners and their mortgagees as their interest may appear, and provisions shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of owners. Owners shall obtain coverage on their own individual buildings and improvements thereon at their own expense, and Owners may, at their option, obtain coverage upon their own personal property and for their personal liability and living expense such other coverage as they may desire. Proof of such insurance shall be provided upon the closing of the sale of each unit to the Association and proof of each renewal thereto shall be forwarded with the next monthly assessment payment as is appropriate.
- b. Coverage. All buildings and improvements and all personal property included in the Common Areas shall be insured in an amount equal to one hundred percent (100%) insurable replacement value as determined annually by the Association with the assistance of the insurance company providing coverage. Such coverage shall provide protection against:
- i. loss or damage by fire and other hazards covered by a standard extended coverage endorsement,
 - ii. such other risks as from time to time shall be customarily covered with respect to building of the land,
 - iii. such policies shall contain clauses providing for waiver of subrogation.
- c. Liability. Public liability insurance shall be secured by the Association with limits of liability of no less than One Million Dollars (\$1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be desirable and necessary.

d. Premiums. Premiums for insurance policies purchased by the Association shall be paid by Association and charged to the owners as an assessment according to the provisions of Article V above.

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

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

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

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

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

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

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

USE RESTRICTIONS

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

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

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

Section Four. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and weigh no more than twenty-five (25) pounds and limited to no more than two (2) per household. Owners must abide by the City of Hickory leash law.

Section Five. Dwelling Specifications. No dwelling shall be constructed or permitted to remain on any Lot having an area of the main structure, exclusive of open porches and decks, of less than 850 square feet for a one-story dwelling, nor less than 1000 square feet for a dwelling of more than one-story.

ARTICLE XI

EASEMENTS

All of the Properties, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power line and other public utilities as shall be established by the Declarant or by his predecessors in title, prior to the subjecting of the Properties to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under and across the Common Areas conveyed to it, such further easements as are requisite for the convenient use and enjoyment

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of the Properties. In addition, there is hereby reserved in the Declarant and its agents and employees an easement and right of ingress, egress and regress across all Common Areas, now or hereafter owned by the Association, for the purposes of construction of improvements within the Properties.

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

ARTICLE XII

GENERAL PROVISIONS

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

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

Section Three. Amendment. The covenants and restrictions of this 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 Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners.

Section Four. Management and Contract Rights of Association. Declarant shall enter into a contract with a Management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the property. However, no such contract shall be binding upon the Association except through express adoption, or ratification of the terms and conditions of such contract. Any contract or lease entered into by Declarant or by the Association while Declarant is in control thereof shall contain a provision allowing the Association to terminate such contract without justification or penalty after transfer of management by Declarant to the Association.

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

ARTICLE XIII

ELECTRICAL SERVICE

Declarant reserves the right to subject the above described Property to a contract with Duke Power Company for installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Duke Power Company by the Owner of each Lot within said Property.

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



PEBBLE CREEK PROPERTIES, INC.

BY: Y. H. Hawken
President

ATTEST:

Sandy J. King-Elles
Secretary

FILED

RUTH MACKIE

'88 SEP 7 PH 1 49

BOOK 1576 PAGE 899

STATE OF NORTH CAROLINA
COUNTY OF Guilford

SEAL
CATAWBA CO., N.C.

I, a Notary Public of the County and State aforesaid, certify that Sandy F. King-Eller personally came before me this day and acknowledged that She is Secretary of PEBBLE CREEK PROPERTIES, 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 her as its Secretary.

WITNESS my hand and official stamp or seal, this 25th day of August, 1988.

Susan E. White
Notary Public

My commission expires: _____



STATE OF NORTH CAROLINA
COUNTY OF CATAWBA

The foregoing certificates of Susan E. White, a Notary Public of Guilford Co., NC. are certified to be correct. This instrument was presented for registration this 7 day of September, 1988, at 1:49 o'clock P.M., and duly recorded in the Office of the Register of Deeds for Catawba County in Book 1576 at Page 883.

This the 7 day of September, 1988.

RUTH MACKIE
Register of Deeds

By:

Ruth Mackie
~~X222222222~~ Register of Deeds

Prepared by Terry M. Taylor, P.O. Drawer 2428, Hickory, NC 28603.

NORTH CAROLINA

ROADWAY MAINTENANCE AGREEMENT

CATAWBA COUNTY

THIS AGREEMENT, made and entered into this 1st day of September, 1988, by and between PEBBLE CREEK PROPERTIES, INC., party of the first part and HICKORY RACQUET CLUB, INC., party of the second part.

WITNESSETH:

THAT WHEREAS, the parties to this Agreement are the owners of that certain real estate as identified and as set forth and illustrated on a Plat as is recorded in Plat Book 24 at Page 65 of the Office of the Register of Deeds of Catawba County; and

WHEREAS, both parties' property adjoin a private road system running from 29th Avenue, Northeast, Hickory, North Carolina; and

WHEREAS, the road system was dedicated by the recording of the aforementioned plat; and

WHEREAS, the party of the first part has recorded a more specific layout of the street system on a Plat recorded in Book 24, Page 65 of Catawba County Registry.

WHEREAS, the parties hereto desire that said roadways as are identified on the above mentioned plats be maintained in good condition for the use and benefit of all property owners who adjoin them, with said maintenance to keep said roadways in a usable condition in all weather and all seasons; and

WHEREAS, the parties hereto and/or their successors and assigns desire to agree to continue to be bound by this Agreement until such time as the maintenance of the aforementioned roadways is taken over by the State of North Carolina, or any other local governmental unit and/or agency.

