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GUILFORD COUNTY, NC
JEFF L. THIGPEN
REGISTER OF DEEDS

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**NORTH CAROLINA
GUILFORD COUNTY**

**RESTRICTIVE COVENANTS
THE HERMITAGE**

**THE HERMITAGE
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS**

THIS DECLARATION, made as of the date hereinafter set forth by Lake Brandt Development LLC, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Center Grove Township, county of Guilford, State of North Carolina, which is more particularly described as:

ALL that certain parcel of Land, as shown on plat entitled "THE HERMITAGE, Phase one, Map 1," which plat appears of record in the Office of the Register of Deeds of Guilford County, North Carolina in Plat Book 205, Pages 106.

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 upon 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. Any deed or other instrument by which a Lot or any portion of the Property is conveyed shall be subject to the provisions of this Declaration and deemed to incorporate the provisions of this Declaration, whether the deed or other instrument makes express reference here to.

**ARTICLE 1
DEFINITIONS**

The following terms shall be defined as follows:

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**LAKE BRANDT DEVELOPMENT LLC
PO BOX 1125
SUMMERFIELD, NC 27358**

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- (a) **Association:** The Hermitage of Summerfield Homeowners Association, Inc., its successors and assigns.
- (b) **Appropriate Local Governmental Authority:** Town of Summerfield and its constituent departments and agencies or other local governmental authority having jurisdiction over the Properties.
- (c) **Architectural Review and Control Committee (“ARCC”):** Those individuals with the authority to review plans and specifications and perform other duties as outlined herein and the Bylaws.
- (d) **Articles of Incorporation:** The Articles of Incorporation of The Hermitage of Summerfield Homeowners Association, Inc.
- (e) **Board of Directors (“Board”):** The body responsible for the administration of the Association, selected as provided in the Bylaws.
- (f) **Bylaws:** The Bylaws of the Association, as may be amended from time to time.
- (g) **Cluster Box Units (“CBU”):** Cluster Box Units are the mail receptacle equipment used for centralized mail delivery within the Properties.
- (h) **Common Areas:** All real property owned by the Association for the common use and enjoyment of the Owners. Common Areas include:
 - i. Any tract or parcel of land labeled on Plat as “Common Area,”
 - ii. The island in the right of way
 - iii. Access and Maintenance Easement
 - iv. The rights-of-way of all streets depicted within the Plat until their dedication to public use
 - v. Any area used for cluster box units (CBUs)

TO THE EXTENT PERMITTED BY LAW, DECLARANT HEREBY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO COMMON AREAS CONVEYED TO THE ASSOCIATION. ANY RULES OR REGULATIONS ESTABLISHED BY THE DECLARANT PURSUANT TO THIS DECLARATION WILL NOT EXPRESSLY OR IMPLIEDLY CREATE ANY DUTY OF CARE FOR THE DECLARANT TO ANY PROPERTY OWNER.

- (i) **Common Elements:** Any improvements constructed in the Common Areas, including, but not limited to roadways, trails, walkways, drainage or erosion control devices, signage, lighting (landscape and street), landscaping, wells, irrigation, utilities, CBUs, and maintenance devices.

- (j) **Declarant:** Lake Brandt Development, LLC, a North Carolina limited liability company, its successors and assigns. All Declarant's rights, including voting rights, are assignable and may be apportioned on a lot-by-lot basis.
- (k) **Declaration:** Declaration of Covenants, Conditions and Restrictions of The Hermitage, as may be hereafter amended from time to time.
- (l) **Development Period:** The period of time during which Declarant owns any property that is subject to this Declaration. Declarant may, but has no obligation to, unilaterally relinquish its rights under this Declaration and terminate the Development Period by written notice.
- (m) **Lot:** Any separately numbered plot of land shown on the Plat with the exception of Common Areas, rights-of-way of streets, whether public or private, depicted within the Properties shown on the Plat, and shall include any dwelling and improvements constructed thereon. Declarant hereby reserves the right to reconfigure, from time to time without the consent of Owners or the members of the Association, the boundaries of any Lot(s) owned by Declarant and to thereby create additional Lots, modify Lots, eliminate existing Lots or create additional Common Areas within the requirements of the Appropriate Local Governmental Authority. Upon recording a revised plat, each lot shown on the previously recorded plat(s), the boundaries of which are revised, shall cease to be a Lot as defined in this Declaration and each newly configured lot shown in the revised plat shall be a Lot as defined in this Declaration.
- (n) **Member:** Every person or entity who holds membership with voting rights in the Association.
- (o) **Owner:** The record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is part of the properties, as herein after defined, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.
- (p) **Plat:** The Final Plat for The Hermitage prepared by Land Solutions and recorded in the Guilford County Register of Deeds at Plat Book 205, Page 106, together with all amendments thereto and any and all other plats of the Properties that are hereafter recorded in the Guilford County Register of Deeds in accordance with the provisions of this Declaration.
- (q) **Properties:** Certain real property described in this section and such additions thereto as may hereafter be brought within the jurisdiction of the Association. That certain tract or parcel of land lying and being in the Town of Summerfield, Center Grove Township, Guilford County, North Carolina. BEING ALL of the fourteen (14) numbered Lots, Common Areas and street rights-of-way, comprised of a total 19.895 Acres, shown on "Final Plat The Hermitage," being Project No. 19200001 that was signed and sealed by Christopher M. Rohrer P.L.S. (Reg. No. L-4743) of Land Solutions and recorded in Plat Book 205, Page 106 in Guilford County, North Carolina Registry.

