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LEATHERWOOD MOUNTAINS

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

INTRODUCTION

This is the basic document for establishing the regime of LEATHERWOOD MOUNTAINS. An interest in a lot or dwelling unit in LEATHERWOOD MOUNTAINS consists of three (3) elements:

- A. The fee simple title in the lot (including any dwelling unit located thereon).
- B. The easement of enjoyment in the Common Properties.
- C. The membership in LEATHERWOOD MOUNTAINS HOMEOWNERS ASSOCIATION, INC. (The "Association").

These interests are subject to various easements, restrictions and covenants, and more particularly the obligation to pay the proportion of assessments established by the Board of Directors for each lot including any dwelling unit located thereon. Failure of individual owners to pay such assessment can result in, among other sanctions, the creation of a lien on the title interest in their respective lots (dwelling units), and can be foreclosed. Thus, the Association is assured of an adequate budget to provide its services and maintain the properties and the program making up Leatherwood Mountain and its style of life.

The Association provides certain services including: access to all facilities and all roads and open space; the provision of certain exterior maintenance; and liability coverage for acts of the Association.

Membership in the Association and acts of the members (owners) are subject to restrictions sufficient to provide order and facilitate reasonable opportunities for maximum, and most enjoyable, uses of the common facilities. Sanctions or suspension of privileges and the levying of liquidated damages are provided to enforce the restrictions.

Although a lot (dwelling unit) owner actually owns the footage on the exterior of his building, any permanent structure or improvements erected or placed in that space must have the approval of an architectural review board. This is necessary to prevent unsightly additions, fences and structures which are inconsistent with the character of Leatherwood Mountains as a planned residential community.

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RIGHT OF REPURCHASE 23

McELWEE, McELWEE,
CANNON & WARDEN
ATTORNEYS AT LAW
NORTH WILKESBORO, N. C.
28639

STATE OF NORTH CAROLINA

COUNTY OF WILKES

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

W I T N E S S E T H:

WHEREAS, LEATHERWOOD PROPERTIES, a Limited Partnership herein called the "Declarant", is the fee simple owner of certain real property located in ELK TOWNSHIP, WILKES COUNTY, North Carolina, and desires to establish on a portion thereof a residential community consisting of single-family residential dwellings to be governed by LEATHERWOOD MOUNTAINS HOMEOWNERS ASSOCIATION, INC., and further desires that said property be used, developed, maintained and managed for the benefit and welfare of owners of property in LEATHERWOOD MOUNTAINS; and

WHEREAS, the Declarant desires to provide for the preservation of the values and amenities and the desirability and attractiveness of the real property in the Leatherwood Mountains Homeowners Association, Inc.; and for the continued maintenance and operation of the private streets and common areas in the community and for a security system for the protection of property; and

WHEREAS, the Declarant has deemed it desirable for the efficient preservation of the values and the maintenance and operation of the private roads and common areas that certain covenants, conditions, easements, assessments, liens and restrictions governing the subdivision and development of tracts of land, and the use and occupancy of tracts in the Leatherwood Mountains Homeowners Association, Inc. be established and declared to be covenants running with the land; and that an agency be created to which will be delegated the powers and duties of maintaining the roads and common areas, providing security, enforcing the covenants and restrictions, and collecting and disbursing assessments;

NOW, THEREFORE, in consideration of the premises, the Declarant hereby declares that all of the property hereafter described at Map Book 8, Page 312, Wilkes County Registry of Deeds, or that property

that hereafter may be made subject to this Declaration of Covenants, Conditions and Restrictions (hereafter called the "Restrictions") are and shall be held, transferred, sold, conveyed, occupied and used subject to the restrictions and matters hereinafter set forth, said Restrictions and matters to be construed as covenants running with the land which shall be binding on all parties having or acquiring any right, title or interest in the described property, or any part thereof, and which shall insure to the benefit of each owner thereof, for and during the time hereinafter specified. Every party hereafter acquiring any lot, or portion thereof, in the described properties, by acceptance of a deed conveying title thereto or by execution of a contract for the purchase thereof, whether from the Declarant or a subsequent owner of such lot, shall accept such deed or contract subject to each and all of the covenants, restrictions and agreements contained within these Restrictions, as well as any additions or amendments hereto, and also subject to the jurisdiction, rights and powers of the Declarant, the Leatherwood Mountains Homeowners Association, Inc., and their successors and assigns. Each grantee of any lot subject to these Restrictions, by accepting the deed or contract thereto, shall for himself, his heirs, personal representatives, successors and assigns, covenant, consent and agree to and with the Declarant, the Association, and with grantees and subsequent owners of each of the lots within the Subdivision to keep, observe, comply with and perform said Restrictions and agreements.

