

DD 1/14

26/ P16  
the dis-

Prepared by and return to: Pamela D. Duncan  
Smith Helms Mulliss & Moore

DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

HUNTINGDON

287640

RECORDED  
KAY F. PATSEAVOURAS  
REGISTER OF DEEDS  
GUILFORD COUNTY, NC  
NOV 10 4 51 PM '87

THIS DECLARATION, made on the date hereinafter set forth by MEADOWBRIAR LIMITED PARTNERSHIP, a North Carolina limited partnership having an office and place of business in Guilford County, North Carolina, hereinafter referred to as "Declarant."

WITNESSETH:

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

All that certain parcel of land shown on the plat entitled "Section 1, Meadowbriar Subdivision, a/k/a Huntingdon," which appears of record in the Office of the Register of Deeds of Guilford County, North Carolina, in Plat Book 87 at Page 136 (hereinafter referred to as "Huntingdon").

WHEREAS, it is the intent of the Declarant hereby to cause Huntingdon to be subjected to this Declaration of Covenants, Conditions and Restrictions to create Huntingdon.

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

ARTICLE I

DEFINITIONS

SECTION 1. "Association" shall mean and refer to Huntingdon Association, its successors and assigns.

BK3626PG1226

SECTION 2. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, as hereinafter defined, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 3. "Properties" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

SECTION 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is described as follows:

All of that land designated "Common Area" and "Open Space" as shown on the plat entitled "Section 1, Meadowbriar Subdivision, a/k/a Huntingdon," which appears of record in the Office of the Register of Deeds of Guilford County, North Carolina, in Plat Book 87, Page 136.

SECTION 5. "Member" shall mean and refer to every person or entity who holds membership with voting rights in the Association.

SECTION 6. "Declarant" shall mean and refer to Meadowbriar Limited Partnership, as well as its successors and assigns, if Meadowbriar Limited Partnership expressly transfers its rights as Declarant hereunder to a successor or assign.

SECTION 7. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of Common Area.

SECTION 8. "Recreational Facilities" shall mean and refer to the swimming pool, bathhouse, tennis court and any other facilities designed for recreational use, along with the parking areas serving such facilities, which are now or may hereafter be located on the Common Area and any additions thereto.

SECTION 9. "Non-Member User" shall mean and refer to any person who is not a Member of the Association, as defined above, but who has contracted with the Association for the use of the Recreational Facilities, as set out in the By-Laws of the Association.

SECTION 10. "FHA" shall mean and refer to the Federal Housing Administration of the Department of Housing and Urban Development and "VA" shall mean and refer to the Veterans Administration.

BK3626PG1227

ARTICLE II

PROPERTY RIGHTS

**SECTION 1. OWNERS EASEMENTS OF ENJOYMENT.** Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

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

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities 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;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by at least two-thirds (2/3) of each class of Members, agreeing to such dedication or transfer, has been recorded;

(d) the right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area and specifically including the right to make permanent and temporary assignments of parking spaces and to establish regulations concerning the use thereof;

(e) the right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities thereon; and

(f) Subject to the prior written consent of FHA or VA in the event VA or FHA insured loans have been obtained secured by Lots, the right of the Association to exchange portions of Common Area with the Declarant for substantially equal areas of the Properties for the purpose of eliminating unintentional encroachments of improvements onto portions of the Common Areas.

**SECTION 2. DELEGATION OF USE.** Any Owner may delegate, in accordance with the By-Laws, his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract Purchasers who reside on the Lot of such Owner.

**SECTION 3. LEASES OF LOTS.** Any lease agreement between an Owner and a lessee for the lease of such Owner's Lot shall provide that the terms of the Lease shall be subject in all respects to

the provisions of this Declaration of Covenants, Conditions and Restrictions, the Articles of Incorporation and By-laws of the Association and that any failure by the lessee to comply with the terms of such document shall be a default under the terms of the Lease. All Leases of Lots shall be in writing and shall be for a term of at least six (6) months. Other than the foregoing there is no restriction on the right of any Owner to lease his Lot. At the request of the Board of Directors of the Association, an Owner leasing his Lot shall provide an executed copy of the lease agreement to the Board, so that the Board may determine that such agreement complies with the provisions of this Section.

### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS

SECTION 1. 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. The Association shall have two 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, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, provided, however, the Class B membership shall be reinstated if thereafter, and before the time stated in subparagraph (b) below, such additional lands are annexed to the Property without the assent of Class A members, pursuant to the provisions of Section 4 of Article X hereunder, as shall contain Lots sufficient to give the Class B member or members, a total number of votes (with each Lot owned by the Class B member or members representing 3 votes) to exceed those of the Class A members; or;

(b) on December 31, 1992.

## ARTICLE IV

### COVENANT FOR MAINTENANCE AND ASSESSMENTS.

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of 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 to the Association: (1) annual assessments or charges; (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided; and, (3) to the appropriate governmental taxing authority: (a) a pro rata share of ad valorem taxes levied against the Common Area; and, (b) a pro rata share of assessments for public improvements to or for the benefit of the Common Area if the Association shall default in the payment of either or both for a period of six (6) months, all as hereinafter provided. All annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such 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 the Owner of such property at the time when the assessment 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 Properties 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 Area, including but not limited to, the costs of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against the Common Area, the maintenance of water and sewer mains in and upon the Common Area, the maintenance of any private streets (or any dedicated streets which have not been accepted for dedication by a public authority) within the Properties, the procurement and maintenance of insurance in accordance with the By-Laws, the payment of charges for common cable television service, the payment of charges for garbage collection and municipal water and sewer services furnished to the dwellings on Lots, as well as to the Common Areas, the employment of attorneys to represent the Association when necessary, the provision of adequate reserves for the replacement of capital improvements including, without limiting the generality of the foregoing, paving, and any other major expense for which the Association is responsible, and such other needs as may arise. The Board of Directors, in its sole discretion, may, but shall not be obligated

to, provide for the removal of snow and ice from the public and private streets located within the Properties.

(b) The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Area and those other portions of the Properties which the Association may be obligated to maintain. Such reserve fund is to be established out of regular assessments for common expense.

(c) 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 Properties, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the By-Laws of the Association. As monies for any assessment are paid to 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 fund 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 Properties.

SECTION 3. MAXIMUM ANNUAL ASSESSMENT. Until December 31 of the year of the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Six Hundred Dollars (\$600.00) per Lot, and shall be collected in monthly installments of Fifty Dollars (\$50.00) per Lot. The annual assessment must be fixed at a uniform rate for all Lots and shall be collected on a monthly basis in advance.

(a) 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 Board of Directors and may be increased by the Board of Directors without approval by the membership by an amount not to exceed twenty percent (20%) of the maximum annual assessment of the previous year.

(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 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.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum, subject to the provisions of Section 7 of this Article.

SECTION 4. SPECIAL ASSESSMENT FOR REPAIRS: In the event any portion of the Common Area is damaged or destroyed by an Owner or any of his guests, tenants, licensees, employees, agents, or family members, the Association is hereby authorized to repair such damaged area in a good and workmanlike manner. The amount necessary for such repairs, labor and material, shall become a special assessment upon the Lot of said Owner.

SECTION 5. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessment authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

SECTION 6. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 3 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 5 of this Article shall be sent to all Members not less than fifteen (15) 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 sixty percent (60%) 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 7. RATE OF ANNUAL ASSESSMENT FOR UNOCCUPIED LOTS. So long as any dwelling on any Lot owned by Declarant is unoccupied as a residence, the amount of the annual assessment payable for each such Lot shall be the amount attributable to the "maintenance" or "operational" portion of the allotted assessment for such Lot and not any portion assessed for "capital" or "recreational" purposes.

SECTION 8. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENT: DUE DATES. The annual assessment provided for herein shall commence as to a Lot on the first day of the month following the issuance of a certificate of occupancy for the dwelling located on such Lot. The first annual assessment shall be adjusted according to

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

SECTION 9. EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION. If any assessment is not paid within thirty (30) days after its due date, the Association may impose a late fee for such default and a separate late fee for each succeeding thirty (30) day period that the member remains in default. The fee shall be determined prospectively by the Board of Directors, but unless and until changed by the Board of Directors, the late fee shall be Twenty-Five Dollars (\$25.00). 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 applicable late fees, 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 Area or abandonment of his Lot nor shall damage to or destruction of any improvements on any Lot by fire or other casualty result in any abatement or diminution of the assessments provided for herein.

