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M. BRENT SHOAF, REGISTER OF DEEDS
DAVE COUNTY, NC
BY *Janet M. Keller*
DEPUTY

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE
SUMMER HILL FARM SUBDIVISION**

Dated: April 21, 2010

Drafted By and Return After Recording To:

Bunch & Associates, PLLC
3411 Healy Drive, Suite C
Winston-Salem, N.C. 27103
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DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE
SUMMER HILL FARM SUBDIVISION

THIS DECLARATION, made on the 21st day of April, 2010, by AM & JW Holdings LLC, a North Carolina Limited Liability Company (hereinafter referred to as "Declarant"), for itself, its successors and assigns:

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property in Advance, Davie County, North Carolina, which is more particularly described on Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, Declarant hereby declares by this Declaration that property described on Exhibit A shall be held, sold and conveyed subject to the following the easements, restrictions, covenants, conditions, liens and charges which are for the purpose of enhancing and protecting the value and desirability and attractiveness of, and which shall run with the real property and be binding on all parties having any right, title or interest in the property described on Exhibit A. It is the desire and intention of the Declarant to sell lots out of the property described on Exhibit A to various purchasers subject to the covenants, conditions, obligations and restrictions herein reserved to be kept and observed;

WHEREAS, the Declarant may construct Common Area facilities for the use and enjoyment of the members of the Association. However, the Declarant is not obligated to do so and will only do so at a time that the Association can sustain the expense of operation, maintenance, repair, and replacement of the Common Area facility contemplated.

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

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to SUMMER HILL FARM HOMEOWNERS ASSOCIATION and if incorporated, to SUMMER HILL FARM HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

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

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described on Exhibit A and such additional land as by Supplementary Declaration or by annexation may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 5. "Common Expenses" shall mean and include:

- (a) All sums lawfully assessed by the Association against its members;
- (b) Expenses of administration, maintenance, repair or replacement of the Common Area;
- (c) Expenses described to be Common Expenses by this Declaration and/or the bylaws of the Association (hereinafter the "Bylaws");
- (d) Hazard, liability, or such other insurance premiums as the Declaration, the Bylaws or applicable laws or ordinances may require the Association to purchase;
- (e) Expenses agreed to by the members to be Common Expenses of the Association;
- (f) Ad valorem taxes and governmental assessments levied against the Common Area; and
- (g) Payment of attorneys' fees, accountants' fees, and for other professional services.

Section 6. "Lot" shall mean and refer to any lots designated by number on the recorded or revised plat of THE SUMMER HILL FARM.

Section 7. "Declarant" shall mean and refer to AM & JW Holdings LLC, a North Carolina Limited Liability Company, its successors and specific assigns, to which the rights of Declarant are specifically assigned by recorded document of assignment or by specific assignment within a deed of conveyance of such rights.

Section 8. "Member" shall be every Owner of a Lot as set forth in ARTICLE III of this Declaration.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's 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 Declarant, in its sole discretion, and at no cost to any Owner, to use any of the Common Area for the installation of utility lines of all types, drainage ditches or swales, lighting, to grade and pave roadways or easements of access, and to do all things and acts necessary to develop the Properties to its final development, together with the right to grant easements to the proper utility and/or governmental authority for such use;
- (b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facilities, if any, situated upon the Common Area;
- (c) The right of the Association to suspend the voting rights and right to use the recreational facilities of an Owner, for any period during which any assessment against his Lot remains unpaid;
- (d) The right of the Association, through its President and Secretary, to dedicate or transfer all or any part of the Common Area to any public agency, authority, utility, or third party, for such purposes and subject to such conditions as may be agreed by the Members. No such dedication or transfer shall be effective unless approved by two-thirds (2/3) of Class A and B Members (and, in the case of portions of the Common Area subject to a septic sewer easement, all of the Owners for whom use and enjoyment of septic sewer easement is reserved) present in person or by proxy at a duly called and noticed meeting where one of the stated purposes of the meeting will be a vote on the granting of such dedication or transfer. At such meeting, a quorum for the purpose shall be no less than sixty percent (60%) of the Class A and B Members. Provided, in the event the required quorum for this purpose is not present, a subsequent meeting may be called and noticed, and at such meeting a quorum shall constitute thirty percent (30%) of the Class A and B Members, and two-third (2/3) of the Members present in person or by proxy at such meeting may approve such dedication or transfer. Such subsequent meeting shall not be held later than sixty (60) days beyond the originally called meeting. Notwithstanding the foregoing, the Association or Declarant, without such agreement by the Members, may grant easements to public authorities or utilities, or to others for the installation and maintenance of electrical, telephone, cable television, water and sewerage service, drainage facilities and other

utilities upon, over, under and across the Common Area, including the portions of the Common Area subject to septic sewer easements, without the assent of the Members when, in the opinion of the Board of Directors or the Declarant, such easements do not interfere with the use and enjoyment of the Properties or are necessary for the convenient use and enjoyment of the Properties; and

- (e) The right of the Association through the Board of Directors to impose rules and regulations for the use and enjoyment of the Common Area and Lots and improvements thereon, which regulations may further restrict the use of the Common Area and Lots, and to impose fines and/or use other methods of enforcement for compliance.

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

Section 3. Title to 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 except utility easements and the easements, restrictions, covenants and conditions set forth herein. Further, if ad valorem taxes for the current year have been separately assessed against the Common Area, the same shall be prorated between Declarant and the Association as of the transfer date; otherwise, such taxes shall be paid by Declarant. Immediately upon transfer of Common Area by Declarant, Declarant shall assure that an application is filed with the Davie County Tax Department to exempt the Common Area from real estate taxes as permitted by North Carolina Statute.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

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

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

Class B. 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 when the last available Lot has been sold to an Owner other than the Declarant.

Section 3. Voting by Declarant. Notwithstanding anything to the contrary, the Declarant shall retain all voting rights for all Lots for a period of twenty-five (25) years from the date of closing of the first sale of a Lot. It is the intent of this paragraph that the Declarant will retain the voting rights for all Lots in the Association during the Period of Declarant Control. Nothing in this Section shall require the Declarant to create a sub-association/master association framework but the Declarant may do so at their sole discretion.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1.

