

STERN  
PICK UP

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Post Office Box 21847  
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SIDE NO 313534 BK 4942 PG 1847

NORTH CAROLINA  
GUILFORD COUNTY

DECLARATION  
OF  
COVENANTS, CONDITIONS AND  
RESTRICTIONS  
FOR  
DUTCHMAN'S PIPE AT THE POINT

$\frac{1}{22}^w$  THIS DECLARATION, made on the date hereinafter set forth by GARY JOBE  
BUILDER, INC., a North Carolina corporation, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Gary Jobe Builder, Inc. is the owner of certain property in Guilford  
County, North Carolina, which is more particularly described as:

All of that certain parcel of land (the "Property") shown on the plat entitled  
"Section I of Dutchman's Pipe at The Point," which appears of record in the  
Office of the Register of Deeds of Guilford County, North Carolina, in Plat  
Book 135, Page 53 (the "Plat"); and

WHEREAS, the Property is subject to a Declaration of Covenants, Conditions  
and Restrictions for Lake Jeanette Development, recorded in Book 4857, Page  
199, Guilford County Registry, as it may be amended from time to time (the  
"Master Declaration"); and

WHEREAS, the Property also is subject to a Declaration of Covenants,  
Conditions and Restrictions for The Point at Lake Jeanette recorded in Book 4857,  
Page 218, of said Registry, as it may be amended from time to time (the "Section  
Declaration"); and

WHEREAS, Declarant desires to impose upon the Property additional  
conditions, easements, covenants and agreements under a general plan or scheme of  
improvement for the benefit of the Property and the future owners thereof and to create  
thereon a Planned Community, as defined in the North Carolina Planned Community  
Act;

H:\DOCS\SPH\LSOF\DUTCH\3. (3/9/99)

North Carolina - Guilford County

The certificate (s) of

Miranda Houston  
Sybil H. Mager  
Kathleen A. Reg  
Noelle B. Walker

313534

RECORDED  
KATHERINE LEE PAYNE  
REGISTER OF DEEDS  
GUILFORD COUNTY, NC

11/23/1999 GUILFORD CO. NC  
1 MISC DOCUMENTS 313534 \$6.00  
22 MISC DOC ADDN PGS \$44.00  
1 PROBATE FEE \$2.00

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.

BOOK: 4942  
PAGE(S): 1847 TO 1869

KATHERINE LEE PAYNE, REGISTER OF DEEDS

Patricia Summers

Assistant/Deputy Register of Deeds

11/23/1999 12:14:16

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

## ARTICLE I

### DEFINITIONS

SECTION 1. "Association" shall mean and refer to Dutchman's Pipe Association, Inc., its successors and assigns.

SECTION 2. "Section Association" shall mean and refer to The Point at Lake Jeanette Association, Inc., its successors and assigns.

SECTION 3. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 4. "Property" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

SECTION 5. "Common Elements" shall mean all real property and interests in real property (including easements and open spaces) owned by the Association for the common use and enjoyment of the Owners. The Common Elements at the time of the conveyance of the first Lot are described as follows:

All that land designated "Common Elements" as shown on the plat entitled "Section I of Dutchman's Pipe at The Point," which appears of record in the Office of the Register of Deeds of Guilford County, North Carolina, in Plat Book 135, Page 53.

SECTION 6. "Dwelling" shall mean and refer to any single-family residence constructed on a Lot in the Property. A Dwelling may be attached to another Dwelling.

SECTION 7. "Master Association" shall mean and refer to Lake Jeanette Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

SECTION 8. "Member" shall mean and refer to every person or entity who holds membership with voting rights in the Association.

SECTION 9. "Declarant" shall mean and refer to Gary Jobe Builder, Inc., its successors and assigns, if such successors or assigns (i) should acquire more than one undeveloped Lot from Declarant or from LSOF for the purpose of development; and (ii) are designated as a Declarant in a recorded instrument of transfer executed by Gary Jobe Builder, Inc., by such transferee and by LSOF.

SECTION 10. "Lot" shall mean and refer to any numbered plot of land shown upon any recorded subdivision map of the Property, which is designated for separate ownership or occupancy by a Lot Owner, with the exception of Common Elements, Section Common Area and Master Common Area.

SECTION 11. "Lake Tract" shall mean and refer to that parcel of land upon which Lake Jeanette (Richland Dam Lake) is located and which is more particularly described on Exhibit "B" to the Master Declaration.

SECTION 12. "Allocated Interest" shall mean and refer to a Lot's allocation of Common Expense liability and vote in the Association. Except as noted in Section 2 of Article III, a Lot shall have the same Allocated Interest as every other Lot in the Property.

