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KATHERINE LEE PAYNE
REGISTER OF DEEDS
GUILFORD COUNTY, NC
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NORTH CAROLINA
GUILFORD COUNTY
DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
NORTH BEECH

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THIS DECLARATION, made on the date hereinafter set forth by LAKE BRANDT VENTURES, LLC, a North Carolina limited liability company, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant 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 plats entitled "North Beech Subdivision, Phase 2, Maps 1, 2 and 3," which appear of record in the Office of the Register of Deeds of Guilford County, North Carolina, in Plat Book 142, Pages 26, 27 and 28 (the "Plat"); and

WHEREAS, Declarant desires to impose upon the Property 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;

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 North Beech Association, Inc., its successors and assigns.

06/25/2001	GUILFORD CO. NC	
1 MISC DOCUMENTS	469821	\$6.00
17 MISC DOC ADDN PGS		\$34.00
1 PROBATE FEE		\$2.00

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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 Property, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 3. "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 4. "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:

TRACT ONE: All that land designated "Common Elements" and "CE" as shown on the plats entitled "North Beech Subdivision, Phase 1, Maps 1 and 2," which appear of record in the Office of the Register of Deeds of Guilford County, North Carolina, in Plat Book 136, Pages 69 and 70.

TRACT TWO: All that land designated "Common Elements" and "CE" as shown on the plats entitled "North Beech Subdivision, Phase 2, Maps 1, 2 and 3," which appear of record in the Office of the Register of Deeds of Guilford County, North Carolina, in Plat Book 142, Pages 26, 27 and 28.

SECTION 5. "Dwelling" shall mean and refer to any single-family residence constructed on a Lot in the Property.

SECTION 6. "Member" shall mean and refer to every person or entity who holds membership with voting rights in the Association.

SECTION 7. "Declarant" shall mean and refer to Lake Brandt Ventures, LLC, its successors and assigns, if such successors or assigns (i) should acquire more than one undeveloped Lot from Declarant for the purpose of development; and (ii) are designated as a Declarant in a recorded instrument of transfer executed by Declarant and by such transferee.

SECTION 8. "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 9. "Improved" Lot shall mean and refer to a Lot upon which a completed Dwelling has been constructed and a certificate of occupancy or compliance has been, or could be, issued by the City of Greensboro. A Lot with a completed Dwelling thereon shall be deemed "improved" on the first day of the first month after such certificate of occupancy or compliance is, or could have been, issued.

SECTION 10. "Unimproved" Lot shall mean and refer to a Lot that is not an Improved Lot.

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SECTION 11. "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 12. "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.

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;

(v) the right of the Association to exchange portions of Common Elements with Declarant 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; and

(vi) the right of any City of Greensboro or any adjacent property owner for ingress, egress and regress over the Common Elements for the purpose of maintaining any storm water drainage facilities on the Common Elements.

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(vii) the right of the public to use the Pedestrian Walking Trails located on the Common Elements and connecting to the Lake Brandt Pedestrian Trail System.

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 family, 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 X, 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, 2007.

SECTION 3. RIGHT OF DECLARANT TO APPOINT MEMBERS OF THE EXECUTIVE BOARD OF THE ASSOCIATION. Declarant 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 of all Lots within the Property (including Lots added pursuant to Article X, Section 4 of this Declaration), or (ii) December 31, 2007. Whenever Declarant 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 be designated shall be as provided in the Articles of Incorporation and/or Bylaws of the Association. Declarant 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

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Directors so removed. Any Director designated and selected by Declarant need not be an Owner. Any representative of Declarant serving on the Executive Board of the Association shall not be required to disqualify himself from any vote upon any contract or matter between Declarant and the Association where Declarant 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 became 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 or related to the maintenance, use and enjoyment of those improvements and areas outside of the Common Elements but which benefit the Property, including but not limited to (i) any portions of a storm water drainage system located within the Property which carries storm water from Lots and/or Common Elements and/or adjoining property; (ii) any storm water retention or detention ponds located within the Property which are jointly maintained and repaired by adjacent property owners; and (iii) the portion of Pedestrian Walking Trails located on adjacent property belonging to the City of Greensboro which connect trails located on the Common Elements with the Lake Brandt Pedestrian Trail System (collectively hereinafter referred to as "Other Maintained Improvements"). 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.

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(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 Unimproved Lot, One Hundred Eighty and 00/100 Dollars (\$180.00) per year, which shall be deemed to be a rate of maximum annual assessment of Fifteen and 00/100 Dollars (\$15.00) per Unimproved Lot per month.

For each Improved Lot, Three Hundred and 00/100 Dollars (\$300.00) per year, which shall be deemed to be a rate of maximum annual assessment of Twenty-Five and 00/100 Dollars (\$25.00) per Improved 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

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the Common Elements or Other Maintained Improvements, 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) With the exceptions set forth in subsection (c) of this Article IV, Section 6, annual assessments must be fixed at a uniform rate for Unimproved Lots and at a uniform rate for Improved Lots.

