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and all costs incurred by the Association in providing such exterior maintenance shall be added to the annual assessment for such Lot and subject to the lien rights described in Article IV; provided, however, that the Association shall first give written notice to the Owner of the specific items of exterior maintenance or repair the Association intends to perform and the Owner shall have twenty (20) days from the date of mailing of said notice within which to perform such exterior maintenance. The determination as to whether an Owner has neglected or failed to maintain his or her Lot and/or dwelling in a manner consistent with other Lots and dwellings within the Properties shall be made by the Executive Board of the Association, in its sole discretion.

SECTION 3. MAINTENANCE OF DETENTION PONDS. The Association shall be responsible for maintaining and repairing the detention ponds located in the Common Areas in accordance with the watershed quality standards required by the City of High Point and the State of North Carolina.

SECTION 4. MAINTENANCE OF WATER AND SEWER LINES. The water and sewer lines and all appurtenances thereto located within the Common Areas shall be properly maintained and operated by the Association in accordance with all permits issued by any state or local authority. The Association shall allocate in its yearly budget and set aside in a separate account funds which may be used to repair, maintain or reconstruct said water and sewer lines and appurtenances thereto should same become necessary. In the event of a voluntary dissolution by the Association, the Association shall first transfer said water and sewer and all appurtenances thereto to some other person or entity acceptable to and approved by the North Carolina Environmental Management Commission.

SECTION 5. INSURED DAMAGE TO OR DESTRUCTION OF COMMON ELEMENTS. The Association shall maintain, to the extent reasonably available, the insurance specified in the Bylaws. Any portion of the Common Elements for which insurance is maintained by the Association which is damaged or destroyed shall be repaired or replaced promptly by the Association unless (i) this Declaration is terminated and the Association dissolved pursuant to a vote of the Members in accordance with Article III, Section 5, hereof, and with any required consent of Declarant, the VA, FHA or Institutional Lenders, (ii) repair or replacement would be illegal under State or local health or safety statute or ordinance, or (iii) the Owners decide not to rebuild pursuant a vote of the Members in accordance with Article 111, Section 5, hereof, and with any required consent of Declarant, the VA, PHA or Institutional Lenders. If any portion of the Common Elements are not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements shall be used first to restore the damaged area to a condition compatible with the remainder of the Properties, and the remainder shall be distributed in accordance with *Section 47P-3- 113* of the Planned Community Act.

ARTICLE VII

RESTRICTIONS

SECTION 1. LAND USE AND BUILDING TYPE. No lot shall be used for other than residential purposes. No building or structure shall be erected, altered, placed or permitted to remain on any Lot other than: (1) one single family attached dwelling; (2) one private garage, attached to the dwelling, for not more than two automobiles; and (3) an individual unattached single family dwelling located on each of Lot numbers 72 and 73.

SECTION 2. DRIVEWAYS. Paved driveways are required for each dwelling and all vehicles shall be parked in driveways, parking pads, or designated areas. In the case of shared drives, residents shall exercise care not to block any drive with any vehicle and to assure adjoining property owners clear ingress and egress.

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nuisance or cause an unsanitary condition. No structure for the care, housing or confinement of any pet shall be constructed or maintained on any part of the Common Area. Pets shall be under leash at all times when walked or exercised on any part of the Common Area. No pet shall be permitted to leave its excrement on any portion of the Common Area, and the Owner or person having control of such pet shall immediately remove and properly dispose of any such excrement.

(b) Upon the written request of any Owner, the Board of Directors may conclusively determine, in its sole and absolute discretion, whether, for purposes of this section, a particular pet is a generally recognized house pet or such pet is a nuisance. The Board shall have the right to require the owner of a particular pet to remove such pet from the Development if such pet is found to be a nuisance or in violation of these restrictions. An Owner maintaining a household pet or nuisance, or allowing an occupant or visitor to do so, shall be responsible to the Association for the cost of any repair of any damage to the Common Area caused by the household pet or nuisance. Any cost of repair shall be added to and become a part of any assessment next coming due to which such Owner and his Lot or dwelling are subject.