SECTION 10. EFFECT OF DEFAULT IN PAYMENT OF AD VALOREM TAXES OR ASSESSMENTS FOR PUBLIC IMPROVEMENTS BY ASSOCIATION. Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or assessments for public improvements to the Common Area, 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 11. SUBORDINATION OF THE LIEN TO MORTGAGES. The liens provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien or liens provided for in the preceding section. However, the sale or transfer of any Lot which



is subject to any 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 12. 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 devoted to dwelling use shall be exempt from said assessments.

#### ARTICLE V

#### ARCHITECTURAL CONTROL

#### SECTION 1. IMPROVEMENTS.

No building, fence, wall or other structure or planting or landscaping shall be commenced, erected or maintained upon any Lot, nor shall any exterior addition to or change or alteration therein, including, without limitation, any plantings or landscaping, be made until the plans and specifications showing the nature, kind, shape, height, color materials and location of the same shall have been submitted to and approved in writing as to the color, quality of workmanship and materials, harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an Architectural Control Committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated Committee, fails to approve or disapprove such design and location within forty-five (45) days after said 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 if the design of the building, fence, wall or other structure or planting is in harmony with the existing structures in the area; provided, however, that no hip roof with less than 5/12 pitch shall be permitted nor will flat built-up main roofs or any roof with less than 5/12 pitch be permitted without the written consent of the Board or the Architectural Control Committee. The Architectural Control Committee shall be composed of a chairman and two other members as designated from time to time. The Architectural Control Committee's present mailing address is:

Huntingdon Architectural Control Committee  
c/o HENRY EQUITIES LIMITED PARTNERSHIP  
440 West Market Street  
Greensboro, North Carolina 27401  
Telephone: (919) 272-0200

**SECTION 2. PROCEDURES.** As a condition to the granting of approval of any request made under this Article, the Board of Directors of the Association or the Architectural Control Committee may require that the Owner requesting such change be liable for any cost of maintaining or repairing the approved project. If such condition is imposed, the Owner shall evidence his consent thereto by a written document in recordable form satisfactory to the Board of Directors of the Association or the Architectural Control Committee. Thereafter, the Owner, and any subsequent Owner of the Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree that any cost of maintenance and repair of such improvement shall be 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 IV.

#### ARTICLE VI

##### EXTERIOR MAINTENANCE

The Association shall maintain the Common Area. Each Owner shall be responsible for the exterior maintenance of his or her dwelling and Lot, as follows: Paint, repair, replace and care of roofs, gutters, downspouts, exterior building surfaces, lawn, trees, shrubs, driveways, walks and other exterior improvements. In the event that the Owner neglects or fails to maintain his or her Lot and/or the exterior of his or her dwelling in a manner consistent with other Lots and dwellings in Huntingdon, the Association shall provide such exterior maintenance as provided above. Provided, however, that the Association shall first give written notice to the Owner of the specific items of exterior maintenance 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 himself or herself. 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 in Huntingdon shall be made by the Board of Directors of the Association, in its sole discretion. In order 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.

In the event the Association performs such exterior maintenance, repair or replacement, the cost of such maintenance, replacement or repairs shall be added to and become a part of the assessment to which such Lot is subject.

#### ARTICLE VII

##### USE RESTRICTIONS

**SECTION 1. LAND USE AND BUILDING TYPE.** No Lot shall be used except for residential purposes and for purposes incidental or

accessory thereto, except for temporary uses thereof by Declarant for Declarant's sales office and/or models while Lots in Huntingdon are built upon. No living hardwood tree of four-inch (4") caliber or greater at a point four feet (4') above natural ground shall be deliberately killed or removed after the structure, the walks and drives are installed on a Lot, without the prior written approval of the Architectural Control Committee.

**SECTION 2. DWELLING SPECIFICATIONS.** No single story dwelling shall be permitted having a ground floor area of the main structure, exclusive of one-story open porches, of less than one thousand (1,000) square feet; any dwelling having more than one story shall be required to have at least one thousand one hundred (1,100) square feet of total enclosed, heated floor area, with at least six hundred (600) square feet on the ground floor level.

**SECTION 3. TEMPORARY STRUCTURES AND FINISHES.** No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently. No masonry block may be left exposed on any building at any time.

