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JEFF L. THIGPEN

REGISTER OF DEEDS

BY: ANDREW S ADKINS

DEPUTY

**NOTARY SEAL PRESENT  
BUT NOT REPRODUCIBLE**

**BK: R 6735**

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Prepared and pick up by: J. Patrick Adams

NORTH CAROLINA

GUILFORD COUNTY

**DECLARATION OF COVENANTS, CONDITIONS,  
RESERVATIONS AND RESTRICTIONS FOR  
STONEBROOK FARM, SECTION 4**

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**STDM DEVELOPMENT, LLC (STDM)**, are the owners of the land described in Exhibit A attached hereto and incorporated herein by reference. Current anticipated use of the property is for single-family detached dwellings and common areas. The property described in Exhibit A, attached, is hereby subjected to this Declaration.

Each and every one of these covenants, conditions, reservations, and restrictions is for the benefit of each current and future owner of any part of the real property or interest therein to the extent subjected hereto, and shall bind the successors in interest being construed as running with the land.

**I. DEFINITIONS**

**1.1 Association:** The Association will be known as Stonebrook Farm Section 4 Homeowners Association, Inc., its successors and assigns ("Association") which will own, maintain and administer the open spaces and common areas brought under its jurisdiction; collect and disburse the assessments and charges herein created, and promote the recreation, health, and welfare of the members of the Association and Declarant has applied for incorporation under the laws of the State of North Carolina. Stonebrook Farm Section 4 Homeowners Association, Inc., is a non-profit corporation for the purpose of exercising the foregoing functions, those set forth herein and in other Association documents and those set forth in Chapter 47F of the General Statutes of North Carolina.

**1.2 Owner:** The record owner, whether one or more persons or entities, of the fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation or leasing part of the Premises.

**1.3 Premises:** That real property described in Exhibit A and such additions thereto which may be subsequently annexed, if any, that is subject to this Declaration by the Declarant by Phase or Supplemental Declaration(s).

**1.4 Common Area:** All real property and improvements thereon included within the Premises, which are conveyed to the Association by Declarant, by deed or easement as common area, but excluding that real property which is part of the fee simple title to any lot, as the same may be shown on any amended plat on the Premises. The Common Area shall be used for the common purposes, benefit, and enjoyment of all Owners and the Declarant as stated herein or as may be set forth in a deed of conveyance from the Declarant.

**1.5 Limited Common Area:** A part of the common area that serves one or two Lots, parcels or phases in a particular manner not in common with all the Lots, if any.

**1.6 Phase:** Any part of the Premises or other property designated by Declarant as a Phase and for which Phase or Supplemental Declaration is recorded subjecting the same to this Declaration as provided therein.

**1.7 Amenities:** Those certain improvements, if any, constructed by Declarant or the Association on a part of the Common Area for the use and enjoyment of the members and guests as stated herein or in accordance with the terms stated in the conveyance of the area by the Declarant.

**1.8 Single Family Dwelling:** A detached dwelling structure on a lot containing only one residential unit.

**1.9 Lot:** Any numbered residential lot of the Premises shown upon the recorded subdivision plat and/or revised plat(s) or on plats showing phases or sections, if any, subjected to this Declaration.

**1.10 Declarant** shall mean and refer to STDM Development, LLC, its successor and/or specific assigns of one or more Declarant rights.

**1.11 Member:** The status of each Owner in the Association being the Owner of a Lot or Lots in the Premises.

## II. COMMON AREA OWNERSHIP AND MAINTENANCE

**2.1 Owner's Easement of Enjoyment:** Every Owner in good standing shall have a right of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot.

**2.2 Delegation of Use:** Any Owner may delegate his rights of enjoyment of the Common Area to the members of his family, his lessees, contract purchasers who reside on the Premises, or his guests (the Association rules and regulations adopted from time to time may

limit the number of guests and in some instances may require the owner to accompany the guests).

**2.3 Common Area Restrictions:** Common Area shall be used, improved and devoted to the welfare and benefit of the Owners and for the general benefit and enhancement of the Premises and the use thereof may be subject to rules and Regulations adopted by the Board and/or the Members from time to time.

**2.4 Rules and Regulations:** The Declarant may establish initial rules and regulations and thereafter the Association will have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Area and Lots. Such rules and regulations shall be maintained in a place reasonably convenient to the Members affected and available to them for inspection during normal business hours by appointment.