ARTICLE II PROPERTY RIGHTS

Section 1: Owners Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Areas and Common Elements 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 suspend the voting rights and the right of any owner to use any Common Area or facilities owned by the Association for any period during which any assessment against his Lot remains unpaid, plus an additional sixty (60) days after the delinquent assessment is paid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- (b) The right of the Association to permit the use of and to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Areas;
- (c) The right of the Association to enter upon any Lot in case of emergency originating in or threatening any such Lot, regardless of whether the Owner is present at the time of such emergency, for the purpose of abating the cause of such emergency, and such right of entry shall be immediate;
- (d) The right of the Association to impose regulations for the use and enjoyments of the Common Area and improvements thereon which regulations may further restrict the use of the Common Area;
- (e) The right of the Association to establish rules and regulations concerning parking and vehicular traffic flow on and along the streets and roadways within or abutting the Properties;
- (f) The right of the Association to grant permits, licenses and easements over the Common Area for utilities, streets, walkways, construction, roads and other purposes reasonably necessary for proper maintenance or operation of the Properties;
- (g) The right of the Association to borrow money for the purpose of improving the Common Areas and Common Elements with the assent of 80% of Association Members entitled to cast votes. The Association may mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred (any such mortgage shall be effective if it is executed on behalf of the Association by its duly authorized officers and recites that the requisite consent of Members has been obtained and documented in the minutes of the Association) provided, however, no mortgage, encumbrance or hypothecation or foreclosure of the lien thereby created shall interfere with or obstruct utility service to, or ingress, egress or regress to or from, the Lots or any remaining Common Areas or cause any Lot or any remaining Common Areas to fail to comply with applicable laws, regulations or ordinances; provided further during Declarant's Development Period, Declarant must also consent to such action; and

- (h) The right of the Association to dedicate or transfer all or any party of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. Such transfer requires two thirds approval.

Section 2: Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his rights of enjoyment of the Common Areas to members of his family or tenants residing on the Lot of the Owner with written approval from the Association.

Section 3: Maintenance of Common Area(s). The Association shall maintain Common Areas to at least the same standards that Owners are required to do so of their Lots. The Association shall maintain any retention or detention ponds, rip rap and other drainage or erosion control devices located on the Common Areas and Access and Maintenance Easement within the requirements of the Appropriate Local Governmental Authority having jurisdiction over devices. If the Association is dissolved or otherwise defaults on its obligations to maintain any such drainage or erosion controls, Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner for any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay a pro rata share of the cost of the maintenance of such drainage or erosion control devices.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1: Membership. Every Owner of a Lot which is subject to a lien for assessments and Declarant 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. The foregoing is not intended to include persons or entities who hold interest in a Lot merely as a security for the performance of an obligation.

The Association shall have two (2) classes of voting membership as follows:

- (a) *Class A Membership.* Members of this Class A shall be (i) the Declarant, its successors and assigns, as to Lots retained by it upon the termination of Class B membership; and (ii) all Owners other than the Declarant. Class A Members shall be entitled to one (1) vote for each Lot owned. When more than one person or entity holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as the Members themselves determine provided, however, that no more than one (1) vote be allowed to be cast with respect to such Lot.
- (b) *Class B Membership.* The Class B Member shall be the Declarant, who shall be entitled to seven (7) votes for each Lot owned. Class B Membership will cease and be converted to Class A Membership on the happening of either the following events (whichever occurs earlier)
 1. when the total votes outstanding in the Class A Membership equal or exceed the total outstanding in the Class B Membership; or

2. upon the expiration of the fifth (5th) complete year following the conveyance of the first Lot of the Properties;

Section 3: Declarant Right to Representation on the Board of Directors of the Association. During the Declarant's Development Period, Declarant shall have the right to designate and select, remove or replace all of the persons who shall serve as Directors of the Board. Any Director of the Board designated and selected by Declarant need not be a resident of the Properties.

ARTICLE IV COVENANT FOR MAINTENANCE AND ASSESSMENTS

Section 1: Creation of the Lien and Personal Obligation of Assessments. The Declarant for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay:

- (a) annual and other assessments, dues and charges provided for herein, together with interest and late fees, costs and reasonable attorney's fees to the Association;
- (b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided by or to the Association;
- (c) an initial capital contribution to the Association; and
- (d) to the appropriate governmental taxing authority, a pro rata share of ad valorem taxes levied against the Common Areas, and a pro rata share of assessments for public improvements to or for the benefit of the Common Areas and Common Elements if the Association shall default in the payment thereof for a period of six (6) months. All assessments and charges provided for herein, together with interest, any late fees, costs and reasonable attorney's fees, shall be a charge on the land and shall constitute a continuing lien upon the property against which each such assessment is made when a claim of lien is filed of record in the Office of the Clerk of Superior Court, Guilford County, North Carolina. Each such assessment and charge, together with interest, costs and reasonable attorney's fees, shall also be a personal obligation of the Owner of such property at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2: Purpose of Assessment.

- (a) The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose or for the use and enjoyment of the Common Area and Common Elements, including but not limited to, the costs of repairs, replacements, improvements

and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the Bylaws, the employment of attorneys to represent the Association, the maintenance of CBUs and appurtenant pads, open spaces, the island within the rights-of-way, signage, shoulders, erosion control devices, landscaping, irrigation, berms, entrance ways, lighting, utilities, installing and leasing street lights, paving, well(s), the provision of adequate reserves for the replacement of capital improvements and such other needs as may arise.

- (b) The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of Common Elements or any other 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 the regular assessments for common expenses.
- (c) All monies collected by the Association shall be treated as separate property of the Association, and such monies may be applied by the Association to the payment of expense of operating and managing the Properties, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the Bylaws of the Association. As monies for any assessment are paid to the Association by any Owner, the same may be commingled with monies paid to the Association by the other Owners. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom shall be held for the benefit of the Members of the Association, no Member shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Lot. When any Owner shall cease to be a Member by reason of his divestment of ownership of his Lot, by whatever means, the Association shall not be required to account to such Owner for any share of funds or assets of the Association, or which may have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used for the operation and management of the Properties.

Section 3: Adoption of Budget and Determination of Annual Assessments.

- (a) With the exception set forth in this Section, annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly or less frequent basis.
- (b) At least thirty (30) days before each annual assessment period, the Board of Directors shall establish an annual budget and determine the annual assessments in advance for the following year. Within thirty (30) days of the adoption of any proposed budget, the Directors shall provide to all the Owners a summary of the budget and a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The date of the budget meeting shall not be less than ten (10) days nor more than sixty (60) days after mailing, delivering or emailing of the budget and notice. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at the meeting a majority of Members reject the

Budget. In the event the proposed budget is rejected, the periodic budget last ratified by owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

- (c) Lots owned by Declarant without an occupied residence may, at the Declarant's sole discretion, be an amount equal to twenty percent (20%) of the regular assessments fixed for each Lot; provided, however, should Declarant so elect such reduced assessments, Declarant must provide for or pay for all maintenance to such Lots and shall fund all operating budgets, deficits incurred during the Declarant's Development Period, including reserves based upon expected lives of items for which reserves are maintained, but not including shortfalls caused by nonpayment of assessments by other members or extraordinary expenditures (e.g., expenses caused by natural catastrophes, or environmental hazard). The foregoing obligation to fund budget deficits, should it arise, shall be a charge on the land and shall be a continuing lien on those portions of the Properties owned by the Declarant when a claim of lien is filed of record in the Office of the Clerk of Superior Court, Guilford County, North Carolina.