NOW, THEREFORE, IT IS AGREED:

1. That the parties hereto shall share in the expense of maintaining the roadways described above in a usable condition for all weather and all seasons, with said expense to be shared equally by the above-referred to parties.

2. That the parties hereto and/or successors and assigns agree to be bound by this Agreement and obligation to maintain and service the above-referred to roadways until such time as the maintenance and upkeep of said roadways shall be assumed by the

State, or local governmental unit or agency, or any other entity as has been agreed upon in writing by each of the parties to this agreement or their respective successors and/or assigns.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year set out above.



PEBBLE CREEK PROPERTIES, INC.

BY: James F. Eller
Vice-President

Sandy J. King-Eller
Secretary

(CORPORATE SEAL)



HICKORY RACQUET CLUB, INC.

BY: James F. Eller
Vice-President

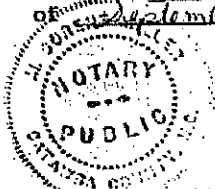
Sandy J. King-Eller
Secretary

(CORPORATE SEAL)

STATE OF NORTH CAROLINA
COUNTY OF Catawba

I, a Notary Public of the County and State aforesaid, certify that Sandy J. King-Eller personally came before me this day and acknowledged that S he is Secretary of PEBBLE CREEK PROPERTIES, 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 Vice President, sealed with its corporate seal and attested by herself as its Secretary.

WITNESS my hand and official stamp or seal, this 1st day
September, 1988.



M. Dorene Miller
 Notary Public
 My commission expires: 9/29/92

STATE OF NORTH CAROLINA
 COUNTY OF Catawba

I, a Notary Public of the County and State aforesaid,
 certify that Sandy F. King-Miller personally came before
 me this day and acknowledged that s he is Secretary
 of HICKORY RACQUET CLUB, 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 Vice
President, sealed with its corporate seal and attested by herself
 as its Secretary.



WITNESS my hand and official stamp or seal, this 1st day
September, 1988.

M. Dorene Miller
 Notary Public
 My commission expires: 9/29/92

STATE OF NORTH CAROLINA
 COUNTY OF CATAWBA

The foregoing certificates of M. Dorene Miller, a Notary Public of
Catawba Co, N.C. are certified to be correct.
 This instrument was presented for registration this 7 day of
September, 1988, at 1:50 o'clock
P.M., and duly recorded in the Office of the Register of Deeds
 for Catawba County in Book 1576 at
 Page 900.

This the 7 day of September, 1988.

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

FILED
 RUTH MACKIE

'88 SEP 7 11 50
 CATAWBA

3788

BOOK 1576 PAGE 903

Prepared by: ✓ Terry M. Taylor, P.O. Box 2428, Hickory, NC 28603

STATE OF NORTH CAROLINA

RELEASE DEED

CATAWBA COUNTY

THIS RELEASE DEED, made and entered into this 25 day of August, 1988, by and between SERVCO FINANCIAL SERVICES, INC., acting as Trustee as hereinafter stated, and PREFERRED SAVINGS BANK, INC., party of the first part; and PEBBLE CREEK PROPERTIES, INC., parties of the second part;

WITNESSETH:

THAT, WHEREAS, said parties of the second part heretofore executed to said Servco Financial Services, Inc., as Trustee, a certain Deed of Trust recorded in Book 1522 at Page 132 in the Office of the Register of Deeds of Catawba County on August 27, 1987, to secure that certain Note therein set out due and payable to said party of first the part; and

WHEREAS, the Grantor in said Deed of Trust has requested the said party of the first part to release from the lien of said Deed of Trust such of the land therein conveyed as is hereinafter described, and the beneficiaries under said Deed of Trust have agreed so to do and have requested said Trustee to join in said release.

NOW, THEREFORE, said party of the first part, for and in consideration of the sum of TEN (\$10.00) DOLLARS to him paid by the parties of the second part, has remised and released and by these presents does remise, release and forever quitclaim unto the said parties of the second part, their successors and assigns, certain lands situated in Hickory Township, Catawba County, North Carolina, and more particularly described and bounded as follows:

See attached Exhibit "A" which is hereby incorporated herein by reference as if fully set forth verbatim.

TO HAVE AND TO HOLD said lands and premises, together with all privileges and appurtenances thereunto belonging, to the said party of the second part, its successors and assigns, free and discharged from the lien of the Deed of Trust recorded in Book 1522 at Page 132 in the Office of the Register of Deeds for Catawba County and hereinabove referred to.

BUT IT IS UNDERSTOOD AND AGREED that this release shall apply only to so much of said lands as are herein expressly described and conveyed, and that as to the remainder of said lands, said Deed of Trust shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, the said party of the first part has hereunto set his hand and seal the day and year first above written.

TRUSTEE:

SERVCO FINANCIAL SERVICES, INC.

BY: Harold G. Thompson
Vice President

ATTEST:

Donna K. Eason
Asst. Secretary

(CORPORATE SEAL)

PARTY OF THE FIRST PART:

PREFERRED SAVINGS BANK, INC.