**2.5 Common Area Offensive Use and Damage:** No immoral, improper, offensive or unlawful use shall be made of the Common Area or the amenities owned or leased by the Association, if any. All dwelling ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. Each Owner shall be liable to the Association for damage to the Common Area caused by the owner, his family, tenants, guests, agents, contractors, employees or invitees in accordance with Section 47F-3-107 of the General Statutes of North Carolina.

**2.6 Regulation of Use of Common Area:** The Association shall have the power to limit the number of guests, to regulate hours or use and to curtail any use or uses of the Common Area it deems necessary or desirable for either the protection of the facilities, if any, or the best interest of Members together with the right to suspend use for a reasonable time and to invoke fines for violation of the published rules and regulations.

**2.7 Common Area Construction or Alteration:** No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Area except with the express written consent of the Association. The Declarant reserves and retains the right to use and/or improve the common area, grade for drainage and install utilities of all types over and on all common areas and to impose easements and grant easements to utility companies until the full development of the land it now owns or may acquire and annex together with the right to adjust the boundaries of the common area by recording corrective plats to correct surveying errors, construction problems or mistakes in layout of improvements without the consent or approval of the Association or its Members.

**2.8 Common Area Facilities Admission Fees:** The Association may charge reasonable deposits for a member's allowed reserved private use of a common facility, if any, admission and other fees for the use of any Common Area in accordance with its policy and rules and regulations adopted from time to time for all or a part of the common area.

**2.9 Suspensions and Fines:** The Association through the Board of Directors shall have the power to suspend the right to the use of any Common Area, excluding access to a lot of a Member or any person to whom that Member has delegated his right of enjoyment for any

period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for each infraction of its published Rules and Regulations as amended and expanded from time to time to meet current problems and conditions. The Association through the Board shall also have the authority to impose fines for failure to comply with this Declaration or the Rules and Regulations as established from time to time. The Member shall be entitled to notice and opportunity for hearing before the Board of Directors or a panel appointed by the Board prior to suspension or levy of fine.

**2.10 Conveyance of the Common Area by Declarant:** The Declarant, its successors and assigns, will determine the Common Area and will convey the same to the Association by recorded easement or deed, and the Association shall accept all Common Area as conveyed by Declarant. Such conveyance shall be subject to all the restrictions, limitations, and rights of this Declaration and limitations and rights stated herein or as stated or modified in the conveyance of the Common Area.

**2.11 Common Area Dedication and Transfer:** The Association shall have the right to dedicate, transfer or encumber all or any part of the Common Area in accordance with Section 47F-3-112, of the General Statutes of North Carolina as the same may be amended, provided the Declarant has retained the right to grant easements and use the Common Area until the full development and sale of all the land it owns with dwellings or may acquire in the furtherance of the development of the Premises.

### III. PERMITTED AND PROHIBITED USES

**3.1 Use Of Lots:** No lots shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family residence and its customary accessory buildings and uses.

**3.2 Subdivision Of Lots:** No residence shall be erected on less than one lot. The property shall not be subdivided by anyone other than the Developer, except that two adjacent owners may subdivide a lot between them, but only one residence shall be built on the combined original lot and the subdivided portion of any lot.

**3.3 Dwelling Size:** No dwelling shall be erected nor permitted to remain upon any lot unless the heated, finished living area shall comply with the following minimum size requirements: (a) for a one story dwelling two thousand (2000) square feet; (b) for a one and one-half, two or two and one-half story dwelling, one thousand two hundred (1200) square feet on the first floor; and (c) in the case of multiple story dwellings, the top floor shall contain not less than eight hundred (800) square feet. All computations of square footage shall exclude basement (whether daylight or underground), open porches and garages. All computations of height shall be measured from the natural, finished grade of the front elevation of the dwelling.

**3.4 Setback Restrictions:** Structures shall be located on the lots in accordance with local zoning ordinance. However, no dwelling shall be set back more than thirty (30) feet beyond the front setback line as permitted by local ordinance.

**3.5 Garages:** Garages shall not face in the same direction as the front elevation of the residence.

**3.6 Driveways:** All driveways shall be paved or concrete.

**3.7 Animals:** No animals, livestock or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats, or other household pets may be kept provided that they are not kept, bred, or maintained for any commercial purposes and provided they are not permitted to become a nuisance to the neighborhood.