Section 4: Maximum Annual Assessment.

- (a) Until December 31 of the year of the first conveyance of a Lot to an Owner, the maximum annual assessment, shall be one thousand eight hundred dollars (\$1,800.00) per Lot. The frequency of collection may be monthly or less frequently as determined by the Association's Board of Directors.
- (b) The maximum annual assessment for the calendar year immediately following the conveyance of the first Lot to an Owner and for each calendar year thereafter shall be established by the Board of Directors and may be increased by the Board of Directors for any calendar year without approval by the membership by an amount not to exceed ten percent (10%) of the annual assessment for the previous year.
- (c) The maximum annual assessment for the calendar year immediately following the conveyance of the first Lot to an Owner and for each calendar year thereafter may be increased without limit by a vote of two-thirds (2/3) of the total of both classes of votes combined whether voting in person or by proxy at a meeting called for this purpose; however, during Declarant's Development Period, Declarant must also consent to such action.

Section 5: Date and Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein shall commence as to a Lot on the date such Lot is conveyed to purchaser. The first annual assessment shall be adjusted to the number of days remaining in the calendar year. The due dates and frequency of collection 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 6: *Special Assessments for Capital Improvements.* In addition to the annual assessments authorized, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part, the costs of any construction, improvement, reconstruction, repair, maintenance or replacement of a Common Area or Common Element, provided that any such assessment shall have the assent of two thirds of the total of both classes of votes combined whether the members vote in person or by proxy at a meeting called for this purpose; however, during Declarant's Development Period, Declarant must also consent to such action. All special assessments shall be fixed at a uniform rate for all Lots and may be collected on a monthly or less frequent basis.

Section 7: *Working Capital Assessments.* In addition to the Annual and Special Assessments authorized in this Article, at the time of the closing of a sale of a Lot to a party other than a Declarant, the purchaser(s) thereof shall pay to the Association an amount equal to one thousand five hundred dollars (\$1,500.00). Such funds shall be used by the Association to establish a Working Capital Assessment Fund, the purpose of which is to ensure the Association will have sufficient monies available to meet its operational needs. No such payments made into the Working Capital Assessment Fund shall be considered advance or current payment of regular assessments. All monies paid into the Working Capital Assessment Fund shall be held and administered by the Association in accordance with the terms of this Declaration and the Bylaws of the Association.

Section 8: *Capital Improvement Fund.* The Board of Directors of the Association, in establishing the annual budget for operation, management and maintenance of the Properties, may designate therein a portion of the annual assessment and/or initial capital contributions to be collected and maintained as a reserve fund for replacement of and capital improvements to the Common Area and Common Elements if any, which capital improvement and replacement Fund ("Capital Improvement Fund") shall be for the purpose of enabling the association to maintain, repair, improve or replace Common Area and Common Elements held for the joint use and benefit of the Owners. The amount to be allocated to the Capital Improvement Fund may be established by the Board of Directors so as to collect and maintain a sum reasonably necessary to anticipate the need for replacement of improvements to the Common Area and Common Elements. The amount collected for the Capital Improvement Fund shall be maintained in a separate account by the Association and such monies shall be used to make repairs, improvements, maintain and make capital improvements to the Common Area and Common Elements. Any interest earned on monies in the Capital Improvement Fund may, in the discretion of the Board of Directors of the Association, be expended for current operations and maintenance.

Section 9: *Roadways.* After completing Old Hickory Court to current (2020) North Carolina Department of Transportation ("NC DOT") standards, and before acceptance into the maintenance system by the NC DOT, any costs associated with the road such as improvements, maintenance, or repairs shall be shared on a pro-rata basis by Lot owners. The pro-rata basis calculation is total costs divided by the number of Lots or fourteen (14) Lots.

Section 10: Specific Assessments for Damages to Common Areas. The Board of Directors may levy specific assessments against individual Owners (i) for the purpose of paying for the costs of any construction, reconstruction, repair or replacement of any damaged component of any monument, CBUs, landscaping, berm, entrance statement, lighting, storm water or drainage structure or other Common Areas or Common Elements maintained by the Association that is occasioned by the acts of individual Owners and not the result of ordinary wear and tear or (ii) for the payment of fines, penalties or other charges imposed against an individual Owner relative to such Owner's failure to Comply with the terms and provisions of this Declaration, the Bylaws or any rules or regulations promulgated under this Declaration. Failure of the Board of Directors to exercise its authority under this Section shall not be grounds for any action against the Association or the Board of Directors and shall not constitute a waiver of the Board of Directors' right to exercise its authority under this Section in the future with respect to any expenses.

Section 11: Effect of and Remedies for the Association Due to Nonpayment of Assessments. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a rate of eighteen percent (18%) per annum. In addition, the Association may charge a reasonable late fee, the amount of which shall be established from time to time by the Association Board, for assessments not paid within thirty (30) days after the due date and after notice and an opportunity to be heard. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien created herein against the property in the same manner as prescribed by the laws of the State of North Carolina for the foreclosure of a mortgage or deed of trust on real estate under power of sale, and interests, costs and reasonable attorney's fees for representation in such action or foreclosure shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the Common Area and Common Elements or abandonment of his Lot nor shall damage to or destruction of any improvements on any Lot by fire or other casualty result in any abatement or diminution of assessments provided herein.

