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GUILFORD COUNTY, NC
JEFF L. THIGPEN
REGISTER OF DEEDS

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Plu Tracy Adams

Prepared By and Return To:

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**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
ST. JAMES RIDGE,
A PLANNED COMMUNITY**

**THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF
POLITICAL SIGNS**

**THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF THE
FLAGS OF THE UNITED STATES OF AMERICA OR STATE OF NORTH
CAROLINA**

ST. JAMES RIDGE

DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made as of the date hereinafter set forth, by LD RAMBLING ROAD, LLC, hereinafter referred to as "Declarant."

WITNESSETH

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

ALL that certain parcel of Land, as shown on plat entitled "Final Plat-St. James Ridge Phase 1," which plat appears of record in the Office of the Register of Deeds of Guilford County, North Carolina, in Plat Book 194, Page(s) 32-33.

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

ARTICLE I
DEFINITIONS

The following are terms whose definitions shall mean and refer to the following:

a) "Association" shall mean and refer to the St. James Ridge Homeowners Association, Inc., its successors and assigns.

b) "Common Elements" shall mean and refer to all real property owned by the Association for the common use and enjoyment of the Owners, as shown on a plat or plats, which will be conveyed by Declarant to the Association after recordation of the Declaration. "Common Elements" shall also include any "landscape easement" and/or the "Septic Area/Esmt" areas and any improvements located therein or thereon as shown on the Plat. The Common Elements are to be owned by the Association and shall be designated on a plat or plats of St. James Ridge, recorded or to be recorded in the Office of the Register of Deeds of Guilford County, North Carolina.

c) "Declarant" shall mean and refer to LD Rambling Road, LLC, as well as its successors and assigns, pursuant to an express assignment or conveyance of any special Declarant rights hereunder to such successor or assign, all of which rights, including Declarant's voting rights, are assignable and may be apportioned on a lot-by-lot basis.

d) "Declarant's Development Period" shall mean and refer to the period of time commencing on the date this Declaration is recorded in the Office of the Register of Deeds of Guilford County, North Carolina, and continuing for so long as Declarant shall have the right to annex any additional residential property and Common Elements pursuant to the provisions of Article XII, Section 5 hereof, or Declarant or any affiliate of Declarant shall own any portion of the Properties.

e) "Lot" shall mean and refer to any numbered plot of land shown on any recorded subdivision plat of the Properties with the exception of the Common Elements, Well Sites, Off Site Septic Lots, and dedicated streets and other dedicated areas.

f) "Member" shall mean and refer to every person or entity that holds membership with voting rights in the Association.

g) "Off Site Septic Lot" shall mean and refer to a plot or parcel of land or an area shown on any recorded subdivision plat of the Properties which is to be used for an off-site septic system.

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

i) "Planned Community Act" shall mean and refer to the provisions of Chapter 47F of the North Carolina General Statutes, as amended.

j) "Properties" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association in accordance with the provision for annexation of additional residential property and Common Elements set forth at Article XII, Section 4 hereof.

k) "Well Site" shall mean each area, if any, designated on any recorded subdivision plat of the Properties as a "Well Site."

ARTICLE II PROPERTY RIGHTS

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

a) The right of the Association to permit the use of and to charge reasonable fees for the use of any facility situated or to be situated on the Common Elements; provided, however, that no Owner shall have the right to enter onto the individual Lots adjoining the ponds, if any, so designated on the recorded subdivision plats or to erect any structure on the Common Elements, including the ponds, if any, shown on the recorded plat or plats.

b) The right of the Association to suspend the voting rights and right of any Owner to use any of the Common Elements or facilities owned by the Association for any period during which any assessment against his Lot remains unpaid, plus an additional sixty (60) days after the delinquent assessment is paid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

c) The right of the Association, pursuant to Section 47F-3-112 of the Planned Community Act and with the consent of the Members entitled to cast at least sixty-seven percent (67%) of the votes in the Association, to dedicate to any public agency, authority or utility, or to transfer to any other party, fee title to all or any part of the Common Elements for such purposes and subject to such conditions as may be agreed to by the Members consenting to such dedication or transfer; provided, however no such dedication or transfer shall interfere with or obstruct utility service to, or ingress, egress and regress to or from, the Lots or any remaining Common Elements or cause any Lot or any remaining Common Elements to fail to comply with applicable laws, regulations or ordinances; and further provided during Declarant's Development Period, Declarant must also consent to such action.

