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FORSYTH CO, NC FEE \$26.00

PRESENTED & RECORDED:

02-28-2022 11:18:15 AM

LYNNE JOHNSON

REGISTER OF DEEDS

BY: ANGELA M THOMPSON, DPT

BK: RE 3678

PG: 2344-2345

Original to: Brant Godfrey

DRAFTED BY: Brant H. Godfrey
RETURN TO: Hubbard Realty of Winston-Salem, Inc.
1598 Westbrook Plaza Drive, Suite 200
Winston-Salem, NC 27103

STATE OF NORTH CAROLINA)
COUNTY OF FORSTYH)

FIRST AMENDMENT TO
DECLARATION OF RESTRICTIVE
COVENANTS FOR
EVERIDGE SUBDIVISION PHASES 1 AND 2

WHEREAS, all lots in Everidge Subdivision Phase 1 recorded in Plat Book 74 Pages 59-60, and Phase 2 recorded in Plat Book 75 Page 47, are subject to those Restrictive Covenants recorded in Deed Book 3631 Page 3363 in the Office of the Register of Deeds of Forsyth County, North Carolina, and;

WHEREAS, Article 10, Section 2 provides the process to be undertaken to amend the Declaration of Restrictive Covenants, and;

WHEREAS, Article 10, Section 2 provides that the Declaration may be amended upon the affirmative vote or written consent of at least 70% of the Owners and with the consent of the Declarant, and;

WHEREAS, seventy (70%) of the Owners with the consent of the Declarant do hereby amend the said Restrictive Covenants as follows: Article 5, Section 5e. "Working Capital Assessment" is deleted in its entirety.

All other terms and conditions of the Declaration of Covenants Conditions and Restrictions for Everidge remain in full force and effect.

IN WITNESS WHEREOF, HUBBARD REALTY OF WINSTON-SALEM, INC.
and CLAYTON PROPERTIES GROUP, INC. have caused this instrument to be

executed in their corporate names by their duly authorized officers by authority of their Board of Directors on this 28 day of February 2022.

DECLARANT AND OWNER:
HUBBARD REALTY OF WINSTON-SALEM, INC.

By: Brant H. Godfrey
Brant H. Godfrey, Vice-President

OWNER:
CLAYTON PROPERTIES GROUP, INC.

By: Chris Inabinet
Chris Inabinet, Vice-President

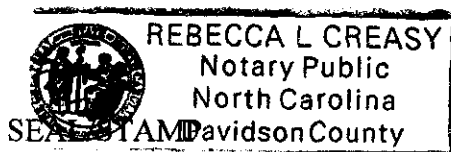
NORTH CAROLINA – FORSYTH COUNTY

I, Rebecca L. Creasy, a Notary Public of Davidson County, North Carolina, certify that Brant H. Godfrey personally came before me this day and acknowledged that he is President of HUBBARD REALTY OF WINSTON-SALEM, INC., a North Carolina Corporation, and that he, as Vice-President, being authorized to do so, executed the foregoing instrument on behalf of the corporation.

Witness my hand and official seal, this the 28th day of February 2022.

My Commission Expires 9/6/2022

Rebecca L. Creasy
Rebecca L. Creasy



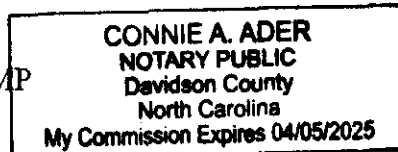
NORTH CAROLINA – FORSYTH COUNTY

I, Connie A. Ader, a Notary Public of Davidson County, North Carolina, certify that Chris Inabinet personally came before me this day and acknowledged that he is President of CLAYTON PROPERTIES GROUP, INC., a North Carolina Corporation, and that he, as Vice-President, being authorized to do so, executed the foregoing instrument on behalf of the corporation.

Witness my hand and official seal, this the 28th day of February 2022.

My Commission Expires 4/5/25
Connie A. Ader
Connie A. Ader
Notary Public Printed Name

SEAL/STAMP





2021042800 00201

FORSYTH CO, NC FEE \$54.00
PRESENTED & RECORDED

08-09-2021 02:37:44 PM

LYNNE JOHNSON
REGISTER OF DEEDS
BY: OLIVIA DOYLE, ASST

BK: RE 3631

PG: 3363-3384

STATE OF NORTH CAROLINA

COUNTY OF FORSYTH

Godfrey Box 90

**DECLARATION OF
COVENANTS CONDITIONS AND RESTRICTIONS
FOR EVERIDGE**

THIS DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS is made and published this 3rd day of June, 2021, by and between HUBBARD REALTY OF WINSTON-SALEM, INC. a North Carolina Corporation, having its principal place of business in Forsyth County, North Carolina (hereinafter called "Declarant"), and any and all persons, firms or corporations hereafter acquiring any of the within described property.

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property shown and described on a plat entitled "Everidge" in Plat Book 74 Page 59, Forsyth County Registry, and Declarant is desirous of submitting to the operation and effect of these Covenants Conditions and Restrictions, that property hereinafter referred to as "Everidge" or the "Property", and

WHEREAS, Declarant intends to develop the Property as a high quality, residential subdivision; and

WHEREAS, this Declaration establishes a planned community under the North Carolina Planned Community Act (N. C. Gen. Stat. Chap. 47F; as amended from time to time, the "Act"); and

WHEREAS, the Declarant formed a homeowners association to enforce and maintain the high quality of Everidge and to maintain certain amenities, which may include, but Declarant is not required to provide, decorative street lighting, and such other common areas and amenities that the Declarant or the homeowners association may provide for the general welfare and recreation of the Owners; and

WHEREAS, it is in the best interest of the Declarant, as well as to the benefit, interest and advantage of each and every current Owner or other Person hereafter acquiring any of the said Lots that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulating the use and occupancy of the same be established, fixed, set forth and declared to be covenants running with the land; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities and the desirability and attractiveness of the real property in the development, and to provide for the continued maintenance and operation of the common areas as may be provided herein;