Section 12: Effect of Default in Payment of Ad Valorem Taxes or Assessments for Public Improvement by Association. Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Areas and Common Elements or assessments for public improvements to the Common Areas, which default shall continue for a period of six (6) months, each Owner of a Lot in the development shall become personally obligated to pay the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by dividing the total taxes and/or assessments due the governmental authority by the total number of Lots in the development. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

Section 13: Tax-Exempt Property. Any land or improvements devoted to dwelling use and dedicated to, and accepted by, a local public authority or a properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall pay assessments created herein.

ARTICLE V
INSURANCE COVERAGE TO BE MAINTAINED:
USE AND DISTRIBUTION OF INSURANCE PROCEEDS

Section 1: Insurance. The Board of Directors, shall determine which insurance coverages should be purchased and maintained. The coverage may include, but is not limited to, casualty insurance for the Common Area and Common Elements, public liability and property damage insurance, cross-liability endorsement to any Owner or Member, a Fidelity Bond, and Directors and Officers liability. Premiums upon insurance policies purchased by the Association shall be paid by the Association as common expenses to be assessed and collected from all Owners. All insurance policies purchased by the Association shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association.

ARTICLE VI
ARCHITECTURAL CONTROL

Section 1: Improvements. No improvements, alteration, repair, change in paint color, excavation, change in grade, planting, landscaping, exterior decoration or improvement (including, without limitation, yard ornaments, figurines, statues, birdbaths, houses and feeders, flags, storm doors, mailboxes and similar items) or other work which in any way alters the exterior of any Lot or the improvements located thereon from their natural or improved state existing on the date such Lot was first conveyed in fee by the Declarant to an Owner other than Declarant shall be commenced, erected or maintained upon any Lot, and no building, fence, wall residence or other structure shall be commenced, erected, maintained, upon any Lot, any building, fence, wall, residence or other structure shall be commenced erected or maintained, improved altered or removed, 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 an Architectural Review and Control Committee or ARCC composed of two (2) or more representatives appointed by the Declarant during the Declarant's Development Period and thereafter three (3) or more representatives appointed by the Board of Directors of the Association.

The Architectural Review and Control Committee may establish procedures for receiving and processing applications for approvals, rules regarding the contents of applications for approvals and guidelines or standards for building materials and exterior elevations and may charge reasonable fees for review of plans or application fees and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred by the ARCC in having any application reviewed by architects, engineers or other design professionals. Notwithstanding the foregoing, replacing plants may not require approval by the ARCC.

Notwithstanding the foregoing, however, nothing herein contained shall be construed to permit interference with the development of the Properties by the Declarant so long as said development follows the general plan of development of the Property. Accordingly, Declarant need not seek

or obtain the approval of the ARCC for improvements erected on the Properties by or at the direction of the Declarant.

Section 2: Procedures.

- (a) Any person desiring to make any alteration, change or improvement described in this Article shall submit plans and specifications, showing the nature, kind, shape, color, height, materials and locations of the same to the Architectural Review and Control Committee which shall evaluate such plans and specification in light of the purposes of this Article.
- (b) Upon approval by the ARCC of any plans and specification submitted pursuant to this Declaration, a copy of such plans and specification, as approved, shall be deposited for permanent record with the ARCC and a copy of such plans and specification bearing such approval in writing shall be returned to the applicant submitting the same. Approval for use in connection with any Lot of any plans and specifications shall not be deemed a waiver of the ARCC's right, in its discretion, to disapprove similar plans and specification, or any of the features or elements included therein, if such plans, specifications, features or elements are subsequently submitted for use in connection with another Lot. Approval of any such plans and specifications relating to any Lot, however, shall be final as to that Lot and such approval may not be reviewed or rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to any such approval. As a condition to the granting of approval of any request made under this Article, the Association may require that the Owner(s) requesting such change be liable for any cost of maintaining, repairing and insuring the approved alteration. If such alteration is completed or approved, the Owner(s) shall evidence consent thereto by a written document in recordable form satisfactory to the Association. Thereafter, the Owner(s) and any subsequent Owner(s) of that Lot, by acceptance of a deed therefor, whether or not it shall be expressed in such deed, or deemed to covenant and agree that the cost of maintaining, repairing, and insuring such alteration shall be part of the annual assessment or charge set forth herein, and subject to the lien rights described herein.

Section 3: Liability of Architectural Review and Control Committee and Declarant. Neither Declarant nor any member of the ARCC shall be responsible or liable in any way for any defects in any plans or specifications approved by them, nor for any structural defects in any work done according to such plans and specification. Furthermore, neither Declarant, nor any member of the ARCC, shall be liable in damages to anyone by reason of mistake in judgment, negligence, misfeasance, malfeasance or nonfeasance arising out of or in connection with the approval or disapproval of, or failure to approve or disapprove, any such plans or specifications or the exercise of any other power or right provided for in this Declaration. Every person or entity who submits plans or specifications for approval agrees, by submission of such plans and specification, and every Owner of any Lot agrees, that he or she will not bring any action or suit

against Declarant, or any member of the Association's Board of Directors or ARCC, or any member of the ARCC to recover any such damage.

ARTICLE VII RESTRICTIONS

Section 1: Use. No Lot shall be used except for single-family residential purposes. No residence shall be used as a rehabilitation home, half-way house, other group home or short-term rental. Single-family occupancy shall mean occupancy by

- i. an individual and the individuals' children and/or parents, or
- ii. two or more persons related by blood, marriage, adoption, guardianship or duly-authorized custodial relationship and their children and/or parents, or
- iii. any two unrelated persons and the children and/or parents related to either of them, or
- iv. a group of no unrelated persons more than the number of bedrooms in the residence living as a single housekeeping unit (or "Unit"). A Unit will exist when the occupants have a family-like structure and/or a sharing of responsibilities associated with the household such as equitable payments, ownership, use of space, etc. This definition is intended to exclude any group whose association is temporary or seasonal (e.g. students sharing a house or any group providing a framework for transients or transient living).

Section 2: Lease and Rental. No Owner shall lease or rent less than an entire Lot, which shall be leased or rented for residential purposes and for single-family occupancy only. No lease shall be interpreted to provide for a release of a Lot Owner to be compliant with this Declaration. No subleasing is permitted. The Lots shall not be leased or rented for hotel or transient purposes. No rental agreement or lease shall be made for a period of less than one year or twelve (12) months and any lease or rental agreement shall be in writing and shall provide that it is subject to all the provisions of this Declaration and that any failure by the tenant to comply with such provisions shall be a default under such agreement. However, the failure of any lease or rental agreement to so provide shall not excuse any party from complying with the provisions of this Declaration and any regulations.