- (a) Creation of the Lien and Personal Obligation for Assessments. The Declarant for each Lot owned, within the Property, 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 as hereinafter defined or charges; (2) Special Assessments as hereinafter defined for capital improvements and, if necessary for funding of operating expenses, such assessment to be established and collected as hereinafter provided; (3) Direct Assessments as hereinafter defined and (4) Working Capital Assessments as hereinafter defined. The Annual, Special and Direct 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 and when filed of record in the Office of the Clerk of Superior Court of Davie County, shall be a lien upon the land to all who acquire an interest therein. Each such assessment shall be together with and shall include interest, costs, and reasonable attorney's fees, and each such assessment shall also be the personal obligation of the person who was the Owner of such Property at the time when the assessment fell due and any heir or devisee shall be deemed to have consented to make such payments. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.
- (b) Direct Assessments. Each Owner shall have the obligation to maintain and keep in good repair and/or replace the improvements on his Lot, including the roof, gutters, windows, doors, shutters and exterior walls of the dwelling unit thereon, and any other exterior improvement such as garden and/or retaining walls, or garages and landscaping, including the routine cutting of grass, trimming of shrubs, and other maintenance and replacement to present a good exterior appearance. If any Owner shall fail to properly comply with the provisions of this subsection, and in the opinion of the Architectural Control Committee of the Association as established under ARTICLE V of this Declaration, such failure impairs the aesthetic harmony of THE SUMMER HILL FARM subdivision, the Association may make demand upon such Owner to comply. In the event such Owner shall, after written notice has been given, fail to take necessary steps to comply within seven (7) days of receipt of notice, the Association may proceed to remedy such Owner's deficiency, but does not

have the obligation to do so. Any expenses incurred by the Association for such purposes, including labor, materials, and professional fees shall become a lien upon the Lot of such Owner and the personal obligation of the Owner, collectible as other assessments as provided for herein. Amounts incurred in the foregoing manner shall be deemed "Direct Assessments" and shall be in addition to any other assessments herein provided for and shall be due immediately upon demand. Interest shall accrue at the rate of eighteen percent (18%) per annum (or the maximum interest rate allowed by law, whichever is less) on any unpaid direct assessment not paid within ten (10) days from date of demand for payment. The Association may elect to use any other available remedies and enforcement rights set forth in this Declaration, the Bylaws, Articles of Incorporation and under State and Federal law.

- (c) Working Capital Assessments – A Working Capital Assessment shall be assessed and levied upon each Lot at the initial transfer of ownership from Declarant to a subsequent Owner and at each and every transfer of ownership thereafter. The amount of the Working Capital Assessment shall be two-twelfths (2/12) of the Annual Assessment imposed for the year in which the transfer of ownership occurs. The Association shall be permitted to use the funds from each Working Capital Assessment for same purposes of Annual and Special Assessments described below.

Section 2. Purpose of Assessment. The assessments levied by the Association shall be used exclusively to promote recreation, health, security, safety and welfare of the residents in the Properties and in particular for the acquisition, improvement, and maintenance of property, services and facilities devoted to this purpose for the maintenance, use and enjoyment of the Common Area, including but not limited to, the cost of the payment of taxes, if any, assessed against the Common Area, the procurement and maintenance of insurance related to the Common Area, its facilities and use in accordance with the Bylaws, landscaping and lighting of the Common Area, the costs of operating, maintaining and repairing any offsite septic equipment, the employment of attorneys to represent the Association when necessary, and such other common needs as may arise.

Section 3. Maximum Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$500.00 per Lot; and, there shall be no assessment for the Class B Member for any vacant Lot or a Lot containing an unoccupied home. Builders, other than Declarant, shall be considered Lot Owners and shall pay all assessments levied by the Association.

From January 1 of the calendar year immediately following the first conveyance of a Lot to an Owner:

- (a) The maximum annual assessment increase shall be established by the Board of Directors without approval by the membership by an amount not to exceed the greater of fifteen percent (15%) of the maximum annual assessments of the previous year, or the percentage increase over the previous year as shown on the U. S. Bureau of Labor Statistics Consumer Price Index for Urban Wage Earners or, if such index shall cease to be published, by the index most nearly comparable thereto.

- (b) The maximum annual assessment may be increased without limit 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. At any time the Board of Directors may fix the annual assessment at an amount not in excess of the maximum.
- (c) In establishing the annual assessments for an assessment year the Board of directors shall consider all current costs and expenses of the Association, accrued debts, and reserves for future needs, but it may not fix the annual assessment in an amount in excess of the sum derived by application of the increase allowed in Section 3(a) hereof without the consent of Members required by Section 3(b) hereof.

Section 4. Special Assessment for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the consent 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. Special Assessments may also be used, if necessary, to fund operating expenses of the Association.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots subject to assessment (except as set forth otherwise in this Declaration) and may be collected on a monthly, quarterly or annual basis in advance or as the Board of Directors may direct, except as herein provided.

Section 6. Notice and Quorum for any Action Authorized under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 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 votes of each class of membership entitled to vote shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. Such redirection in quorum at subsequent meeting shall continue until a valid vote can be taken. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessment: Dues Dates: The annual assessments provided for herein shall be collected on a monthly, quarterly or annual basis as determined by the Board of Directors and shall commence as to all Lots on the first day of the month following the conveyance of the first Lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in

advance of each annual assessment period, the Board of Directors shall fix the amount of the annual assessment against each Lot, and if there is a change from the prior year, send written notice of each assessment to every Owner subject thereto. Failure to timely forward or failure of receipt shall not invalidate or reduce the assessment fixed. The Board of Directors may at any time during the calendar year increase the annual assessments, but not in excess of the fifteen percent (15%) maximum annual increase limit, if they determine in their discretion that funds are not adequate for current or anticipated expenses. The due dates shall be established by the Board of Directors.

Section 8. Effects of Nonpayment of Assessments: Remedies of the Association. Any assessments not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum (or the highest rate allowed by law, whichever is less), and the Board of Directors may impose a late payment fee. The association may bring an action at law against the Owners personally obligated to pay the same and/or foreclose the lien against the Property, and interest, costs, fees and reasonable attorney's fees for such action or foreclosure shall be added to the amount of such assessment. No Owner may waive nor otherwise escape the liability for any of the assessments provided for herein by inability to use, or non-use of the Common Area or abandonment of his Lot. Election to sue a defaulting Owner shall not bar subsequent filing of lien and foreclosure. The Association may pursue either or both remedies without bar to the other remedies. A prospective purchaser or lender may request a written certificate from the Association as to the status of assessments of any Lot they or it is concerned with and as to such purchaser, lender or subsequent purchaser from them, such statement of the Association shall be binding on the Association as of the date of issuance. The Association may charge a fee to the owner for such certificate.