d) The right of the Association to impose reasonable rules and regulations for the use and enjoyment of the Common Elements, and improvements thereon, and Lots which regulations may further restrict the use of the same, and specifically including the right to establish rules and regulations concerning parking and vehicular traffic flow on and along the streets and roadways, whether public or private, within or abutting the Properties, which rules and regulations may restrict or prohibit on-street parking and may be enforced by towing at the expense of the vehicle's owner, by reasonable fine levied against the vehicle's owner and/or any Owner of a Lot to which such violation reasonably may be attributed, or by any other reasonable method of enforcement established by the Association's Board of Directors.

e) The right of the Association to enter upon any Lot in case of emergency originating in or threatening any such Lot, regardless of whether the Owner is present at the time of such emergency, for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate.

f) The right of the Association to grant permits, licenses and easements over the Common Elements for utilities, streets, roads and other purposes reasonably necessary for the proper maintenance or operation of the Properties.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his rights of enjoyment of the Common Elements to members of his family, his tenants (with written approval from the Association), guests, or contract purchasers who reside on the Lot.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Every Owner of a Lot which is subject to a lien for assessments and Declarant shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment.

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

Class A Membership. Members of this Class shall be (i) the Declarant, its successors and assigns, as to Lots retained by it upon the termination of Class B membership; and (ii) all Owners other than the Declarant. Class A Members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as the Members themselves determine; provided, however, that no more than one (1) vote be allowed cast with respect to such Lot. Class A members other than the Declarant shall be entitled to vote only after a Certificate of Occupancy has been issued for the residence constructed on the Lot or Lots owned.

Class B Membership. The Class B Member shall be the Declarant, who shall be entitled to five (5) votes for each Lot owned. Class B Membership will cease and be converted to Class A Membership on the happening of either of the following events (whichever occurs earlier):

- a) When the total votes outstanding in the Class A Membership equal or exceed the total votes outstanding in the Class B Membership; or
- b) Upon the expiration of fifteen (15) years next following the conveyance of the first Lot from the Properties.

Notwithstanding the above, Class B Membership shall continue as to additional lands that may be annexed in accordance with the provisions of Article XII, Section 5, of this Declaration.

ARTICLE IV
COVENANTS FOR MAINTENANCE ASSESSMENTS

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

- a) Annual assessments or charges;
- b) Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided; and

c) To the appropriate governmental taxing authority, a pro rata share of ad valorem taxes levied against the Common Elements, and a pro rata share of assessments for public improvements to or for the benefit of the Common Elements, if the Association shall default in the payment thereof for a period of six (6) months, all as hereinafter provided.

The annual and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge upon a Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs 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. The personal obligation for the delinquent assessment shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose or for the use and enjoyment of the Common Elements, including, but not limited to, the costs of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against the Common Elements, the procurement and maintenance of insurance in accordance with the Bylaws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

Section 3. Maximum Annual Assessment. Until December 31 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$600.00 per Lot.

a) The maximum annual assessment for the calendar year immediately following the conveyance of the first Lot to an Owner and for each calendar year thereafter shall be established by the Board of Directors and may be increased by the Board of Directors for any calendar year without approval by the membership by an amount not to exceed ten (10%) of the maximum annual assessment for the previous year.

b) The maximum annual assessment for the calendar year immediately following the conveyance of the first Lot to an Owner and for each calendar year thereafter may be increased without limit by a vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose.

Section 4. Payable Annual Assessment. The Board of Directors shall fix the payable annual assessment at an amount not in excess of the maximum annual assessment subject to the provisions of Sections 7 and 8 of this Article.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part, the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in

person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed at a uniform rate for all Lots and may be collected on a monthly or less frequent basis.

Section 6. Notice and Quorum for an Action Authorized Under Sections 3 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Section 3(b) or 5, shall be sent to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Member or of proxies entitled to cast at least ten percent (10%) of all votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Rate of Annual Assessments.

a) With the exception set forth in subsection (b) of this Section 7, annual assessments must be fixed at a uniform rate for all Lots, and may be collected on a monthly or less frequent basis.

b) The special assessment for any Lot(s) owned by Declarant without an occupied residence thereon or owned by an Approved Builder when actively marketed for sale and without an occupied residence thereon shall be an amount not more than Two Hundred Dollars (\$200.00) for each Lot, which amount shall be due and payable at the closing of the sale of a Lot to an Approved Builder. "Approved Builder(s)" shall mean only those licensed general contractors approved by the Declarant that have entered into and are not in default under the St. James Ridge Builder Contract (the "Builder Contract"), and which Builder Contract remains in full force and effect during the period of such assessments. The Lot for which such special assessment has been paid shall be subject to annual assessments at the rate provided in Section 3 above upon the conveyance of such Lot to an Owner other than Declarant or an Approved Builder.