BY: Harold G. Thompson
Vice President

ATTEST:

Donna K. Eason
Asst. Secretary

(CORPORATE SEAL)

STATE OF NORTH CAROLINA
COUNTY OF RANDOLPH

I, a Notary Public of the County and State aforesaid, certify that DONNA EASON personally came before me this day and acknowledged that 5 he is Asst. Secretary of SERVCO FINANCIAL SERVICES, INC., a North Carolina Banking Corporation, Trustee, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by Donna Eason as its Asst. Secretary.

WITNESS my hand and official stamp or seal, this 2ND day of September, 1988.

Ann Vernon
Notary Public

My commission expires: 3-28-90

FILED
RUTH MACKIE

BOOK 1576 PAGE 905

'88 SEP 7 PM 1 51

STATE OF NORTH CAROLINA
COUNTY OF RANDOLPH

I, a Notary Public of the County of RANDOLPH and State aforesaid, certify that DONNA FASUN personally came before me this day and acknowledged that S he is ASST. Secretary of PREFERRED SAVINGS BANK, INC., a North Carolina Banking Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its VICE President, sealed with its corporate seal and attested by DONNA FASUN as its ASST Secretary.

WITNESS my hand and official stamp or seal, this 2nd day of September, 1988.

Ann Vernon
Notary Public

My commission expires: 3-28-90

STATE OF NORTH CAROLINA
CATAWBA COUNTY

The foregoing certificates of Ann Vernon, Notary Public of
Randolph County, N.C.
are certified to be correct. This instrument was presented for registration this 7 day of September, 1988, at 1:51 o'clock P.M., and duly recorded in the Office of the Register of Deeds for Catawba County in Book 1576 at Page 903.

This 7 day of September, 1988.

Ruth Mackie By: _____
Register of Deeds Deputy/Ass't Register of Deeds

TRACT I: BEGINNING at a point in the center line of the right-of-way of 29th Avenue, Northeast, Hickory, Catawba County, North Carolina; and running thence North 15°00' East 343.32 feet to a point; and running thence North 0°10' East 232.13 feet to a point; and continuing thence North 18°25' East 137.84 feet to a point; and continuing thence North 45°40' East 22.59 feet to a point; and continuing thence South 39°44'30" East 70.23 feet to a point in the center line of a private roadway; and continuing thence South 39°44'30" East 35.31 feet to a point; and continuing thence South 18°25' West 86.17 feet to a point; and continuing thence South 0°10' West 229.09 feet to a point; and continuing thence South 15°00' West 354.58 feet to a point in the center line of 29th Avenue, Northeast; and continuing thence with the center line of 29th Avenue, Northeast the following calls and distances: North 73°43' West 73 feet; North 82°10' West 27.22 feet to the point and place of BEGINNING, and being approximately 1.143 acres according to that survey entitled "Property of Pebble Creek Properties, Inc." prepared by Vaughn and Bradshaw Surveying Company and being dated August 24, 1988.

For back reference to title see Deed recorded in Book 1468, Page 147; Book 1474, Page 143; and Book 1476, Page 832 of Catawba County Registry.

TRACT II: BEGINNING at a point, said point being North 39°44'30" West 700.29 feet from the Northeast corner of the property of Hickory Racquet Club, Inc. as was designated and described in the Deed recorded in Book 1474, Page 173, Catawba County Registry, said point being in the Eastern edge of a 60-foot right-of-way for the access road of Pebble Creek Properties, Inc. to 29th Avenue, Northeast; and running thence from said Beginning point North 39°44'30" West 65.41 feet to a point in the Western edge of the right-of-way of the access road; and running thence with the Western edge of the access road North 45°40' East 137.40 feet to a point in the edge of a 40-foot right-of-way for an interior access road; and running thence with the Southern edge of the right-of-way North 44°41'20" West 226.92 feet to a point; and continuing thence a new line North 51°09'15" East 137.51 feet to a point in the North line of Hickory Racquet Club, Inc.; and running thence with the Northern line of Hickory Racquet Club, Inc. North 39°44'30" West 312.14 feet to a point; and running thence a new line North 61°03'40" East 186.37 feet to a point; and running thence South 28°56'20" East 14 feet to a point; and continuing thence North

61°03'40" East 75 feet to a point; and continuing thence North 75°52'10" East 40 feet to a point; and continuing thence a new line South 28°56'20" East 245.25 feet to a point; and continuing thence South 61°03'40" West 89.09 feet to a point in the Northern edge of right-of-way of a 40-foot road; and running thence with the Northern edge of the right-of-way of a 40-foot road South 44°41'20" East 293.48 feet to a point in the Eastern edge of a 60-foot right-of-way; and running thence with the Eastern edge of the right-of-way South 45°40' West 172.92 feet to a point; and continuing thence with the edge of the right-of-way South 18°25' West 11.35 feet to the point and place of BEGINNING.

Said above Tracts I and II containing all of Section I of Pebble Creek Townhouses as is recorded in Plat Book 24, Page 66, Catawba County Registry, to which reference is hereby made for a more particular description. The above tracts also include the entrance roadway to Section I as is more particularly described on a Plat recorded in Book 24, Page 65, Catawba County Registry.

Less and excepting from the above are the specific townhouse units designated as number 1, 2, 3, 4, 5, 6, 7, and 8 as are more particularly described on that Plat entitled "Pebble Creek Townhouses, Section I" as is recorded in Plat Book 24, Page 66, of Catawba County Registry. These specifically numbered townhouse units will be released by separate Release Deeds as the units are sold.