NOW, THEREFORE, in consideration of the premises, the Declarant agrees with any and all persons, firms, corporations or other entities now owning or hereafter acquiring any of the Property, which is a part of Everidge, that the same shall be and is hereby subject to the following restrictions, covenants, conditions, easements, assessments and liens (all hereinafter collectively referred to as "Restrictions") relating to the use and occupancy thereof, said Restrictions to be construed as covenants running with the land which shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, and which shall inure to the benefit of each Owner thereof. Every person or other party hereafter acquiring any of the Property made subject to this Declaration, by acceptance of a deed or contract for deed or other conveyance of any interest in or to Property, whether or not it shall be so expressed in any such deed, contract for deed or other conveyance, and regardless of whether the same shall be signed by such person and whether or not such person shall otherwise consent in writing, shall take such property interest subject to this Declaration and to the terms and conditions hereof and shall be deemed to have consented to same.

ARTICLE I

Definitions

The following words when used in this Declaration or any supplemental declaration hereto (unless the context clearly prohibits such a meaning) shall have the following meaning:

Section 1. "Amenities" shall mean the facilities constructed, erected, installed or set aside on the Common Area for the use, benefit and enjoyment of the Members.

Section 2. "Association" shall mean and refer to the Everidge HOA, Inc., a nonprofit corporation organized and existing under the laws of the State of North Carolina, its successors and assigns.

Section 3. "Board of Directors" or "Board" shall mean those persons elected or appointed to act collectively as the directors of the Association.

Section 4. "By-laws" shall mean the By-laws of the Association as they now or hereafter exist.

Section 5. "Committee" shall mean and refer to the Architectural Committee as described in Article VI.

Section 6. "Common Area(s)" shall mean and refer to any and all real property subject to this Declaration which is defined and bounded by properly referenced and recorded plat(s) designated thereon as "Common Area(s)", "Open Space", "Common Open Space", or any area that is set aside for the general use of the Members. Common Area(s) shall include all real property and easement interests owned by the Association for the common use and enjoyment of all Members or designated classes of Members of the Association, which may include but is not limited to, entranceway, vehicular circle, decorative street lights, and entranceway signage. (It is understood that this list of possible amenities is only for descriptive purposes and the Declarant is not obligated to construct any of said amenities.)

Section 7. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions applicable to Everidge which shall be recorded in the Forsyth County Registry.

Section 8. "Declarant" shall mean and refer to Hubbard Realty of Winston-Salem, Inc., a North Carolina Corporation, its successors and assigns.

Section 9. "Declarant Control Period" shall mean the period of time from the recording of these Declarations until such time as the homeowners occupy 100% of the Lots of Everidge, Phase 1, Phase 2 or any subsequently annexed phases.

Section 10. "Lot" or "Lots" shall mean and refer to any plot of land within Everidge whether or not improvements are constructed thereon, which constitutes or will constitute, after the construction of improvements, a single dwelling site as shown on a plat or plats for Everidge, or amendments thereto, recorded in the Forsyth County Registry. The Common Area is not a Lot.

Section 11. "Member" shall mean and refer to any person or other entity who holds membership in the Association.

Section 12. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee interest in any Lot in the development, excluding however, those parties having such interest merely as a security interest for the performance of an obligation.

Section 13. "Person" shall mean and refer to a natural person, as well as a corporation, partnership, firm, association, trust or other legal entity. The use of the masculine pronoun shall include the neuter and feminine, and the use of the singular shall include the plural where the context so requires.

Section 14. "Residence", "dwelling", or "building" shall mean and refer to any building or portion of a building situated on any Lot which is designated and intended for use and occupancy as a residence by a single-family unit.

ARTICLE II

Properties Subject to This Declaration

The Property which is, and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration is located in Winston-Salem, Forsyth County, North Carolina, and is more particularly described as the Everidge subdivision as shown on the aforesaid plat.

ARTICLE III

Association Membership and Voting Rights

Section 1. Membership

The qualification of the members, the manner of their admission to membership and termination of such membership, and voting by members shall be as follows:

1. Membership in Everidge Homeowners Association shall be established by the acquisition of fee title to a lot, whether improved or unimproved, in Everidge on or after August 9, 2021, or in subsequent phases of Everidge, or by acquisition of a fee ownership interest herein, whether by conveyances, devise, judicial decree or otherwise, and the membership of any party shall be automatically terminated upon his or her being divested of all title to his or her entire fee ownership interest in any lot, except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more lots or who may own a fee ownership interest in two or more lots, so long as such party shall retain title to or a fee ownership interest in any lot.
2. The interest of a member in the funds and assets of the Corporation cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his lot. The funds and assets of the Corporation shall belong solely to the Corporation subject to the limitation that the same be expended, held or used for the benefit of the membership and for the purposes authorized herein, in the Declaration and in the By-Laws which may be hereafter adopted.
3. The Corporation shall have two classes of voting membership:
 - a. Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot.
 - b. Class B. The Class B member shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each one lot owned. The Class B membership shall cease upon sale of the last lot subjected to the Declaration being sold to Owners other than the Declarant or on or before twenty (20) years from the

date of the recording of this Declaration, whichever comes first subject to the Declarant's right to assign in whole or in part on a lot by lot basis the Declarant's right, or when Declarant notifies the Association in writing that it relinquishes its Class B membership, whichever is earliest.

4. During any period in which a Member shall be in default in the payment of any annual, special or other periodic assessment levied by the Association, the voting rights and right to the use of the Common Areas or any other facilities which the Association may provide may be suspended by the Board of Directors until such assessment is paid. In the event of violation by a Member of any rules or regulations established by the Board of Directors, such Member's voting and use rights may be suspended by the Board of Directors after a hearing at which the general requirements of due process shall be observed. Such hearing shall only be held by the Board of Directors (or a committee thereof) after giving the Member ten (10) days prior written notice specifying each alleged violation and setting the time, place and date of the hearing. Determination of violation shall be made by a majority vote of the Board of Directors or a committee thereof.