Section 8. Due Dates and Commencement of Annual Assessments. The annual assessments provided for herein may be collected as frequently as monthly and shall commence, for all owners of lots other than the Declarant, on the first day of the month following conveyance of such Lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each annual assessment period, the Board of Directors shall fix the amount of the annual assessment against each Lot, other than Lots owned by the Declarant and shall send written notice of each assessment to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

Section 9. Effect and Remedies by Association of Nonpayment of Assessments. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability

for the assessment provided for herein by non-use of the Common Elements or abandonment of a Lot.

Section 10. Effect of Default in Payment of Ad Valorem Taxes or Assessments for Public Improvements by Association. Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Elements or assessments for public improvements to, or for the benefit of, the Common Elements, which default shall continue for a period of six (6) months, each Owner of a Lot in the development except Declarant shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by dividing the total taxes and/or assessments due the governmental authority by the total numbers of Lots owned by Owners other than Declarant in the development. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

Section 11. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien or liens provided for in the preceding section. However, the sale or transfer of any Lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which become due prior to such sale or transfer. In the event of the acquisition of any Lot by foreclosure, deed in lieu of foreclosure or judicial sale, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners, except Declarant, including such purchaser as a common expense, provided nothing contained herein shall release the party personally liable for a delinquent assessment for the payment thereof or the enforcement of collection of such assessment by means other than foreclosure. No such sale or transfer shall relieve such Lot for liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or deed of trust.

Section 12. Capital Improvement Fund. In addition to the annual assessments authorized above, at the time of the closing of the first sale of each Lot to a party other than an assignee of Declarant's development rights or the commencement of construction of a residence by the Declarant on a Lot owned by the Declarant, the purchaser(s) or Declarant thereof shall pay to the Association an amount equal to two-twelfths (2/12ths) of the then current annual assessment established by the Association.

The Board of Directors of the Association, in establishing the annual budget for operation, management and maintenance of the Properties, may designate therein a portion of the annual assessment and/or initial capital contributions to be collected and maintained as a reserve fund for replacement of and capital improvements to the Common Elements if any, which capital improvement and replacement fund (the "Capital Improvement Fund") shall be for the purpose of enabling the Association to maintain, repair or replace improvements to the real property and personal property that may constitute a portion of the Common Elements held for the joint use and benefit of the Owners. The amount to be allocated to the Capital Improvement Fund may be established by the Board of Directors so as to collect and maintain a sum reasonably necessary to

anticipate the need for replacement of improvements to the Common Elements. The amount collected for the Capital Improvement Fund shall be maintained in a separate account by the Association and such monies shall be used to make repairs, maintain and make capital improvements to the Common Elements. Any interest earned on monies in the Capital Improvement Fund may, in the discretion of the Board of Directors of the Association, be expended for current operations and maintenance.

Section 13. Accountability. All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operation and maintaining the Common Elements, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of incorporation and the Bylaws of the Association. As monies for any assessment are paid to the Association by any Owner, the same may be commingled with monies paid to the Association by the other Owners. Although all funds including other assets of the Association, and any increments thereto or profits derived therefrom or from the leasing or use of the Common Elements, shall be held for the benefit of the Members. No Member shall have the right to assign, hypothecate, pledge or in any manner transfer any interest in such funds. When an Owner shall cease to be a member of the Association, or which may have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Common Elements.

ARTICLE V ARCHITECTURAL CONTROL

No dwelling, garage, outbuilding, fence, wall or other structure shall be commenced, erected or maintained on any Lot, nor shall any exterior addition to or change or alteration, or any improvement thereon be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by an Architectural Committee (hereinafter the "Committee") composed of two (2) or more representatives appointed by the Declarant. At such time as construction has been completed on dwellings on all Lots or following notice in writing by Declarant or its successors that Declarant is unwilling or unable to perform such function, the Committee shall be appointed by the Board of Directors of the Association. In the event the Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will be deemed to have been approved. The Committee may assess an architectural fee for review of plans and specifications, in its discretion and on a non-discriminatory basis. Notwithstanding the foregoing, however, nothing herein contained shall be construed to permit interference with the development of the Properties by the Declarant, so long as said development follows the general plan of development of the Properties.

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

Section 1. Insurance Required. The following insurance coverage, unless denoted to be optional, shall be maintained in full force and effect by the Association covering the operation

and management of the Properties:

a) Casualty. Casualty insurance covering the improvements, if any, upon the Common Elements which the Association may be required to maintain and all personal property as may be owned by the Association, shall be procured in an amount equal to the insurance replacement value thereof as determined annually by the insurance company affording such coverage.

b) Public Liability and Property Damage. Public liability and property damage insurance in such amounts and in such forms as shall be required by the Association.

c) Cross-Liability Endorsement. All liability insurance shall contain cross-liability endorsements to cover liabilities of the Association to any Owner or Member.

d) Board and Officers. If available at reasonable cost, liability insurance on each officer and each member of the Board of Directors of the Association, together with a Fidelity Bond, which shall be optional, on the Treasurer of the Association, all in such amounts and in such forms as shall be required by the Association.