Section 3: Type of Building Allowed. No building or other structure shall be erected, altered, placed, or permitted to remain on a Lot other than one detached single-family dwelling, a detached building (e.g. shop, garage, studio), and one recreational-type outbuilding (e.g. pool house, outdoor kitchen) architecturally consistent with and of equal or better quality, design, and construction as the dwelling house and erected on permanent foundation.

Section 4: Stories. The detached single-family dwelling is not to exceed three stories and an attic in height above front elevation grade (excluding any basement or crawlspace).

Section 5: Dwelling Size Requirements. No dwelling shall be erected or allowed to remain on any Lot except with written consent of Declarant, if the total heated floor area of the main structure, exclusive of basement area, decks, patios, porches, recreational building and garage, is

less than three thousand eight hundred (3,800) square feet unless approved in writing by the ARCC.

Section 6: Temporary Residence. No trailer, mobile home, basement, tent, shack, barn, boat, camper, recreational vehicle, temporary structure or other such vehicle, building, or structure upon any Lot shall at any time be used as a residence, temporarily or permanently.

Section 7: Timeshare. No part of the Development shall be used for any type of timeshare program/project.

Section 8: Setbacks. No structure shall be located upon any Lot nearer to the front lot line than the front building set-back line indicated on the recorded subdivision plat of the phase showing said lot or in the absence of any such line, nearer than fifty (50) feet from the right-of-way of the street on which such lot fronts; provided, however, that the front building set-back line shall not apply to steps in any event or to stoops which do not project more than five feet (5) beyond the front exterior of the main structure. No structure greater than 600 square feet shall be located nearer than fifteen (15) feet to any side lot line. No structure less than 600 square feet shall be located nearer or within ten (10) feet to any side lot line unless approved by the ARCC. No structure shall be less or within thirty (30) feet of the rear property line unless approved by the Appropriate Governmental Authority. The foregoing minimum setbacks, in the absence of designation on the Plat, may be altered for the Development by recorded amendment executed by the Declarant, its successors and assigns. Notwithstanding the foregoing setback provisions, the Declarant may vary the setbacks if needed on a lot by lot basis in order to obtain Health Department approval (and residence location) for septic system location and operation, as well as to comply with any other governmental requirements or regulations.

Section 9: Garage. A dwelling shall have at least a three (3) car-sized bay garage or not more than a four (4) car garage unless approved in writing by the ARCC. Of the no more than four (4) bay garage, a minimum of three, shall be exterior side or rear facing, rather than facing the street. The bay openings of detached garages shall not face the street, unless approved by the ARCC in writing.

Section 10: Swimming Pools. No above-ground swimming pools shall be constructed or maintained upon any Lot. Above-ground pools include any swimming pool where any portion of the swimming area is above the finished grade of the immediately surrounding land. Permanent, in-ground swimming pools shall be permitted only behind the rear house line and sited only as approved by the ARCC.

Section 11: Decks. Decks are considered a part of the structure and must be approved by the ARCC. All areas under decks must be screened by landscaping, wall or fence that is constructed of materials which match the quality and style of the dwelling. Decks shall only be constructed in the rear of the dwelling and no deck including steps and integrated planters shall extend past the sides of the dwelling.

Section 12: Fencing. Yard fencing shall be erected only behind the rear line of the dwelling constructed on a Lot. Such yard fencing shall be of decorative metal in a style approved by the ARCC and shall be erected to a height of no more than four (4) feet above grade level. The yard fencing may have masonry or stone accent columns.

Section 13: HVAC Units and Utilities. All HVAC units and other utilities shall be screened by landscaping or screened by a wall or fence. Said screening may be made of wood or materials matching the style and quality of the dwelling.

Section 14: Trash, Rubbish and Compost. No Lot shall be used or maintained as a dumping ground for rubbish. All trash, garbage or other waste shall be stored in sanitary containers in accordance with the rules and regulations of any health or public safety authority having jurisdiction over the property. No trash, garbage or other waste may be placed within the Common Areas, except in containers approved by the ARCC. All garbage cans and disposal containers shall be stored in the garage or behind the rear building line or in another location so that it is not visible from the Subdivision Street abutting a Lot. Owners may compost behind the rear building line as long as it does not pose any health or nuisance (e.g. smell or insect) issues. Compost shall not be visible from the Subdivision Street and shall not be within twenty (20) feet of a side property line.

Section 15: Parking. Each Lot shall contain sufficient off-street paved parking space for at least two (2) automobiles. No automobiles, trucks, motorcycles, recreational vehicles or boats or trailers shall be parked on any street within the Properties for a period in excess of 24 hours. No boat, trailers, vans (except for mini-vans for private use), commercial vehicles, recreational vehicles, campers or other like vehicles or equipment shall be parked or stored in any areas on a Lot except inside an enclosed building erected in accordance with the terms and provision of this Declaration so as not to be visible from any street.

Section 16: Roofs. No roof shall be permitted without a minimum pitch of 8/12 except with the written consent of the ARCC. Roofs on dwellings and other buildings constructed on the Lots in the Properties shall be at a pitch and constructed of materials approved by the ARCC upon submission of architectural roofing profiles by the builder constructing a dwelling on a Lot. At a minimum, quality of roofing materials include but are not limited to architectural 30-year dimensional shingles, shake, slate, and metal. Skylights which are visible from the road shall not be permitted within the Development except with the written consent of the ARCC.

Section 17: Metal Storage Buildings, Mobile Homes, Manufactured Homes, Temporary Structures, etc. No metal storage building of a temporary or permanent character shall be permitted on any Lot. No mobile home, manufactured home, modular home, trailer, or other like structure shall be located on any Lot. No structure of temporary character, (e.g. recreational or other vehicle, trailer, tent, shack, garage, barn or other outbuilding) shall be used on any Lot at any time as a residence, either temporarily or permanently. Notwithstanding anything herein to

the contrary, Declarant, its agents, employees and contractors, may maintain trailers and other temporary structures to facilitate the sales and construction of improvements within the Properties.