No membership fee shall be charged, nor shall Members be required to pay at any time any amount to carry on the business of the Association except to pay when due the charges, assessments and special assessments levied upon each Member's Lot as specified in the Declaration or as the Members of the Association may from time to time hereafter adopt.

5. For so long as Declarant owns a lot in Everidge "the Declarant Control Period", or until Declarant notifies the Board of Directors of its desire to have the association elect the Board of Directors, the Declarant shall have the right to appoint all members of the Board of Directors.

ARTICLE IV

Common Area Property Rights

Section 1. Use of Common Area. Every Owner (by virtue of membership in the Association) shall have a nonexclusive right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title for every Lot, subject to the provisions of this Declaration, the Charter and the By-laws of the Association, and the encumbrances referred to in Section 3 hereof, and the following:

- a. The right of the Association to limit the use of the Common Areas to Owners, their families and guests.
- b. The right of the Association to suspend the voting and enjoyment rights of an Owner for any period during which any dues, charges, assessments (regular or special) against the Owner's Lot remain unpaid, or for any infraction of the Association's published rules and regulations.

- c. The right of the Association to mortgage, to dedicate or to transfer all or any part of the Common Areas to any public agency, authority, utility or other entity for such purposes and subject to such conditions as may be agreed to by the Members of this Association as applicable in accordance with the terms and provisions of this Declaration. No such mortgage, dedication or transfer shall be effective unless approved by Members entitled to cast two-thirds (2/3) of the votes agree to such dedication or transfer and signify their agreement by a signed and recorded, written document, provided that this paragraph shall not preclude the Association or Declarant from granting easements to public authorities or others for the installation and maintenance of electrical, television, cablevision, water and sewage utilities and drainage facilities upon, over, under and across the Common Area without the assent of the Membership when, in the sole opinion of the Board of Declarant, such easements do not interfere with the use and enjoyment of the Property or are necessary for the convenient use and enjoyment of the Property.
- d. The right of the Association to formulate, publish and enforce rules and regulations as provided in Article VI, and to formulate, publish and enforce rules and regulations governing the use and activities permitted on or around any areas designated as Common Area.
- e. The right of the Association or its representative to enter any Lot in the case of any emergency threatening such Lot or any other Lot for the purpose of remedying or abating the cause of such emergency. Such right of entry shall be immediate.

Section 2. Delegation of Use. The right and easement of enjoyment granted to every Owner in Section 1 of this Article may be exercised by members of the Owner's family, and an Owner may delegate his rights of enjoyment in the Common Areas to his or her tenants or contract purchasers who occupy the dwelling of the Owner within the Property.

Section 3. Title to the Common Area. The Declarant hereby covenants that it will convey fee simple title to the Common Area shown on the aforementioned recorded plat to the Association, free and clear of all encumbrances and liens, except utility, and drainage easements and easements to governmental authorities.

ARTICLE V

Covenants for Maintenance Assessments

Section 1. Annual Assessment for Maintenance Fund. For each Lot owned within Everidge, the Owner covenants and agrees, and each subsequent Owner of any such Lot covenants and agrees, that by acceptance of a deed therefore, whether or not it is so expressed in such deed, the Owner will pay to the Association the assessments and charges provided for in this Declaration, as follows:

- a. Annual Assessments or charges in the amount hereinafter set forth.
- b. Special assessments as approved by the Association to be established and collected as hereinafter provided. The annual assessment provided for herein for the Association shall be payable in advance on an annual basis by every Owner of each Lot, unless the Association decides by a majority vote to have the assessment payable monthly. The annual assessment shall be due on January 1 of each year except for the first year of ownership by an Owner. At the closing of the purchase of a Lot by an Owner (or Owner's Builder), the assessment shall begin to accrue and the Owner shall pay to the Association the Owner's pro rata share of the annual assessment for the remainder of the year.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used to provide funds for such purposes and common expenses as are for the benefit of the Owners of the Lots within the areas overseen and administered by the Association, which purposes may include maintenance, replacement, repair, insurance, mail kiosk, walls, fencing, Common Areas, entrance features and landscaping, including perimeter landscaped berms, which shall specifically include the payment of electric bills for decorative street lighting whether or not such lighting is installed in the Common Area or along or in the public or private streets. Funds may also be used to provide other services to promote the health, safety and welfare of the residents of the community and in particular for the acquisition, improvement and maintenance of the properties, services and facilities related to the use and enjoyment of the Common Areas, including but not limited to the cost of repair, replacement and additions thereto; the cost of labor, equipment, materials, repairs, water; the payment of taxes assessed against all Common Areas; the procurement and maintenance of insurance; the employment of attorneys, accountants and other professionals to represent the Association when necessary or useful; the employment of security personnel to provide any service which is not readily available from any governmental authority; and such other needs as may arise. Any additional uses and purposes for assessments may be adopted by an amendment to this Declaration, as provided in Article X herein.

Section 3. Creation of the Lien and Personal Obligation of Assessment. In accordance with the terms and provisions hereof, and in order to secure payment at and after the due date, as each assessment becomes due, there shall arise a continuing lien and charge against each Lot, the amount of which shall include costs and reasonable attorneys' fees to the extent permissible by law. Each such assessment, together with such interest, cost and reasonable attorneys' fees shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due.

Section 4. Exempt Property. The assessments, charges and liens created under this Article V shall not apply to the Common Areas, nor shall they apply to any Lot the title to which is vested either in any first mortgagee subsequent to foreclosure; provided, however, that upon the resale of such Lot by such first mortgagee, the assessment herein provided shall again commence and accrue and shall be fully applicable to such Lot upon the conveyance to any subsequent Owner. Any Lot which Declarant may hereafter designate for common use, either temporarily or permanently, as part of the Common Areas or otherwise, shall be exempt from the assessments and charges created herein. In addition, other than land and improvements devoted to dwelling

use, all property dedicated to and accepted by a local public authority shall be exempt from the assessments, charges and liens created hereby.