Section 2. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as common expenses to be assessed and collected from all Owners.

Section 3. Insurance Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association.

ARTICLE VII USE RESTRICTIONS

Section 1. Use; Type of Structure. No Lot shall be used except for single-family residential purposes. No residence shall be used as a rehabilitation home, half-way house or other group home. No structure shall be erected or allowed to remain on any Lot except one detached single family dwelling not exceeding two and one-half stories and an attic in height above the ground level (i.e., excluding basement spaces), one storage type outbuilding architecturally consistent with and of similar quality, design and construction as the dwelling house (although such outbuilding may be built on block piers with appropriate skirting materials or on slab or crawl foundation) and a garage for not less than two cars. All attached garages shall be designed and constructed facing a side lot line (unless such alignment is made impractical due to location of property components such as septic system or for other technical reasons); a detached garage shall not be required to face a side lot line but the plans and specifications for any detached garage shall be subject to approval by the Committee. All exterior coverings of the dwellings that face the street from the front of said dwelling shall be predominately brick or stone, or equivalent or a combination of these materials, but Hardy Board, vinyl, and aluminum wrapped boxing shall be permitted in the construction of dormers, gables, fascia board, soffits, moldings, bay windows and similar architectural details with the approval before installation of the Committee. No roof on the primary dwelling structure shall be permitted without a minimum pitch of 7/12 except with the written consent of the Committee. Architectural 30-year dimensional shingles are the minimum roofing materials; all

others must be approved by the Committee prior to installation. Skylights facing the street are not permitted in any manner. Decks are considered a part of the structure and must be approved as well. Nothing herein shall prevent the Declarant or its designee from using a Lot and improvements thereon as its sales office, model dwelling, and/or information office. No building shall be located on any Lot nearer to the front or rear Lot line, or any side street or Lot line, than shall be permitted under applicable local ordinances in effect at the time such building is to be constructed or as permitted by appropriate local governmental, authority pursuant to a variance of such ordinances.

Section 2. Dwelling Size Requirements. Each dwelling constructed on a Lot shall have an enclosed, heated living area within the main structure, exclusive of open porches, garages, and other unheated spaces, of no less than 2,200 square feet for a one or one and one-half story dwelling and no less than 2,400 square feet for a two story dwelling. The Declarant (or Architectural Control Committee) shall have the authority to approve reduction of the square foot minimum area as to a particular dwelling by no more than ten percent for not more than a number of the dwellings equal to ten percent of all dwellings located within the Properties. The Architectural Control Committee will specify permissible mailboxes (except that cluster box units shall be permitted as may be required to comply with applicable governmental requirements).

Section 3. Nuisance. No noxious or offensive trade or activity shall be permitted upon any Lot, nor shall anything be done or permitted to be done thereon which may be or become a nuisance or annoyance to the neighborhood. Except during construction, no truck or commercial vehicle in excess of two ton load capacity may be parked on or permitted to remain on any Lot. No wrecked or junked motor vehicle, or vehicle without a current license plate and registration, shall be permitted to remain upon any Lot. All trailers, campers, and recreational vehicles shall be parked or stored upon the owner's lot to the rear of the residence thereon and behind fencing or other buffers to shield the vehicle from visibility from any street or road, All outside toilets must be removed immediately upon completion of construction, No shop, store, factory, or business of any kind shall be erected or permitted to exist on any Lot.

Section 4. Temporary Residence. No trailer, mobile home, basement, tent, shack, barn, boat, camper, recreational vehicle, temporary structure or other such vehicle, building, or structure upon any Lot shall at any time be used as a residence, temporarily or permanently.

Section 5. Swimming Pools and Other Accessories. No above-ground swimming pool(s) shall be constructed or maintained on any Lot and no clotheslines shall be permitted if visible from any street in the Properties. No fuel oil tank shall be permitted or allowed to remain upon any lot unless the same shall be underground or shielded from view from any street or other Lot by fencing or other structure approved by the Committee.

Section 6. Satellite Dishes/Antennae. No satellite dish or antenna, except an 18 inch dish which is not visible from the street, shall be erected or maintained on any Lot, except with the written consent of the Committee.

Section 7. Fencing. No portion of any fence shall be erected or maintained in the area between the front building line of the main structure on any Lot and the street which the main structure faces. No fence shall exceed six feet in height. All fences and materials and location must be approved in writing by the Committee prior to construction. No chain link fencing of

any kind shall be permitted.