SECTION 13. "LSOF" shall mean and refer to LSOF Partners X, L.P., a Texas limited partnership, its successors and assigns.

SECTION 14. "Common Expenses" shall mean and refer to expenditures made by or financial liabilities of the Association.

## ARTICLE II

### PROPERTY RIGHTS

#### SECTION 1. OWNERS' EASEMENTS OF ENJOYMENT.

(A) Every Owner shall have a right and easement of enjoyment in and to the Common Elements which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(i) the right of the Association to permit the use of and to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Elements;

(ii) the right of the Association to suspend the voting rights and the right to the use of any recreational facilities and the Common Elements (provided, however, that no Owner shall be denied access to such Owner's Lot) by an Owner for any period during which any assessment, fine or other charge against his Lot remains unpaid;

(iii) the right of the Association to grant easements and rights-of-way, to dedicate or transfer all or any part of the Common Elements to any public agency, authority or utility (including any entity authorized by the City of Greensboro to supply cable television service) for such purposes and subject to such conditions as may be agreed to by the Executive Board of the Association. No such dedication or transfer shall be effective unless an instrument signed by a majority of the Executive Board of the Association, agreeing to such dedication or transfer, has been recorded;

(iv) the right of the Association to impose regulations for the use and enjoyment of the Common Elements and improvements thereon, which regulations may impose fines for the violation thereof and may further restrict the use of the Common Elements, and specifically including the right to establish parking regulations; and

(v) the right of the Association to exchange portions of Common Elements with the Declarant and/or with any other property owners' association for substantially equal areas of property for the purpose of eliminating potential or unintentional encroachments of Dwellings or other improvements onto portions of the Common Elements.

(vi) the right of the Section Association for ingress, egress and regress over the Common Elements for the purpose of maintaining any storm water drainage facilities on the Common Elements.

(B) Each Owner of a Lot shall have the right, exclusive of all other Owners but subject to the rights of the Association as set forth in this Declaration, to the use of the driveway and walks associated with and serving his Lot. The respective driveways and walks are appropriately shown and designated on the recorded plat of the Property.

(C) The heating, ventilating and air-conditioning equipment and related lines, pipes and conduits (the "HV/AC Equipment") serving certain Lots are located on the Common Elements in close proximity to the Lots served. Each Owner of a Lot whose HV/AC Equipment is or may be placed on the Common Elements is hereby granted a perpetual non-exclusive easement to and over that portion of the Common Elements where such HV/AC Equipment is located, together with an easement of ingress, egress and regress across the Common Area for the purpose of repairing and maintaining such Equipment. This easement includes the right to disturb the surface of the Common Elements if necessary to effect repairs and maintenance; provided, however, each Lot Owner shall be responsible for the repair and restoration of the Common Elements to their state prior to any disturbance or damage caused by the maintenance and repair of the HV/AC Equipment. In the event a Lot Owner fails to restore or repair the Common Elements as herein required, the Association may effect such restoration or repair and the cost thereof shall become a part of the annual assessment or charge set forth in Article IV, Section 1, and subject to the lien rights described in said Article.

SECTION 2. DELEGATION OF USE. Any Owner may delegate his right of enjoyment to the Common Elements and recreational facilities to the members of his "immediate family" (as that term is hereinafter defined), to his guests, and to other persons permitted under the terms of Article VIII, Section 1, hereof, subject to such rules and regulations as may be established from time to time by the Association.

### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS

SECTION 1. MEMBERSHIP. Every Owner of a Lot which is subject to a lien for assessments shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

SECTION 2. CLASSES OF MEMBERSHIP. The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners other than the Declarant. Class A Members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote or votes for such Lot shall be exercised as they among themselves determine.

Class B. The Class B Member shall be the Declarant and shall be entitled to four (4) votes for each Lot owned. The Class B Membership shall cease and be converted to Class A Membership, as the case may be, on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A Membership equals the total votes outstanding in the Class B Membership, provided, however, that the Class B Membership shall be reinstated if after such conversion and before the time stated in subparagraph (b) below, additional lands are annexed to the Property pursuant to the provisions of Article XII, Section 4, herein, containing a sufficient number of Lots to give the Class B Member a total number of votes in excess of the Class A Members; or,

(b) on December 31, 2010.