Section 5. Annual Maintenance Assessments and Maximums.

- a. The annual maintenance assessment imposed by the Association shall be set each year by the Association as set forth herein.
- b. In establishing the annual assessment for any year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts, and reserves for future needs.
- c. Notwithstanding anything in this Article V to the contrary, Declarant shall not be required to pay any dues or assessments.
- d. Declarant shall pay to the Association any amounts (hereinafter "Subsidy Amounts") which, in addition to the annual assessments levied by the Association against other Owners, may be required by the Association in order for the Association to fully perform its duties and obligations. Notwithstanding the foregoing, Declarant shall not be obligated to pay any Subsidy Amounts during any calendar year in excess of the total amount that Declarant would have paid during such calendar year if Declarant were paying full assessments. Any estimated payment by the Declarant to fund Subsidy Amounts under this section in excess of Declarant's actual obligation for Subsidy Amounts under this section shall, at Declarant's option, be credited toward payment of Declarant's future Subsidy Amounts, or refunded to Declarant at the end of the calendar year or treated as a loan by Declarant (in Declarant's discretion) and later repaid by the Association to Declarant.
- e. Working Capital Assessment. In addition to the annual and special assessments authorized above, at the time of the closing of the first sale of each Lot improved with a dwelling for which a certificate of occupancy has been issued the purchaser(s) thereof shall pay to the Association the sum of One Hundred Dollars (\$100.00). Such funds shall be used by the Association to establish a separate fund, the purpose of which is to ensure that the Association will have monies available to meet unexpected operational needs as opposed to routine expenses. Payments made to the Working Capital Fund shall not be considered payment of advance or current regular assessments. These funds are to be used in accordance with the direction of the Board of Directors.

Section 6. Special Assessments.

In addition to the annual assessment imposed by the Association set forth above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any capital improvement, for repairs or replacement of any capital improvement, for repairs or replacement of any improvement on the

Common Area. Provided that any such assessment shall have the consent of two-thirds (2/3's) of the votes of all Owners of Lots not owned by the Declarant, at a meeting duly called for this purpose, written notice of which shall be sent to all Members in accordance with the provisions of the By-Laws for special meetings of the Association. Any special assessment passed by the Members shall not apply to the Declarant.

Section 7. Date of Commencement of Annual Assessment Due Dates; Certificate of Payment.

- a. The annual assessments provided for herein for the Association shall be payable on January 1 of each year. The assessment shall begin to accrue as to a Lot at the time of closing and conveyances of a Lot to an Owner other than the Declarant. At least thirty (30) days before January 1 of each year, the Board of Directors shall establish the amount of the annual assessment imposed by the Association against each Lot and in the event the Board of Directors elects not to fix such assessment rate as herein provided, the amount of the prior year's annual assessment shall be the fixed amount. Written notice of any changed assessment rate shall be sent to every Owner by the Association.
- b. 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 (whether annual or special or imposed by the Association) on a specified Lot have been paid to date.

Section 8. Effect of Nonpayment of Assessment; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum legal rate and to the extent allowed by law. The Association or its agents or representatives, may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot to which the assessment relates, and interest, costs and reasonable attorneys' fees for such action or foreclosure shall be added to the amount of such assessment to the extent allowed by law. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of any of the Common Areas or abandonment of his or her Lot.

Section 9. Subordination of the Lien to Ad Valorem Taxes and Mortgages. The liens provided for herein on any Lot shall be subordinated to the lien of ad valorem taxes and subordinated to the lien of any first or second lien deed of trust (sometimes hereinafter called "mortgage" and the holder thereof being sometimes hereinafter referred to as a "mortgagee"). Sale or transfer of any Lot shall not affect any assessment lien; provided however, the sale or transfer of any Lot which is subject to any mortgage pursuant to a foreclosure thereof or under a power of sale or any proceeding in lieu of foreclosure thereof shall extinguish the lien of such assessment, fees, fines, or other charges, as to payments which became due prior to such sale or transfer, but the Association shall have a lien upon the proceeds from the foreclosure sale, junior only to the said foreclosed mortgage. No foreclosure sale or transfer in lieu of foreclosure shall relieve such Lot from liability for any assessment, fees, fines, or other charges thereafter becoming due or from the lien thereof, except as provided in Section 4 of this Article V.

Section 10. Collection of Assessments. The Association shall promptly collect all assessments due from Owners pursuant to the terms and provisions hereof.

ARTICLE VI

Architectural Control, Inspection and Use Restrictions

Declarant shall have the responsibility of enforcing the restrictions set forth in this Article prior to the formation of the Committee which, upon election by the Members, shall assume and be responsible for enforcement of these restrictions. References in this Article to "Committee" shall mean "Declarant" until the Committee is elected and references to "Declarant" shall mean "Committee" once it is appointed. The following architectural restrictions shall apply to each and every Lot now or hereafter subject to this Declaration.

Section 1. Approval of Plans and Architectural Committee.