Section 18: Declarant Structures. Nothing herein shall prevent the Declarant or its designee from using a Lot and improvements thereon as its sales office, model dwelling, and/or information office.

Section 19: Activities Adverse to Sales and Marketing by Declarant. No activities shall be engaged in by any Owner, Owner's agent and no sign shall be erected or displayed within the Properties that would negatively impact the sales and marketing of Properties by the Declarant.

Section 20: Landscaping. Prior to the commencement of initial landscaping, the design thereof must be approved in writing by the ARCC under the procedure specified within these Articles. In addition to any trees, shrubs used for screening or defining a lot line, there shall be maintained on each Lot a minimum of five (5) trees native or indigenous north central North Carolina ("NC Trees"). A minimum of two large trees (expected average maturity height of greater than fifty (50) feet) and a maximum of two medium trees (expected average height at maturity height between twenty (20) and fifty (50)) shall be included in the five NC Trees. At the time of planting, the diameter of the large NC Trees shall not be less than four (4) inches two feet above ground level and any medium NC tree shall be at least six (6) feet tall above ground level. Landscaping for each Lot as set forth in the landscaping plan shall be installed and completed within ninety (90) days of occupancy of the dwelling and shall not be substantially modified without written approval by ARCC. Within sixty (60) days of the certificate of occupancy being issued, the front lawn must be sodded. Owners are responsible for the proper maintenance of their property from the side and rear lot lines to the pavement of Old Hickory Court.

Section 21: Driveways and Drainage Walls: All driveway drainage pipes shall have a decorative head wall finished in a style and with materials consistent with the home. Driveways shall have at least a twenty (20) foot decorative apron (i.e. brick pavers, stone, stamped concrete).

Section 22: Commencement of Construction on Purchased Lot. Purchaser of a Lot or lots that will be combined shall commence the construction of a single family residential dwelling on that Lot in conformity to the provisions for architectural control and use contained in this Declaration within twenty four (24) months, unless extended in writing by the ARCC, after purchaser's closing on the lot and acceptance of a deed for said Lot.

Section 23: Development Period. Any violations of these Use Restrictions may be waived in whole or in part at any time by written document executed by the Declarant during the Development Period, or the Board in their absolute discretion.

Section 24: Nuisance. No noxious, hazardous, unlawful or offensive activity shall be conducted upon any Lot or the Common Areas or roadways, nor shall anything be done thereon which may be or may become an annoyance or, nuisance to the neighborhood. In addition, no activity deemed noxious or offensive by the ARCC shall be carried on upon any Lot or within the Common Areas, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood as determined by said ARCC. Examples of such offensive activities shall include, but not limited to, the origination or emission of any loud or disturbing noise or vibrations, any activity resulting in noxious smells, the maintenance of an auto repair site, the maintenance of unsightly outdoor storage of personal property (including, toys, motorcycles or other motor vehicles, tricycles, bicycles, wood piles or other miscellaneous items) on porches, patios, terraces or yards or similar unsightly activity not in keeping with the aesthetic character and high level of appearance of the community. The ARCC may establish reasonable rules and regulations for enforcing the provisions of this Section.

Section 25: Exterior Antennae and Solar Panels. Except for dish-type antennae designed to receive direct broadcast satellite service, including direct-to-home satellite service, one meter or less in diameter, antennae designed to receive video programming services via MMDS (wireless cable) and antennae designed to receive television broadcast signals, no outside antennae or satellite dishes and no free-standing transmission or receiving towers shall be erected on any Lot within the Properties without the prior written permission of the ARCC. Except as otherwise reasonably required to receive the intended signal, any antenna or satellite dish erected on any Lot within the Properties shall be affixed to the dwelling, shall be a color which blends with its surroundings and shall have a mast only as high as reasonably necessary to receive the intended signals. In all cases, any antennae or satellite dish erected on any Lot within the Properties shall not be visible from any street. No Solar Panels may be erected unless approved by the ARCC. Solar Panels shall not be visible from the street or reflect into the fenestrations of an adjacent dwelling.

Section 26: Signs. Except for signs erected by Declarant or the Association within any easement area which is a part of the Common Areas and signs erected by Declarant on Lots owned or controlled by Declarant advertising, marketing the Lots, the Development or Declarant business within the Property, no sign shall be placed or allowed to remain on any Lot except for the following:

- (a) one "For Sale" single-sided or double-sided sign (not to exceed six (6) square feet in size),
- (b) one single-sided or double-sided political advocacy sign (not to exceed five (5) square feet) for the shorter period of four weeks or the length of time allowed by local zoning, and
- (c) one temporary sign to advertise a temporary activity and such temporary sign shall not be permitted to remain on any Lot for more than seventy two (72) hours.

No signs shall be placed in fenestrations visible from the street. No sign deemed by Declarant or the ARCC to be a nuisance or a detriment to the Properties shall be permitted or allowed to remain on any Lot or Common Area within the Property.

Section 27: Flag Poles. No permanent flag poles shall be placed on any lot.

Section 28: Except with the written consent of the Declarant during Declarant's Development period, and thereafter except with the express written consent of the ARCC, no Lot shall be subdivided into a lot smaller than or different from the Lot shown on the then recorded plat and no street shall be laid out or opened across or through any Lot.

Section 29: Animals. No animals of any kind that may constitute a nuisance, annoyance, or threat to other Lot Owners in the Properties shall be raised or kept on any Lot. No animal or pet shall be kept for commercial purposes. Any animal owned or fostered shall be a household pet and kept in compliance with (i) all laws, including leash laws, and ordinances, and (ii) such rules and regulations pertaining thereto as the Board may adopt from time to time. The number of household pets shall not exceed four (4) in number except for newborn offspring of such household pets which are under four (4) months of age. No owner or resident may temporarily house females that are nursing or weening offspring for the purposes of selling or leasing out or loaning out animals. No Owner may have a male animal serving as a stud for commercial purposes on their Lot. No commercial breeding or selling of animals or guardianship programs by Owners shall be allowed on any Lot. Pet cats are to remain on the property of or under the physical control of the Owner. No animal shall be allowed to be kept if such animal causes unsanitary conditions to residents, the Lot(s) or the animal. Each Owner will be responsible for cleaning up any waste deposited by any animal upon any Lot or the Common Areas. No livestock, including equine, poultry, sheep, cattle, pigs, goats or other animal as defined by the NC Legislature, shall be allowed on the Lot.