ARTICLE I DEFINITIONS

1. "Association" shall mean and refer to the Leatherwood Mountains Homeowners Association, Inc., a non-profit corporation organized and existing under the laws of the State of North Carolina, its successors and assigns.

2. "Common Areas" shall mean and refer to any and all real property owned or held by the Association for the common use and enjoyment of all members and all riding trails, streets and roads, greenways and recreational areas and other common areas located within the Development which are maintained by the Association.

3. "Declarant" shall mean and refer to the Declarant herein, Leatherwood Properties, a Limited Partnership, its successors or designated assigns.

4. "Lot" shall mean and refer to (a) any plot of land identified as a lot at Map Book 8, Page 312, Wilkes County Registry of Deeds, or on any deed or contract of conveyance from the Declarant; and (b) any numbered plot of land shown on a recorded map or survey of Leatherwood Mountains or any part thereof with the exception of the Common Areas and non-residential areas.

5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot as herein defined, excluding however, those parties having such interest merely as a security interest for the performance of an obligation.

6. "Development" or "Leatherwood Mountains" shall mean that land divided into residential lots as described at Map Book 8, Page 312, Wilkes County Registry, as well as any adjoining tracts which the Declarant should choose to add and subject to these restrictions.

7. "Member" shall mean and refer to every person or entity who holds membership in the Association.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS THERETO

1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Elk Township, Wilkes County, North Carolina, and is more particularly described at Map Book 8, Page 312, Wilkes County Registry.

2. Additional Property. The Declarant reserves the absolute right, exercisable in its sole discretion from time to time, to add other lots to Leatherwood Mountains, and to subject such additional lots to the terms of these Restrictions. Such additions shall be made in order to extend the scheme of these Restrictions to other real property that may be developed as part of Leatherwood Mountains and to bring such additional property within the jurisdiction of the Association, thereby subjecting such additions to assessment for their just share of the Association's expenses. Such additions shall be made by filing of record a Supplemental Declaration of Covenants and Restrictions, which

shall identify the real property to be included and shall incorporate these Restrictions by reference. The Declarant reserves the right to use any existing roads for the benefit of such additional developments.

3. Excluded Property. No property of Declarant shall be subject to these restrictions except that property made subject thereto as herein provided. No property of Declarant shall be subject to any restrictions by implication arising from Declarant imposing these restrictions on the property herein identified.

ARTICLE III

COMMON AREA PROPERTY RIGHTS

1. Private Areas. Each of the streets in the Development now or hereafter constructed or designated on any recorded or unrecorded map, is a private street with the exception of Wilkes County SR 1162, SR 1155 and SR 1166, and every common area within the Development is a private area, and neither the execution nor recording of any plat nor any other act of the Declarant or Declarant's successor in title to all or any portion of the property is, or is intended to be, or shall be construed as, a dedication to the public of any streets or common area, except those that hereafter may be dedicated by a specific written and recorded deed or agreement of dedication.

2. Reservation of Easement. The Declarant reserves for itself the right to offer to dedicate or transfer any streets or other part of the common area to any public agency, authority or utility if it so desires. The Declarant reserves for itself and for its successors and assigns a non-exclusive easement over each of the streets in the Development now or hereafter constructed or designated on any recorded or unrecorded map. The Declarant reserves the right to use said roads for the development of any adjoining properties which Declarant may own now or in the future. The Declarant also reserves for itself, its successors and assigns, the right to grant and reserve easements and rights-of-way through, under, over and across Leatherwood Mountains for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, cable television and other utilities, except this reservation shall not apply to lots in the Development except in easements within such lots shown on any recorded plat of the Development or any part

hereof or as reserved in Section 5 of Article VII hereof. An offer of dedication places no liability upon any public agency to accept the dedicated streets or other property. The Declarant acknowledges that the streets, other than existing State Roads, within Leatherwood Mountains Development are not constructed to the State of North Carolina Department of Transportation's minimum standards for subdivision streets. Therefore, the Department will not accept these streets into its secondary roads system. All private street maintenance, including repair and snow removal, will be the responsibility of the Declarant or the Association. The Declarant acknowledges that it is the policy of the Wilkes County Board of Education that school buses will not travel on private streets.