- a. No site preparation or initial construction, erection, or installation of any improvements, including, but not limited to, dwellings, outbuildings, landscaping, fences, walls, signs, antennas, mailboxes, post lamps, and other structures, shall be undertaken upon the Lots unless the plans and specifications therefore, showing the nature, kind, shape, height, materials, color and location of the proposed improvements on the Lot, including but not limited to, the house, decks, garage, driveway, parking areas, plants, shrubs, trees (including trees to be removed), and any other permanent structures or changes to be made to the Lot, shall have been submitted to the Committee and expressly approved by the Committee in writing. No subsequent alteration or modification which will result in an exterior, structural change to the dwelling, outbuilding or significant changes to the landscaping may be undertaken on any of the Lots without the prior review and express written approval of the Committee.
- b. In the event that the Committee fails to approve or disapprove the site or design of any proposed improvements within sixty (60) days after plans and specifications therefore have been submitted and received, approval will not be required, and the requirements of this Article will be deemed to have been fully met; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Committee if they contain erroneous data or fail to present adequate information upon which the Committee can arrive at a decision.
- c. For purposes of Section 1, subparagraph (b) above, and for so long as the Declarant constitutes the Committee, the plans and specifications will not be deemed to have been "received" unless the Declarant acknowledges in writing such receipt or, in the alternative, the plans and specifications are sent by

certified or registered mail to the Declarant, and a return receipt is received acknowledging the receipt thereof.

- d. The Committee shall have the right, at its election, to enter upon the Lots during site preparation or construction, erection or installation of improvements to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plans and specifications and in a good and workmanlike manner, utilizing standard industry methods and good quality materials.
- e. The approval of any such plans, specifications or other items submitted to the Committee pursuant to this Article VI shall not impose any liability or responsibility on the Committee or the Association with respect to either the compliance or non-compliance of any such plans, specifications or other items (including any improvements or structures erected in accordance therewith) with applicable zoning ordinances, building codes or other governmental or quasi-governmental laws, ordinances, rule and regulations from defects in or arising from such plans, specifications or other items (including, without limitation, defects relating to engineering matters, structural and design matters and the quality or suitability of materials).
- f. For so long as Declarant owns a Lot in Everidge, or until such time as the Declarant notifies the Board of Directors in writing of its desire to have the Association elect the members of the Committee, the Declarant shall serve as the Committee, and shall exercise the authority to approve plans and other matters set forth in this Article. After Declarant divests itself of all Lots within the Property, or so notifies the Association, the Committee shall be elected by a majority of the votes of the Members, cast in person or by proxy, at a meeting duly called for this purpose.

Section 2. Rules and Regulations. The Board of Directors shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Areas. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors shall be recorded in a Book of resolutions, which shall be maintained in a place convenient to the Owners and available to them for inspection during normal business hours.

Section 3. Restrictions 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 Lot other than one single-family dwelling, including garage and any other appurtenances customary to a single family dwelling which shall comply with applicable zoning regulations and ARC approval. No Lot shall be used for access to any adjoining Lot or other Property except as approved by the Declarant. When construction of any building, structure, improvements, or addition has once

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, provided slab construction is allowed with exposure of the concrete. Above ground fuel tanks or similar storage units may not be used.

- b. Division of Lots. No Lot shall be further divided, without the prior consent of the ARC. The boundary lines of any Lot as shown on any recorded plat of the Properties, shall not be changed, without written consent of the Declarant.
- c. Building Set Back Lines. All structures shall be set back and be placed in accordance with the applicable zoning and building codes as the same may be adjusted, modified, or amended.
- d. 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 mobile offices, shelters or huts used by contractors during the construction of a dwelling 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 the prior written approval of the Architectural Control Committee.
- e. Other Prohibitions or Requirements.
 - (i) Any dwellings shall comply with all applicable building, plumbing, electrical and other codes.
 - (ii) No vent or other piper or appendages may extend from the front of any dwelling 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 ARC.
 - (iv) Downspouts and gutters must be placed and constructed so as not to promote the erosion of the soil of any Lot.
 - (v) Parking on private drives and any common land shall be subject to rules and regulations adopted from time to time by the Board of Directors of the Association. Routine parking on the public streets should be avoided and the Board of Directors is granted the right to regulate Member parking on the public streets in the development.
 - (vi) Mail delivery will be to a mail kiosk. If in the future mail delivery should be otherwise made then the Board shall have authority to establish the type of receptacle, the costs thereof and who shall pay for such.
 - (vii) No outbuildings shall be allowed on any Lot without prior written approval of the Architectural Control Committee.

- (viii) No above ground pools (children's wading pools may be temporarily used to the rear of the dwelling) shall be located on any Lot in the subdivision.
 - (ix) No above ground fuel tanks will be permitted on any Lot.
 - (x) All utility lines of every type including but not limited to water, electricity, telephone, sewage, internet, television running from the main trunk line of service location to any dwelling or other structure on the Lot must be underground unless variances are made by the ARC.
 - (xi) Approved outdoor recreational areas must be screened from public view by a screening material approved by the Architectural Committee. Moreover, any lighting used to illuminate such facilities must be so shielded as to cast no direct light upon adjacent Lots to the extent that it is obtrusive or offensive and such lighting plan must be approved by the ARC.
- f. Screening. Erection of clothes lines, the maintenance of any exterior garbage cans, the storage of boats, campers, and trailers in view of the street or common properties or recreational areas shall not be permitted. Each Owner shall provide receptacle for garbage, and all garbage receptacles, tools and equipment for use on the Lot of any Owner or otherwise shall be placed in a place in accordance with reasonable standards established by the ARC to shield same from general visibility from roads abutting the Lots.
- g. Antennas. In the event cable television service is available to the Properties, no television antennas, radio receiver or sender, or other similar device shall be attached to or installed on the exterior portion of or detached from any dwelling. Satellite dishes, not to exceed 25" in diameter, are allowed, subject to approval of the location by the Architectural Control Committee. No large short wave radio or other types of antennas shall be permitted.
- h. Unsightly Conditions. It is the responsibility of each Owner to prevent any unclean unsightly or unkept conditions on the grounds of a Lot of any Owner which shall tend to substantially decrease the beauty of the Properties specifically and/or as a whole.
- i. 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.
- j. General and 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, tenants, or guests thereof, may be maintained. No

animals, livestock or poultry of any kind shall be raised bred or kept on any Lot or permitted to become a nuisance to the neighborhood. Dogs, cats and other household pets shall be confined and maintained as in accordance with rules and regulations from time to time adopted by the Board of Directors.