**SECTION 4. STREET, FENCES, WALLS AND SIGNS.** No street shall be laid out or opened across or through any Lot, nor shall any fence or wall, except a retaining wall, be erected or allowed to remain on any Lot nearer to any street abutting the same than the front building line of the dwelling erected thereon, except with the written consent of Henry Equities Limited Partnership ("Henry Equities"). No fence shall be over four (4) feet in height except that a fence enclosing a patio or swimming pool may not exceed six (6) feet in height. No chain link fence or woven wire fence shall be erected nearer to any street than the exterior, rear wall(s) of the dwelling on such Lot, nor within the 100 year flood plain limits. Except for signs erected by Henry Equities and the builders in developing the property and in advertising the same for sale, there shall not be erected on the properties herein at any time thereafter, more than one sign upon any Lot, which shall not be larger than three (3) feet in length and two (2) feet in width, and the only sign that shall be located on any Lot shall be for the purpose of advertising the Lot for sale or for rent.

**SECTION 5. NUISANCES.** No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except that dogs, cats, or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purposes. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in clean and sanitary condition. No outside satellite discs, radio or television antennas shall be

BK3626PG1236

erected on any Lot or dwelling within the Properties unless and until permission for the same has been granted by the Architectural Control Committee. No boats, buses, trailers, campers or recreational vehicles shall be parked on any Lot within Huntingdon or on the Common Areas; provided however, such boats or vehicles may be parked in a garage on a Lot if such boat or vehicle can be fully covered by the garage with the garage door closed.

SECTION 6. OUTBUILDINGS. No metal storage or accessory buildings are allowed on Lots. Any outbuildings must have prior approval from the Architectural Control Committee before being placed on a Lot and must be in harmony with existing structures.

SECTION 7. MINOR VIOLATIONS. Minor violations of the restrictions contained in this Article may be waived by the Declarant and the Owners of Lots abutting the Lot the Owners of which are seeking such waiver.

## ARTICLE VIII

### EASEMENTS

SECTION 1. UTILITIES. Easements for installation and maintenance of utilities (including cable television service) and drainage facilities are reserved as indicated on the recorded plat. Within these easements no structures, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the 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 Guilford County (and any other person or firm providing services to the Properties under agreement with or at the direction of the Association) over all Common Area as may be reasonably necessary for the setting, removal and reading of water meters, and 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 service or utilities to the Common Area or Lots.

SECTION 2. ENCROACHMENTS. In the event that any improvements on a Lot shall encroach upon any Common Area or upon any other Lot as a result of the initial improvements constructed by Declarant or 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 Area or other Lot for so long as such encroachment shall naturally exist; and, in the event that any portion of the Common Area shall encroach upon any Lot, then an easement shall exist for the continuance of such encroachment of the Common Area into any such Lot for so long as such encroachment shall naturally exist.

BK3626PG1237

ARTICLE IX

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 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 the annual financial statement and report of the Association prepared by a certified public accountant designated by the Board of Directors 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 or casualty loss affecting the Common Area or the Lot on which such Institutional Lender holds a first lien.

(d) To be notified of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

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

(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.

**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 X

### GENERAL PROVISIONS

**SECTION 1. ENFORCEMENT.** 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 the Declaration, the Articles of Incorporation or By-Laws of the Association. Failure by the Association 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 Properties to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.

**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. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners, provided 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. Any amendment must be properly recorded.

### **SECTION 4. ANNEXATION.**

(a) Additional residential property and Common Area may be annexed to the properties with the consent of two-thirds (2/3) of each class of Members.

(b) 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 within five (5) years of the date of this instrument provided that FHA and VA (if FHA or VA loans have been obtained to purchase Lots) determine that the annexation is in accord with the general plan heretofore approved by them.

**SECTION 5. FHA/VA APPROVAL.** As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the veterans Administration provided that FHA or VA loans have been obtained to purchase Lots: dedication of Common Area and amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be executed as of the 2<sup>nd</sup> day of November, 1987.