SECTION 3. RIGHT OF LSOF TO APPOINT MEMBERS OF THE EXECUTIVE BOARD OF THE ASSOCIATION. LSOF shall have the right to designate and select all of the members of the Executive Board of the Association until the earlier of (i) the initial sale as Dwellings of all Lots within the Property (including Lots added pursuant to Article XII, Section 4 of this Declaration), or (ii) December 31, 2010. Whenever LSOF shall be entitled to designate and select the members of the Executive Board of the Association, the manner in which such person or persons shall

001851

be designated shall be as provided in the Articles of Incorporation and/or Bylaws of the Association. LSOF shall have the right to remove any person or persons selected by it to act and serve on said Executive Board and to replace such person or persons with another person or other persons to act and serve in the place of any Director or Directors so removed for the remainder of the unexpired term of any Director or Directors so removed. Any Director designated and selected by LSOF need not be an Owner. Any representative of LSOF serving on the Executive Board of the Association shall not be required to disqualify himself from any vote upon any contract or matter between LSOF and the Association where LSOF may have a pecuniary or other interest.

#### ARTICLE IV

##### COVENANT FOR MAINTENANCE AND ASSESSMENTS

**SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS.** The Declarant, for each Lot owned within the Property, 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: (i) to the Association (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided; and (ii) to the appropriate governmental taxing authority: (1) a pro rata share of ad valorem taxes levied against the Common Elements, and (2) a pro rata share of assessments for public improvements to or for the benefit of the Common Elements if the Association shall default in the payment of either or both for a period of six (6) months. The annual and special assessments, and any late charge, fine or other charge imposed by the Association, 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 against which each such assessment is made. Each such assessment and charge, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment or charge fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

##### **SECTION 2. PURPOSE OF ASSESSMENTS.**

(A) The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Property and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Elements. Expenditures may include, but are not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against the Common Elements, the procurement and maintenance of insurance (casualty and liability) in

accordance with the Bylaws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

(B) All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Property, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the Bylaws of the Association. As monies for any assessment are paid unto the Association by any Lot Owner, the same may be commingled with monies paid to the Association by the other Lot Owners. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom shall be held for the benefit of the Members of the Association, no Member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his Membership interest therein, except as an appurtenance to his Lot. When a Lot Owner shall cease to be a Member of the Association by reason of his divestment of ownership of his Lot, by whatever means, the Association shall not be required to account to such Owner for any share of the funds or assets of the Association, or which may have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Property.

### SECTION 3. MAXIMUM ANNUAL ASSESSMENT.

(A) Until January 1 of the year immediately following the year of conveyance of the first Lot to an Owner, the maximum annual assessment shall be as follows:

For each Lot, One Thousand Eight Hundred and 00/100 Dollars (\$1,800.00) per year, which shall be deemed to be a rate of maximum annual assessment of One Hundred Fifty and 00/100 Dollars (\$150.00) per Lot per month.

(B) The maximum annual assessment for the calendar year immediately following the year in which conveyance of the first Lot to an Owner is made and for each calendar year thereafter shall be established by the Executive Board and may be increased by the Executive Board without approval by the Membership by an amount not to exceed twenty percent (20%) of the maximum annual assessment of the previous year.

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



(d) The Executive Board may fix the annual assessment at an amount not in excess of the maximum, subject to the provisions of Section 6 of this Article.

#### SECTION 4. SPECIAL ASSESSMENTS.

(a) In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part the costs of any construction, reconstruction, repair or replacement of a capital improvement upon Lots or the Common Elements, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose. Except as provided in subparagraph (b) of this Section, all special assessments shall be fixed at a uniform rate for all Lots and may be collected on a monthly, quarterly or annual basis.

(b) If any Common Expense is caused by the negligence or misconduct of a Lot Owner, a member of his or her immediate family, an occupant of the Owner's Dwelling, or any guest, invitee or agent of any such person, or is caused by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircrafts, vehicles and smoke, as the foregoing are defined in North Carolina Standard Fire and Extended Coverage insurance policies, the Association may assess such expense exclusively against such Owner and his or her Lot, without any requirement of approval by any Lot Owners.

SECTION 5. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 3 and 4(a). Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4(a) shall be sent to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast ten percent (10%) of all the votes of each class of Membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

#### SECTION 6. RATE OF ANNUAL ASSESSMENT.

(a) Annual assessments must be fixed at a uniform rate for all Lots, as all Lots' Allocated Interests are equal.

(b) The Declarant shall pay annual assessments on Lots owned by it on the same basis as other Lot Owners.

SECTION 7. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS: DUE DATES. The annual assessments provided for herein shall be collected on a monthly or quarterly basis as required by the Executive Board and shall commence for

001854



each Lot conveyed by the Declarant to an Owner on the first day of the first month following the conveyance of such Lot. The annual assessments for Lots owned by Declarant commence as to a particular Lot at the time the first Lot shown on the recorded subdivision plat (that includes the particular Lot) is conveyed to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year after conveyance of such Lot.