Section 9. Subordination of the Lien to Mortgagees. The liens provided for herein shall be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust filed prior to a lien for assessment. Sale or transfer of any Lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof shall extinguish the lien of such assessment as to the payment thereof which became due prior to such sale or transfer, but the personal obligation of the Owner of the Property when the assessment fell due shall survive. No such sale or transfer shall relieve such Owner from liability for any assessments which thereafter become due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust filed prior to the lien for assessments being filed.

ARTICLE V

ARCHITECTURAL CONTROL

Section 1. "Architectural Control".

- (a) Purpose. The Declarant desires to establish an Architectural Control Committee in order to provide and maintain certain standards as to harmony of external design and location in relation to surrounding structures and topography.

- (b) Architectural Control. Unless expressly authorized in writing by the Architectural Control Committee (the "Committee") no building, fence, wall, driveway or other structure nor any exterior addition or alteration to any existing structure, nor any clearing or site work shall be commenced, erected or maintained upon the designated property, until plans and specifications therefore showing the shape, dimensions, materials, basic exterior finishes and colors, location on site, driveway, parking, floor plan, and elevations therefore (all of which is hereinafter referred to as the "Plans"), shall have been submitted to and approved in writing, as to the harmony of external design and location in relation to any surrounding structures and topography, by the Committee. The Committee shall have the absolute and exclusive right to refuse to approve any such Plans and specifications which are not suitable or desirable in the opinion of the Committee for any reason, including purely aesthetic reasons which in the sole and absolute discretion the Committee shall be deemed sufficient. If the committee denies a request, it shall articulate its reason(s) for denial.
- (c) The Architectural Control Committee. The Declarant's initial Architectural Control Committee shall be composed of three (3) persons appointed by the Declarant. The Declarant may, at anytime, transfer authority of appointment for the Committee to the Board of Directors of the Association. The Declarant shall notify the Board of Directors of any such transfer in writing. Notwithstanding the foregoing, the Declarant shall retain Committee control over the initial new home construction of each home.
- (d) Architectural Control Committee: Plan Review Procedure. Complete Plans must be submitted to the Committee. The Committee shall notify the applicant of any missing information within twenty (20) days of the Committee's receipt of the Plans. The Committee's approval or disapproval as required in these covenants shall be in writing, and the decision of a majority of the committee in case of any disagreement among Committee members, as to the approval or disapproval of the Committee, shall be controlling. The Committee shall make its decision within thirty (30) days from the date the completed Plans are submitted to it. If the committee fails to act within such thirty (30) day period, the Plans shall be deemed accepted.
- (e) Nothing contained herein shall prevent the Board of Directors from serving on the Committee or as the Committee.

Section 2. Restriction on Use and Rights of the Association and Owners

- (a) Permissible Uses. No Lot shall be used except for residential purposes, and no building of any type shall be erected, altered, or placed on any Lots

other than one single-family dwelling, including garage and any other appurtenances customary to a single-family dwelling. Each residence shall be occupied by one single family related by blood, marriage, or adoption. Moreover, no Lot shall be used for access to any adjoining Lot or other Property. When construction of any building, structure, improvements, or addition has begun, work thereon shall be pursued diligently and continuously, and completion shall occur within twelve (12) months. No living unit shall be built which contains cement or cinder blocks which are visible from the outside of the Lot.

- (b) Division of Lots. The boundary lines of any Lot or any Road, as shown on any recorded plat of the Properties, shall not be changed, without written consent of the Board.
- (c) Minimum Square Footage. In no event shall any living unit contain less than the following minimum square feet of heated living area; however, the requirements herein referred to shall be exclusive of outside and screened porches, garages, breezeways, terraces and basement areas, whether heated or not. This minimum square footage requirement can be waived by the Declarant in its sole discretion.
 - (i) The main level of a one-story dwelling shall contain at least 1400 square feet. The main two levels of a two-story dwelling shall contain at least 2,100 square feet with no less than 1,100 square feet of such space on the first level of the dwelling.
 - (ii) The main or first level of a one and one-half story dwelling shall contain either at least 1200 square feet with at least 600 square feet of finished space on the half story level or 1800 square feet on the first or main level without any space being finished in the half story level.
- (d) Building Setback Lines. Set backs shall be that of the Standard RS-40 zoning approved by the Davie County Planning Board. No building shall be placed or erected nearer the front Property line than thirty-five (35) feet. The rear yard shall have a depth of no less than forty (40) feet. ***Every building erected on the Property shall have side yards of not less than fifteen (15) feet.*** On corner lots, the side yard closest to the street must have a set back of at least twenty-five (25) feet. Measurements shall be made to the exterior walls. ***If in question, clarification of the property line from which setbacks are to be measured shall be made by the Committee.***
- (e) Temporary Structures. No structure of a temporary character shall be placed upon any portion of the Properties at any time; provided, however, that this prohibition shall not apply to shelter or huts used by contractors during the construction of a living unit, or improvements or additions

thereto, on any Lot. Temporary shelters, tents, recreational vehicles, trailers (whether attached or unattached to the realty), and detached storage buildings may not, at any time, be placed on any portion of a Lot or Property, without prior written approval of the Committee.

(f) Other Prohibitions or Requirements.

- (i) Any living unit shall comply with all applicable building, plumbing, electrical and other municipal codes.
- (ii) No vent or other pipes or appendages may extend from the front of any living unit, unless screened from public view by a screening material or shrubbery approved by the Committee.
- (iii) Any exterior air-conditioning or heating equipment must be screened from public view by a screening material or shrubbery approved by the Committee.
- (iv) Downspouts and gutters must be so constructed so as not to promote the erosion of the soil of any Lot. Rain water barrels are permitted on the rear downspouts of the residence so long as they are a reasonable color and shall be maintained in good condition, subject to Committee approval.
- (v) Driveway entrances shall be constructed as to be compatible with the neighboring drives and shall be approved by the Architectural Control Committee. Parking on private drives and any other common land shall be subject to rules and regulations adopted from time to time by the Board of Directors of the Association. Each Lot shall contain sufficient off-street parking space for at least two (2) automobiles. No automobile, pickup or other vehicle used for regular family transportation, trailer, boat, recreational vehicle, or other similar item shall be parked on any subdivision street except for guests who may park on the streets for reasonable periods of time not to exceed 48 hours. No parking shall be allowed on the grass or landscaped areas, and all vehicles must be parked on permanent parking slabs.
- (vi) Standardized mailboxes are required. The model # is SCC-1008. The model name is the Classic Curbside. The initial cost of the mailbox, including installation, shall be borne by the builder. As of the date of the recording of this Declaration, the mailbox may be found at Streetscapes, Inc.
- (vii) No outbuildings shall be allowed on any Lot without prior written approval of the Committee.