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

(c) Anything to the contrary herein notwithstanding, nine (9) months after the closing of the sale of a Lot by Declarant to an Owner, if such Lot is then unoccupied as a residence, whether improved or not, it shall be assessed at fifty percent (50%) of the rate for Improved Lots. Eighteen (18) months after such closing, if such Lot remains unoccupied as a residence, whether improved or not, it shall be assessed at one hundred percent (100%) of the rate for Improved Lots.

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 each Lot conveyed by Declarant to an Owner on the first day of the month following the conveyance by Declarant of such Lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year after the assessment commences. The annual assessments for Lots owned by Declarant shall 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.

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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

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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, OTHER MAINTAINED IMPROVEMENTS AND LOTS

SECTION 1. MAINTENANCE BY ASSOCIATION. The Association shall maintain the Common Elements and, as specifically set forth in this Declaration, the Other Maintained Improvements. If a Lot Owner fails to maintain storm water drainage components located on his or her Lot, the Association shall perform such maintenance and charge the cost thereof to the Lot Owner.

SECTION 2. ASSOCIATION'S 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.

SECTION 3. OWNERS' MAINTENANCE OF LOTS AND DWELLINGS. Each Owner shall be responsible for the repair, maintenance and upkeep of his or her Lot and the Dwelling on such Lot, including but not limited to any and all vegetation, driveways and walks, patios, wooden decks or any part thereof. Each Owner whose Lot contains a part of the storm water drainage system shall be responsible for the repair, maintenance and upkeep of such components.

SECTION 4. MAINTENANCE OF RIGHTS-OF-WAY. Each Member shall be responsible for the maintenance and upkeep of the unpaved portion of any public road right-of-way abutting such Member's Lot. Should a Member fail to discharge its maintenance and upkeep responsibilities in a reasonable and prudent manner as determined by the Executive Board of the Association in its sole and absolute discretion, the Association shall provide such Member written notice of such deficiency. If the deficiency is not promptly remedied, the Association shall have the right to cause such maintenance and upkeep to be performed and to charge the Member for the cost thereof. If such cost is 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 8.

SECTION 5. OWNERS' STANDARD OF MAINTENANCE. Lot Owners shall perform their repair, maintenance and upkeep obligations under this Declaration in accordance with Architectural Guidelines and/or Community Standards for North Beech, as they may be promulgated from time to time, and in a reasonable and prudent manner to a standard harmonious with other Lots in North Beech. If any Owner should fail to discharge the above-described obligations to such a standard, the Executive Board of the Association may, in its sole discretion, give written notice of such failure to the Owner who shall have a period of time determined by the Board (not less than forty-eight (48) hours or more than fifteen (15) days) to cure such failure. If the Owner fails to take the necessary action to discharge the Owner's obligation within the time period designated by the Executive Board, the Association shall have the right to take, at the Owner's expense, any action necessary to cure the failure and charge the

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Owner with the cost thereof. If the Owner does not pay such cost within fifteen (15) days after written notice thereof from the Association, then the amount so owed, together with interest, cost and attorney's fees, shall become a lien on the Owner's Lot, payment of which may be enforced in accordance with the provisions of Article IV.

SECTION 6. OWNER'S NEGLIGENCE. In the event that the need for maintenance, repair or replacement is caused through the willful or negligent act of the Owner, his family, guest or invitees, 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 and explained in North Carolina Standard Fire and Extended Coverage insurance policies, 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 VI

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 is prohibited in the rights-of-way of public streets that are not bounded with curb and gutter, including the sides, shoulders and side ditches.

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 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, 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 8.

ARTICLE VII

USE RESTRICTIONS

SECTION 1. LAND USE AND BUILDING TYPE. No Lot shall be used except for single-family residential purposes; provided, however, that temporary use of a Lot or Lots by Declarant or its designees as a sales office and/or model shall be permitted.

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.

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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 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, personal watercraft, 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.

SECTION 6. REGULATION OF GARDENS. No vegetable gardens or plants bearing vegetables, corn, tomatoes or fruits shall be permitted between the front line of the Dwelling on a Lot and the street abutting the front of said Lot. No such gardens and plants shall be permitted on a corner Lot between the side yard setback line shown on the Plat and the street abutting the side of the Lot.

SECTION 7. OUTSIDE ANTENNAS. The following devices shall be prohibited within North Beech:

- (a) Direct broadcast satellites (DBS) dishes greater than one meter (39") in diameter; and
- (b) Antennas greater than one meter (39") in diameter or diagonal measurement used to receive multichannel multipoint distribution (wireless cable) providers (MMDS).

No antennas may be erected within ten feet (10') of electric power lines. All antennas must be properly grounded and secured. These safety requirements are established to protect against possible contact between any antenna and electric power lines. Plans showing proposed location of antennas and grounding and security provisions therefor must be submitted to the Executive Board of the Association prior to installation. Such plans shall be deemed approved if Owner is not advised in writing of disapproval within twenty-one (21) days following proper submission of plans.

