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NORTH CAROLINA
FORSYTH COUNTY

DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS
FOR

PETREE RIDGE, PHASE 2

THE FOLLOWING STATEMENTS ARE REQUIRED BY THE NORTH CAROLINA
PLANNED COMMUNITY ACT:

THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL
SIGNS.

STATE OF NORTH CAROLINA

COUNTY OF FORSYTH

**DECLARATION OF
COVENANTS CONDITIONS AND RESTRICTIONS
FOR PETREE RIDGE, PHASE 2**

THIS DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS is made and published this 14 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 "Petree Ridge, Phase 2" in Plat Book 74 Page 7, 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 "Petree Ridge, Phase 2" 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 Petree Ridge, Phase 2 and to maintain certain amenities, which may include, but Declarant is not required to provide, decorative street lighting, and such other Areas of Common Responsibility 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 Petree Ridge, Phase 2, 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. "Areas of Common Responsibility" shall mean and refer to entrance features and landscaping and mail kiosks and their attendant easement area.

Section 3. "Association" shall mean and refer to the Petree Ridge, Phase 2 Homeowners Association, Inc., a nonprofit corporation organized and existing under the laws of the State of North Carolina, its successors and assigns.

Section 4. "Board of Directors" or "Board" shall mean those persons elected or appointed to act collectively as the directors of the Association.

Section 5. "By-laws" shall mean the By-laws of the Association as they now or hereafter exist.

Section 6. "Committee" shall mean and refer to the Architectural Committee as described in Article VI.

Section 7. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions applicable to Petree Ridge, Phase 2 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 Limited Liability Company, 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 Petree Ridge, Phase 2, or any subsequently annexed phases.

Section 10. "Lot" or "Lots" shall mean and refer to any plot of land within Petree Ridge, Phase 2 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 Petree Ridge, Phase 2, 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 Petree Ridge, Phase 2 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 Petree Ridge, Phase 2 Homeowners Association shall be established by the acquisition of fee title to a lot, whether improved or unimproved, in Petree Ridge, Phase 2 on or after June 1, 2021 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 to a buyer other than Isenhour Homes, LLC 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 Petree Ridge, Phase 2 "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

Covenants for Maintenance Assessments

Section 1. Annual Assessment for Maintenance Fund. For each Lot owned within Petree Ridge, Phase 2, 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. 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 Areas of Common Responsibility services including but not limited to the cost of repair, replacement and additions thereto; the cost of labor, equipment, materials, repairs, water; 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.

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.

Section 11. Initial Working Capital. Upon closing of any sale of any Lot by Declarant or by Designated Builder, to a Purchaser, and only upon such initial sale, and not in any event on any sale from Declarant to Designated Builder, the purchasing Owner shall pay to the Association a one-time initial capital contribution in the amount of \$250.00. This one-time capital contribution shall be in addition to the Assessments for the year of such closing (or portion thereof for such year), shall be collected at the applicable closing and shall be part of the general operating funds of the Association.

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 Petree Ridge, Phase 2, 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. Use Restrictions.

- a. All structures must be built to comply substantially with the plans and specifications as approved by the Committee, and before any house may be occupied it must be completely finished and a certificate of completion must have been issued by the local or state authority empowered to do so.
- b. All Lots shall be used for single-family residential use only. No building shall be erected, altered, placed or permitted to remain on any Lot, other than a detached, single family dwelling, not to exceed two (2) stories in height (exclusive of finished attic space) and a private garage for not more than three (3) automobiles which is contained within the single family dwelling. Any additional building or out buildings which an Owner wants to construct on a Lot must be approved in writing by the Committee.
- c. No building shall be built, erected or used on a Lot unless it contains living area of at least 2,000 square feet of floor space. The living area floor space herein referred to shall be exclusive of garages, porches, breezeways, terraces and basement areas. Said measurements are to be measured from the outside wall lines. With written approval of Declarant, a portion of the living space required to comply with the limitations of this paragraph may remain unfinished.
- d. No permanent structures shall be erected having exposed exterior walls of concrete blocks, and all driveways must be paved with either concrete brick pavers or other approved material at the discretion of the Committee.
- e. No Lot shall be used as a street or other type of access for any adjoining tracts of land which are not a part of the Property.
- f. All setback requirements shall be as required by applicable zoning unless otherwise designated on the recorded plat(s).