At least thirty (30) days in advance of each annual assessment period, the Executive Board shall fix the amount of the annual assessment and shall send written notice thereof to every Owner subject thereto. The due dates shall be established by the Executive Board. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

**SECTION 8. EFFECT OF NONPAYMENT OF ASSESSMENTS:**  
**REMEDIES OF THE ASSOCIATION.** Assessments authorized by this Declaration shall be due and payable on the dates established by the Executive Board from time to time. Fees, fines and penalties authorized by this Declaration shall be due and payable thirty (30) days after written notice thereof from the Association to the Owner. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum (or such other rate as set from time to time under N. C. General Statutes Section 47F-3-115). The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien created herein against the property in the same manner as prescribed by the laws of the State of North Carolina for the foreclosures of deeds of trust, and interest, late charges, costs and reasonable attorney's fees for representation of the Association in such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Elements or abandonment of his Lot.

**SECTION 9. EFFECT OF DEFAULT IN PAYMENT OF AD VALOREM TAXES OR ASSESSMENTS FOR PUBLIC IMPROVEMENTS BY ASSOCIATION.**  
Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Elements or assessments for public improvements to the Common Elements, which default shall continue for a period of six (6) months, each Owner of a Lot in the development shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by dividing the total taxes and/or assessments due the governmental authority by the total number of Lots in the development. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

**SECTION 10. SUBORDINATION OF THE LIEN TO MORTGAGES.** The liens provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien or liens provided for in the preceding section. However, the sale or transfer of any Lot which is subject to any such first mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which become due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or deed of trust.

**SECTION 11. EXEMPT PROPERTY.** All property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements intended for or devoted to dwelling use shall be exempt from said assessments.

## ARTICLE V

### MAINTENANCE OF COMMON ELEMENTS AND LOTS

**SECTION 1. MAINTENANCE OF COMMON ELEMENTS AND LOTS.** The Association shall maintain the Common Elements. The Association shall also provide exterior maintenance upon each Dwelling and patio/deck of a Lot which is subject to assessments hereunder, as follows: paint, repair, replace and care of roofs, gutters, downspouts, exterior building surfaces (including patios), decks, steps, walks and other exterior improvements, including any party walls, as hereinafter defined. Such exterior maintenance shall not include: glass surfaces, window and door screen and subsurface leakage into any crawl spaces. To enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right to unobstructed access over and upon each Lot at all reasonable times to perform maintenance as provided in this Article. Provided, however, that in the event the need for any maintenance or repair is caused by an act described in Section 4(b) of Article IV of this Declaration, the Executive Board may cause such repairs to be made and recover the costs therefor from the Owner, pursuant to Section 4(b) of Article IV.

**SECTION 2. STANDARD OF MAINTENANCE.** The Association shall perform its maintenance obligations under this Declaration in a reasonable manner and on a reasonable basis as shall be determined by the Executive Board, in the exercise of its discretion.

## ARTICLE VI

### ARCHITECTURAL CONTROL

**SECTION 1. THE ARCHITECTURAL CONTROL COMMITTEE.** An Architectural Control Committee consisting of three (3) or more persons shall be appointed by LSOF so long as it has the right to appoint the members of the Executive Board of the Association. At such time as LSOF no longer has the right to appoint the members of the Executive Board of the Association, the Committee shall be appointed by the Executive Board of the Association.

**SECTION 2. PURPOSE.** The Architectural Control Committee shall regulate the external design, appearance, use, location and maintenance of the Property and of improvements thereon in such a manner so as to preserve and enhance values and to maintain an harmonious relationship among structures and the natural vegetation and topography.

#### **SECTION 3. CONDITIONS.**

After the completion of construction of a Dwelling on a Lot and its occupancy as a residence, except as expressly provided herein, no improvements, alterations, repairs, change of paint colors, plantings, excavations, changes in grade or other work which in any way alters the exterior of any Dwelling, Lot or improvements located thereon from its natural or improved state existing on the date the Dwelling on such Lot was first occupied as a residence shall be made or done without the prior written approval of the Architectural Control Committee. After the completion of construction of a Dwelling on a Lot and its occupancy as a residence, no building, residence or other structure shall be commenced, erected, maintained or improved, altered, removed, made or done without the prior written approval of the Architectural Control Committee.

**SECTION 4. GUIDELINES.** Subject to the approval of the Executive Board, the Architectural Control Committee may, from time to time, promulgate architectural guidelines ("Guidelines") for the Property.