SECTION 4. WAIVER OF VIOLATION. Any violation of these restrictions may be waived by the Declarant or by the Executive Board of the Association.

SECTION 5. MISCELLANEOUS.

- (a) No drying or airing of any clothing or bedding shall be permitted outdoors on any Lot within the properties.
- (b) No satellite dish with a diameter of more than eighteen inches may be placed on the property. Any such satellite dish, television or radio antenna shall be placed at a height no higher than the lowest eave line of the building, shall be located in the rear of the residence, and shall be attached to the residence.
- (c) No motor homes, boats, campers, trailers, junk automobiles or any other type of salvage may be placed or stored on the premises.
- (d) Patio areas are to be kept in good order and condition with only patio furniture, outdoor grills and /or house plants located thereon.
- (e) No individual yard sales are permitted.
- (f) All garbage, trash and other household waste shall be disposed of in mobile toters furnished by the City of High Point. Mobile toters shall not be stored outside the residence except on the street on the day of garage pickup.
- (g) The property shall not be used for business, manufacturing or commercial purposes.
- (h) No utility vehicle or truck larger than one rated as a 3/4 ton truck shall be allowed to remain on any common parking area, or any Lot, or on any Common Area overnight.
- (i) Only approved standard window dressings that are exposed to the outside may be used.
- (j) Screens are only permitted on side and rear windows.
- (k) Only approved storm doors will be permitted.
- (l) Mail shall be received in approved mail receptacles.

SECTION 6. OFFENSIVE ACTIVITIES. No noxious, offensive or illegal activities shall be carried on upon any Lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to the Owners of other Lots. Without limiting the generality of the foregoing provisions, no exterior speakers, horns, whistles, bells, or other sound devices, except security and fire alarm devices used exclusively for such purposes, shall be located, used, or placed within the Development.

All trash and debris must be placed in appropriate containers or properly bundled for disposal, and must be properly disposed of. No Owner shall dump, deposit, place or discard, or allow another to dump, deposit, place or discard any trash or debris upon any portion of the

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SECTION 7. SIGNS. No advertising signs or billboards shall be erected on any Lot or Common Area. This restriction shall not apply to: (a) signs used for identifying and advertising the Development, for selling Lots and/or houses within the Development, or for identifying builders and contractors during construction; (b) informational or directional sign required by law or approved by the Board of Directors; and (c) temporary signs approved by the Board of Directors, in its sole and absolute discretion, for a valid and reasonable purpose in the best interests of the Owners. Prohibition of or approval and posting of signs shall not conflict with any law or ordinance of a governing authority.

SECTION 8. COURTYARDS. During construction of a residence on a Lot, Declarant may allow a Courtyard to be constructed serving the residence on that Lot. The Courtyard may be enclosed with fencing, and fencing will include a gate for access to the Lot and the Courtyard. All or a portion of the Courtyard and the fencing may be allowed to encroach upon the Common Area adjacent to the Lot; an easement shall be and hereby is created for the purpose of construction and maintenance of all or a portion of the Courtyard and fencing upon the Lot and for the exclusive use of that portion of the Common Area by the Owner and his guests, invitees and agents.

The Courtyard Area, the fencing, and the gate will be maintained and repaired by the Owner, with the exception that grass mowing and trimming will be the responsibility of the Association, so long as access to the Courtyard is provided through an unlocked gate.

SECTION 9. PARKING PADS. During construction Declarant may construct Parking Pads for parking of vehicles on various Lots and on various portions of the Common Area. All or a portion of the Parking Pad so constructed may be allowed to encroach upon the Common Area or upon the Lot. An easement shall be and hereby is created for the purpose of construction and maintenance of each Parking Pad. An easement shall be and hereby is created for the use of and for access to for purposes of ingress, egress and regress to and by the Parking Pad from any Owner of any Lot and by his guests, invitees, and agents.