No Revenue

②

Book 1576 Page 907

3789

Prepared by: Terry M. Taylor, P. O. Box 2428, Hickory, NC 28603

STATE OF NORTH CAROLINA

WARRANTY DEED

COUNTY OF CATAWBA

THIS WARRANTY DEED, made this 1st of September, 1988, by and between PEBBLE CREEK PROPERTIES, INC., a North Carolina corporation, of Catawba County, North Carolina, hereinafter called the "Grantor", and HICKORY RACQUET CLUB HOMEOWNERS' ASSOCIATION, INC., a North Carolina corporation, of P.O. Box 5163, Hickory, North Carolina 28603, hereinafter called the "Grantee";

WITNESSETH:

That the Grantor, for and in consideration of the sum of ONE HUNDRED (\$100.00) DOLLARS, and other good and valuable consideration to him in hand paid by the Grantee, the receipt of which is hereby acknowledged, has given, granted, bargained, sold and conveyed, and by these presents does give, grant, bargain, sell, convey and confirm unto the Grantee, his heirs and/or successors and assigns, premises in Hickory Township, Catawba County, North Carolina, described as follows:

See attached Exhibit "A" which is incorporated herein as if fully set forth verbatim.

TO HAVE AND TO HOLD the above-described premises, together with all the appurtenances thereunto belonging or in any wise appertaining, unto the Grantee, his heirs and/or successors and assigns forever.

And the Grantor covenants that he is seized of said premises in fee and has the right to convey the same in fee simple; that said premises are free from encumbrances (with the exceptions above stated, if any); and that he will warrant and defend the said title to the same against the lawful claims of all persons whomsoever.

When reference is made to the Grantor or Grantee, the singular shall include the plural and the masculine shall include the feminine or the neuter.

No Revenue

EXHIBIT A

Book 1576 Page 907-A

TRACT I: BEGINNING at a point in the center line of the right-of-way of 29th Avenue, Northeast, Hickory, Catawba County, North Carolina; and running thence North 15°00' East 343.32 feet to a point; and running thence North 0°10' East 232.13 feet to a point; and continuing thence North 18°25' East 137.84 feet to a point; and continuing thence North 45°40' East 22.59 feet to a point; and continuing thence South 39°44'30" East 70.23 feet to a point in the center line of a private roadway; and continuing thence South 39°44'30" East 35.31 feet to a point; and continuing thence South 18°25' West 86.17 feet to a point; and continuing thence South 0°10' West 229.09 feet to a point; and continuing thence South 15°00' West 354.58 feet to a point in the center line of 29th Avenue, Northeast; and continuing thence with the center line of 29th Avenue, Northeast the following calls and distances: North 73°43' West 73 feet; North 82°10' West 27.22 feet to the point and place of BEGINNING, and being approximately 1.143 acres according to that survey entitled "Property of Pebble Creek Properties, Inc." prepared by Vaughn and Bradshaw Surveying Company and being dated August 24, 1988.

For back reference to title see Deed recorded in Book 1468, Page 147; Book 1474, Page 143; and Book 1476, Page 832 of Catawba County Registry.

TRACT II: BEGINNING at a point, said point being North 39°44'30" West 700.29 feet from the Northeast corner of the property of Hickory Racquet Club, Inc. as was designated and described in the Deed recorded in Book 1474, Page 173, Catawba County Registry, said point being in the Eastern edge of a 60-foot right-of-way for the access road of Pebble Creek Properties, Inc. to 29th Avenue, Northeast; and running thence from said Beginning point North 39°44'30" West 65.41 feet to a point in the Western edge of the right-of-way of the access road; and running thence with the Western edge of the access road North 45°40' East 137.40 feet to a point in the edge of a 40-foot right-of-way for an interior access road; and running thence with the Southern edge of the right-of-way North 44°41'20" West 226.92 feet to a point; and continuing thence a new line South 51°09'15" West 137.51 feet to a point in the North line of Hickory Racquet Club, Inc.; and running thence with the Northern line of Hickory Racquet Club, Inc. North 39°44'30" West 312.14 feet to a point; and running thence a new line North 61°03'40" East 186.37 feet to a point; and running thence South 28°56'20" East 14 feet to a point; and continuing thence North

61°03'40" East 75 feet to a point; and continuing thence North 75°52'10" East 40 feet to a point; and continuing thence a new line South 28°56'20" East 245.25 feet to a point; and continuing thence South 61°03'40" West 89.09 feet to a point in the Northern edge of right-of-way of an interior access road; and running thence with the Northern edge of the right-of-way of a road South 44°41'20" East 293.48 feet to a point in the Eastern edge of a 60-foot right-of-way; and running thence with the Eastern edge of the right-of-way South 45°40' West 172.92 feet to a point; and continuing thence with the edge of the right-of-way South 18°25' West 11.35 feet to the point and place of BEGINNING.

Said above Tracts I and II containing all of Section I of Pebble Creek Townhouses as is recorded in Plat Book 24, Page 66, Catawba County Registry, to which reference is hereby made for a more particular description. The above tracts also include the entrance roadway to Section I as is more particularly described on a Plat recorded in Book 24, Page 65, Catawba County Registry.

Less and excepting from the above are the specific townhouse units designated as Numbers 1, 2, 3, 4, 5, 6, 7, and 8 as are more particularly described on that Plat entitled "Pebble Creek Townhouses, Section I" as is recorded in Plat Book 24, Page 66, of Catawba County Registry.

By acceptance of this Deed the Grantees herein agree to assume the obligations of the Grantor in a Roadway Maintenance Agreement dated September 1, 1988 and recorded in Book 1576, Page 900, Catawba County Registry.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal the day and year first above written.