**3.8 Garbage and Refuse Disposal:** No lot shall be used or maintained as dumping ground for refuse or rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All containers for the storage of such material shall be kept in a clean and sanitary condition.

**3.9 Temporary Structures:** No structure of a temporary character, trailer, camper, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently.

**3.10 Easements:** Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat and over the rear ten feet of each lot. Drainage flow shall not be obstructed nor be diverted from drainage or utility easements as designated above or on the recorded plat.

**3.11 Soft Trail:** The Declarant will install a 'soft trail' composed of mulch 5 feet in width within the sanitary sewer and storm easement between Ventura Court and Manorwood Road for the length of Lots 4 and 5 in Lynwood Lakes and Lots 11 and 12 in Stonebrook Farm. The purpose of the soft trail is to provide connectivity between the two neighborhoods. The maintenance of the soft trail shall be in the discretion of the Homeowners Association in Stonebrook Farm and the maintenance of the soft trail in Lynwood Lakes Subdivision shall be a matter for the residents to determine.

**3.12 Signs:** No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than one square foot, one sign of not more than five square feet advertising the property for sale or rent, or signs used by a builder or the developer to advertise the property during the construction and sales period.

**3.13 Nuisances:** No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

**3.14 Parking:** The parking on the streets or driveways of trucks, tractor trailers, any commercial vehicles, boats, marine craft, trailers, campers, motor homes, motorcycles or any unregistered/unlicensed vehicles overnight is prohibited within the development. All such vehicles shall be parked inside enclosed garages. Only non-commercial automobiles, pickup

trucks, or sport utility vehicles are permitted to be parked in the driveways overnight. Parking on yards is prohibited.

**3.15 Screening:** The erection of clothes lines is prohibited. Exterior garbage cans, the storage of boats, campers, and trailers in clear view of a public street shall not be permitted unless stored in a screened enclosure, either man-made or natural.

**3.16 Antennae:** One satellite dish per lot not to exceed thirty-six (36) inches in diameter may be installed on the rear or side walls at least fifteen (15) feet behind the front wall of the dwelling.

**3.17 Fencing:** No chain link or other restraining type fencing may be erected nearer the front property line than the front wall of the single-family dwelling thereon. In the case of a corner lot, no chain link or other restraining type of fencing may be erected nearer the side street than 20 feet. Privacy fencing may not be more than eight feet in height. All wood or vinyl fencing shall have the most attractive side of the fencing on the exterior side of the fence. Chain link fencing is permitted in the rear yards but only if the fencing does not exceed four feet in height and is painted either black or dark green. However, an ornamental white picket fence not to exceed three (3) feet in height may be installed in front and side yards.

**3.18 Mailboxes:** The Developer shall approve a standard mailbox to be installed by all homebuyers at the homebuyers' expense.

**3.19 Streets:** All streets in this development have been constructed as public streets, meeting the standards of the North Carolina Department of Transportation (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 the NCDOT for addition to the State Highway System as State maintained roads upon petition by affected lot owners when a sufficient percentage of the lots 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 State system.

Following such a petition, the streets will be re-inspected by the NCDOT to insure that they continue to meet all State standards, including condition of rights-of-way and drainage ditches and swales.

Nothing, including but not limited to walls, fences, gates, timbers, trees or plants, shall be erected, placed or permitted to remain in any 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 swale shall be filled, tiled or altered in any way except in accordance with the standards of the NCDOT.

**3.20 Enforcement:** Enforcement shall be by proceedings at law or in equity any person who violates or attempts to violate any covenant either to restrain violation or to recover damages.

**3.21 Developer's Right of Modification:** STDM Development, LLC has developed this subdivision pursuant to a general plan or scheme of development and do not intend to abandon this general plan. However, STDM Development, LLC reserves the right to cancel, modify, or change any of the above restrictions by the written consent of STDM Development, LLC which written consent shall be duly executed, acknowledged, and recorded in the Office of the Register of Deeds of Guilford County, North Carolina and which written consent may be given or withheld within the uncontrolled and sole discretion of STDM Development, LLC and STDM Development, LLC may deem best for the general plan or scheme of development.