- k. Driveways and Fences. Any driveway located on a Lot must be paved with concrete or asphalt or other material approved by the Architectural Control Committee, at a width of at least ten (10) feet. Without the prior consent of the Architectural Control Committee, no fencing may be located closer to any street than the rear wall of the dwelling to any such street. No chain link, woven wire or barbed wire fencing shall be allowed on any lot. Wood and other fencing materials not exceeding six (6) feet in heights may be allowed on a Lot subject to the approval of the Architectural Control Committee.
- l. 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.
- m. Signage. No sign of any kind shall be displayed to the public view on any Lot except one (1) sign with dimensions of not more than two (2) feet by three (3) feet advertising the Lot for sale. All other signs on any Lots must be approved in writing by the ARC. If any state or federal law provides for certain signs to be allowed, such as political signs, then such law will prevail.
- n. Trees and Hedgerows. Trees may be removed for the construction of driveways and residence if located within thirty (3) feet of the house or garage foundation or swimming pool.
- o. Garages and Carports. Garages must be attached to or built within a dwelling and must be fully enclosed. No carports shall be allowed.
- p. Vehicles. No commercial vehicle, motor home, mobile, or stationary trailer of any kind shall be kept or permitted to remain on any Lot, unless approved by the Architectural Control Committee and stored in an enclosure away from view, which "away from view" shall be in the sole discretion of the Architectural Control Committee. A request for approval may be applied for prior to purchase of a Lot. Specific description, photographs, if available, and uses of the vehicle must be presented with the request.
- q. Motorized Vehicles. All motorized vehicles (including motorcycles) must be properly muffled so as to eliminate noise which might be offensive to others. Minibikes and all-terrain vehicles are prohibited from being used or operated on or within the Properties unless prior written approval of the Boars if first secured.

- r. Streets. All streets in this development have been constructed as public streets, meeting the standards of the North Carolina Department of Transportation or governing municipality (hereinafter "NCDOT") for subdivision streets. The developer has dedicated a right of way, as shown on the recorded map referred to above, having a width of at least fifty (50) feet. As of the date of the recording of this map, the streets have been inspected by the District Engineer of the NCDOT and certified as having been planned and constructed according to NCDOT standards, including those relating to grading, roadbed, paving and drainage.

The streets may be accepted by NCDOT for addition to the State Highway System as state maintained roads upon petition presented by affected lot owners when a sufficient percentage of the lots are individually owned and there are a sufficient number of occupied dwellings for each applicable segment of street. Reference is made to the regulations of the NCDOT for a more complete discussion of procedures regulating the admission of streets to the applicable system.

Following such a petition, the street will be re-inspected by the NCDOT to ensure that they continue to meet all applicable standards, including condition of rights-of-way and drainage ditches and swells.

Nothing, including but not limited to, walls, fences, gates, timbers, trees or plants, shall be erected, placed or permitted to remain in a portion of the street right-of-way or related sight or drainage easements as shown on the recorded map of this development. No drainage ditch or swells shall be filled, tiled or altered in any way except in accordance with the standards of the NCDOT.

Each lot owner within the development shall at their own expense maintain the portion of the dedicated public right of way that is located between paved streets and the lot they own, including but not limited to, seeding, mowing, trimming, and installing, replacing, removing and/or repairing structures within said portion of the dedicated right of way so that the streets within the development can be accepted for maintenance by NCDOT. The Developer shall maintain the paved streets within the development until such time that there is sufficient number of residents within the development for the roads to qualify to be taken over by NCDOT for maintenance. Thereafter, until the roads are accepted by NCDOT for maintenance, each owner of a residence within the development shall pay a prorated share (total cost of repairs divided by the total number of residences within the development) of the costs to maintain and repair the paved street, or any portion thereof, within the dedicated right of way of the development as required by NCDOT for the roads to be accepted for maintenance.

If in the opinion of the Board any Owner shall fail to discharge his or its repair, replacement or upkeep responsibilities as required by North Carolina

Department of Transportation, the Association, at the discretion of the Board of Directors, and following thirty (30) days written notice to correct or a reasonable time if correction requires longer to correct, to the Owner, may enter upon the Lot and make or cause to be made maintenance work, repairs or replacements as may be required by NCDOT or municipality. The Association or its agents shall have a license and easement granted automatically by any Owner of a Dwelling for the purpose of accomplishing the foregoing. The costs incurred by the Association in rendering such services plus a service charge of up to fifteen percent (15%) of such costs shall be added to and become a part of the assessments to which such Lot is subject, which shall be immediately due and payable and may be enforced as other assessments as provided in Article V entitled "Covenants for Maintenance Assessments". This is a right of the Association and not an obligation. The Association in the discretion of the Board may pursue other action of enforcement. The owner will have notice and the opportunity of a hearing prior to the Association performing such correction which opportunity of hearing may occur during the notice period.

Section 4. Hobbies and Activities. The pursuit of hobbies or other inherently dangerous or unsightly activities including, but without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly or unkempt conditions, and the shooting of firearms, fireworks or pyrotechnic devices of any type or size is prohibited. Any such activities shall not be pursued or undertaken on any part of any Lot or the Common Areas without the consent of the Board of Directors.