3. Ownership of Common Areas. The Declarant may retain the legal title to any common properties, other than streets or roads shown on any recorded plat of the properties, until such time as it has completed improvements, if any, thereon and until such time as, in the opinion of the Declarant, the Association is able to maintain the same. Prior to the date of any transfer of maintenance of the streets and roads to the Association, said streets and roads shall be maintained by the Declarant. At the time of transfer of maintenance to the Association said streets and roads shall be common properties and the expense of maintenance shall be borne by the Association.

4. Owner's Easements of Enjoyment. Every lot owner, including lot or homeowners in adjoining areas developed at a future time, shall have a non-exclusive right-of-way, right to and easement of enjoyment in and to the roads and common area which shall be appurtenant to and shall pass with the title to every lot, subject to the provisions of this Declaration and the Charter and Bylaws of the Association as to the following provisions:

a. The right and easement of enjoyment in and to the roads shall be limited to those roads owned or maintained by the Association.

b. The right to the Association to limit use of the roads and common areas to owners, their families and guests.

c. The right of the Association to suspend the voting rights and other rights of membership by an owner for any period during which any assessment against his lot remains unpaid; and for a period

not to exceed sixty (60) days for any infraction of its published rules and regulations.

d. The right of the Association to grant an easement in, dedicate or transfer all or any part of the roads or common areas to any public agency, authority, or utility for such purposes, subject to such conditions as may be agreed to by the members.

e. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common area.

f. The right of the Association, in accordance with its Charter and Bylaws, to borrow money for the purpose of improving the common area and facilities and in aid thereof to mortgage the common area, or any portion thereof, and the rights of such mortgage in said properties shall be subordinate to the rights of the homeowners hereunder.

ARTICLE IV

HOMEOWNER'S ASSOCIATION

ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

1. Administration of Common Areas. The administration of the roads and common areas, including maintenance, repair, and upkeep of the private streets and provision for security of the property, including the acts required by the Declaration, the Bylaws, and Articles of Incorporation of the Association, shall be performed by the Association. The Association shall be required to maintain those roads as shown on recorded map at Map Book 8, Page 312, Wilkes County Registry, which serve as access to a lot or common area. Any road which is wholly within a lot, and which does not serve as access to another lot, shall not be maintained by the Association.

2. Rules and Regulations. The Association may also adopt and enforce rules and regulations not inconsistent with these Restrictions, the Articles of Incorporation or Bylaws of the Association for the operation and administration of the Association and its property.

3. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any lot in Leatherwood Mountains shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot, and shall be

transferred automatically when the owner conveys, devises, gives or otherwise transfers his lot, even though such conveyance, devise or gift does not make mention of the membership rights of the Association. Such membership is not intended to apply to those persons or entities who hold an interest in any lot merely as security for the performance of an obligation to pay money, e.g., mortgages or deeds of trust; however, if such secured party should realize upon his security and become the fee owner of a lot, he and his assigns of the lot will then be subject to all the requirements and limitations imposed in these Restrictions on owners of lots within the development and on members of the Association, including those provisions with respect to payment of annual charges. The Board of Directors may include reasonable rules relating to the proof of ownership of a lot in the Leatherwood Mountains Homeowners Association, Inc.

4. Voting Rights and Classes of Membership.

a. Membership. Every person or entity who is a record owner of a fee simple interest in any lot or dwelling unit is subject by this Declaration to assessment by the Association and shall be a member of the Association; provided, however, that any such person or entity to hold such interest merely as a security for the performance of an obligation shall not be a member.

b. Voting Rights. The Association shall have two classes of voting membership:

(1) Class A: Class A members shall be all owners of lots and owners of any type or dwelling unit, other than the Declarant. Any Class A member shall be entitled to one vote for each dwelling unit or for each lot which he owns. When more than one person or entity holds an interest in any lot or dwelling unit, all such persons or entities shall be members. The vote for such lot or dwelling unit shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot, nor shall any vote be fractionalized.

(2) Class B: The Class B member shall be the declarant, which shall be entitled to three (3) votes for each lot and three (3) votes for each dwelling unit owned by it.