ARTICLE VIII

EASEMENTS

SECTION 1. UTILITIES. Easements for installation and maintenance of utilities and drainage facilities are reserved as indicated on recorded plats. Within these easements, no structures, planting or other material may 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 drainage easements, or which may obstruct or retard the flow of water through drainage channels in the easements. An easement is hereby established for the benefit of the City of High Point and County of Guilford (and any other person or firm providing services to the Development under agreement with or at the direction of the Association) over all Lots and Common Areas as may be reasonably necessary for the setting, removal and reading of water meters, for the maintenance and replacement of water, sewer, and drainage facilities, and for the fighting of fires and collection of garbage. The Association shall have the power and authority to grant and establish upon, over, and across the Common Area such additional easements as are necessary or desirable for the providing of services or utilities to the Common Area or Lots.

SECTION 2. SIGN EASEMENTS. Easements for the maintenance of subdivision signs, landscaping, and lighting surrounding same are reserved as indicated on recorded plats. Declarant hereby grants, gives and conveys to the Association a perpetual, nonexclusive easement over any portions of Lots designated as "sign easements" on the plats, to maintain, repair, and replace the subdivision signs which may be located thereon, as well as the lighting, fixtures and landscaping thereon. The costs of all such maintenance, repair and replacement shall be part of the common

the purposes stated above. The easements hereby granted shall run with the land in perpetuity and be binding upon and inure to the benefit of all persons and entities now owning or subsequently acquiring all or part of the Development.

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SECTION 3. EASEMENT FOR ENTRY. In addition to the right of the Board to exercise self-help as provided in Section 1, the Association shall have the right, but shall not be obligated, to enter upon any property within the Development for emergency, security, and safety reasons, which may be exercised by officers of the Board, and all police, fire and ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner, and the entering party shall be responsible for any damage caused. This right of entry shall include the right of the Association to enter any Lot or dwelling to cure any conditions which may increase the possibility of a fire, slope erosion, or other hazard, in the event an Owner or occupant fails or refuses to cure the condition upon request by the Board.

SECTION 4. EASEMENT FOR MAINTENANCE. Declarant hereby expressly reserves a perpetual easement for the benefit of the Association across such portions of the Properties, determined in the sole discretion of the Association, as are necessary to allow for the maintenance required under Article VI. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment to Lots. Reasonable steps shall be taken to protect such property, and damage shall be repaired by the person or entity causing the damage, at its sole expense.

SECTION 5. EASEMENT FOR ACCESS TO COMMON AREA. Easements for access to the Common Area are reserved as indicated on the recorded plat. The Association shall have the obligation to maintain these easement areas. Each owner shall have the right to use these easement areas for access to the Common Area, subject to the provisions of Article II of this Declaration.

SECTION 6. CONSTRUCTION AND SALE PERIOD EASEMENT. Notwithstanding any provisions contained in this Declaration, the Bylaws, the Articles of Incorporation of the Association, use restrictions, rules and regulations, design guidelines, and any amendments thereto, until Declarant's right unilaterally to property subject to this Declaration terminates, and thereafter so long as Declarant owns any property in the Properties for development and/or sale, Declarant reserves an easement across all Properties for Declarant and any builder or developer approved by Declarant to maintain and carry on, upon such portion of the Properties as Declarant may reasonably deem necessary, such facilities and activities as such builder's or developer's development, construction, and sales activities related to Properties, including, but without limitation: (a) the right of access, ingress, egress and regress for vehicular and pedestrian traffic and construction activities over, under, on or in the Properties may be necessary, including without limitation, any Lot; (b) the right to tie into any portion of the Properties with driveways, parking areas and walkways; (c) the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain and repair any device which provides utility or similar services, including, without limitation, electrical, telephone, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Properties; (d) the right to grant easements over, under, in or on the Properties, including, without limitation, the Lots, for the benefit of neighboring properties for the purpose of tying into and/or otherwise connecting and using sewer and drainage lines and facilities constructed or installed in, on, under and/or over the properties; (e) the right, in the sole discretion of Declarant, to construct recreational facilities on Common Area; (f) the right to carry on sales and promotional activities in the Properties; and (g) the right to construct and operate business offices, signs, construction trailers, model residences and sales offices. Rights exercised pursuant to such reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the person causing the damage at its sole expense. This Section shall not be amended without the Declarant's express written consent until the Declarant's rights hereunder have terminated as hereinabove provided.