**SECTION 5. PROCEDURES.** Any owner or person desiring to make any improvement, alteration or change described in Section 3 above shall submit the plans and specifications therefor, showing the nature, kind, shape, height, materials and location of the same, to the Architectural Control Committee which shall evaluate such plans and specifications in light of the purpose of this Article as set forth in Section 2 above and the Guidelines as set forth in Section 4 above. In the event the Committee fails to approve, modify or disapprove in writing an application within thirty (30) days after plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. The applicant may appeal an adverse Architectural Control Committee decision to the Executive Board of

the Association which may reverse or modify such decision by a two-thirds (2/3) vote of the Executive Board Members.

## ARTICLE VII

### TRAFFIC REGULATIONS AND MAINTENANCE OF RIGHT-OF-WAY

SECTION 1. TRAFFIC AND PARKING REGULATIONS. All Members, their family members, guests, invitees and tenants shall abide by all state and local traffic regulations and other laws and ordinances regulating motor vehicles while on the Property.

SECTION 2. PROHIBITED PARKING. Parking on Dutchman's Pipe Cove shall be subject to such rules and regulations as the Section Association may promulgate from time to time.

SECTION 3. ENFORCEMENT. Violations of Sections 1 and 2 above shall constitute a nuisance and, in addition to all other remedies available to it at law and in equity, the Association or the Section Association, as the case may be, shall have the authority to: (i) remove the offending vehicle upon the commission of a second offense by an Owner or his/her family member, guest, invitee or tenant (the costs of such removal and any storage fees shall be the responsibility of the Owner); and (ii) assess reasonable fines against an Owner for violations by him/her or by his/her family member, guest, invitee or tenant. Such fines shall be deemed to be assessments as set forth in this Declaration and the Section Declaration and, if not paid within thirty (30) days after notice and demand therefor, the Association shall be entitled to the remedies set forth in Article IV, Section 9, and to the remedies set forth for delinquent assessments in the Section Declaration.

## ARTICLE VIII

### USE RESTRICTIONS

SECTION 1. LAND USE AND BUILDING TYPE. No Lot shall be used except for single-family residential purposes and such use shall be limited to:

- (a) The Owner;
- (b) Members of the Owner's immediate family or members of the immediate family of the Owner's spouse. For purposes of this Declaration "immediate family" shall mean lineal ancestors or descendants of the Owner or the Owner's spouse;

(c) A tenant of an Owner holding a leasehold estate of at least one (1) year under a written lease agreement, which lease agreement shall have the prior written approval of the Executive Board before the tenant takes possession;

(d) Such other occupancies as may be approved from time to time by the Executive Board upon prior written application therefor by the Owner. Such application shall set forth the type, nature and duration of the proposed occupancy arrangement, the name and relationship of the proposed occupant and such other pertinent information as the Executive Board may require; and

(e) Temporary use of a Lot or Lots by Declarant or its designees as a sales office and/or model.

SECTION 2. NUISANCE. No noxious or offensive activity shall be conducted upon any Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. Owners of Lots with garages shall keep the interior of such garages in a neat and orderly condition and shall keep garage doors closed as much as practical.

SECTION 3. ANIMALS. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any Dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and further provided that they are kept and maintained in compliance with all laws and ordinances of the City of Greensboro and the County of Guilford relating thereto.

SECTION 4. COMMON ELEMENTS. No improvements or structures of any type may be placed, constructed or erected on any part of the Common Elements without the prior written consent of the Executive Board, including but not limited to any communication transmittal or reception devices.

SECTION 5. BOATS, TRAILERS AND CERTAIN MOTOR VEHICLES. No boats, buses, trailers, campers or recreational vehicles shall be parked on the Common Elements or any Lot unless such boat or vehicle is parked in a garage with the garage door fully closed.

## ARTICLE IX

### EASEMENTS

SECTION 1. UTILITIES. Easements for installation and maintenance of utilities (including cable television service) and drainage facilities are reserved as shown on the recorded Plat. Within these easements no structures, planting or other material shall be placed or permitted to remain, nor will the alteration or removal of any berms, swales or ditches be permitted, which may interfere with the installation

and maintenance of utilities, or which may change the direction or flow of drainage channels in the 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 Greensboro over all Common Elements as may be reasonably necessary for the setting, removal and reading of water meters, the maintenance and replacement of water, sewer and drainage facilities, for affording police protection, and for the fighting of fires and collection of garbage. An easement is also hereby established for the benefit of the Section Association over drainage and utility easements shown on the Plat for the maintenance, repair and replacement of the storm water drainage system.