5. Authority To Borrow Funds. The Association shall possess the right, as provided in the Bylaws, to borrow money for the purpose

of improving the common areas and to mortgage any portions of the common areas necessary to secure loans for such improvements. Provided, however, that no such borrowing or mortgaging shall be done without a prior vote of approval by two-thirds (2/3) of each Class of members at a meeting duly called for such purpose, in accordance with the Bylaws.

6. Violation or Delinquency. During any period in which a member shall be in default in the payment of any annual, special or other assessment levied by the Association, his rights to vote and all other rights and incidents of membership in the Association may be suspended by the Board of Directors until such assessment is paid. A member's voting and use rights may also be suspended for violation of the Association's published rules and regulations; provided, that prior to any suspension for such violation, the Board of Directors (or a committee thereof) shall conduct a hearing regarding the alleged violation after giving the accused member at least ten (10) days prior written notice specifying each alleged violation and setting the time, place and date of the hearing. At the hearing, the accused member shall have the right to call and question his own witnesses as well as any opposing witnesses. A determination of violation as well as the terms of any suspension shall be made only by a majority vote of the Board.

7. Specific Enforcement. The Association also reserves the right to direct its agents and employees to enter upon the lot of any Association member for the purpose of repairing, maintaining or restoring the lot or exteriors of any buildings or improvements thereon, including the removal of unsightly weeds, underbrush, or other items. Provided, however, that the Association may exercise such right only when the lot to be entered has not been maintained in a manner satisfactory to the Declarant or the Architectural Review Committee established in Article VI, and after approval of such action by two-thirds (2/3) vote of the Association's Board of Directors. No entry may be made under this subsection without first providing the owner of the lot to be entered at least ten (10) days prior written notice requesting him to properly repair or maintain his lot; any entry by the Association for the foregoing purposes shall be only between the hours of 7:00 a.m. and 6:00

p.m. on any day except Sunday. Such entry as herein provided shall not constitute a trespass, and the Association shall bear no liability for performing any acts reasonably necessary or appropriate in connection with the execution of these provisions. All costs of such exterior maintenance shall be added to and become part of the annual assessment applicable to such lot or tract, and shall constitute a permanent lien upon such lot until paid. In addition, the lot owner shall be personally liable to the Association for such costs, all as provided in Article V.

ARTICLE V

COVENANTS FOR MAINTENANCE ASSESSMENTS

1. Creation of Lien and Personal Obligation for Assessments.

The owner of each lot in Leatherwood Mountains, by acceptance of a deed therefor, and Declarant, is deemed to covenant and agree to pay to the Association: (a) annual assessments or charges; and (b) special assessments for capital improvements. Such covenant will be deemed to arise whether or not it is expressly stated in the deed or other conveyance to the owner. The annual and special assessments, together with interest, costs and reasonable attorney's fees, as well as any charges imposed under Section 8 of Article IV above, shall be a charge on the land and shall constitute a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was owner of such property at the time when the assessment fell due. However, the personal obligation for delinquent assessments shall not pass to his successors in title (other than as the continuing lien on the land) unless expressly assumed by such successor.

2. Purpose of Assessments. All assessments levied by the Association shall be used to provide funds for such purposes as the Association may determine are for the benefit of its members. Such purposes may include, but are not limited to: maintenance, landscaping and beautification of the roads and common areas; construction, repair and replacement of improvements upon the roads and common areas; the cost of labor, equipment, materials, management and supervision thereof; provided security to the Development by mechanical gates and/or guards and patrols or other means; the payment of taxes assessed

against the roads and common areas; the procurement and maintenance of insurance; the employment of attorneys, accountants and other professionals to represent the Association when necessary or useful; the provision of other services intended to promote the health, safety and welfare of the members; and such other needs as may arise.

3. Determination of Assessment Amount. Prior to December 31 of each year the Board of Directors shall prepare a budget for the next calendar year and based upon such budget, the Board shall fix the assessment amount for each class of property owned upon the following basis:

a. Each lot upon which is situated a completed, habitable dwelling shall be assessed (1) share; and

b. All other lots shall each be assessed one-half (1/2) of one share.

4. Payment of Assessments. All annual and special assessments provided for herein shall commence as to all lots on the first day of the month following the transfer of title to owner. The annual assessment shall be adjusted according to the number of months remaining in the calendar year. Thereafter, payment of assessments shall be made annually to the Association or its designee, on or before the due date established by the Board; provided, however, that the Board may elect to receive payments on a quarterly basis. The Board of Directors shall fix the amount of the annual assessment at least thirty (30) days before the due date and written notice of the charge so fixed shall be sent to each member.