Section 8. Driveways. Driveways of less than Two Hundred (200') feet for each dwelling must be constructed of smooth concrete or brick pavers and shall be no less than ten feet in width and four inches in depth, extending from the street curb line to at least the front line of the dwelling. No asphalt driveways or walkways are permitted.

Section 9. SIGNS AND FLAGS: No sign shall be placed or allowed to remain on any lot except for **ONE (1)** "For Sale" sign, or one other temporary sign to advertise a yard sale or other temporary activity on the lot and such other temporary sign shall not be permitted to remain on any lot for more than **SEVENTY-TWO (72)** consecutive hours. No sign deemed by Declarant to be a nuisance or a detriment to **St. James Ridge** shall be permitted to be erected or to remain on any lot in **St. James Ridge**. Declarant shall have the right to maintain on lots owned by Declarant marketing signs for **St. James Ridge**. Installation of exterior decorative items, including but not limited to statues, fountains or wishing wells, but not including flags, political signs and/or permitted exterior decorative lights is prohibited. Provided, however, that with respect to political signs and flags, the following shall apply:

POLITICAL SIGNS: Political signs are allowed but are limited to one sign per Property and must not be larger than 4 square feet. Signs cannot be posted prior to forty-five (45) days before or seven (7) days after an election, as defined in North Carolina General Statutes, Chapter 47F-3-121.

FLAGS: Flags are permitted but must be no larger than 4 X 6 feet and must be flown in a tasteful manner.

Section 10. Animals. No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes, but are kept and maintained in accordance with all applicable governmental ordinances. Notwithstanding the foregoing, the Association shall have the right to prohibit, or require the removal of any dog or other animal that the Association, in its sole discretion, deems to be undesirable, a nuisance or a safety hazard after consideration of factors such as size, breed and disposition of the animal, likely interference by the animal with the peaceful enjoyment of the Properties by Owners, and the security measures taken by the Owner with respect to such animal. All dogs shall be leashed when off the Owner's lot, and the Owner will be responsible for removing animal waste from other Owners' property and from the roadways, Common Elements, and trails.

Section 11. Mailboxes. All mailboxes must conform to designated design criteria of the Declarant and be installed by an Approved Builder. If an Approved Builder or Owner chooses to have a light at the driveway entrance, its design and installation must be approved by the Committee. Should Declarant or an Approved Builder or any Owner of a Lot be required by applicable law, regulation or ordinance to install a common mailbox facility, such mailbox facility may be installed on any part of the Common Elements and shall be subject to a nonexclusive easement in favor of the party installing such facility for access, maintenance, repair and operation of such facility as required.

Section 12. Maintenance. Each Lot shall be subject to the following maintenance requirements:

- a) Each Lot shall be maintained and preserved in a clean, orderly, and attractive manner within the spirit of the development;
- b) Each owner of a Lot shall be responsible for maintenance of the portion of the street right-of-way between his Lot and the street;
- c) The Declarant or its agent shall have the right to enter upon any Lot or area to remove such waste or cut and remove any construction material, grass, weeds, trees, stumps, brush, etc., on any lot or area deemed by public authority or the Declarant or its agent, to be unsightly; and
- d) If the Declarant performs the work to comply with this restriction then the cost shall be borne by the Owner of the affected Lot, and the cost shall be a lien upon the Lot until paid.

Section 13. Landscaping. Landscaping installed on each Lot shall be subject to the following restrictions:

- a) Each Lot shall be initially landscaped prior to the issuance of a Certificate of Occupancy;
- b) Initial landscape plans for each Lot shall be reviewed and approved by the Committee prior to installation of landscaping in accordance with the initial landscape plans;
- c) All new landscaping installed subsequent to the initial landscaping of the Lot, other than incidental plant, shrub or bush planting or removal, shall be approved by the Committee for consistency with the standards set forth herein; and
- d) Landscaping shall be in harmony with other homes within the Properties and consistent with water-wise or water tolerant landscaping principles.

Section 14. Vehicles. Vehicle use and storage are subject to the following restrictions:

- a) Except during construction or for the temporary loading and unloading of household goods, no truck or commercial vehicle in excess of two ton load capacity may be parked on or permitted to remain on any Lot;
- b) No wrecked, junked or vehicle without a current license plate and registration shall be permitted to remain upon any Lot;
- c) No boat, trailer, recreational vehicle, motor home, camper, bus, motorcycle or scooter shall be parked on any subdivision street or on any Lot unless any such vehicle is capable of being parked in a standard dimension garage and is parked with the door closed and not visible from the street. All commercial vehicles shall be parked in a garage;
- d) All vehicles operating within the Properties must have proper mufflers so as to

eliminate noise which might be offensive to others; and

e) Mini-bikes, go-carts, ATVs and similar vehicles are prohibited from being used or operated on or within the Properties.