**SECTION 2. UNINTENTIONAL ENCROACHMENTS.** In the event that any improvements on a Lot shall encroach upon any Common Elements for any reason not caused by the purposeful or negligent act of the Owner or agents of such Owner, then an easement appurtenant to such Lot shall exist for the continuance of such encroachment upon the Common Elements for so long as such encroachment shall naturally exist; and, in the event that any portion of the Common Elements shall encroach upon any Lot, then an easement shall exist for the continuance of such encroachment of the Common Elements into any such Lot for so long as such encroachment shall naturally exist.

## ARTICLE X

### MASTER ASSOCIATION AND SECTION ASSOCIATION

**SECTION 1. MEMBERSHIP.** In addition to membership in the Association, every record Owner of a Lot in the Property shall also be a Member of the Master Association and of the Section Association. Membership in the Master Association and Section Association is appurtenant to, and may not be separated from, ownership of a Lot. Each Owner shall have the voting rights in the Master Association as set forth in Article III of the Master Declaration and in the Section Association as set forth in Article III of the Section Declaration.

**SECTION 2. MASTER ASSOCIATION AND SECTION ASSOCIATION ASSESSMENTS.** In addition to the covenant for assessments to the Association set out in Article IV of this Declaration, every Owner of a Lot within the Property, by acceptance of a deed therefor, whether or not so expressed in such deed, is deemed to covenant and agree to pay to the Master Association all assessments imposed upon its Members by the Master Association under Article IV of the Master Declaration. The lien rights created under Article IV of the Master Declaration shall apply to the Property. In addition, every Owner of a Lot within the Property, by acceptance of a deed therefor, whether or not so expressed in said deed, is deemed to pay to the Section Association all assessments imposed upon its Members by the Section Association under Article IV of the Section Declaration. The lien rights created under Article IV of the Section Declaration shall apply to the Property.

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SECTION 3. PROPERTY RIGHTS. In addition to property rights in the Common Elements, every record Owner of a Lot within the Property shall have the property rights in the Lake Jeanette Development Common Area as set out in the Master Declaration and shall have the property rights in the Section Common Area as set out in the Section Declaration.

## ARTICLE XI

### RIGHTS RESERVED UNTO INSTITUTIONAL LENDERS

#### SECTION 1. ENTITIES CONSTITUTING 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 Dwellings, the Federal National Mortgage Association 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 the annual financial statement and report of the Association prepared by a certified public accountant designated by the Executive Board of the Association, such financial statement or report to be furnished by April 15 of each calendar year.

(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 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 Association or the effectuation of any decision to terminate professional management of the Association and assume self management by the Association.

(c) To receive notice of any condemnation of the Common Elements or any portion thereof.

(d) To receive notice of any substantial damage to the Common Elements.

(e) To have the right to approve of any alienation, release, transfer, hypothecation or other encumbrance of the Common Elements, other than those specific rights vested in the Association under Article II hereof.

SECTION 3. REQUIREMENTS OF INSTITUTIONAL LENDER. 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.

## ARTICLE XII

### GENERAL PROVISIONS

**SECTION 1. ENFORCEMENT.** The Association, Declarant, LSOF, 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 the Declaration.

As more fully set out in Article 4(j)(xiii) of the Bylaws, the Executive Board shall have the authority to establish an adjudicatory panel to provide a hearing to determine if an Owner should be fined or if Association privileges or services (other than access to the Owner's Lot) should be suspended for violation of the Declaration, the Bylaws or any Association rules and regulations. Any fine established by the panel shall be an assessment against the Owner charged with the violation and a lien against the Owner's Lot, subject to all provisions of Article IV of this Declaration.

In any enforcement action, the prevailing party shall be entitled to seek recovery of its attorneys' fees as allowed by law. Failure by the Association, Declarant or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall have the right to request that law enforcement, public safety and animal control officers come on the Property to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.

**SECTION 2. SEVERABILITY.** Invalidity 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. This Declaration may be amended by a vote of not less than seventy-five percent (75%) of the Lot Owners, provided (i) that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements, as herein provided, or affect any lien for the payment thereof established herein; or (ii) no amendment which shall abridge, amend or alter the right of LSOF to designate and select members of the Executive Board of the Association, as provided in Article III hereof, may become effective without the prior written consent

of LSOF. Any amendment must be signed by the proper officers of the Association or by the required percentage of Lot Owners and be properly recorded.

**SECTION 4. ANNEXATION.** Additional land within the area described in the metes and bounds description attached hereto as EXHIBIT A and incorporated herein by reference may be annexed by the Declarant without the consent of Members.

**SECTION 5. PARTY WALLS.**

(A) Each wall which is built as a part of the original construction of the Dwellings upon the Property and placed on the dividing line between Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence, or willful acts or omissions shall apply thereto.

(B) Party walls shall be deemed to be "exterior improvements" within the meaning of Article V of this Declaration and reasonable repair and maintenance thereof shall be provided by the Association.