Section 5. Nuisances and Unsightly Materials. Each Owner shall refrain from any act or use of his Lot which could reasonably cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. No noxious, offensive or illegal activity shall be carried on upon any Lot. No Lot shall be used in whole or in part for storage of rubbish of any character whatsoever; nor shall any substance, thing or material be kept upon any Lot which will emit foul or noxious odors, or that will cause any noise that will or might disturb the peace and quiet of the occupants of surrounding property. Each Owner shall maintain the improvements on the Lot in a neat and orderly manner. In the event any Owner of any Lot fails or refuses to maintain the improvements on the Lot in a neat and orderly manner or to keep the Lot from accumulating any of the foregoing unsightly items, weeds or underbrush, the Association may, at its option, ten (10) days after posting a notice thereon or mailing a notice to said Owner at his property address requesting Owner to comply with the requirements of this Section, enter and remove all such unsightly items and growth at said Owner's expense plus up to fifteen percent (15%), and Owner shall be personally liable to the Association for the costs of removal, and the costs, until paid, and said costs shall be a permanent charge and lien upon such Lot enforceable to the same extent and collectible as provided for in Article V, entitled "Covenants for Maintenance Assessments". By acquiring property subject to these restrictions, each and every Owner agrees to pay such costs promptly upon demand by the Association, its agent, assigns, or representatives. No such entry as provided in this Section shall be deemed a trespass. The provisions of this Section shall not apply to Lots upon which residences are under construction.

Section 6. Governmental Regulations. Each Owner shall observe all governmental building codes, health regulations, zoning restriction and other regulations applicable to his Lot. In the event of any conflict between any provision of any such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provision shall apply.

Section 7. Cluster Mailboxes. Declarant may be required to install one (1) or more cluster mailboxes on the Property and may assign a single box in each cluster for each Lot. If cluster mailboxes are installed and assigned to a Lot then the Owner of said Lot may not install any additional mailbox on its Lot. The Association shall be responsible for the maintenance, repair and replacement (if necessary) of all cluster mailboxes, with any and all costs associated with the same being a Common Expense. Declarant may install, maintain, repair and/or replace cluster mailboxes on any portion of the Common Area or in any easement area shown on any record Plat (including any easement on a Lot if applicable). Notwithstanding the foregoing, if at the time of any conveyance, cluster mailboxes are located on any portion of any Lot, the Association shall have an easement over said Lot as reasonably necessary for maintenance, repair and replacement of the same, regardless of whether or not said easement is shown on a record Plat. Except that the Association shall maintain, repair and replace any cluster mailboxes so as to keep the same in good working order (with each Owner having the duty to report any problems with its mailbox to the Board), neither the Association, the Board, nor Declarant shall have any liability relative to condition, operation or access of/to the cluster mailboxes (or any events/actions/occurrences arising from the same or lack of the same) AND BY ACCEPTANCE OF THE DEED FOR ANY LOT, EACH OWNER THEREBY WAIVES ANY OR ALL CLAIMS, ACTIONS AND/OR DAMAGES REGARDING OR ARISING OUT OF THE SAME, AGAINST THE BOARD, THE ASSOCIATION OR THE DECLARANT.

ARTICLE VII

Easements

Section 1. Walks, Drives, Parking Areas and Utilities. All of the properties, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television antenna lines, and other public utilities as shall be established prior to subjecting the properties to this Declaration by the Declarant or its predecessors in title. The Association shall have the power and authority to grant and to establish in, over, upon, and across the Common Areas conveyed to it such further easements as are requisite for the convenient use and enjoyment of the properties.

Section 2. Utilities and Drainage. All utility lines of every type, including but not limited to water, electricity, natural gas, telephone, sewage and television cables, running from the main trunk line or service locations must be underground. The Developer reserves until itself, its successors and assigns, a perpetual, alienable and releasable easement and right on, across, over and under the ground to erect, maintain, replace and use water, sewer, electric and telephone systems, wires, cable, and conduits for the purpose of brining public services, including television

cable service, to the Lots and Common Areas, said easement to be as shown on any recorded plats of the Property; provided further, that the Declarant or Association may cut, at its own expense, drainways for surface water wherever and whenever such action is reasonable required in order to maintain reasonable standards of health, safety and appearance. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, take or add any soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation or to maintain reasonable standards of health, safety and appearance.

Section 3. Emergency. There is hereby reserved without further assent or permit, a general easement over Common Area to all policemen and security guards employed by Declarant or the Association, firemen, ambulance personnel and all similar law enforcement and emergency personnel to enter upon the Property, or any property or portion thereof which is now or hereafter made subject to this Declaration, in the performance of their respective duties.

ARTICLE VIII

Insurance

Section 1. Fidelity Insurance Coverage. As a part of the common administration expense of the Association, the Association may provide for fidelity coverage against dishonest acts on the part of the officers, directors, management, contractors, employees or volunteers responsible for handling funds belonging to or administered by the Association at the discretion of the Board of Directors. The fidelity bond or insurance must name the Association as the named insured and shall be written in an amount set by the Association. In connection with such coverage, an appropriate endorsement to the policy to cover any person or persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. If requested by an Owner or mortgagee, such policies shall additionally provide that the policies cannot be canceled by either the insured or the insurance company until after ten (10) days prior written notice to all who have requested such notice.

Section 2. Other Insurance. The Board of Directors may purchase and maintain in force as a common expense, liability insurance, debris removal insurance, plate glass or other glass insurance, fidelity bonds and other insurance or bonds that it deems necessary. The Board of Directors shall purchase and maintain workmen's compensation insurance to the extent that the same shall be required by law respecting employees of the Association.

ARTICLE IX

Rights of Institutional Lenders

Section 1. Amendments. The prior written approval of each institutional holder of a first deed of trust on Lots will be required for any material amendment to the Declaration or to the By-laws of the Association which affects the rights of such holders.

Section 2. Professional Management. As a part of the common administration expense of the Association, the Declarant reserves the right to select professional management of

the Association for the period during which Declarant maintains voting control of the Association. Declarant is not required to engage professional management but may if Declarant so desires. Following the transfer of voting control to the Owners pursuant to Article III, the Owners may vote either to engage professional management for the Association or to self-manage the Association.

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

- a. inspect the books and records of the Association during normal business hours; and
- b. receive an annual financial statement of the Association within ninety (90) days following the end of any fiscal year; and
- c. written notice of all meetings of the Association and shall be permitted to designate a representative to attend all such meetings; and
- d. written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
- e. written notice of any proposed action that requires the consent of a specified percentage of mortgage holders; and
- f. written notice of any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Lot on which it holds the mortgage.