- (viii) No above ground pools except children's wading pools shall be located on any Lot in the subdivision. Wading pools are not permitted in the front or side yards but are permitted in the rear yards during the swimming months starting Memorial Day and running through Labor Day.
- (ix) All propane tanks in excess of fifty (50) gallons must be buried. All propane tanks of less than fifty (50) gallons must be located on the back side of the residence and shall be screened from public view by a screening material or shrubbery approved by the Committee.
- (x) All utility lines of every type, including but not limited to, water, electricity, telephone, sewage and television cables, running from the main truck line of service location to any living unit must be underground.
- (xi) Tennis courts, swimming pools, and other outdoor recreational areas of such nature must be screened from public view by a screening material approved by the Committee. Portable basketball goals shall not be placed on any streets, Common Area, or upon any vacant Lots. Moreover, any lighting used to illuminate such facilities must be so shielded as to cast no direct light upon adjacent Lots such that it is obtrusive or offensive and such lighting plan must be approved by the Committee
- (xii) No outdoor drying of laundry shall be permitted on a clothes line or otherwise.
- (g) Trash Receptacles and Tools Each Owner shall provide receptacles for garbage, and all garbage receptacles, tools and equipment for use on the Lot of any Owner or otherwise shall be placed in a fenced area in accordance with reasonable standards established by the Committee to shield same from general visibility from roads abutting the Lots.
- (h) Antennas. In the event cable television service is made available to the Properties, no television antennas, radio receiver or transmitter, or other similar device shall be attached to or installed on the exterior portion of or detached from any living unit. No large short wave radio or other types of antennas shall be permitted.

The Association has preferences regarding the location and installation of antennas and satellite dishes located on Lots within the Properties. All antennas and satellite dishes should be located on the rear portion of the Owner's Lot in a location that is least visible from

any street and that is least visible from any adjacent Lots within the Properties.

If any antenna or satellite dish cannot receive an acceptable signal from the rear of the Lot, it may be located on the side of the Lot (not connected to any building surface) The Owner must cause the antenna or satellite dish to be reasonably screened from view of the adjacent streets and Lots. If the antenna or satellite dish is connected to any building surface, the Owner must paint the antenna or satellite dish to reasonably match the background against which it is mounted. If the Owner proves to the Board of Directors of the Association that painting the antenna or satellite dish is unreasonably expensive, impractical, or impossible, the antenna or satellite dish must be reasonably screened by the Owner.

Any screening must be approved by the Committee.

In the event that no architectural application is approved prior to installation, the Owners must notify the Board of Directors of the installation of any antenna or satellite dish within thirty (30) days of completed installation.

The Association, and its agents, shall have the right to inspect any new or existing antenna or satellite dish that did not obtain prior approval from the Committee. The Association may determine reasonable alternate locations for any antenna or satellite dish that more closely meet the preferences of the Association. If it is determined by the Association that the antenna or satellite dish is to be located in a different location, the antenna or satellite dish shall be moved to that location by the Owner.

If the Association requires relocation of any antenna or satellite dish, the Owner shall waive any objection to the new location as long as the relocation creates an acceptable signal reception.

In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association and its agents the right to unobstructed access over and upon each Lot at all reasonable times to perform inspections, signal testing, and relocation of antennas or satellite dishes. Said easement shall exist upon every Lot bound to this Declaration and shall run with and bind to the land that is subject of this Declaration.

The costs incurred by the Owner to meet the modification or relocation requirements set forth above shall be reasonable. If any such costs are deemed by the Board of Directors to be unreasonable, the unreasonable portion of those costs shall be reimbursed to the Owner by the Association.

- (i) Unsightly Conditions. It is the responsibility of each Owner to prevent any unclean, unsightly, or unkept condition on a Lot of any Owner.
- (j) No Offensive Activity. No noxious or offensive activity shall be carried on upon any portion of the Properties, nor shall anything be done tending to cause embarrassment, discomfort, annoyance or nuisance to any Owner, tenant or guest thereof, on any portion of the Properties.
- (k) Animals and Pets. Except as otherwise permitted herein, or in any supplementary declaration hereto, no plants, animals, or device or thing of any sort whose normal activities or existence is in any way noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of other Lots by any Owner, tenant, or guests thereof, may be maintained. No livestock or poultry of any kind shall be raised, bred or kept on any Lot,. Dogs, cats and other household pets shall be confined and maintained upon the pet owner's Lot as the Board of Directors from time to time directs and shall be on a leash if off the Owner's Lot. Owners shall collect and discard any pet waste caused by their pet on any other lot other than the pet owner's Lot, including, but not limited to other Owners' Lots, Common Area, and streets.

No Lot Owner shall keep pit bulls or rottweillers on any Lot. In addition, the Board of Directors shall have the sole discretion to identify any Lot Owner's animal as being vicious and, upon such identification, the Owner shall have fifteen (15) days to remove the dog permanently from the Lot.

- (l) Driveways and Fences. Any driveway located on a Lot must be paved with concrete or asphalt or other materials pre-approved by the Committee, at a width of at least ten (10) feet. No fencing may be located closer to any street than the closest point of the living unit to any such street without the prior consent of the Committee. No chain-link fencing shall be allowed on any Lot. No drainage ditch or swale shall be filled, tiled or altered in any way except in accordance with local law and Committee requirements. All driveways must have NCDOT approved drainage pipe with a brick headwall on both ends which complements the exterior of the dwelling located on the Lot where the driveway is located.
- (m) Discharge of Firearms. Hunting and trapping of wild animals, fowl and game and the discharge of firearms and/or bows and arrows within the Properties is prohibited.
- (n) Signage. Only two (2) signs of any kind shall be displayed to the public view on any Lot as follows: (1) sign of the real estate company listing the Property, and (2) sign promoting the particular builder who constructed/is

constructing the house on such Lot. All other signs on any Lots or located anywhere in the development must be approved in writing by the Committee. Notwithstanding the foregoing, the Declarant and all builders shall be permitted additional signage which shall be reviewed and approved or denied by the Declarant and not the Committee.