PEBBLE CREEK PROPERTIES, INC.

BY: Douglas E. Eller
Vice-President



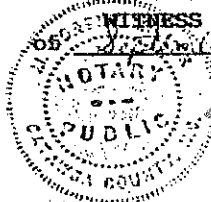
Douglas E. Eller
Secretary

(CORPORATE SEAL)

STATE OF NORTH CAROLINA
COUNTY OF Catawba

I, a Notary Public of the County and State aforesaid, certify that Sandy E. King-Allen personally came before me this day and acknowledged that he is Secretary of PEBBLE CREEK PROPERTIES, 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 Vice President, sealed with its corporate seal and attested by Asaelf as its Secretary.

WITNESS my hand and official stamp or seal, this 1st day of September, 1988.



M. Dorene Miller
Notary Public
My commission expires: 9/28/92

STATE OF NORTH CAROLINA
COUNTY OF CATAWBA

The foregoing certificate(s) of M. Dorene Miller, Notary Public of Catawba Co., N.C. is certified to be correct. This instrument was presented for registration this 7th day of September, 1988, at 1:52 o'clock P.M., and duly recorded in the Office of the Register of Deeds for Catawba County in Book 1576 at Page 907.

This 7 day of September, 1988.

Ruth Mackie By: _____
Register of Deeds Deputy/Ass't Register of Deeds

FILED
-NEW HOKIE
SEP 7 PM 1 52
OFFICE OF DEEDS
CATAWBA CO., N.C.

✓ PREPARED BY: Terry M. Taylor, P. O. Box 2428, Hickory, NC 28603

BOOK 1590 PAGE 42

NORTH CAROLINA

CATAWBA COUNTY

AMENDMENT TO THE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR PEBBLE
CREEK PROPERTIES, INC.

8:967

A Declaration of Covenants, Conditions and Restrictions was entered into on the 25th day of August, 1988, by and between PEBBLE CREEK PROPERTIES, INC., a North Carolina corporation, (hereinafter called the "Declarant") and all parties thereafter acquiring any of the property described in Plat Book 24, Page 65 of the Catawba County Registry.

W I T N E S S E T H :

Declarant is the owner of all lots within a subdivision in the County of Catawba, State of North Carolina, known as Pebble Creek Townhouses, Section II;

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

NOW, THEREFORE, in consideration of the premises, the Declarant agrees with all parties hereinafter acquiring any of the properties hereinafter described that it shall be and is hereby subject to the original Declaration of Covenants, Conditions and Restrictions recorded in Book 1576, Page 883 of the Catawba County Registry and the following amendments set forth below:

ARTICLE I

PROPERTY SUBJECT TO THIS DECLARATION

The below paragraph is hereby added to Section one:

The Declarant hereby confirms that the property more particularly described in Plat Book 24, Page 149, Catawba County Registry and being identified as Pebble Creek Townhouses Section II are subject to all the terms of the original Declaration as are recorded in Book 1576, Page 883 of the Catawba County Registry and the jurisdiction of the Homeowners Association.

ARTICLE II

DEFINITIONS

BOOK 1590 PAGE 43

The below paragraph is hereby added to Section four:

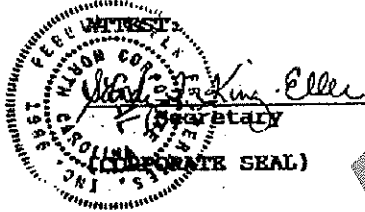
Common areas shall mean all property owned by the association or such other property which the association may hold subject to the provisions of the original Declaration and its amendments. Common areas shall be defined and bounded on the Plat as is recorded in Book 24, Page 149, Catawba County Registry, and amendments thereof and designated thereon as common areas or common open space.

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

IN WITNESS WHEREOF, the undersigned being the Declarant herein, and owner of all lots in Pebble Creek Townhouses, Section II, has here unto set their hand and seal the day and year first above written.

PEBBLE CREEK PROPERTIES, INC.

BY: Joseph F. Eller (SEAL)
Vice-President



STATE OF NORTH CAROLINA
COUNTY OF Catawba

I, a Notary Public of the County and State aforesaid, certify that Joseph F. Eller personally came before me this day and acknowledged that She is Secretary of PEBBLE CREEK PROPERTIES, 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 Vice President, sealed with its corporate seal and attested by herself as its Secretary.

WITNESS my hand and official stamp or seal, this 12 day
December, 1988.



Stacey A. Cone - Barnett
 Notary Public
 My commission expires: 7-18-93

STATE OF NORTH CAROLINA
 COUNTY OF CATAWBA

The foregoing certificates of Stacey A. Cone (Barnet), a Notary
 Public of Catawba Co., NC, is ~~now~~ certified to be correct.
 This instrument was presented for registration this 12 day of
December, 1988, at 2:46 o'clock
P.M., and duly recorded in the Office of the Register of Deeds
 for Catawba County in Book 1590 at
 Page 42.

This the 12th day of December, 1988.