**3.22** It is expressly understood that all subsequent purchasers of lots in the development, that all conveyances of a lot or lots in said development are made subject to the foregoing covenants, conditions, and restrictions, and that they are for the protection and general welfare of the development and shall be covenants running with the land and binding upon all parties purchasing lots in said development and their heirs, successors, assigns, administrators or executors.

**3.23 Building Type:** No structure shall be erected, altered, placed or permitted to remain on any lot other than one detached single family dwelling not to exceed two and one-half (2 ½) stories in height. Each dwelling shall include a private, attached garage for not less than two (2) or more than three (3) automobiles (carports shall not be permitted). Any outbuilding shall be constructed as incidental to the residential use shall be with similar materials as the primary residence. No mobile, modular nor kit home shall be allowed on any Lot.

**3.24 Swimming Pools:** No above-ground swimming pool shall be permitted.

**3.25 Building Materials:** No external wall shall utilize asbestos, asphalt or shingles of similar substances, concrete blocks, cinder blocks, slag blocks or blocks of similar appearance. No foundation shall be constructed from cinder, slag or similar blocks; provided, however, that said blocks may be used as an inner wall if they shall be covered with brick or other approved building materials.

**3.26 Additional Provisions:** No captions or titles in this Declaration of Restrictive covenants shall be considered in the interpretation of any of the provisions hereof.

#### IV. STREETS, EASEMENTS AND RIGHTS OF WAY

**4.1 Easements Reserved:** Declarant reserves from all Lots and Common Area easements for installation and service of utilities or drainage systems with full rights of ingress and egress for itself, its agents, utility companies, employees, and its successors and assigns over any part of the Common Area or a Lot for the purpose of installing and servicing the utilities, drainage and correction of problems for which the easements are reserved herein or of record.

Common Area shall be subject to easements for walkways, vehicles related to management, construction by Declarant, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television lines and other utilities, together with ingress, egress and regress and otherwise as shall have been established by the Declarant whether by express easement or by the recording of a plat dedicating an easement or by the Declarant subsequently creating, dedicating or establishing an easement for correction, necessary or desirable to the full development of the Premises. The Declarant reserves and retains the right to dedicate streets and/or access easements over the established common area or any Lot owned by it for a subsequent Phase, individual dwelling, parcel or amenity in the further development of the Premises, including service to land which is not subjected to this Declaration, resulting from an unanticipated event or in the opinion of the Declarant such granting or dedication would be desirable in the further development of the Premises or the real property owned by Declarant. Such access way, if not public, may be limited common area for the purpose of maintenance, repair and replacement. The Association shall have the power and authority to grant and establish further easements upon, over, under and across the Common Area.

The Declarant reserves and retains an easement for ingress, egress and regress over all dedicated streets, private access ways and over the Common Property until such time as the Premises are fully developed with dwellings and sold. Such access may be in connection with a parcel of land that is not being brought under the jurisdiction of this Declaration.

**4.2 Obstructions:** No fill, structures, including walls, fences, paving, or planting, shall be erected upon any part of the Premises, which will interfere with any easement for the construction, or maintenance of any utility or drainage system for the benefit of the Premises and or a Lot or with the rights of ingress and egress provided above. No grade changes that change the natural or developed grade of a Lot or uses of a Lot shall be made that creates an obstruction or undesirable change in flow of drainage. The party creating such interference with the installation or servicing of a utility or drainage for the benefit of any part of the Premises, shall be solely responsible for the costs of circumventing or removing the interfering fill, structure, planting or other obstruction to alleviate the flow or easement obstruction.

## **V. DURATION OF COVENANTS, CONDITIONS, RESERVATIONS AND RESTRICTIONS**

**Term:** The Covenants, Conditions, Restrictions, and Reservations herein set forth shall continue in full force and effect, as the same may be amended and supplemented, until terminated by written consent of 80% of the voting authority of the Members of the Association in accordance with the Planned Community Act, chapter 47F of the General Statutes of North Carolina, provided no amendment shall take away any right of the Declarant until full development and sale of all the property in the Premises has occurred without the written consent of the Declarant.