- (o) Trees and Hedgerows. Trees may be removed for the construction of driveways and residences if located within thirty (30) feet of the house or garage foundation or swimming pool. Each lot will have a minimum of two (2) Red Tip Maples, ten (10) feet in height in front of the dwelling located outside of the right-of-way.
- (p) Garages & Outbuildings. Garages must be fully enclosed. Any detached garage must be approved by the Committee. No carports shall be allowed. As part of the plan submitted to the Committee for approval it will be determined whether garage doors may face the front elevation or whether side entrance will be required. All front loading garage doors will be required to be arched top in design. All outbuildings must be approved by the Committee. No metal outbuildings will be allowed.
- (q) Commercial Vehicles. No commercial or recreational vehicle, construction vehicle, boat, or like vehicle, or mobile, or stationary trailer of any kind shall be kept or permitted to remain on any Lot of the Properties, unless approved by the Committee and stored in an enclosure away from view, which definition "away from view" shall be in the sole discretion of the Committee.
- (r) Motorized Vehicles. All motorized vehicles (including motorcycles) must be properly muffled so as to eliminate unreasonable noise, which might be offensive to others. Minibike, all terrain vehicles and similar two, three or four wheeled vehicles are prohibited from being used or operated on or within the Properties, unless prior written consent of the Board is first secured.
- (s) Exteriors. No portion of any building erected on any property shall have exposed concrete blocks on the exterior. The materials for all sides of each building shall be hardboard siding, brick, stone or a combination of these finishes. Vinyl may be used for accent areas such as eaves, porch soffits or dormers. Temporary seasonal exterior decorations shall not require the prior approval of the Board of Directors (or Committee), but if any such decorations are determined, in the sole discretion of the Board of Directors (or Committee), to be distasteful or otherwise disruptive of the aesthetics or visual harmony of the community, such decorations shall be promptly and permanently removed upon the request of the Board of Directors or the Committee. Should an Owner fail or refuse to so remove the offensive decoration(s), the Association may effectuate such removal.

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To that end, there is hereby reserved to the Association the right to unobstructed access over and upon each Lot at all reasonable times for such purpose, and the cost for any such removal shall be added to become a part of the assessment to which such Lot is subject. In no event shall seasonal decorations be displayed upon a Lot more than four (4) weeks before and two (2) weeks after the holiday or event with which such decorations are associated.

- (t) Signs and Marketing. No activities will be engaged in by any Owner and no sign(s) shall be erected or displayed within the Properties that would negatively impact the sales and marketing of the Properties by Declarant, builders, and marketing companies.

ARTICLE VI

MAINTENANCE, ORDINARY REPAIRS AND ALTERATIONS

Section 1. By the Association. The Association shall maintain, repair and replace all parts of the Common Area and Facilities, if any, except as may be otherwise stated herein, including, without limitation, any sediment traps, detention ponds, water runoff and erosion control devices used for any septic system used in connection with the Properties. Specifically, but without limitation, the Association shall maintain the surface areas of those portions of the Common Elements on which Septic Easements are located. If required by an Appropriate Local Governmental Authority, the Association shall also be responsible for retaining a certified operator to perform inspections and reports for such Septic Easements on the Common Area. Each Owner of a Lot benefited by a Septic Easement (each a "Benefited Lot", and collectively, the "Benefited Lots") shall be responsible for maintaining, repairing and replacing, if necessary, the Septic Facilities (as defined later in this Declaration), and shall otherwise monitor, report and perform such other required acts, as required under any and all applicable federal, state and local ordinances, regulations, health codes and guidelines except as may be expressly provided otherwise herein. Each Owner of a Benefited Lot shall maintain at all times a policy of insurance covering damage caused by or arising from a stoppage, malfunction or failure of such Benefited Lot's Septic Facilities. In the event that a Benefited Lot Owner neglects or fails to maintain, repair or replace such Benefited Lot's Septic Facilities as required by this Declaration the Association may, but shall not be required to, undertake such repairs, maintenance or replacements on behalf of such Benefited Lot Owner. Except where the Association shall deem emergency remedial action necessary, the Association shall first give written notice to the Benefited Lot Owner of the need for maintenance, repair or replacements of such Benefited Lot's Septic Facilities and the Benefited Lot Owner shall have seven (7) days from the date of mailing of said notice within which to perform all maintenance, repair or replacements himself, herself or itself. The determination as to whether a Benefited Lot Owner has neglected or failed to maintain such Benefited Lot's Septic Facilities in a manner consistent with this Article shall be made by the Board of Directors of the Association, in its sole discretion. In order 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 inspect and perform maintenance with respect to all Septic Facilities. In the event the Association performs such maintenance, repair or replacement to a Benefited Lot's Septic Facilities, the cost of such maintenance, replacement or repairs shall be added to and become a part of the assessment to which such Benefited Lot is subject including a twenty percent (20%) administrative fee.

The Association shall have the right to hire a professional management company to undertake any of its responsibilities hereunder. Any such management agreement, however, shall be terminable by the Board of Directors, without liability, upon not more than ninety (90) days prior notice.

Section 2. By the Owner. In addition to the other obligations set forth in this Declaration, each Owner shall maintain, repair, and/or replace all improvements located on the Owner's Lot and those associated with the Owner's Lot and all pipes, wires, conduits and machinery associated with and servicing only the Owner's Lot, wherever located. Each Owner shall maintain, repair and replace the landscaping between his Lot and the pavement of any private drive or public street.

Each Owner shall be responsible for keeping his property in a neat, clean, sightly and proper manner. Such maintenance shall include routine mowing of the grass, trimming of shrubs and other landscaping items, and the removal of all trash and debris. Upon seven (7) days notice to any Owner, the Declarant or its agent and/or the Association shall have the right to enter upon any Lot or area to cut or remove any excess waste, grass, weeds, trees, construction material, etc., on any Lot or area deemed by public authority or the Declarant or the Association, to be unsightly. Should the Declarant or Association perform the work to comply with this restriction, then the cost of such work plus a service charge of twenty percent (20%) of such cost, shall be borne by the Lot owner and the cost shall be an assessment upon the Lot until paid as with any other assessments outlined herein.