Ruth M. Miller By: Lillian Pitts
 Register of Deeds Deputy/Ass't Register of Deeds

FILED

RECORDED

DEC 14 PM 2 45

RECORDED

WEB

✓ Prepared by: Terry M. Taylor, P. O. Box 2428, Hickory, NC 28603

STATE OF NORTH CAROLINA

WARRANTY DEED

COUNTY OF CATAWBA

8968

THIS WARRANTY DEED, made this 12 of December, 1988, by and between PEBBLE CREEK PROPERTIES, INC., a North Carolina corporation, of Catawba County, North Carolina, hereinafter called the "Grantor", and HICKORY RACQUET CLUB HOMEOWNERS' ASSOCIATION, INC., a North Carolina corporation, of P.O. Box 5163, Hickory, North Carolina 28603, hereinafter called the "Grantee";

WITNESSETH:

That the Grantor, for and in consideration of the sum of ONE HUNDRED (\$100.00) DOLLARS, and other good and valuable consideration to him in hand paid by the Grantee, the receipt of which is hereby acknowledged, has given, granted, bargained, sold and conveyed, and by these presents does give, grant, bargain, sell, convey and confirm unto the Grantee, his heirs and/or successors and assigns, premises in Hickory Township, Catawba County, North Carolina, described as follows:

See attached Exhibit "A" which is incorporated herein as if fully set forth verbatim.

TO HAVE AND TO HOLD the above-described premises, together with all the appurtenances thereunto belonging or in any wise appertaining, unto the Grantee, his heirs and/or successors and assigns forever.

And the Grantor covenants that he is seized of said premises in fee and has the right to convey the same in fee simple; that said premises are free from encumbrances (with the exceptions above stated, if any); and that he will warrant and defend the said title to the same against the lawful claims of all persons whomsoever.

When reference is made to the Grantor or Grantee, the singular shall include the plural and the masculine shall include the feminine or the neuter.

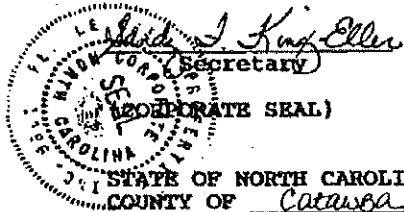
NO REVENUE

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal the day and year first above written.

PEBBLE CREEK PROPERTIES, INC.

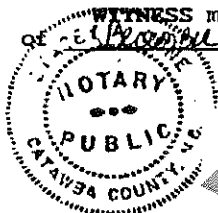
BY: Douglas T. Eller
Vice - President

ATTEST:



I, a Notary Public of the County and State aforesaid, certify that Sandy I. King-Elle personally came before me this day and acknowledged that She is Secretary of PEBBLE CREEK PROPERTIES, 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 Vice President, sealed with its corporate seal and attested by herself as its Secretary.

WITNESS my hand and official stamp or seal, this 12 day of December, 19 88.



Notary Public
My commission expires: 7-18-93

STATE OF NORTH CAROLINA
COUNTY OF CATAWBA

The foregoing certificate(s) of Stacey A. Cone (Barnet), a Notary Public of Catawba Co., NC is certified to be correct. This instrument was presented for registration this 12th day of December, 1988, at 2:47 o'clock P..M., and duly recorded in the Office of the Register of Deeds for Catawba County in Book 1590 at Page 45.

This 12th day of December, 1988.

Ruth M. Meehan
Register of Deeds

By: Louise Pitts
Deputy/Ass't Register of Deeds

TRACT I:

BEGINNING at a point said point being at the intersection of the center line of two paved access roads in the Pebble Creek Townhouses Development, said point also being in the Northern line of Pebble Creek Townhouses, Section I, as is shown on that Plat recorded in Book 24, Page 66 of Catawba County Registry, and running thence from said beginning point with the center line of a paved road North 28°56'20" West 14 feet to a point; and continuing thence South 61°03'40" West 53.52 feet to a point; and continuing thence a new line North 28°56'20" West 148.93 feet to a point; and continuing thence a new line North 75°52'10" East 286.14 feet to a point in the Southern line of Wendell Cramer; and continuing thence with the Southern line of Wendell Cramer South 58°08'20" East 16.49 feet to a point; and continuing thence a new line South 14°07'50" East 112.81 feet to a point in the center line of the paved access road; and continuing thence with the center of a paved access road South 75°52'10" West 131.70 feet to a point; and continuing thence with the center line of said paved access road South 61°03'40" West 75 feet to the point and place of BEGINNING, said tract containing .836 acres and being a portion of Pebble Creek Townhouses, Section II, according to that survey prepared by Vaughn & Bradshaw Surveying, Co. and being entitled "Pebble Creek Properties, Inc." and being dated December 9, 1988.

TRACT II:

BEGINNING at a point in the center line of a paved access road said point also being in the Southern line of Pebble Creek Townhouses, Section I, as is shown on that Plat recorded in Plat Book 24, Page 66 of Catawba County Registry, and from said point a new line, being a common line with Section I of Pebble Creek Townhouses, North 61°03'40" East 109.87 feet to a point; and continuing thence a new line South 44°41'20" East 239.83 feet to a point in the center line of a paved access road; and continuing thence with the center line of said paved access road South 45°40' West 105.75 feet to a point also in the center line of a paved access road; and continuing thence with said center line North 44°41'20" West 269 feet to the point and place of BEGINNING, and said tract being a total of .618 acres according to that survey prepared by Vaughn & Bradshaw Surveying, Co. and being entitled "Pebble Creek Properties, Inc." and being dated December 9, 1988.

Said Tracts as above described contains all of Section II of Pebble Creek Townhouses as is recorded in Plat Book 24, Page 149, Catawba County Registry, to which reference is hereby made for a greater certainty of description.