Section 30: Business. No business or activity shall violate any local, town, county, state zoning ordinances. Any business activity shall be consistent with the residential character of the development, shall not be apparent or detectable by sight, smell, or sound from outside any Lot including all structures. No business shall involve the solicitation of development residents. No business shall create regular customer, client or employee traffic.

Section 31: Yards. The Owner shall be responsible for maintaining his or her lawn by keeping it free of weeds and debris, mowed, and edged. Beds and walkways shall be kept free of weeds and debris, hedges and bushes shall be kept trimmed, and trees shall be kept pruned and limbed.

Section 32: Holiday and Seasonal Decorations. Temporary seasonal exterior decorations shall not require the prior approval of the ARCC, but if any such decorations are determined, in the sole discretion of the ARCC, to be distasteful or otherwise disruptive to the aesthetic or visual harmony of the Development, the ARCC may require that such decorations be promptly and permanently removed. In no event shall seasonal decorations remain upon a Lot more than three (3) weeks following the holiday or event with which such decorations are associated.

Section 33: Declarant Rights. Declarant, its agents, employees, attorneys and contractors hereby reserve the right, but not the obligation, for itself and its successors and/or assigns, to do such things or take such actions as they deem necessary, advisable or convenient for completion

and improvement of the Development as a residential community and for the sale, rental or other disposition of Lots. In the event of any conflict between a Builder, Declarant, the Declarant shall be the prevailing party.

Section 34: Waiver of Minor Violations. The Declarant, ARCC, and the Board shall have the right to waive minor violations of, and allow minor variances from, the restrictions contained within these provision, where the same resulted unintentionally or without gross carelessness on the part of any Owner (including, without limitation, Declarant) and/or is not materially harmful to the Properties. Any such waiver granted shall be in writing and so waived, shall no longer be deemed a violation of these covenants. The Declarant reserves the right from time to time to make reasonable changes, or permit reasonable variances in the foregoing restrictions as it may deem necessary and the Declarant shall incur no liability for any such variances or waivers so granted.

ARTICLE VIII EXTERIOR MAINTENANCE

The Association shall maintain the Common Areas and the Common Elements. Each Owner shall be responsible for the exterior maintenance of Owner's dwelling and Lot as follows: painting, replacement and care of roofs, gutters, down spouts, exterior building surfaces, lawn, trees, shrubs, lights, landscaping, driveways, header walls for driveway ditch line pipes, walkways, fences, hardscaping, and other exterior improvements. Without limiting the generality of the foregoing, there shall be maintained on each Lot a minimum of five (5) NC Trees, of which not less than two (2) shall be located in the front yard of the Lot. In the event that the Owner neglects or fails to maintain his or her Lot, improved Lot, and/or the exterior of his or her dwelling in a manner consistent with other improved Lots and dwellings within the Development or fails to maintain his or her Lot in a safe condition and free of debris, the Association may provide such exterior maintenance. Provided, however, that the Association shall first give written notice to the Owner of the specific items of exterior maintenance or repair the Association intends to perform and the Owner shall have twenty (20) days from the date of mailing of said notice within which to perform such exterior maintenance himself or herself. The determination as to whether an Owner has neglected or failed to maintain his or her Lot and/or dwelling in a manner consistent with Other Lots and dwellings within the Properties shall be made by the Board, in its sole discretion. To enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right to unobstructed access over and upon each Lot at all reasonable times to perform maintenance as provided in this Article. In the event the Association performs such exterior maintenance, repair or replacement, the cost of such maintenance, repair or replacement including all reasonable costs to enforce this section and late fees and interest shall be added to and become a part of the assessment to which such Lot is subject. (See Article IV Covenant for Maintenance and Assessments, *Section 10: Effect of and Remedies for the Association Due to Nonpayment of Assessments*).

ARTICLE IX
CLUSTER BOX UNITS INSTALLATIONS

Section 1: Cluster Box Units (CBU). Within the Properties, specialized multiple mailbox or Cluster Box Units (CBU) installations consisting of clusters of locked boxes serving multiple postal patrons will be placed within the Common Areas. The CBU will meet United States Postal Service, North Carolina Department of Transportation and Appropriate Local Governmental Authority requirements. The CBU and the area which it is located, including a concrete or masonry pad and the pedestals to which it may be affixed, decorative element(s) attached thereto, and any parking or landscaped areas or pedestrian areas adjacent to the CBU will be Common Elements, will be maintained by the Association, and shall be subject to such rules and regulations relating to the use thereof as shall be promulgated by the Board from time to time.

Section 2: Responsibility of Owner for Lock and Key. Notwithstanding anything herein to the contrary, each Owner, at such Owner's expense, shall be solely responsible for such Owner's CBU mailbox key (the "Key") and CBU mailbox lock (the "Lock"), including, but not limited to, (i) obtaining the Key upon purchase of a Lot from any transferor other than the Declarant, (ii) replacing a lost or stolen Key, and (iii) repairing or replacing a broken Key or Lock. Neither the Association nor the Declarant shall be responsible or liable for a Key or the Lock or any expenses associated therewith.

ARTICLE X
EASEMENTS

Section 1: Reservation of Easements. Declarant reserves, for itself and on behalf of the Development and the Association, additional easements and rights-of-way for the installation and maintenance, PSSAME, utilities or other easements which may include, without limitation, gas, water, sanitary sewer, telephone, electricity, cable, security, storm drainage, as shown on the recorded plat, Plat Book 205 at Page 106, Guilford County Public Registry. Within these easements, no structures, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the drainage easements.