Section 4. Condemnation or Default.

- a. If any Lot or portion thereof or the Common Area or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the institutional holder of any mortgage on a Lot will be entitled to timely written notice of any such proceeding or proposed acquisition.
- b. The holder of a mortgage on any Lot shall be given prompt written notice of any default in the mortgagor's obligations hereunder which are not cured within thirty (30) days of said default, provided that the holder shall have given written notice to the Association that it is a holder as to the Lot of such mortgagor and shall have requested the notice of default as herein set forth.

ARTICLE X

General Provisions

Section 1. Duration. The foregoing restrictions shall be construed to be covenants running with the land and shall be binding and effective for thirty (30) years from the date of

recording, at which time they shall be automatically extended for successive periods of ten (10) years each unless it is agreed by the vote of a majority in interest of the then Owners of the above-described Property to change, amend or revoke the restrictions in whole or in part. Every purchaser, owner 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, thereby agrees that the covenants and restrictions of this Declaration may be extended as provided in this Article.

Section 2. Amendment. This Declaration may be amended unilaterally at any time and from time to time by Declarant (i) 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 therewith; 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 of 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 the 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. 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 Member of the Association.

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.

Section 3. Procedure for Certification and Recordation of Amendment. Any instrument amending these covenants, conditions, and restrictions (other than a permitted unilateral amendment by the Declarant, or an amendment by the Board of Directors to correct an error or inconsistency in drafting, typing or reproduction) shall be delivered, following approval by the Owners, to the Board of Directors. Thereupon, the Board of Directors shall, within thirty (30) days after delivery, do the following:

- a. Reasonably assure itself that the amendment has been approved by the Owners of the required number of Lots as provided in Section 2 of this Article. (For this purpose, the Board may rely on its roster of Members and shall not be required to cause any title to any Lot to be examined);

- b. Attach to the amendment a certification as to its validity, which certification shall be executed by the Association in the same manner that deeds are executed.
- c. Immediately, and within the thirty (30) day period aforesaid, cause the amendment to be executed by the Association's officers in the same manner that deeds are executed, and recorded in the Forsyth County Registry.

All amendments shall be effective from the date of recordation in the Forsyth County Registry, unless a later effective date is specified therein. When any instrument purporting to amend the covenants, conditions and restrictions has been certified by the Board of Directors, recorded and indexed as provided by this Section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to the Owners of all Lots in this development.

Section 4. Enforcement. If any person, firm or corporation shall violate or attempt to violate any of these Restrictions, it shall be lawful for the Association or for any other person, firm or corporation owning any property to bring an action against the violating party at law or in equity for any claim which these restrictions may create in such other Owner or interested party either to prevent said person, firm or corporation from so doing such acts or to recover damages incurred by the Association or such other Owner in such action. Any failure by the Association or any Owner to enforce any of said covenants and restrictions or other provisions shall in no event be deemed a waiver of the right to do so thereafter. Invalidation of any one or more of these restrictions by judgment or court order shall neither affect any of the provisions not expressly invalidated, and all such remaining provisions shall remain in full force and effect together with the provisions ruled upon as they apply to circumstances other than those expressly invalidated.

Section 5. Delegation and Assignability. Declarant shall at all times and from time to time have the right to delegate any and all functions herein reserved to Declarant. Further, notwithstanding any other provision contained herein to the contrary, Declarant shall have the right at all time and from time to time to fully transfer, convey and assign all or any part of its right, title and interest (whether real or personal) in and to Common Areas; provided, however, that any transferee, grantee or assignee shall be deemed to have assumed the same, in the event of any such sale, transfer or conveyances, subject to the terms and conditions of this Declaration. Declarant shall not, however, be liable to any person for any injury or loss resulting from failure of performance or negligent performance of Declarant's obligations under these covenants arising after such sale, transfer or conveyance.

Section 6. Conflicts. In the event of any irreconcilable conflict between the Declaration and the By-laws of the Association, the provisions of this declaration shall control. In the event of any irreconcilable conflict between this Declaration or the By-laws of the Association and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.

Section 7. Headings and Binding Effect. Headings are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying the particular sections to which they refer. The covenants, agreements and rights set forth herein shall be binding upon and inure to the benefit of the respective heirs, executors, successors and assigns of the Declarant and all persons claiming by, through and or under Declarant.

Section 8. Unintentional Violation of Restrictions. In the event of any unintentional or minor violation of any of the foregoing restrictions as the same may apply to that particular Lot.

ARTICLE XI

Dissolution or Insolvency of the Association

In the event that the Association becomes insolvent or for any reason whatsoever loses the ownership of any of the private streets, if any, or Common Areas, the Owners of Lots having an interest in such Common Areas and private streets may, at their election as determined by majority vote of those affected, form a nonprofit corporation as provided in the Articles and By-laws of the Association and assign to it the duty and authority to assess on a per Lot basis all Lots having an interest in such Common Areas and private streets whereupon such corporation shall maintain such Common Areas and private street in the same manner that the Association is empowered to do by this instrument with the same right of lien for assessments provided for herein.

IN WITNESS WHEREOF, the Declarant has caused this Declaration of Covenants, Conditions and Restrictions to be duly signed, the day and year first above written.

HUBBARD REALTY OF WINSTON-SALEM, INC.

By: *Brant H. Godfrey* (SEAL)
Brant H. Godfrey, Vice President

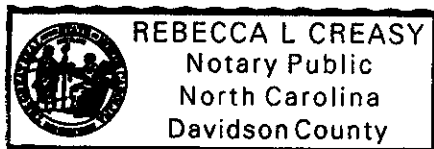
STATE OF NORTH CAROLINA)
COUNTY OF FORSYTH)

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Brant H. Godfrey.

Date: 6-3-21

Rebecca L. Creasy
Rebecca L. Creasy, Notary Public

(Official Seal)



My commission expires: 9-6-22