Less and excepting from above are the specific Townhouse Units designated as nos. 9, 10, 11, 12, 13, 14, 15, and 16 as are more particularly described on that Plat entitled "Pebble Creek Townhouses Section II" as is recorded in Plat Book 24, Page 149, Catawba County Registry.

By acceptance of this Deed the Grantees herein agree to assume the obligations of the Grantor in a roadway maintenance agreement dated September 1, 1988 and recorded in Book 1576, Page 900, Catawba County Registry.

X THE FOLLOWING PARAGRAPH 9, SALE OF PREMISES SHALL NOT APPLY UNLESS THE BLOCK TO THE LEFT MARGIN OF THIS SENTENCE IS MARKED AND/OR INITIALED.

9. **SALE OF PREMISES.** Grantor agrees that if the premises or any part thereof or interest therein is sold, assigned, transferred, conveyed or otherwise alienated by the Grantor, whether voluntarily or involuntarily or by operation of law [other than: (i) the creation of a lien or other encumbrance subordinate to this Deed of Trust which does not relate to a transfer of rights of occupancy in the premises; (ii) the creation of a purchase money security interest for household appliances; (iii) a transfer by devise, descent, or operation of law on the death of a joint tenant or tenant by the entirety; (iv) the grant of a leasehold interest of three (3) years or less not containing an option to purchase; (v) a transfer to a relative resulting from the death of a Grantor; (vi) a transfer where the spouse or children of the Grantor become the owner of the premises; (vii) a transfer resulting from a decree of a dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement, by which the spouse of the Grantor becomes an owner of the premises; (viii) a transfer into an inter vivos trust in which the Grantor is and remains a beneficiary and which does not relate to a transfer of rights of occupancy in the premises, without the prior written consent of Beneficiary, Beneficiary, at its own option may declare the Note secured hereby and all other obligations hereunder to be forthwith due and payable. Any change in the legal or equitable title of the premises or in the beneficial ownership of the premises, including the sale, conveyance or disposition of a majority interest in the Grantor if a corporation or partnership, whether or not of record and whether or not for consideration, shall be deemed to be the transfer of an interest in the premises.

10. **ADVANCEMENTS.** If Grantor shall fail to perform any of the covenants or obligations contained herein or in any other instrument given as additional survey for the Note secured hereby, the Beneficiary may, but without obligation, make advances to perform such covenants or obligations, and all such sums so advanced shall be added to the principal sum, shall bear interest at the rate provided in the Note secured hereby for sums due after default and shall be due from Grantor on demand of the Beneficiary. No advancement or anything contained in this paragraph shall constitute a waiver by Beneficiary or prevent such failure to perform from constituting an event of default.

11. **INDEMNITY.** If any suit or proceeding be brought against the Trustee or Beneficiary or if any suit or proceeding be brought which may affect the value or title of the premises, Grantor shall defend, indemnify and hold harmless and on demand

reimburse Trustee or Beneficiary from any loss, cost, damage or expense and any sums expended by Trustee or Beneficiary shall bear interest as provided in the Note secured hereby for sums due after default and shall be due and payable on demand.

12. **WAIVERS.** Grantor waives all rights to require marshalling of assets by the Trustee or Beneficiary. No delay or omission of the Trustee or Beneficiary in the exercise of any right, power or remedy arising under the Note or this Deed of Trust shall be deemed a waiver of any default or acquiescence therein or shall impair or waive the exercise of such right, power or remedy by Trustee or Beneficiary at any other time.

13. **CIVIL ACTION.** In the event that the Trustee is named as a party to any civil action as Trustee in this Deed of Trust, the Trustee shall be entitled to employ an attorney at law, including himself if he is a licensed attorney, to represent him in said action, and the reasonable attorney's fees of the Trustee in such action shall be paid by the Beneficiary and added to the principal of the Note and secured by this Deed of Trust and bear interest at the rate provided in the Note for sums due after default.

14. **PRIOR LIENS.** Default under the terms of any instrument secured by a lien to which this Deed of Trust is subordinate shall constitute default hereunder.

15. **OTHER TERMS.**

IN WITNESS WHEREOF, the Grantors have hereunto set their hands and seals, the day and year first above written.

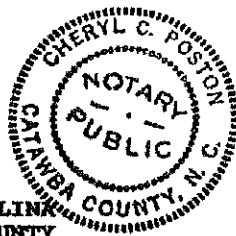
Joan W. Moore Duvall (SEAL)
Joan W. Moore Duvall

Donald Duvall (SEAL)
Donald Duvall

NORTH CAROLINA
COUNTY OF Catawba

I, Cheryl C. Poston a notary public in and for said county and state, certify that JOAN W. MOORE DUVALL and husband, DONALD DUVALL personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal this 14th day of July, 1989.



Cheryl C. Poston
Notary Public
My commission expires: 9-24-92

NORTH CAROLINA
CATAWBA COUNTY

The foregoing certificate of Cheryl C. Poston, a Notary Public of Catawba County, N.C. is certified to be correct. This instrument was presented for registration this 14 day of July, 1989, at 12:45 o'clock P. M., and duly recorded in the Office of the Register of Deeds for Catawba County in Book 1619 at Page 394.

This the 14 day of July, 1989.

RUTH MACKIE

By:

Ruth Mackie

Register of Deeds

~~XXXXXX/XXXXXX~~ Register of Deeds

FILED
RUTH MACKIE

1989 JUL 14 PM 12 45

CLERK OF COURTS
CATAWBA CO., N.C.