- g. No business, professional clinic or other trade or business activity shall be carried on or upon any Lot or in any building erected thereon except a Lot Owner may use one room of the residence as home office provided there is nothing visible from the outside of the residence to indicate a room is being used as an office; there are no business clients or members of the general public coming to the residence because of the business being conducted in the residence; and there is nothing being done in the residence which may be or become an annoyance or a nuisance to the neighborhood.
- h. No trailer, basement, tent, shack, garage, barn or other outbuilding erected on the Lots shall be used at any time as a residence, temporarily or permanently, nor shall any structure of any temporary character be used as a residence. This restriction shall not apply to construction trailers used during the construction of improvements on the Lot.
- i. No stable, barn, or out building shall be erected or allowed to remain on any Lot for domestic animals. No animals, livestock or poultry of any kind shall be raised, bred, pastured or maintained on any Lot, except standard household pets which may be kept thereon in reasonable number as pets for the sole pleasure and purpose of the occupants but not for any commercial use or breeding purpose. Any standard household pets which are permitted by this paragraph shall be kept primarily within the residence and shall not be housed outside of the dwelling. No housing, cages, or enclosures shall be located on any Lot other than an "invisible fence" for purposes of housing or restraining such pets; this provision is not intended to prohibit privacy fences of good quality of a material approved by the Architectural Committee, and located as approved by the Architectural Committee. No pets shall be permitted in or upon the Common Area unless restrained by a leash. The walking of any pets on street, Common Areas or Lots belonging to others for the purposes of allowing pets to relieve themselves of bodily wastes is prohibited and each pet owner is responsible for retrieving any excrement deposited by his or her pet in the event of unintentional depositing of such waste.
- j. No property in the subdivision shall be used for the sale of any items, including automobiles, nor shall inoperable automobiles, automobiles which are not used on a regular basis or other debris, trash or storage items be allowed to accumulate or to remain on any Lot of the subdivision.
- k. Declarant reserves an easement for, and the right at any time in the future to grant, rights-of-way for the installation and maintenance of public utilities across, on or under any Lot along the front, rear and side property lines, but such rights-of-way must be used so as to interfere as little as possible with the use of the Lot by its Owner. Further, there is reserved on behalf of Declarant and the standard utility companies for electricity, telephone, cable, natural gas, and any other standard utility company which has been approved by the Committee, an easement to enter upon the premises to maintain, repair, or

modify existing or future underground facilities, and the Owners, or their successors in title to said Lots, shall in no way interfere with said facilities, or dig up, cut or tamper with said facilities except at their own peril and in violation of the rights of said utility companies. No public utility company or governmental entity or agency shall obtain any right in the easement reserved herein without an express written and recorded grant thereof by Declarant. In the event the Property subject to this Declaration is served by any underground public utility facilities, the service to structures erected thereon shall be connected to the underground facility at the pedestals provided for this purpose.

- l. No communications or television receiving dish, antenna or similar item may be erected or placed on any Lot or on any building on any Lot, except a satellite dish of less than one (1) meter in diameter. Before installing a satellite dish of less than one (1) meter in diameter, the Lot Owner must make a good faith effort to locate the dish in the rear yard area and screen the dish such that the dish is not visible from any Lot, the street or any Common Area. The screening for the dish must be approved by the Committee.
- m. Incinerators for garbage, trash or other refuse shall not be used or permitted to be erected or placed on any Lot. Any and all equipment, coolers, woodpiles, garbage cans, refuse or storage piles placed on a Lot (whether temporary or permanent) shall be screened to conceal same from the view of adjoining Lots, roads, street, or Common Areas. Plans for all screens, walls and enclosures must be approved by the Committee prior to construction.
- n. No leaves, trash, garbage or other similar debris shall be burned except as permitted by the appropriate governmental authority. No garbage, trash, construction debris or other unsightly or offensive materials shall be placed upon any portion of the Lot, except as is temporary and incidental to the bona fide improvement of any portion of the Lot.
- o. No lumber, brick, stone, cinder block, concrete or other building materials, scaffolding, mechanical devices or any other thing used for building purposes shall be stored on any Lot except for the purpose of construction on such Lot or for the purpose of staging materials for construction of improvements on other Lots if the Declarant designates the Lot as a staging area for such construction materials. In either event, such materials shall not be stored on the Lot for longer than the length of time reasonably necessary for completion of the improvement(s) in which same is to be used.
- p. No exposed above-ground tanks will be permitted for storage of fuel or water or any other substance.
- q. No owner shall excavate or extract earth from any of the Lots subject to this Declaration for any business or commercial purpose. No elevation changes shall be permitted which materially affect surface grade of surrounding Lots.