ARTICLE XI
GENERAL PROVISIONS

Section 1: Enforcement. The Owner(s) of each Lot shall be governed by and shall comply with the provisions of this Declaration, the Bylaws of the Association and all rules and regulations of the Association adopted pursuant hereto, as any of the same are now constituted or as they may be amended from time to time. A default by any Owner shall entitle the Association or the Owner(s) of any of the other Lots to the following relief:

- (a) The Association, Declarant, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the Bylaws of the Association and all rules and regulations of the Association adopted pursuant thereto. Failure to comply with any of the terms of this Declaration or other restrictions and regulations contained in the Bylaws of the Association, or which may be adopted pursuant thereto, shall be grounds for relief, including, without limitation, an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof. The Association shall have the right to request that law enforcement, public safety or animal control officers come on the Properties to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.
- (b) The Association, after notice to the Owner and a reasonable opportunity to be heard, shall have the right to assess reasonable fines against the Owner for violations of this Declaration, the Bylaws of the Association or the Association's published rules and regulations by such Owner, or such Owner's family, guests, invitees and lessees in an amount not to exceed \$150.00 for each violation, and without further hearing, for each day after the decision that the violation occurs. Such fines shall be deemed to be assessments as set forth in Article IV of the Declaration and if not paid within thirty (30) days after notice and demand therefore, the Association shall be entitled to the remedies set forth in the Declaration for the enforcement and collection of delinquent assessments.
- (c) The Association, after notice to the Owner and a reasonable opportunity to be heard, shall have the right to suspend privileges or services provided by the Association (except rights of access to Lots) for reasonable periods for violations of this Declaration or the Bylaws or services provided by the Association should be imposed, the suspension may be continued without further hearing until the violation is cured.
- (d) If an Owner is legally responsible for damage inflicted on any Common Areas or Common Elements, the Association may direct such Owner to repair such damage, or the Association may itself cause the repairs to be made and recover damages from the responsible Owner. If damage is inflicted on any Lot by an agent of the Association in the scope of the agent's activities as such agent, the Association is liable to repair such damage or to reimburse the Owner for the cost of repairing such damages. The Association shall also be liable for any losses to the Owner. When any such claim for damages against an Owner or Association is less than or equal to the jurisdictional amount established for small claims by the North Carolina General Statutes, any aggrieved party may request that a hearing be held before an adjudicatory panel appointed by the Executive Board to determine if an Owner is responsible for damages to any Common Areas or Common Elements or the Association is responsible for damages to any Lot. If the Executive Board fails to appoint an adjudicatory panel to hear such matters, such hearings shall be held before Executive Board. Such panel shall accord to

the party charged with causing damages notice of the charge, opportunity to be heard and to present evidence, and notice of the decision. This panel may assess liability for each damage incident against each Owner charged or against the Association not in excess of the jurisdictional amount established for small claims by the North Carolina General Statutes. When such claim exceeds the jurisdictional amount established for small claims, liability of any Owner charged or the Association shall be determined as otherwise provided by law. Liabilities of Owners determined by adjudicatory hearing or as otherwise by law shall be assessments secured by lien under Section 47F-3-116 of the Planned Community Act. Liabilities of the Association determined by adjudicatory hearing or as otherwise provided by law may be offset by the Owner against sums owing to the Association and if so offset, shall reduce the amount of any lien of the Association against the Lot at issue.

- (e) In any proceeding arising because of an alleged default by an Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding, interest, late fees, and such reasonable attorneys' fees as may be determined by Court.
- (f) The failure of the Association or any Owner to enforce any right, provision, covenant or condition which may be granted by this Declaration or the other above mentioned documents shall not constitute a waiver of the right of the Association or Owner to thereafter enforce such right, provision, covenant or condition in the future.
- (g) The failure of Declarant to enforce any right, provision, covenant or condition which may be granted by this Declaration or the other above mentioned documents shall not constitute a waiver of the right of Declarant to thereafter enforce such right, provision, covenant or condition in the future.
- (h) All rights, remedies, and privileges granted to the Association or the Owners, pursuant to any terms, provisions, covenants or conditions of the Declaration or other above mentioned documents, shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 2: Severability. Invalidation of any one of the covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 3: Amendment. The covenants and restrictions of this Declaration shall run and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of fifteen (15) years each unless terminated or amended as hereinafter provided. This Declaration may be amended with consent of the Owners entitled to cast at least seventy-five percent (75%) of the votes of the Association and may be terminated with the consent of Owners entitled to cast at least ninety percent (90%)

of the votes of the Association; provided, however, this Declaration may not be amended or terminated without Declarant's consent during Declarant's Development Period, no amendment purporting to revoke or curtail any right herein to Declarant shall be effective unless executed by Declarant, and no amendment relating to the maintenance or ownership of any permanent detention or retention pond or erosion control shall be effective unless reviewed and approved by the governmental office having jurisdiction for watershed protection. Any amendment, except those amendments that Declarant is authorized to make unilaterally, must: (1) be executed on behalf of the Association by its duly authorized officers; (2) contain an attestation by the officers executing the amendment on behalf of the Association that the requisite Owners approving the Amendment and made a part of the Minutes of the Association; and (3) be properly recorded in the Office of the Register of Deeds, Guilford County, North Carolina.

Section 4: Amplification. The Provisions of this Declaration are amplified by the Articles of Incorporation and Bylaws of the Association; but no such amplification shall alter or amend any of the rights or obligations of the Owners set forth in this Declaration. Declarant intends that the provision of this Declaration on the one hand, and the Articles of Incorporation and Bylaws of the Association on the other, be interpreted, construed, and applied to avoid inconsistencies of conflicting results. If such conflict necessarily results, however, Declarant intends that the provision of this Declaration control anything contained in the Articles of Incorporation or Bylaws of the Association.

signature page follows

IN WITNESS WHEREOF the Declarant has caused this Declaration to be executed in its name on this the 26 day of October, 2021.

Lake Brandt Development, LLC

By: Marjorie Benbow (SEAL)
Marjorie Benbow, Member/Manager

STATE OF NORTH CAROLINA
COUNTY OF GUILFORD

I, Cody Thompson, a Notary Public of the County, State and Country aforesaid, certify that MARJORIE BENBOW, Member/Manager, personally appeared before me this day and acknowledged that she is the Manager of Lake Brandt Development, LLC, a North Carolina limited liability company, and that she, as Manager, being authorized to do so, executed the foregoing instrument on behalf of the company. Witness my hand and official stamp or seal, this the 26 day of October, 2021.

My Commission Expires:
12-22-24

Cody Thompson
Notary Public

[SEAL or STAMP]