## **VI. MEMBERSHIP AND VOTING RIGHTS**

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



**6.2** The Association will have two class of voting membership:

**Class A.** Class A Members shall be all Owners, except Declarant, and shall have one (1) vote for each Lot owned and will be obligated to pay a pro rata assessment based on the total membership to meet the approved budget of the Association. The assessment due would be obtained by dividing the total number of Lots subjected to this Declaration into the sum due under the adopted budget and that amount would equal the assessment due from each Lot Owner upon full development. Prior to full development, annexation of all property to be annexed, the sum due from the Class B member based on the Lots then subjected to this Declaration, shall be subtracted from the approved budget and the amount remaining shall be divided by the number of Class A members to arrive at the assessment due.

**Class B.** The Class B Member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership when seventy-five percent (75%) of the total number of Lots subject to this Declaration and including land owned by the Declarant for annexation, if any, are sold to Owners other than the Declarant or its affiliate or on or before five (5) years from the date or recording of the sale of the first Lot subjected to this Declaration, or when Declarant elects to terminate its Class B Member status, whichever comes first. The Class B membership may be reinstated should it be terminated by untimely annexation of lots, upon such annexation, but not beyond the five year limitation.

When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more or less than one vote be case with respect to any Lot.

The Declarant will hold the first annual meeting of the Members as soon as deemed necessary or desirable following the sale of a Lot improved with a dwelling to an Owner. A quorum for such meeting will be Members present at the call of the role constituting ten percent (10%) of the total vote of the Association, as it will increase from time to time until the development is complete. The date of subsequent annual meetings will be established by the Declarant and inserted into the By-laws.

## VII. COVENANT FOR ASSESSMENTS

**7.1 Creation of the Lien and Personal Obligation for Assessments.** The Declarant, for each Lot owned hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided, (3) direct assessments as hereinafter defined, and (4) Administrative fee. The annual, special, direct assessments, late fees and administrative fees, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot(s) against which each such fee is due and assessment is made and when filed of record in the Office

of the Clerk of Superior Court in the county in which the Lot lays, shall be a lien upon the land to all who acquire an interest therein. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Property at the time when the assessment was levied and any heir or devisee shall be deemed to have consented to make such payments. The personal obligation for delinquent assessments shall not pass to the successors in title by deed unless expressly assumed by the, however a lien filed prior to the recording of the deed shall be in full force and effect upon the Lot.

**7.2 Direct Assessments.** Each Owner shall have the obligation to maintain and keep in good repair and replace the improvements on his Lot, including the roof, gutters, windows, doors, shutters, and exterior walls of the dwelling unit thereon, and any other exterior improvement such as garden walls, carports or garages and landscaping, including the routine pruning or mowing and watering of grass and shrubs, and other maintenance and replacement to present a good exterior appearance. If any Owner shall fail to comply, then the Board of Directors may proceed as set forth in paragraph 7.7, hereof. Amounts incurred in the foregoing manner shall be deemed "Direct Assessments" and shall be due on demand in addition to any other assessments herein provided for.

**7.3 Purpose of General Assessment:** The assessments levied by the Association shall be used exclusively to promote recreation, health, security, safety and welfare of the residents in the Premises to the extent the Members desire and in particular for the maintenance and replacement of landscaping located upon the Common Area, excluding Limited Common Area, the acquisition, improvement and maintenance of property, services and facilities devoted to this purpose for the maintenance, use and enjoyment of the Common Area, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, utilities, desired security, lighting, management and supervision, payment of governmental taxes and assessments, if any, assessed or levied against the Common Area, the procurement and maintenance of liability and other types of insurance deemed necessary or desirable, including director's insurance and fidelity bonds related to the Association and to the common Area, its facilities and use in accordance with this Declaration, the employment of managers, attorneys and accountants to represent the Association when necessary, and such other common needs approved by a majority of the Members as they arise.

**7.4 Administrative Fee:** An Administrative Fee of one hundred and no/100 dollars (\$100.00) shall be paid the Association by the Buyer, grantee of a Lot, each time title to the Lot changes ownership. This fee may be adjusted from time to time by the Board of Directors, but in no event shall any increase be more than five percent (5%) within any one year. This fee shall be used to meet the obligations for which Annual Assessments are collected.

**7.5 Maximum Annual Assessments:** Until the first annual meeting of the members and the adoption of a budget, the maximum annual assessment for a Class A Member shall be two hundred sixty and no/100 dollars (\$260.00) per Lot. Assessment shall commence as to a Lot when the Lot is first deeded from the Declarant. No assessment shall be charged on a Lot owned by the Declarant so long as no dwelling is constructed upon the Lot. Once Declarant elects to and builds on a Lot, then that Lot shall be assessed as a Class A Lot.