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encroachment and for the maintenance of the same shall exist so long as the building stands. If the dwelling or any adjoining dwelling, or any adjoining part of the Common Area, shall be partially or totally destroyed as a result of fire or other casualty or as a result of eminent domain proceedings, and then rebuilt, encroachments on parts of the common Area upon any dwelling or of any dwelling upon any other dwelling or upon any portion of the Common Area, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the subject dwelling shall stand.

SECTION 8. COURTYARD ENCROACHMENTS. An easement shall be and hereby is established for that portion of any Courtyard and/or fencing which encroaches upon a Common Area adjacent to a Lot, as described in Article VII, Section 8.

SECTION 9. PARKING PAD ENCROACHMENTS. An easement shall be and hereby is established for that portion of any Parking Pad which encroaches upon a Common Area or upon a Lot, and for access to and use of any Parking Pad by any Owner, his guests, invitees, and agents, as described in Article VII, Section 9.

ARTICLE IX

PARTY WALLS

SECTION 1. GENERAL RULES OF LAW TO APPLY. Each wall which is built as a part of the original construction of the homes upon the Properties and placed in the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rule of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

SECTION 2. SHARING OF REPAIR AND MAINTENANCE. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

SECTION 3. DESTRUCTION BY FIRE OR OTHER CASUALTY. If a party wall is destroyed or damaged by fire or other casualty, an Owner who has use of the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration in proportion to such use without prejudice, however, subject to the right of any such Owners to call for a larger contribution for the others under any rule of law regarding liability for negligent or willful acts of omissions.

SECTION 4. WEATHERPROOFING. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against the elements.

SECTION 5. RIGHT TO CONTRIBUTION RUNS WITH LAND. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

SECTION 6. ARBITRATION. In the event of any dispute arising concerning a party wall, of under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose on additional arbitrator, and the decision shall be by majority of all the arbitrators.

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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 Association or the Owner(s) of any of the other Lots to the following relief:

(a) 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 has occurred. Such fines shall be deemed to be assessments as set forth in Article IV of the Declaration and if not paid within thirty (30) days after notice and demand thereof, 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 for violations of the Declaration or the Bylaws, Articles of Incorporation, 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 Area, 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 damages 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 Statute 7A-210, any aggrieved party may request that a hearing be held before an adjudicatory panel appointed by the Executive Board of the Association to determine if an Owner is responsible for damages to any Common Area or the Association is responsible for damages to any Lot. If the Executive Board fails to appoint an adjudicatory panel to hear such matters, such hearings shall be held before the Executive Board. 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 Statute 7A-210. When the claim exceeds the jurisdictional amount established for small claims by North Carolina General Statute 7A-210, liability of any Owner charged or the Association shall be determined as otherwise provided by law. Liabilities of Owners determined

(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 attorneys' 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 document shall not constitute a waiver of the right of Declarant to thereafter enforce such right, provision, covenant or condition in the future.

SECTION 2. SEVERABILITY. Invalidation of any one of the covenants or restrictions by judgment or court order shall in no wise affect any other provision which shall remain in full force and effect.

SECTION 3. 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 as hereinafter provided. This Declaration may 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, so long as Declarant or any affiliated entity, including, without limitation, Triad Property Group, LLC, owns any Lot or may annex Additional Property pursuant to the provisions hereinafter set forth, this Declaration may not be amended or terminated without Declarant's consent; no amendment purporting to revoke or curtail any right herein conferred to Declarant shall be effective unless executed by 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 Declarant pursuant to Section 4 of this Article shall not constitute an "amendment." In the event this Declaration is terminated in accordance with the provisions hereinabove provided, 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.