- r. No outside toilet facility may be constructed or maintained on any Lot except during construction of improvements on any Lot.
- s. Outside clotheslines and other such clothes-handling devices will not be permitted.
- t. No house trailer, boat, boat trailer, camper, trailer, vessel, motorcycle or other recreational vehicle shall be permitted on any Lot unless such trailer, boat, camper, motorcycle or other vehicle is kept within the garage with the garage door closed or is screened to the extent it is not visible from any adjoining Lot or Lots, and streets. Plans for screening must be approved by the Committee. It is the intention of this restriction to prevent the parking of any vehicles on the Lot other than the Owner's or the Owner's invitees' passenger automobiles and pickup trucks. No vehicle which contains any commercial printing or signs on the vehicle may be parked on a Lot unless it is either parked within a closed garage or is temporarily parked on the Lot by an invitee of the Owner. When not in use, garage doors must be kept closed.
- u. All motorized vehicles operating on any Lot or streets of Petree Ridge, Phase 2 must have proper mufflers so as to eliminate noise which might be offensive to others. Minibikes and similar two, three, or four-wheeled vehicles are prohibited from being used or operated on or within the Property, unless the prior written consent of the Committee is first secured.
- v. No temporary structure or storage building shall be permitted on any Lot unless screened from view of adjoining Lots; provided, however, temporary buildings and other structures shall be permitted during the construction period of the dwellings. No garage, outbuilding or other appurtenant structure shall be used for residential purposes, either temporary or permanently, except for a finished room or rooms which are a part of the attached garage, without the written consent of the Committee.
- w. The use restrictions set forth in this Section 3 listing those items which may not be maintained on a Lot shall not apply to Lots during the period of construction of the dwelling unit upon the Lots. As soon as a dwelling unit has been completed on a Lot, these use restrictions shall immediately apply to the Lot.
- x. Parking. All Owners by acceptance of a deed for a lot agree not to park their vehicles on the access ways or streets in the Development at any time or allow any occupant of a dwelling to do so unless the parking is temporary, not an obstruction to the flow of traffic and except as is authorized by the Association. The Association may designate parking areas, duration of stay and adopt regulations concerning parking to address situations as they occur. The Association shall have the right to have any vehicles parked, kept, maintained,

constructed, reconstructed or repaired in violation of these covenants towed away at the sole cost and expense of the owner of the vehicle or equipment.

- y. 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.

- z. Leases: Any lease agreement between an Owner and a lessee for the lease of Owner's dwelling shall provide in the terms of the lease that the leased premises is subject to the provisions of this Declaration of Covenants, Conditions, Reservations, and Restrictions, the Articles of Incorporation, Bylaws and rules and regulations of the Association and that any failure by the lessee to comply with the terms of such documents shall be a default under the terms of the lease. All leases shall be in writing and the Association may require a copy be provided to the association. Failure of a lessee to comply shall result in action by the Association against the owner. Failure to comply will allow the Association to suspend the rights of the Owner and thereby the right of the lessee to the use of the Association's common area, excluding access to the dwelling. The Association may impose fines and take other action for failure to comply, which will also require notice, and opportunity for hearing before enforcement.

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 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. Other Prohibitions or Requirements.

- a. No vent or other pipes 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.
- b. Any exterior air-conditioning or heating equipment must be screened from public view by a screening material or shrubbery approved by the Committee.
- c. Downspouts and gutters must be so constructed so as not to promote the erosion of the soil of any Lot.
- d. Any outdoor lighting must be shielded so as to cast no direct light upon adjacent Lots.
- e. No signs shall be displayed on any Lot with the exception of one "For Sale" or "For Rent" signed not exceeding 36" x 24" in size and signs of not more than two (2) square feet expressing support of or opposition of political candidates or other issues which will appear on the ballot of a primary, general or special election, provided that such political signs shall not be placed on a Lot earlier than sixty (60) days before such election and shall be removed within two (2) days after such election. The Architectural Committee may develop additional and/or uniform sign standards and specifications to which all Owners must

adhere. No sign of any kind shall be displayed without the prior written consent of the Architectural Committee.

- f. The exterior maintenance of the dwellings located on a Lot and other improvements constructed thereon, if any, shall be the duty and responsibility of the Owner of such Lot and shall not be the responsibility of the Association. If, however, in the opinion of the Board of Directors, any Owner fails to discharge his or her repair, maintenance or upkeep responsibilities in a reasonable and prudent manner to a standard that is harmonious with that of the other Lots in Petree Ridge, Phase 2, the Board of Directors, at its discretion and following ten (10) days written notice to the Owner, may enter upon and make or cause to be made maintenance work or repairs as may be deemed reasonably required by the Board of Directors. The Association, or its agents, shall have an easement for the purpose of accomplishing the foregoing. The costs incurred by the Association in rendering such services, plus a charge of fifteen percent (15%) of such costs, shall be added to and become a part of the assessments to which such Lot is subject as provided in Article V entitled "Covenants for Maintenance Assessments".
- g. The Declarant shall be solely responsible for the initial installation of the landscaping of the entrance feature and perimeter berm landscaping. Once said landscaping is installed, the care and maintenance of the landscaping of these areas (Areas of Common Responsibility) shall be a common expense and the responsibility of the Association.
- h. 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 Areas of Common Responsibility 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, 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 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. 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

Names(s) of principals(s)

Date: 6/14/21

Judy Redding
(Official signature of Notary)

Judy Redding, Notary Public
(Notary's printed or typed name)



My commission expires: 9/18/21