**7.6 Uniform Rate of Assessment:** Both annual and special assessments must be fixed at a uniform rate as provided for the Class A and B members. The assessments may be collected on a quarterly or annual basis in advance as the Board of Directors may direct, or the membership may approve, except as herein provided. Without regard to the foregoing, where there is a change in ownership, and no lien has been filed for past due assessments, annual and special assessments, in such event, shall become collectible on such change of ownership lots in twelve monthly installments from the date the assessment was levied so that a new owner acquiring title will be obligated for the assessment for the pro rata remainder of the month title is acquired in and for the remainder of the assessment year. Should an Owner default, the Board of Directors may file notice of claim of lien for the entire annual, special, or direct assessment past due and remaining due for the assessment year, including costs. The assessment year for regular assessments shall initially be the calendar year and thereafter shall be the twelve (12) months following the approval of the budget or the levy for a change in the assessment amount. No Owner may waive nor otherwise escape liability for any of the assessments provided for herein due to non-use or inability to use of abandonment of his Lot. The Board of Directors shall have the right to establish a late fee not in excess of \$25.00, for each assessment not paid within thirty (30) days of its due date.

**7.7 Enforcement of Collection:** Filing of lien and enforcement thereof for the collection of all assessments provided for in this Declaration shall be in accordance with the Planned Community Act, Section 47F-3-116, of the General Statutes of North Carolina as the same may be amended from time to time. The assessment shall be and remain the personal obligation of the Owner of the Lot at the time the assessment was levied and suit may be filed, claim made therefore in bankruptcy or collected in any other manner provided by law for debts due, including costs and reasonable attorney fees associated therewith in addition to the rights against the Lot. The Association may pursue either or both remedies without bar to the other remedies. Any amount collected from any action would be a credit against the total due. Any amount not collected shall be a common expense of the Association.

**7.8 Date of Commencement of Assessment, Due Dates:** The annual and special assessments provided for herein may be collected on a monthly, quarterly or annual basis as determined by the Board of directors. Annual assessments shall commence as to each Lot subjected to this Declaration in advance on the day the Lot is first deeded by the Declarant to an Owner and will be prorated for that portion of the annual year remaining. The first annual assessment as established by the Declarant shall be adjusted according to the number of days remaining in the calendar year. Subsequently the Board of Directors shall have the right to increase the amount of the prior year assessment by up to ten percent (10%) upon a majority vote of the members of the Board. If the Board so elects, it shall notify all Members of the Association by hand delivery or by U.S. Mail of the new assessment amount. If no increase is made, then no action is required. If a budget in excess of the ten percent cap is proposed or it is deemed necessary due to a shortage of funds due to increased expenses in excess of those anticipated prior to the end of the annual year, then the following shall apply:

At least thirty (30) days in advance of the assessment meeting, the Board shall establish and fix the amount of the proposed assessment. Within thirty (30) days of the adoption of the

proposed budget, the Board shall provide to all of the Owners a summary of the budget and a notice of the meeting to consider ratification of the budget. The Board shall set a date for a meeting of the Owners to consider ratification of the budget, such meeting to be held not less than 15 nor more than 60 days after mailing of the summary and notice. The budget is ratified unless at that meeting the Owners of a majority of the Lots present reject the proposed budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners and as may have been or is increased by the Board shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

**7.9 Subordination of the Lien to Deeds of Trust:** The liens provided for herein shall be subordinate to the lien of any first and second deed of trust or mortgage filed prior to a lien for assessments by the Association and will be extinguished upon foreclosure of the mortgage or deed of trust, but the personal obligation of the Owner of the Lot when the assessment fell due shall survive. No such foreclosure sale shall relieve such Lot from liability for any assessments, monthly or otherwise, which is due or may be collected from the date of foreclosure conveyance forward and the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any subsequent first or second deed of trust filed prior to a lien for assessments being filed by the Association.

### VIII. ARCHITECTURAL CONTROL

The Declarant reserves and retains the exclusive right to approve, modify or reject the plans for the initial construction of the improvements on all Lots within the Premises.