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residential property and Common Area may be annexed to the Properties only with the consent of the Members entitled to cast two-thirds (2/3) of the votes of the Association, who are voting, in person or by proxy, at a meeting duly called for such purpose; provided, however, during any Period of Declarant Control Declarant must also consent to such action.

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(b) Additional land within the area described in the metes and bounds description attached hereto as Schedule "A" and incorporated herein by reference, together with any other property located adjacent to the properties (collectively, "Additional Property") may be annexed by the Declarant without the consent of Members within ten (10) years of the date of this instrument. For the purpose of determining whether property is adjacent to the properties, the rights of way of public roads and utilities, as well as rivers and streams, shall be deemed not to separate otherwise adjacent property. Declarant shall have no obligation of any kind to annex the Additional Property and, should Declarant elect to annex all or any portion of the Additional Property Declarant shall have no obligation of any kind to annex the Additional Property in any particular sequential order. Should Declarant elect to annex all or any portion of the Additional Property and accordingly to subject such property to the terms and conditions of this Declaration, with regard to all or any part of the Additional Property annexed by Declarant, to make such complementary additions and/or modifications of the covenants and restrictions contained in this Declaration as may be necessary or convenient, in the sole judgment of the Declarant, to reflect the different character, if any, of added properties and as are not inconsistent with the plan of this Declaration, but such additions and/or modifications shall have no effect upon the properties previously subjected to this Declaration. With regard to any portion of the Additional Property not annexed by Declarant, Declarant makes no representations with regard to use of such property or the exterior appearance, design, size or intended purpose of any improvements now or hereafter erected on such property.

SECTION 5. FHA/VA APPROVAL. During any period of Declarant Control, the following actions will require the prior approval of the Federal Housing Administration or the Department of Veterans Affairs provided that FHA or VA loans have been obtained to purchase Lots:

(a) any extraordinary action of the Association described in Article III, Section 5 of this Declaration;

(b) termination of this Declaration or other termination of the planned unit development hereby created; or

(c) any amendment to this Declaration adding, deleting or modifying any provision regarding any of the following (each herein referred to as a "Material Amendment"):

(i) Assessment basis or assessment liens;

(ii) The method of imposing or determining any charges to be levied against individual unit owners;

(iii) Reserves for maintenance, repair or replacement of Common Elements improvements;

(iv) Maintenance obligations;

(v) Allocation of rights to use Common Elements;

(vi) Any scheme of regulation or enforcement of standards for maintenance, architectural design or exterior appearance of improvements on Lots;

(ix) The addition, annexation or withdrawal of land to or from the project, except for the annexation of all or any portion of the real property described in Schedule A attached hereto as permitted pursuant to Article X, Section 4(b);

(x) Voting Rights;

(xi) Restrictions affecting leasing or sale of a unit; or

(xii) Any provision which is for the express benefit of mortgagees.

SECTION 6. INSURANCE. The Association shall maintain, to the extent reasonably available, the insurance coverage required by Section 47F-3-113 of the Planned Community Act, as that section may from time to time be amended.

SECTION 7. AMPLIFICATION. The Provisions of this Declaration are amplified by the Articles of Incorporation and Bylaws of the Association; but no such amplification shall alter or amend any of the rights or obligations of the Owners set forth in this Declaration. Declarant intends that the provisions of this Declaration on the one hand, and the Articles of Incorporation and Bylaws of the Association on the other, be interpreted, construed, and applied to avoid inconsistencies or conflicting results. If such conflict necessarily results, however, Declarant intends that the provisions of this Declaration control anything contained in the Articles of Incorporation or Bylaws of the Association.

ARTICLE XI

RIGHTS RESERVED UNTO INSTITUTIONAL LENDERS

SECTION 1. ENTITIES CONSTITUTIONAL INSTITUTIONAL LENDERS.