Section 15. Construction Traffic. The Declarant, with respect to its site development of, and installation of infrastructure improvements on, the Common Elements and the Properties generally, and each Owner or Approved Builder, in contracting for any landscaping, structural or other improvements on a Lot, shall make good faith efforts to coordinate construction traffic to minimize impact on other Lots and Properties.

Section 16. Waiver of Violations. Except for violations of the restriction on the use of a Lot for other than single-family residential purposes at Article VII, Section 1, the minimum dwelling size requirements set forth at Article VII, Section 2, and the restrictions on exterior coverings of the dwellings set forth at Article VII, Section 1 of this Declaration, any violations of these Use Restrictions may be waived in whole or in part at any time by recorded written document executed by the Declarant or Board of Directors, or its designee in their absolute discretion.

Section 17. Article V Priority. Nothing contained in these Use Restrictions shall be construed to supersede the requirements contained in Article V, Architectural Control.

ARTICLE VIII ADDITIONAL RESTRICTIONS

- a) Common Elements. It is the intent of the Declarant to maintain and enhance or to convey to the Association certain property that the Declarant has designated as "Common Elements" on the recorded subdivision plats of the Properties in the Office of the Register of Deeds of Guilford County, North Carolina. The Association shall be responsible for maintaining the ponds, if any, as directed by the governmental office having jurisdiction for water protection. If the Association should be dissolved or cease to exist, then all of the Owners of record at the time of required maintenance shall be jointly and severally liable for any and all costs attendant thereto.
- b) Buffers; Setbacks. Declarant shall install, and the Association shall maintain, certain buffers of undisturbed areas on the Properties as shown on the Plat, specifically: (i) North of Rambling Road, a 20 foot buffer along the western property line of Lots 39-44, 37A and 38A, and no dwelling shall be constructed or allowed to remain within 100 feet of the western line of Lots 39-44; and (ii) South of Rambling Road, along the western property line of Lots 1 and 5A, an undisturbed buffer shall be maintained, and no dwelling shall be constructed or allowed to remain within 50 feet of the western line of Lot 1. Further, all dwellings along or adjoining Rambling Road shall have an average street setback of not less than 70 feet.

It is the further intent and purpose of these restrictions and covenants to protect, maintain

and enhance the conservation of natural and scenic resources; to promote the conservation of soil, wetlands, wildlife, game and migratory birds; to enhance the value of abutting and neighboring properties adjacent to such forests, open areas and open spaces; and to afford and enhance recreational opportunities. The Declarant reserves the right, subject to the provisions of Article VII, Section 18, to review and modify its continuing architectural and design program for the Common Elements and the Properties generally.

ARTICLE IX UTILITY AND DRAINAGE EASEMENTS

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The area of such utility easements and all improvements therein shall be continuously maintained by each Lot Owner within such Lot, except to the extent that maintenance of any such improvements located therein is the responsibility of a public authority or utility company. The area of any drainage easements and all improvements located therein shall be continuously maintained by the Association except to the extent that such maintenance is the responsibility of a public authority or utility company. The area of that certain PSSLAME (private sanitary sewer line and maintenance easement) as shown on the Plat shall be maintained by each Lot Owner within such Lot, except to the extent that the maintenance of the improvements located within such PSSLAME area shall be the responsibility of the Owner(s) of the Lot(s) that benefits from such PSSLAME.

ARTICLE X COMMON ELEMENTS; STREETS

The Association shall be responsible for the repair, maintenance, upkeep and expense of the Common Elements including entrance signage, street lighting and street name signage, landscaping and any common mailbox facility or facilities (if not provided by the applicable governmental body). Each Owner shall cooperate with Declarant and execute and deliver any documents necessary or required to cause the streets at the Properties to be dedicated to the North Carolina Department of Transportation and will abide by any and all standards and requirements established by NCDOT. Declarant has constructed the public roads within the St. James Ridge subdivision to North Carolina Department of Transportation standards. Until such time as the North Carolina Department of Transportation adds the public roads in the St. James Ridge subdivision to the State System for maintenance, Declarant assumes all road maintenance responsibilities. Declarant reserves a ten foot (10') easement across the front of each Lot for the purpose of making any modifications to the roadway, roadway shoulder and driveways which become necessary in order to have the road added to the State System for maintenance. Each Lot Owner shall cooperate with Declarant and the North Carolina Department of Transportation to ensure that the public road within St. James Ridge subdivision is added to the State System for maintenance.