Section 3. By the Owner and Association. All damages to the Common Area and facilities intentionally or negligently caused or resulting by an Owner, his or her family, tenants, guests, invitees, agents, servants, employees or contractors, shall be repaired properly by the Association at the expense of such Owner, except to the extent such damage or loss is covered by insurance proceeds received by the Association, if any. Any Owner found to be responsible, by the Board of Directors, in their discretion, for damage to Common Area that results in payment by the Association's insurance shall be responsible for any deductible amount. Any such amount that remains unpaid for thirty (30) days shall become an assessment upon that Owner's Lot.

Section 4. Restrictions on Owners. No Owner shall perform or cause to be performed any maintenance, repair or replacement work upon a Lot which disturbs the rights of other Owners. If any Owner shall cause any work so performed, which in the sole opinion of the Board of Directors violates the terms of this paragraph, it shall be immediately corrected and such Owner shall refrain from recommencing or continuing any such work without written consent of the Board of Directors. An Owner shall not repair, alter, replace, add to or move any of the Common Area and Facilities or landscaping at any location without the prior written consent of the Board of Directors.

Section 5. Duty to Report. Each Owner shall promptly report in writing to the Board or its agent any known defect or need for repairs to or replacement of any Common Area or Facilities for which the Association is responsible.

Section 6. Default of Owner. If an Owner defaults in any obligations under this Article and such default is not cured within seven (7) days from written demand by the Association or a longer period specified in the Notice, then the Association may, but is not obligated to, perform the necessary maintenance, repair, and/or replacement, alteration or addition and the costs thereof shall be assessed against the Owner and Lot of the Owner and the Association may, in addition to the actual cost, add an administrative fee to up to twenty percent (20%) of such costs as an additional cost and direct assessment to the Owner which is due on demand. Such assessment shall be the obligation of the Owner and a lien on the Lot and may be collectable as other assessments hereunder are.

Section 7. Erosion control. Lot Owners are responsible for the maintenance and implementation of erosion control with respect to the Owner's Lot. The Declarant retains the right to pass on the fine through to the Owner in the event the Declarant is fined for erosion control issues with respect to the Owner's Lot. The Declarant retains the right to enter onto the Owner's property to install or correct any erosion control violation and will pass that cost and expense, including reasonable attorney fees, through to the Owner.

Section 8. Sidewalks. The Declarant shall not be required to install sidewalks on the Properties within the Association. However, the Association may choose, but is not required to choose, to install sidewalks at a later date.

ARTICLE VII

EASEMENTS

Section 1. Utilities Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat, and the properties shall be further subject to such additional easements for installation and maintenance of utilities and drainage facilities as are reasonably necessary for the construction of dwelling units by Declarant and purchasers of undeveloped Lots from Declarant. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the utilities or which may change the direction of flow or drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels. Easements as required to correct drainage and utility installation are reserved by the Declarant over the Common Area and for a distance of ten (10) feet along and with all Lot lines until development is complete and functional. If corrections are necessary over a Lot that has been conveyed and improved, the party performing the correction shall repair and replace any damage to the landscaping and improvements in a reasonable manner.

Section 2. Easements Reserved to Declarant. Declarant reserves and retains nonexclusive easements for ingress, egress and regress and for the installation of all types of

utilities and drainage over the Common Area and Lots necessary and desirable in the development of the subdivision to completion and for access over all roads until the Property is totally developed with dwellings on each lot.

Section 3. Septic Easement Areas.

(a) Grant of Easement. A perpetual, non-exclusive easement to erect, construct, install, lay and use, and maintain and repair from time to time, septic sewer lines and a septic drainage field and related improvements, if any, is hereby created by the Declarant on certain 'Septic Easements' and 'Off-Site Septic Easements' and on certain 'Private Septic Line Access and Maintenance Easements' (as these terms are defined and/or described in this Section) in favor of the Owners of those certain Lots, all as designated on the plats subject to this Declaration and future plats of the Properties (the "Benefited Lots"). For example, a septic easement designated for use by a particular Benefitted Lot, is labeled with the number of the Benefitted Lot. Each Private Septic Line Access and Maintenance Easement shall also include the right to use any immediately adjacent area in order to provide access to a Private Septic Line Access and Maintenance Easement and to provide temporary usage during a period of construction, installation or repair to a septic sewer line. Each septic easement shall be an easement appurtenant to and shall run with the land. The Association may adopt reasonable rules and regulations governing the use of the septic easements and Private Septic Line Access and Maintenance Easements, including the prohibition of regular vehicular traffic across the septic easement areas. Each Owner of a Lot across which runs a Private Septic Line Access and Maintenance Easement (a 'Burdened Lot') shall not, on the Burdened Lot, (a) plant or maintain any tree or other planting, (b) construct or maintain any improvement, or (C) conduct or permit any activity to be conducted, which shall interfere with the use of a Private Septic Line Access and Maintenance Easement for its intended purpose.

(b) Use of Easement. The Owner or Owners of each Benefitted Lot covenant to (a) use the septic sewer lines and septic drainage field and other related improvements within the applicable septic easement area and Private Septic Line Access and Maintenance Easement in conformity with all applicable federal, state and local ordinances, regulations, health codes and guidelines, and (b) use, maintain and repair the septic tank, septic lines and other related improvements, if any, located on a Benefitted Lot, burdened lot, Common Area, Septic Facilities and Private Septic Line Access and Maintenance Easements in conformity with all applicable federal, state and local ordinances, regulations, health codes and guidelines. The Owner or Owners of each Benefitted Lot shall indemnify and hold the Association and the Owners of any affected Burdened Lots harmless against any damages, costs, claims and fines, including the Association's and such Owners' reasonable attorneys fees, resulting from a breach of a covenant under this subsection. The covenants under this subsection shall be real covenants which run with the land.