22903

1676-29

NORTH CAROLINA
CATAWBA COUNTY

AMENDMENT TO THE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR PEBBLE
CREEK PROPERTIES, INC.

A Declaration of Covenants, Conditions and Restrictions was entered into on the 17 day of July, 1990, by and between PEBBLE CREEK PROPERTIES, INC., a North Carolina corporation, (hereinafter called the "Declarant") and all parties thereafter acquiring any of the property described in Plat Book 24, Page 65 of the Catawba County Registry.

W I T N E S S E T H :

Declarant is the owner of all lots within a subdivision in the County of Catawba, State of North Carolina, known as Pebble Creek Townhouses, Section IV;

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

NOW, THEREFORE, in consideration of the premises, the Declarant agrees with all parties hereinafter acquiring any of the properties hereinafter described that it shall be and is hereby subject to the original Declaration of Covenants, Conditions and Restrictions recorded in Book 1576, Page 883 of the Catawba County Registry and the following amendments set forth below:

ARTICLE I

PROPERTY SUBJECT TO THIS DECLARATION

The below paragraph is hereby added to Section one:

The Declarant hereby confirms that the property more particularly described in Plat Book 27, Page 216, Catawba County Registry and being identified as Pebble Creek Townhouses Section IV are subject to all the terms of the original Declaration as are recorded in Book 1576, Page 883 of the Catawba County Registry and the jurisdiction of the Homeowners Association.

1676-29-A

ARTICLE II

DEFINITIONS

The below paragraph is hereby added to Section four:

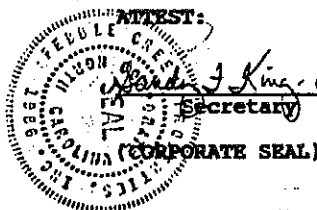
Common areas shall mean all property owned by the association or such other property which the association may hold subject to the provisions of the original Declaration and its amendments. Common areas shall be defined and bounded on the Plat as is recorded in Book 27, Page 216, Catawba County Registry, and amendments thereof and designated thereon as common areas or common open space.

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

IN WITNESS WHEREOF, the undersigned being the Declarant herein, and owner of all lots in Pebble Creek Townhouses, Section IV, has here unto set their hand and seal the day and year first above written.

PEBBLE CREEK PROPERTIES, INC.

BY: [Signature] (SEAL)
Vice President



STATE OF NORTH CAROLINA
COUNTY OF Catawba

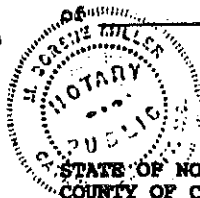
I, a Notary Public of the County and State aforesaid, certify that [Signature] personally came before me this day and acknowledged that he is Secretary of PEBBLE CREEK PROPERTIES, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by himself as its Secretary.

FILED
WITH MACKIE
90 JUL 19 AM 11
REGISTER OF DEEDS
CATAWBA CO., N.C.

1676-29-8

WITNESS my hand and official stamp or seal, this 17th day

July, 1990.



M. Dorene Miller
Notary Public

My commission expires: 9/22/92

STATE OF NORTH CAROLINA
COUNTY OF CATAWBA

The foregoing certificates of M. DORENE MILLER, Notary Public of
Catawba County, N.C. is and certified to be correct.
This instrument was presented for registration this 18 day of
July, 1990, at 11:22 o'clock
A.M., and duly recorded in the Office of the Register of Deeds
for Catawba County in Book 1676 at
Page 29.

This the 18 day of July, 1990.

RUTH MACKIE
Register of Deeds

By:

Ruth Mackie
Deputy/Asst Register of Deeds

FILED Catawba County

on Sep 05, 2014 at 10:37:00 am

Excise Tax \$0.00 (AT)

INST. # 13547

DONNA HICKS SPENCER,
Register of Deeds

ak 03255 Pg 1805-1805

STATE OF NORTH CAROLINA

COUNTY OF CATAWBA

Return to Terry Taylor

CERTIFICATE OF DOING BUSINESS
UNDER AN ASSUMED NAME

The undersigned do hereby certify that they are engaging in business in Catawba County, North Carolina, under an assumed name as follows:

1. The name under which the business is to be conducted is:
Pebble Creek HOA
2. The name and address of the owner is as follows:

Hickory Racquet Club Homeowners' Association, Inc.
1301 North Center Street
Hickory, NC 28601

IN WITNESS WHEREOF, said owners have executed this Certificate this 4th day of September, 2014.

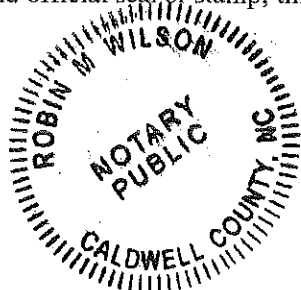
**HICKORY RACQUET CLUB
HOMEOWNERS' ASSOCIATION, INC.**

By: *Joe Peek*
Joe Peek, President

STATE OF NORTH CAROLINA
COUNTY OF CATAWBA

I, *Robin M. Wilson*, a Notary Public of ^{*Caldwell*} ~~Catawba~~ County, North Carolina, certify that **Joe Peek, President of Hickory Racquet Club Homeowners' Association, Inc.**, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the corporation.

Witness my hand and official seal or stamp, this the 4th day of September, 2014.



Robin M. Wilson
Notary Public
Print Name: *Robin M. Wilson*
My Commission Expires: *8/9/2019*