MEADOWBRIAR LIMITED PARTNERSHIP,  
a North Carolina limited  
partnership (SEAL)

BY: HENRY EQUITIES LIMITED  
PARTNERSHIP, a North Carolina  
limited partnership, its General  
Partner

ATTEST:

  
Secretary

BY: BROWN INVESTMENT PROPERTIES,  
INC., a North Carolina  
corporation, its General  
Partner

By:   
President



STATE OF NC  
COUNTY OF GUILFORD

I, the undersigned, a Notary Public of said County and State, certify that TERRY M. BALL personally came before me this day and acknowledged that (s)he is a \_\_\_\_\_ Secretary of BROWN INVESTMENT PROPERTIES, INC., a North Carolina corporation, that it is the General Partner in HENRY EQUITIES LIMITED PARTNERSHIP, a North Carolina limited partnership which is the general partner in MEADOWBRIAR LIMITED PARTNERSHIP, and that by authority duly given and as the act of the corporation for the partnership, the foregoing instrument was signed in its name by its \_\_\_\_\_ President, sealed with its corporate seal and attested by TERRY M. BALL as its \_\_\_\_\_ Secretary.

Witness my hand and official seal, this 2<sup>nd</sup> day of November, 1987.

Rachel P. Martin  
Notary Public



My Commission Expires:

My Commission Expires 3-16-92.

North Carolina - Guilford County

The certificate(s) of \_\_\_\_\_

Rachel P. Martin  
Notary (Notaries) Public is (are) certified to be correct. This instrument and this certificate are correct as shown at the date and time shown herein.

DEPT. OF REVENUE, REGISTER OF DEEDS

Patricia Puckett  
DEPT. OF REVENUE, REGISTER OF DEEDS

AST

11/09/87  
1 MISCELLANEOUS DOCUM287640 5.00  
16 MISC DOCUMENTS ADDN PG(S) 32.00  
1 PROBATE FEE 1.00



**EXHIBIT A**

**HUNTINGDON  
35.861 ACRES ON HORSEPEN CREEK ROAD**

BEGINNING at an existing iron pin located on the western margin of the sixty foot wide right of way for Horsepen Creek Road, said point also being the northeastern corner of the tract belonging to Searcy; thence running along Searcy's boundaries South 64° 23' 58" West 216.21 feet to an existing iron pin and South 8° 17' 50" East 668.86 feet to an existing iron pin, a common corner with James Moser; thence running along the common boundary with Moser and then with A. W. McAllister, Jr. North 79° 40' 55" West 543.87 feet to a new iron pin, a common corner between McAllister and Helen S. Chance; thence running along the boundary with Chance North 32° 54' 43" West 680.41 feet to an existing iron pin; thence North 10° 45' 21" East 205 feet to a point; thence North 36° 48' 54" West 113.70 feet to a point; thence North 4° 40' 39" East 37.84 feet to a point; thence North 71° 32' 23" West 41.51 feet to a point; thence North 18° 52' 20" West 54.06 feet to a point; thence North 13° 54' 3" East 46.96 feet to a point; thence North 28° 29' 25" West 51.90 feet to a point; thence North 30° 51' 31" East 29.15 feet to a point; thence North 19° 46' 21" East 149.36 feet to a point; thence North 56° 31' 55" East 45.08 feet to a point; thence continuing along a line, a common boundary with Chance and then a common boundary with the heirs of James Jefferies, North 3° 12' 42" East 114.88 feet to a point; thence continuing with the Jefferies tract North 18° 32' 33" West 92.12 feet to a point; thence North 50° 52' 58" East 32.74 feet to a point; thence North 20° 18' 54" West 71.67 feet to a point; thence North 10° 19' 44" East 32.68 feet to a point; thence North 19° 16' 41" West 63.97 feet to a point; thence 0° 59' 31" East 110.34 feet to a point at the southwest corner of the tract of Calvin A. P. Stanley; thence running along the said Stanley tract North 81° 37' 5" East 644.90 feet to an existing iron pin; thence leaving Stanley's tract running South 4° 51' 19" East 246.42 feet to a point and North 84° 55' 44" East 326.62 feet to a point on the western margin of the sixty foot wide right of way for Horsepen Creek Road; thence along the margin of said right of way South 5° 4' 16" East 624.73 feet to a point and thence continuing along the curve to the right a chord course and distance of South 1° 5' 43" West 337.23 feet to the existing iron pin located at the point and place of BEGINNING, said tract containing 35.861 acres more or less, all according to the survey prepared by Marvin L. Borum and Associates dated February 2, 1987 entitled "Property of Brown Investment Properties, Inc., Horsepen Creek Road".