(C) If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(D) The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors in title.

(E) In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and the decision shall be by a majority of all the arbitrators.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, this the 17th day of Nov., 1999.

GARY JOBE BUILDER, INC.

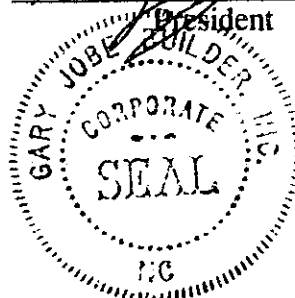
(CORPORATE SEAL)

BY: [Signature]

President

ATTEST:

[Signature]  
and Secretary



STATE OF NORTH CAROLINA

COUNTY OF GUILFORD

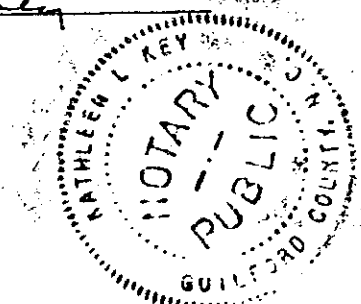
I, Kathleen L. Key, a Notary Public, do hereby certify that John T. Higgins, Jr.  
personally appeared before me this day and acknowledged that he/she is the Asst.  
Secretary of GARY JOBE BUILDER, INC., a corporation, and that by authority duly  
given, and as the act of the corporation, the foregoing instrument was signed in its  
name by its President, sealed with its corporate seal, and attested by him/her as  
its Asst. Secretary.

WITNESS my hand and official seal this 17 day of November, 1999.

Kathleen L. Key  
NOTARY PUBLIC

My Commission Expires:

4/9/2001



001864

LSOF Partners X, L.P., a Texas limited partnership, through execution by its Attorney-In-Fact, evidences its consent to the recording of this Declaration of Covenants, Conditions and Restrictions pursuant to the provisions of Paragraph 1C of the Warranty Deed from LSOF Partners X, L.P. to Gary Jobe Builder, Inc., which Warranty Deed is recorded in Book 4257, Page 1949, of the Guilford County Registry.

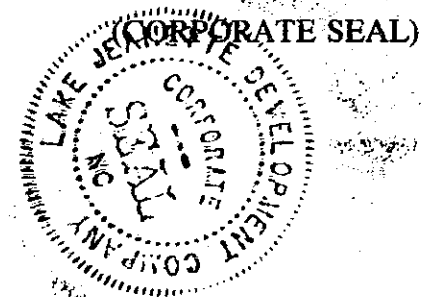
LSOF PARTNERS X, L.P., a  
Texas Limited Partnership

BY: LAKE JEANETTE DEVELOPMENT  
COMPANY,  
a Texas corporation, Attorney-In-Fact

By: Conrad D. Hicks  
Vice President

ATTEST:

Barry K. Brown  
Asst. Secretary



001865

STATE OF North Carolina

COUNTY OF Guilford

I, Noelle B. Dauler, a Notary Public, do hereby certify that Barry L. Brown personally appeared before me this day and acknowledged that he/she is the Asst. Secretary of LAKE JEANETTE DEVELOPMENT COMPANY, a Texas corporation qualified to do business in North Carolina, that the seal affixed to the foregoing instrument in writing is the corporate seal of the corporation, that said writing was signed by its Vice President, attested to and sealed by him/her as its Asst. Secretary on behalf of LSOF PARTNERS X, L.P., a Texas limited partnership, by its authority duly given, and that said writing is the act and deed of said corporation as Attorney-In-Fact for LSOF PARTNERS X, L.P., and that its authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged and recorded in the Office of the Register of Deeds of Guilford County, North Carolina, on May 8, 1997, in Book 4536, Page 1117; that this instrument was executed under and by virtue of the authority given by said instrument granting it power of attorney; that the said Attorney-In-Fact acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and in behalf of said LSOF PARTNERS X, L.P., and that said writing is the act and deed of said limited partnership and said corporation as its Attorney-In-Fact.

WITNESS my hand and official seal this the 16<sup>th</sup> day of November, 1999.

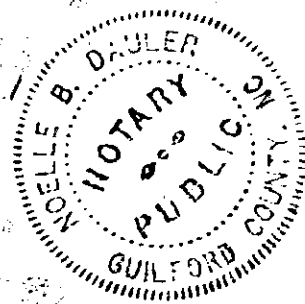
Noelle B. Dauler

Notary Public

My commission expires:

9-14-04

(NOTARY SEAL)



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CENTRAL CAROLINA BANK, as holder of a promissory note secured by a deed of trust on the property described in this Declaration of Covenants, Conditions and Restrictions for Dutchman's Pipe at The Point, said deed of trust being recorded in Book 4857, Page 1953, Guilford County Registry, and SOUTHLAND ASSOCIATES, Inc. as Trustee under said deed of trust, join in the execution hereof for the purpose of subjecting the aforesaid deed of trust to the terms and provisions of this Declaration of Covenants, Conditions and Restrictions.