5. Special Assessments. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of acquisition of and any construction, reconstruction, repair or replacement of a capital improvement upon common areas, including the necessary fixtures and personal property related thereto. Prior to the imposition of any such special assessment, two-thirds (2/3) of each Class of members voting at a meeting called to consider such assessment and at which a quorum was present, must vote their assent to its imposition.

6. Notice and Quorum. Except for a vote to amend the covenants and restrictions contained herein, which vote shall be conducted pursuant to Section 1 of Article VIII below; the notice and quorum required for any actions of the Association authorized by Article IV and V of this Declaration or as otherwise in the Articles of Incorporation, the Bylaws or by law provided, shall be as follows:

a. Written notice of any meeting called for the purpose of taking any action authorized under Articles IV and V of these Restrictions shall be sent to all members not less than ten (10) days nor more than sixty (60) days in advance of the meeting.

b. Members may attend and may vote in person or by proxy executed in writing by a member. No proxy shall be valid after eleven (11) months from the date of its execution, or after conveyance by the member of his lot.

c. At any meeting called for the purpose of taking some action by the Association membership the presence in person or by proxy of members entitled to cast 20% of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and any number of members attending such subsequent meeting, so long as such number represents at least 10% of all the outstanding votes shall constitute a quorum. No such subsequent meeting shall be held more than six (6) months following the scheduled date of the preceding meeting.

7. Exempt Property. All lots owned by the Declarant and any lot which the Declarant may hereafter designate for common use as part of the common areas and convey to the Association, as well as all lots dedicated to and accepted by a local public authority, shall be exempt from the assessments and charges created herein. In addition, the lien of a mortgage or deed of trust representing a first lien placed upon any lot for the purpose of purchasing the lot or for permanent financing and/or constructing a residence or other improvement thereon recorded in accordance with the applicable state laws from the date of recordation, shall be superior to any and all liens provided for herein. The sale or transfer of any lot by foreclosure of any first mortgage or any proceeding in lieu thereof, shall not extinguish the lien of such assessments as to payments due prior to such sale or transfer,

provided such transfer shall not have been made for the purpose of defeating the lien.

8. Continuance of Lien.

a. The assessments and charges created herein shall constitute a continuing lien upon all lots in the Subdivision and no owner may waive or in any way reduce his liability for the assessment by non-use of the common areas or abandonment of his lot.

b. In the event that any charge or assessment created in this Declaration remains unpaid by an Association member for thirty (30) days after the due date announced by the Board of Directors, the Association, through its agents and employees, may record with the Wilkes County Clerk of Court a notice of the lien created by this Declaration.

9. Effect of Nonpayment of Assessments: Remedies of the

Association. In the event that any assessment or charge created herein remains unpaid for thirty (30) days after the due date announced by the Board of Directors, such unpaid assessment shall bear interest from the date of delinquency, said interest rate to be set by the Board of Directors from time to time, but in no event shall it exceed the maximum interest rate allowed by law. The Association, its agent or representative, may bring an action at law against the owner personally obligated to pay the same and/or foreclose the lien against the lot subject to the unpaid assessment in either case, interest, costs and reasonable attorney's fees shall be added to the amount of such assessment to the extent allowed by law. Any foreclosure conducted pursuant to this section shall comply fully with the North Carolina procedure for judicial foreclosure.

10. Certificate of Payment. The Association shall, upon demand at any time, furnish a certificate in writing signed by an officer of the Association certifying that the charges on a specified lot have been paid or that certain charges against said lot remain unpaid, as the case may be. A reasonable charge may be made by the Board of Directors of the Association for the issuance of these certificates. For the purposes of obtaining a certificate, interested parties should contact the Association at its address.

ARTICLE VI
ARCHITECTURAL REVIEW

1. The Declarant shall have the responsibility of enforcing the requirements set forth in this Article until such time as it passes such responsibility to the Architectural Review Committee (the "Committee") which thereafter, shall assume and be responsible for enforcement. Reference in this Article to the Declarant shall mean the Committee after such time as the responsibility is passed to the Committee. The following provisions regarding architectural review shall apply to each and every lot now or hereafter subject to this Declaration.

2. No construction, reconstruction, remodeling, alteration, or addition to any building, improvement, or structure of any kind, upon any lot in the Development, shall be commenced without the prior written approval of the Declarant of the proposed site location, plans and specifications.