ARTICLE XI
OFF SITE SEPTIC LOTS/AREAS

The Association shall mow and maintain the surface of the Off Site Septic Lots; however, it shall be the responsibility of the relevant Owner to repair and maintain and replace the septic system and all its elements located on that Owner's Off Site Septic Lot or designated area within the Common Elements and serving the Owner's Lot. No improvements shall be installed or structures built or maintained on any Off Site Septic Lot, and no use shall be made of such Off Site Septic Lot, except in connection with the use, maintenance and repair/replacement of the septic system on such Off Site Septic Lot.

ARTICLE XII
GENERAL PROVISIONS

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

a) The Declarant, the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the Bylaws of the Association and all rules and regulations of the Association adopted pursuant thereto. Failure to comply with any of the terms of this Declaration or other restrictions and regulations contained in the Bylaws of the Association, or which may be adopted pursuant thereto, shall be grounds for relief including without limitation, an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof. The Association shall have the right to request that law enforcement, public safety and animal control officers come on the Properties to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.

b) The Association, after notice to the Owner and a reasonable opportunity to be heard, shall have the right to assess reasonable fines against an Owner for violations of this Declaration, the Bylaws of the Association or the Association's published rules and regulations by such Owner, or such Owner's family, guests, invitees and lessees in an amount not to exceed \$150.00 for each violation, and without further hearing, for each day after the decision that the violation occurs. Such fines shall be deemed to be assessments as set forth in Article IV of this Declaration and if not paid within thirty (30) days after notice and demand therefor, the Association shall be entitled to the remedies set forth in the Declaration for the enforcement and collection of delinquent assessments.

c) The Association, after notice to the Owner and a reasonable opportunity to be heard, shall have the right to suspend privileges or services provided by the Association (except rights of access to Lots) for reasonable periods of violations of this Declaration or the Bylaws, Articles or rules and regulations of the Association. If it is decided that a suspension of

privileges or services provided by the Association should be imposed, the suspension may be continued without further hearing until the violation is cured.

d) If an Owner is legally responsible for damage inflicted on any Common Elements, the Association may direct such Owner to repair such damage, or the Association may itself cause the repairs to be made and recover damages from the responsible Owner. If damage is inflicted on any Lot by an agent of the Association in the scope of the agent's activities as such agent, the Association is liable to repair such damage or to reimburse the Owner for the cost of repairing such damages. The Association shall also be liable for any losses to the Owner. When any such claim for damages against an Owner or the Association is less than or equal to the jurisdictional amount established for small claims by North Carolina General Statutes 7A-210, any aggrieved party may request that a hearing be held before an adjudicatory panel appointed by the Board of Directors of the Association to determine if an Owner is responsible for damages to any Common Elements or the Association is responsible for damages to any Lot. If the Board of Directors fails to appoint an adjudicatory panel to hear such matters, such hearings shall be held before the Board of Directors. Such panel shall accord to the party charged with causing damages notice of the charge, opportunity to be heard and to present evidence, and notice of the decision. This panel may assess liability for each damage incident against each Owner charged or against the Association not in excess of the jurisdictional amount established for small claims by North Carolina General Statutes 7A-210. When such claim exceeds the jurisdictional amount established for small claims by North Carolina General Statutes 7A-210, liability of any Owner charged or the Association shall be determined as otherwise provided by law and shall be assessments secured by lien under Section 47F-3-116 of the Planned Community Act. Liabilities of the Association determined by adjudicatory hearing or as otherwise provided by law may be offset by the Owner against sums owing to the Association and if so offset, shall reduce the amount of any lien of the Association against the Lot at issue.

e) In any proceeding arising because of an alleged default by an Owner, the Association, if successful, shall be entitled to recover the costs of the proceedings and such reasonable attorney's fees as may be determined by the Court.

f) The failure of the Association or any Owner to enforce any right, provision, covenant or condition which may be granted by this Declaration or the other above mentioned documents shall not constitute a waiver of the right of the Association or of the Owner to enforce such right, provision, covenant or condition in the future.

g) All rights, remedies and privileges granted to the Association or the Owners, pursuant to any terms, provisions, covenants or conditions of the Declaration or other above mentioned documents, shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

h) The failure of Declarant to enforce any right, privilege, covenant or condition which may be granted to it by this Declaration or other above mentioned documents shall not constitute a waiver of the right of Declarant to thereafter enforce such right, provision, covenant or condition in the future.