Section 4. Septic Easements. As indicated on recorded plats, Declarant reserves, in favor of the Owners of the Benefitted Lots, a perpetual, non-exclusive easement to erect, construct, install, maintain and repair from time to time, septic sewer lines, septic drainage fields and related improvements (the "Septic Facilities") on certain "Septic Easement" areas and "Private Septic Line and Maintenance Easements" as identified and located on such recorded plats

(collectively, the "Septic Easements"). Each Septic Easement shall also include the right of the Benefited Lot Owner to use any immediately adjacent area in order to provide access to the Septic Easement or to provide temporary septic sewer service during a period of construction installation or repair to the Septic Facilities. Each Benefited Lot's Septic Easement shall be an easement appurtenant and shall run with the land. The Association may adopt reasonable rules and regulations governing the use of the portions of the Properties on which the Septic Easements are located, including the prohibition of regular vehicular traffic across the Septic Easements (as long as such prohibition does not eliminate access to any Lot). No Owner shall (a) plant or maintain any tree or other planting, (b) construct or maintain any improvements (c) conduct or permit any activity to be conducted, which may interfere with the use and operation of any Septic Facilities. The Declarant, for each Benefited Lot, and the Owner of each Benefited Lot, by acceptance of a deed therefore, covenant to use, maintain, repair and replace the Septic Facilities serving such Benefited Lot in conformity with all applicable federal, state and local ordinances, regulations, health codes and guidelines. The Owner of each Benefited Lot shall indemnify and hold the Association and the other Lot Owners harmless against any damages, costs, claims and fines, including the Association's and such Owners' reasonable attorneys fees, resulting from a breach of such Benefited Lot Owner's duties or obligations arising under this Article.

Section 5. Maintenance of Septic Drainage Fields. Notwithstanding any provision herein, the Association shall maintain the surface area of the septic drainage fields. The maintenance shall be limited to routine mowing of the grass and other limited maintenance. The Owner shall be responsible for all maintenance, repair, and replacement of septic lines and Septic Facilities serving their Lot. Upon an Owner conducting such maintenance, repair, or replacement, the Owner shall return the area back to its condition prior to the work performed.

ARTICLE VIII

COVENANTS OF OWNER TO KEEP UNITS INSURED AGAINST LOSS, TO REBUILD AND TO KEEP IN GOOD REPAIR

The Declarant covenants with the Association, on behalf of itself and on behalf of each subsequent Owner of a Lot within the Properties, and each Owner of any Lot within the Properties, by acceptance of a deed therefore, whether or not it shall be so expressed in said deed, or by exercise of any act of ownership, is deemed to covenant:

- (1) To keep each dwelling unit upon a Lot insured against loss with what is commonly called extended coverage in an amount equal to One Hundred Percent (100%) of the replacement value of such dwelling unit;
- (2) Subject to the provisions and covenants contained in any mortgage or mortgages, deed or trust or deeds of trust creating a lien against any Lot, to apply the full amount of any insurance proceeds to the rebuilding or repair of any dwelling;
- (3) To rebuild or restore the dwelling in the event of damage thereto; and

- (4) To keep the dwelling and appurtenances, excluding common ground, in good repair as provided by the Bylaws of the Association, this Declaration and Rules and Regulations adopted from time to time by the Board of Directors.
- (5) To provide to the Association proof of adequate insurance pursuant to this Section upon ten (10) days written notice by the Association.

ARTICLE IX

GENERAL PROVISIONS

Section 1. Enforcement. The Association, through its Board of Directors, 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. Specifically, but without limitation, the Association shall have the authority, after notice and a hearing, to impose a fine of up to \$100 per day for any violation of this Declaration, the Bylaws, Articles of Incorporation, or Rules and Regulations of the Association.

Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Leases of Lots. Any lease agreement between an Owner and a lessee of such Owner's Lot shall provide that the terms of such lease agreement shall be subject in all respects to the provisions of this Declaration of Covenants, Conditions and Restrictions, the Articles of Incorporation and Bylaws of the Association and that any failure by the lessee to comply with these instruments shall constitute an event of default under the terms of the lease agreement.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 4. Amendment by Members. 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 at any time by an instrument signed by not less than those members entitled to cast sixty-six and two-thirds percent (66 2/3%) of the votes in the Association, provided, that no amendment shall alter any obligation to pay ad valorem taxes or assessments, as herein provided, or affect any lien for the payment thereof established herein. Any amendment is to be properly recorded in the Davie County Register of Deeds Office.

Section 5. Annexation. Additional contiguous residential property and Common Area owned by the Declarant may be annexed to the Properties. Other additional residential property and Common Area may be annexed at the sole discretion of the Declarant so long as Declarant is

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a Class B member of the Association as provided in Article III hereof, and with the consent of two-thirds (2/3) of the Class A Members thereafter.

Additional properties as annexed shall become a part of the Properties as defined herein and shall be subject to the provisions of this Declaration, the Bylaws and the Articles of Incorporation of the Association.

Section 6. Amendment. This Declaration may be amended unilaterally at any time and from time to time by Declarant (1) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict herewith; or (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; or (iii) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots subject to this Declaration; or (iv) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Owner's Lot unless any such Lot Owner shall consent thereto in writing. Further, during the Period of Declarant control or for the period of thirty (30) years from the date of incorporation of the Association, whichever is longer, the Declarant may unilaterally amend this Declaration for any other purpose so long as said amendment is not inconsistent with the common plan or scheme of development; provided, however, any such amendment shall not materially or adversely affect the substantive rights of any Lot Owner hereunder, nor shall it materially or adversely affect title to any Lot without the consent of the affected Lot Owner.

In addition to the above, this Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of at least seventy percent (70%) of the Owners during the first thirty (30) year period and of at least sixty percent (60%) of the Owners thereafter, and with the consent of the Declarant, so long as Declarant is a Class B member of the Association as provided in Article III.

Every purchaser or subsequent grantee of any interest in any property now or hereafter made subject to this Declaration by acceptance of a deed or other conveyance therefore, hereby

agrees that the covenants and restrictions of this Declaration may be amended as provided in this Article. Amendments as used in this Article IX shall not mean the addition of properties as provided in Article II.

Section 7. Membership Approval. At any place herein where it is required that a certain percentage of Members approve the adoption of an amendment, an approval or consent to any other matter, such percentage requirement may be obtained after any required meeting, provided the motion for approval was not defeated, by obtaining the signatures of Members sufficient to meet the required percentage.

ARTICLE X

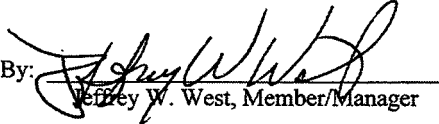
RIGHTS OF FIRST MORTGAGEES

Any first mortgagee of any Lot shall be entitled, upon written request to the Association, to written notification by the Association of any default by the Owner-mortgagor of such Lot in the performance of such Owner-mortgagor's obligations under this Declaration when such default is not cured within thirty (30) days from its occurrence.