"Institutional Lender" as the term is used herein shall mean and refer to banks, savings and loan associations, insurance companies or other firms or entities customarily affording loans secured by first liens on residences, and eligible insurers and governmental guarantors.

SECTION 2. OBLIGATION OF ASSOCIATION TO INSTITUTIONAL LENDERS.

So long as any Institutional Lender shall hold any first lien upon any Lot, or shall be the Owner of any Lot, such Institutional Lender shall have the following rights:

(a) To inspect the books and records of the Association during normal business hours and to be furnished with at least one (1) copy of any annual financial statement or report of the Association.

(b) To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering any proposed Material Amendment to this Declaration of Covenants, Conditions and Restrictions or the Articles of Incorporation or By-Laws of the Association or of any proposed abandonment or termination of the this Declaration or the planned unit development hereby created (said notice to be given at least thirty (30) days prior to any action) or any proposed extraordinary action of the Association described in Article III, Section 5 hereof.

(c) To receive notice of any condemnation or casualty loss affecting the Common Elements or any portion thereof, resulting in losses greater than 10% of the annual budget for the Association.

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(e) Upon the demand of a majority of Institutional Lenders, to require professional management of the Association or to demand an audit of the Association's financial records.

(f) To be given notice of any delinquency in the payment of any assessment or charge (which delinquency remains uncured for a period of sixty (60) days) by any Owner owning a Lot encumbered by a mortgage held by the Institutional Lender, such notice to be given in writing and to be sent to the principal office of such Institutional Lender, or to the place which it may designate in writing.

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SECTION 3. REQUIREMENTS OF INSTITUTIONAL LENDERS. Whenever any Institutional Lender desires to avail itself of the provisions of this Article, it shall furnish written notice thereof to the Association by CERTIFIED MAIL at the address shown in the Articles of Incorporation identifying the Lot or Lots upon which any such Institutional Lender holds any first lien or identifying any Lot or Lots owned by such Institutional Lender and such notice shall designate the place to which notices, reports or information are to be given by the Association to such Institutional Lender.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be executed in its name as of the 6 day of December, 2000.

Triad Property Group, LLC

By: R. Dale Britt
member/manager

STATE OF North Carolina

COUNTY OF Randolph

I, Jennifer J. Higgins, a Notary Public for said County and State, certify that R. Dale Britt Member / Manager of Triad Property Group, LLC, a limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Jennifer J. Higgins
Notary Public

My Commission Expires 6.16.03





KATHERINE LEE PAYNE, REGISTER OF DEEDS
GUILFORD COUNTY
201 SOUTH EUGENE STREET
GREENSBORO, NC 27402

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* * * * *

State of North Carolina, County of Guilford

The foregoing certificate of Jennifer J. Higgins

A Notary (Notaries) Public is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time shown herein.

KATHERINE LEE PAYNE, REGISTER OF DEEDS

By: M. Steven Parrish
Deputy - Assistant Register of Deeds

* * * * *

THIS CERTIFICATION SHEET MUST REMAIN WITH THE DOCUMENT

03/29/00

IN WITNESS WHERE, the undersigned duly authorized officers of the Association hereby attest that the requisite owner approval has been obtained as evidenced by the written acknowledgment signed by the owners and made a part of the minutes of the Association pursuant to the provisions of Article X, Section 3 of the Declaration.



ORCHARD KNOB OWNERS ASSOCIATION, INC.

By: John A. Smith
John A. Smith,
President

ATTEST:
Lucile Ann Hurley
Lucile Ann HURLEY Secretary

NORTH CAROLINA

GUILFORD COUNTY

I, Amber McFee, certify that Lucile Ann Hurley personally came before me this day and acknowledged that (s)he is Secretary of Orchard Knob Owners Association, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by her/him as its Secretary.

Witness my hand and notarial seal this 21 day of June, 2012.

My commission expires:

07-07-2014

Amber McFee
Notary Public