### IX. SPECIAL DECLARANT'S RIGHTS

**9.1** Any right reserved or retained by the Declarant in this Declaration, any supplemental declaration, the by-laws, the Articles of Incorporation, or by deed shall not be subject to amendment, deletion or change by the Association or its Members without Declarant's written permission until such right terminates or until the full development of the Premises by the construction of a dwelling on all lots and the sale of same, together with any land the Declarant may subsequently acquire for annexation into the Association. One or more of the specific rights may be surrendered in full or in part at different time by written notice(s) to the Board of Directors from the Declarant.

**9.2** Declarant reserves the right to annex additional land now owned or which may be acquired which adjoins or is in the general area of the land described in Exhibit A, which Declarant may own or acquire at a future date. Declarant further reserves the right to re-plat any and all Lots it owns and to use the same as re-platted for any use authorized by the governmental authorities having jurisdiction.

**9.3** Declarant reserves and retains the right to amend this Declaration and all other Association documents in order to meet any requirement to make Lots eligible for loans which may be guaranteed or insured by the Department of Housing and Urban Development, Veterans Administration, Federal Housing Loan Mortgage Corporation, Federal National Mortgage Association or other governmental, lending or insuring agency or companies which may have

regulations, policies or requirements in conflict with this Declaration or other Association documentation. Such amendment(s) will be recorded by the Declarant and will not require the joinder of the Association or any Member.

Provided, notwithstanding any language herein or in any of the other Association documents, so long as there is a Class B member annexation of additional properties, mergers, consolidations, mortgaging of Common Area, dissolution, amendment of the Articles of Incorporation and this Declaration shall require HUD/VA or FHA approval depending on the approvals for loan guaranty purposes that re in place, if any.

**9.4** Declarant reserves the right to appoint the majority of the members of the board of Directors of this Association, as it may be expanded, until each Lot is fully developed, improved with a dwelling and sold. Declarant may surrender such right at any time henceforth in part or in full upon written notice to the Board of Directors of the Association.

**9.5** Until the initial sale of the last Lot owned by the Declarant in the Premises, any restrictions, covenants, reservations or conditions set forth herein may be extended, removed, modified or changed by securing the written consent of the Declarant, which written consent, if given, shall be duly executed, acknowledged and recorded in the Office of the Register of Deeds where the property affected lays, and which consent may be given or withheld within the uncontrolled discretion of the Declarant.

**9.6** Declarant retains the right until final development of all Lots with dwellings to add to or take away Common Area by adding Lot(s), adding Common Area to a Lot or Lots or by incorporating a part of a Lot(s) owned by Declarant into the Common Area, however Lots in excess of the number allowed by governmental authorities will not be allowed.

**9.7** Any right reserved by the Declarant shall include its successors and specific assigns to which such rights, in part or in full, have been assigned and accepted by the assignee.

## **X. GENERAL**

**10.1 Approvals Following Meeting:** At any place herein or in the Association documents where it is required that a certain percentage of Members approve or consent to any matter, such percentage requirement may be obtained after any required meeting at which a quorum was present, provided the motion for approval was not defeated at the meeting, by obtaining the signatures of Members sufficient to meet the required percentage of membership vote.

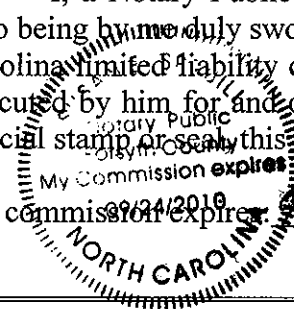
**10.2 Conflicts. Planned Community Act:** This Declaration is not intended to be in conflict with Chapter 47F of the General Statutes of North Carolina, as it may be amended, and if any of the terms and conditions hereof are not in compliance with such Act, then the Act shall control in such instances and this Declaration is expanded to incorporate matters set forth in the Act that are not covered hereby.



NORTH CAROLINA – FORSYTH COUNTY

I, a Notary Public of the County and State aforesaid, certify that **Bruce R. Hubbard**, who being by me duly sworn says that he is the Manager of **STDM Development, LLC**, a North Carolina limited liability company, and that the foregoing instrument was voluntarily and duly executed by him for and on behalf of said limited liability company. WITNESS my hand and official stamp or seal, this 24<sup>th</sup> day of May, 2007.

My commission expires 09/24/2010



Susan E Spruill  
Printed Name: SUSAN E-SPRUILL, Notary Public