3. There shall be submitted to the Declarant two (2) complete sets of the final plans and specifications for any and all proposed improvements, the erection or alteration of which is desired, and no structures or improvements of any kind shall be erected, altered, placed or maintained upon any lot unless and until the final plans, elevations, and specifications therefore have received such written approval as herein provided. Such plans shall include plot plans showing the location on the lot of the building, wall, fence or other structure proposed to be constructed, altered, placed or maintained, together with specifications for the proposed construction material, color schemes for roofs and exteriors thereof and proposed grading and landscaping.

4. The Declarant shall approve or disapprove plans, specifications, and details within thirty (30) days from the receipt thereof. In the event the Declarant fails to approve or disapprove such plans and specifications within thirty (30) days, approval will not be required and the requirements of this Section will be deemed to have been fulfilled. One (1) set of said plans and specifications and details with the approval or disapproval endorsed thereon, shall be returned to the persons submitting them and the other copy thereof shall be retained by the Declarant for its permanent files. The Declarant shall have the

right to charge a reasonable fee for receiving each application for approval of plans and specifications in an amount not to exceed \$50.00.

5. At such time as the Declarant elects to transfer to the Association the architectural review responsibilities, the Association's Board of Directors shall appoint a standing committee of the Board, to be called the Architectural Review Committee, which shall initially consist of three (3) members to be appointed from among the Association's members. Upon its appointment, the Committee shall assume from the Declarant all authority to review and approve plans, specifications, and details as otherwise provided herein. The initial committee shall serve for a term of two (2) years, after which the committeemen shall be appointed by the Association's Board of Directors, pursuant to its Bylaws, and shall serve for a term of one (1) year; provided further that the number of committeemen may be increased from three (3) to five (5) by a resolution of the Association's Board of Directors.

6. After its appointment, the Architectural Review Committee shall establish written architectural and aesthetic criteria to be used in reviewing all plans, specifications, and details submitted for approval, and copies of such criteria may be obtained upon request from the Committee. Such written criteria shall be subject to revision or amendment by the Committee at all times; provided, however, that no amendment to or change in such criteria shall become effective until committed to writing and approved by the Committee in the same manner as the previously controlling criteria; and that no amendment or change in such criteria shall have retroactive application.

7. The purpose of the Architectural Review provisions set forth herein is to protect the value of all real property subject to this Declaration and to promote the interests, welfare, and rights of all development property owners. Decisions of the Declarant or Architectural Review Committee approving or disapproving of plans and specifications shall be based on criteria it establishes for the Development, consistently applied, but such decisions shall be final and not subject to review or appeal.

ARTICLE VII
RESTRICTIONS AND REQUIREMENTS

1. Residential Use. No lot shall be occupied or used except for single-family residential purposes, or as common areas if owned by the Association. No structure shall be erected, placed or permitted to remain on any lot other than one detached, single-family residence dwelling and such outbuildings as are usually accessory to a single-family residence dwelling including a private garage or barn facility. This shall not restrict the Association or the Declarant from constructing on any lot, security, maintenance, or other facilities for the benefit of the Development. No obnoxious or offensive activity shall be carried on upon the properties which may be or may become a nuisance or annoyance to the neighborhood.

2. Size and Placement of Residences and Structures.

a. No dwelling having more than three above ground stories or having less than 1200 square feet (with some consideration being given to covered non-heated areas) shall be constructed upon any lot in the development, and the Declarant and its successor Architectural Review Committee, as provided in Article VI, retain the right to withhold approval of plans for any split level, two or three story residence where such a structure is unsuited to the proposed lot's terrain, where the erection of such a structure would block or materially interfere with the primary view or vista or solar access of another lot, or would not be in keeping with the general development of surrounding area.

b. The Declarant and its successor Architectural Review Committee shall have the authority to promulgate regulations pertaining to the height and size requirements of all other types of structures, including but not limited to outbuildings, fences, walls and copings.

c. No above-grade structure (except fences or walls) may be constructed or placed on any lot within:

(1) Forty-five (45) feet from the front line of the lot, which is the center line of road in front of such lot.

(2) Fifteen (15) feet from each lot side line, unless the side line is the center line of a road, in which case forty-five (45) feet is the setback requirement.

(3) Twenty-five (25) feet from the rear line of each lot.