IN TESTIMONY WHEREOF, AM & JW Holdings LLC, a North Carolina Limited Liability Company has caused this instrument to be signed on the date and year first above written.

AM & JW HOLDINGS, LLC, a

North Carolina Limited Liability Company

By: 
Jeffrey W. West, Member/Manager

STATE OF NORTH CAROLINA

COUNTY OF Forsyth

I, Carolyn D. Dalton, a Notary Public of the County and State aforesaid, hereby certify that Jeffrey W. West, Manager of AM & JW Holdings, LLC, a North Carolina limited liability company, and attested the due execution of the foregoing instrument as of this 21st day of April, 2010.

Carolyn D. Dalton
Notary Public

My Commission Expires: 11/2/2014

Notary Seal

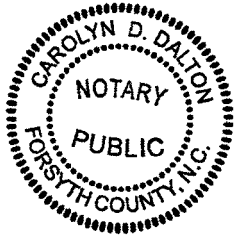


EXHIBIT A

(tract one)

Beginning at an existing iron rebar in the southeastern corner of the Raymond J. Markland lands (see deed book 71 page 146) a common corner with Mary Elizabeth Potter Heirs land (see deed book 57 page 158) and running the following three courses and distances from said rebar: 1). north 85 deg. 59' 24" west 113.28 feet to an existing iron pipe;; 2). North 85 deg 57' 59" west 113.36 feet to an existing iron pipe, 3). North 86 deg. 47' 00" west 226.73 feet and running from said iron pipe north 86 deg. 22' 51" west 1,204.54 feet along the southern line of Raymond J. Markland and Ruth S. Markland and the Northern line of Mary M. Waller and crossing a common corner being the north western corner of Mary M. Waller and the northeastern corner of Quincy Wayne Cornatzer and wife Faye H. Cornatzer Deed book 66 page 572, continuing along the northern line of the Cornatzer land across a point in the Northwestern corner of the Cornatzer land and the Northeastern corner of the Jerry Thomas Barnes and Melinda D. Barnes lands Deed book 166 page 4 to an iron rebar set in the northern right of way of Markland Road (state road 1618) said point being in the southern line of Ramond J. Markland and Ruth S. Markland lands deed book 78 page 638 and the Northern line of Jerry Thomas Barnes and Melinda D. Barnes; and running from said iron rebar north 86 deg. 22' 51" west 188.25 feet to a PK nail set in the center line of the said Markland Road (state road 1618) said nail being the northwestern corner of the said Jerry Thomas Barnes and Melinda D. Barnes property; and running from said point North 84 deg. 27' 19" west 240.28 feet to an existing railroad spike; running thence North 87 deg. 03' 47" west 446.42 feet to a point in the center line of Markland Road and being located 307.85 from a Railroad spike in the corner of Edith Bailey Slagle (deed book 65 page 376); running from said point North 07 deg. 13' 51" west: 1710.39 feet to an existing iron rod located in the Southwestern corner of Steven R. Sessions and Annie W. Sessions land (deed book 110 page 629 tract I); running thence south 88 deg. 13' 51" east 2088.30 feet to an existing iron rod; and running thence South 00 deg. 30' 54" west 549.88 feet to an existing iron pipe; running thence south 02 deg. 50' 37" east 348.87 feet to a Bent 1" spike; running thence south 88 deg. 00' 54" east 1997.45 feet to a iron rebar set; thence south 37deg. 31' 26" west 527.57 feet to a Bent Angle iron; running thence North 88 deg. 14' 29" west 1190.80 to an Angle iron; running thence south 03 deg. 54' 11" west 433.61 feet to the point and place of beginning. And containing 101.22 acres more less as shown on the survey by Charles E. Shoaf, RLS entitled boundary map for Summer Field Farm dated April 19, 2007 revised September 21, 2007 reference to which is made for a more particular description.

(tract two)

Beginning at an existing Railroad spike in the center line of Markland Road being located in the corner of Edith Bailey Slagle land (see deed book 65 page 276 second tract) said iron located south 03 deg. 27' 50" west 151.39 feet from an existing iron rebar in the North eastern corner of the said Slagle land and running from said spike north 03 deg. 27' 50" east 151.39 feet to the said existing iron rebar; running thence North 03 deg. 21' 37" east 1385.59 feet to an existing iron rebar said rebar being the southern corner of Lynn O. Owens land (see deed book 644 page 702); running thence North 00 deg. 41' 59" east 146.70 feet to the common corner of Steven R. Sessions and Annie w. Sessions (deed book 110 page 629) and Raymond J. Markland (see deed book 78 page 638); running thence south 07 deg. 13' 51" east 1710.39 feet to a point in the center line of Markland Road; running thence along the centerline of Markland road North 87 deg. 03' 47" west 307.85 feet to the point and place of beginning and containing 5.82 acres more or less as shown on the survey by Charles E. Shoaf, RLS entitled boundary map for Summer Field Farm dated April 19, 2007 revised September 21, 2007 reference to which is made for a more particular description.

(tract three)

BEGINNING at an iron rod set in the Southern line of the AM & JW Holdings LLC property as described in deed book 730 page 917 of the Davie County Registry, said iron being also the northeastern corner of the Jerry Thomas Barnes and Melinda D. Barnes property as described in deed book 166 page 4 known as the fourth Tract; running from said iron south 05 deg. 27' 09" west 118.75 feet to a PK nail set in the centerline of Markland Road (state road 1618); running thence along the centerline of Markland road the following two courses and distances: 1) along the arc of a curve to the left having a radius of 756.19 feet, a chord bearing and distance of North 67 deg. 22' 07" West 309.55 feet to a PK nail set in the centerline of said Markland Road; 2) along the arc of a curve to the left having a radius of 2071.96 feet, a chord bearing and distance of North 80 deg. 08' 31" west 69.93 feet to a PK nail set in the centerline of said Markland Road; running from said PK nail South 86 deg. 22' 51" East 382.91 feet to the point and place of beginning as shown on the survey entitled Northern Triangle of Jerry Baraes dated February 1, 2008 drawn by Charles E. Shoaf RLS License No. 3938 and containing .37 acres more or less reference to which is made for a more particular description.