Section 2. Notice to Mortgagees, Insurers or Guarantors. The Association, upon written request of any mortgagee or holder of a deed of trust or other security instrument, any insurer or grantor containing the name and address of such mortgagee, holder, insurer or guarantor and the Lot number or identification of the Lot and Owner of such Lot shall be entitled to timely written notice of the following:

- a) The institution of any action in condemnation or other occurrence of any casualty loss that affects either a material portion of the Properties or the Lot securing the indebtedness to such mortgagee;
- b) The delinquency of sixty (60) days or more in payment of assessments or charges by the Owner of any Lot securing the indebtedness of such mortgagee;
- c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
- d) Any action of the Association that requires for its approval a specific percentage of Owners or Members as stated in this Declaration, the Bylaws or Articles of Incorporation.

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

Section 4. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless terminated or amended as hereinafter provided. This Declaration may at any time be amended with the consent of the Owners entitled to cast at least sixty-seven percent (67%) of the votes of the Association and may be terminated with the consent of the Owners entitled to cast at least eighty percent (80%) of the votes of the Association; provided, however, this Declaration may not be amended or terminated without the Declarant's consent during the Declarant's Development Period, no amendment purporting to revoke or curtail any right herein conferred to the Declarant shall be effective unless executed by the Declarant, and no amendment relating to the maintenance or ownership of any permanent detention or retention pond shall be effective unless reviewed and approved by the governmental office having jurisdiction for watershed protection. Any amendment must: (1) be executed on behalf of the Association by its duly authorized officers; (2) contain an attestation by the officers executing the amendment on behalf of the Association that the requisite Owner approval has been obtained and is evidenced by written acknowledgment(s) signed by the Owners approving the amendment and made a part of the Minute Book of the Association; and (3) be properly recorded in the Office of the Register of Deeds, Guilford County, North Carolina. For the purpose of this section, additions to existing property by the Declarant pursuant to Section 5 of this Article XII shall not constitute an "amendment." In the event this Declaration is terminated in accordance with the provisions hereinabove provided, the Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner for any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay a pro rata share of the cost of the maintenance of all permanent retention or detention ponds. The Declarant may amend this Declaration during the Declarant's Development Period, in its discretion, provided such amendment shall not alter the obligation to pay ad valorem taxes or affect any lien or right of lien established herein for the maintenance of

ponds and erosion control devices located on the Common Elements. Provided, however, that no amendment purporting to reduce or revoke the restriction on the use of a Lot for other than single-family residential purposes at Article VII, Section 1, the minimum dwelling size requirement set forth at Article VII, Section 2, the restrictions on exterior coverings of the dwellings set forth at Article VII, Section 1, the restrictions on driveway materials set forth at Article VII, Section 8, or the requirements set forth in Article VIII of this Declaration, shall be effective unless approved by the Declarant during the Declarant's Development Period or by vote of the Owners entitled to cast at least ninety percent (90%) of the votes of the Association. Declarant may amend this Declaration at any time to make technical corrections or to comply with any governmental requirements.

Section 5. Annexation. Annexation of additional single family residential property, if necessary, shall occur as follows:

a) Additional residential property and Common Elements may be annexed to the Properties with the consent of sixty-seven percent (67%) of all Members entitled to cast votes of the Association.

b) Additional land within any area adjoining the Properties may be annexed by the Declarant, without the consent of Members, within ten (10) years from the date of recordation of this instrument. Upon annexation such land, Lots and Common Elements shall become part of the St. James Ridge Homeowners Association, Inc. and be subject to this Declaration, the Articles of Incorporation and Bylaws. Such annexation shall be evidenced by an instrument describing the land annexed thereby filed in the Office of the Register of Deeds of Guilford County, North Carolina.

Section 6. Zoning Conditions. Declarant and all Owners and occupants of Lots shall abide by and observe any applicable zoning conditions, specifically including, but not limited to, those zoning conditions shown on the Plat, as such zoning conditions may be amended or modified from time to time. It is acknowledged that the restrictions referenced and described in Article XII, Section 4 are specifically imposed as a result of an appeal from a contested rezoning (Zoning Case #16-02-GCPL-00546) and that the limitations imposed herein are intended to assure that such restrictions will provide compatibility of the Lots with adjoining properties.

EXECUTION PAGE ATTACHED HERETO

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be executed under seal in its name by its duly authorized Manager this 20th day of April, 2017.

LD Rambling Road, LLC (SEAL)

By: [Signature]
Name: Christopher J. Lyons
Title: Manager

NORTH CAROLINA

GUILFORD COUNTY

I, the undersigned Notary Public of the County and State aforesaid, hereby certify that Christopher J. Lyons, Manager of LD Rambling Road, LLC, Declarant, personally appeared before me this day and acknowledged the due execution of the foregoing document on behalf of the company and for the purposes stated therein.

WITNESS my hand and official stamp or seal, this the 20th day of April, 2017.

[Signature]
Notary Public

Tracy W. Adams
(Type/print name of Notary above)

My Commission Expires: March 5, 2019

(Affix Seal)