NOTE HOLDER:

(CORPORATE SEAL)



Central Carolina Bank

BY:

Mich. P. En...  
Executive Vice President

Clarence J. Murray  
Asst. Secretary

TRUSTEE:



Southland Associates, Inc.

BY:

Thomas H. Hylton  
Vice President

Mary G. Riser  
Asst. Secretary

STATE OF North Carolina  
COUNTY OF Gulford

I, Miranda Hairston, a Notary Public, do hereby certify that Elaine Murray personally appeared before me this day and acknowledged that he/she is the Asst. Secretary of Central Carolina Bank & Trust Co., a corporation, and that by authority duly given, and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal, and attested by him/her as its Asst. Secretary.

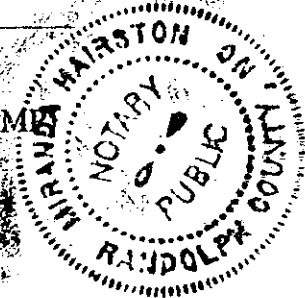
WITNESS my hand and official seal this the 17 day of November, 1999.

Miranda Hairston  
Notary Public

My commission expires:

1-28-2001

(NOTARY SEAL/STAMP)



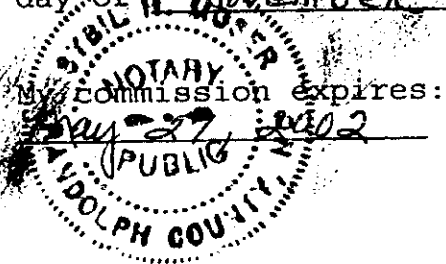
NORTH CAROLINA, Randolph COUNTY

I, a Notary Public of the County and State aforesaid, certify that MARY A RIES personally came before me this day and acknowledged that she is ASST. Secretary of SOUTHLAND ASSOCIATES, INC., a North Carolina corporation, as Trustee, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its SR. Vice President, sealed with its corporate seal and attested by her as its ASST. Secretary.

Witness my hand and official seal or stamp, this the 17th day of November, 1999.

My commission expires:

May 27, 2002



Sybil H. Moser  
Notary Public



# EXHIBIT "A"

BEGINNING at an iron pin in the eastern margin of Bass Chapel Road, the southwesternmost point of Rosebay at the Point, Phase One, (and the northwestern corner of an .026 Acre Tract of Master Common Area), as per plat thereof recorded in Plat Book 125, Page 28, Guilford County Registry; thence from said beginning point with the eastern margin of Bass Chapel Road, along a curve to the right, a chord bearing and distance of North 36° 00' 09" West 169.65 feet (with an arc having a radius of 750 feet) to a point; thence continuing with the eastern margin of Bass Chapel Road, North 29° 30' 31" West 677.67 feet to a point; thence continuing with the eastern margin of Bass Chapel Road, along a curve to the right, a chord bearing and distance of North 19° 02' 45" West 330.68 feet (with an arc having a radius of 910.50 feet) to a point, a corner with Cone Mills Corporation; thence with the line of Cone Mills, the following courses and distances: South 83° 38' 48" East 55.68 feet to a point; South 62° 03' 54" East 66.24 feet to a point; South 61° 22' 34" East 97.63 feet to a point in the line of the Section Common Area of The Point at Lake Jeanette Association, Inc.; thence with the line of the Association, the following courses and distances: South 28° 37' 26" West 30.00 feet to a point; South 60° 24' 51" East 141.37 feet to a point; South 00° 58' 49" East 130.87 feet to a point; South 33° 17' 44" East 151.42 feet to a point; South 18° 24' 11" East 250.00 feet to a point; South 78° 29' 37" East 169.18 feet to a point; South 16° 48' 43" East 223.55 feet to a point; South 24° 40' 02" West 85.98 feet to a point; South 45° 13' 11" West 50.00 feet to a point; South 87° 36' 16" West 76.99 feet to a point in the line of Master Common Area of Lake Jeanette Association, Inc. as shown on Plat Book 125, Page 028; thence South 87° 36' 16" West 13.14 feet to the point and place of Beginning, as shown on a Preliminary Plan of Phase 2, Rosebay at The Point, prepared by Borum, Wade and Associates, P.A., dated January 22, 1999.

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