Any Owner who wishes to install an antenna which shall extend more than twelve feet (12') above the roofline to which it is mounted must obtain a permit from the Executive Board of the Association for such installation.

Any otherwise permitted antenna or satellite dish shall be placed behind the front line of the Dwelling and in a location not visible from any street, to the extent such placement is possible consistent with reception of an acceptable quality video programming signal.

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ARTICLE VIII

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.

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 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 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 Bylaws of the Association or of any proposed abandonment or termination of the Association or the

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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 X

GENERAL PROVISIONS

SECTION 1. ENFORCEMENT. The Association, Declarant 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. 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.

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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 a vote of not less than ninety percent (90%) of the Lot Owners, and thereafter 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 Declarant 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 Declarant. 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. ADDITIONAL PROPERTY; 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 added to the Property by the Declarant without the consent of Members.

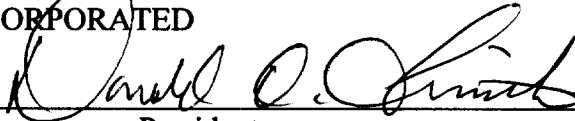
SECTION 5. WORKING CAPITAL FUNDS. In order to provide the Association with adequate working capital, upon the initial sale of each Lot from Declarant to an Owner, such Owner shall pay to the Association a contribution equal to one-sixth (1/6th) of the estimated Annual Assessment at the time of the sale. The payments to this fund will be maintained in an Association account for the use and benefit of the Association.

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed by its respective duly authorized Managers, this the 6th day of June, 2001.

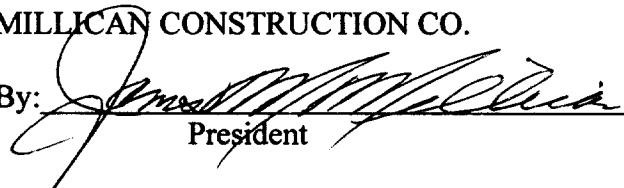
LAKE BRANDT VENTURES, LLC,
a North Carolina Limited Liability Company (SEAL)

BY ITS MANAGERS:

DON SMITH GENERAL CONTRACTOR,
INCORPORATED

By: 
President

MILlicAN CONSTRUCTION CO.

By: 
President

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STATE OF NORTH CAROLINA

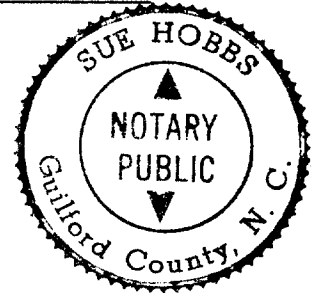
COUNTY OF GUILFORD

I, Sue Hobbs, a Notary Public of the County and State aforesaid, certify that Donald O. Smith personally came before me this day and acknowledged that he/she is _____ President of DON SMITH GENERAL CONTRACTOR, INCORPORATED, a North Carolina corporation, which corporation is Manager of LAKE BRANDT VENTURES, LLC, a North Carolina limited liability company, and by authority duly given and as the act of the corporation as Manager of said limited liability company, this writing was signed in its name by the stated official under authority duly given the stated official and as the act of the corporation as Manager of said limited liability company.

WITNESS my hand and official seal this the 18th day of June, 2001.

Sue Hobbs
Notary Public

My commission expires: 1/21/03



STATE OF NORTH CAROLINA

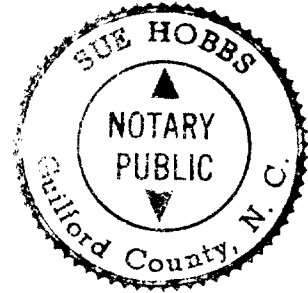
COUNTY OF GUILFORD

I, Sue Hobbs, a Notary Public of the County and State aforesaid, certify that James M. Millican personally came before me this day and acknowledged that he/she is _____ President of MILLICAN CONSTRUCTION CO., a North Carolina corporation, which corporation is Manager of LAKE BRANDT VENTURES, LLC, a North Carolina limited liability company, and by authority duly given and as the act of the corporation as Manager of said limited liability company, this writing was signed in its name by the stated official under authority duly given the stated official and as the act of the corporation as Manager of said limited liability company.

WITNESS my hand and official seal this the 25 day of June, 2001.

Sue Hobbs
Notary Public

My commission expires: 1/21/03

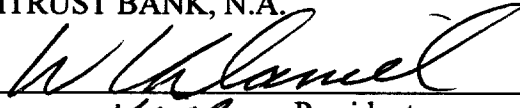


001575

SOUTHTRUST BANK, N.A., a banking corporation, 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 North Beech, said deed of trust being recorded in Book 4895, Page 1975, Guilford County Registry, and TROY A. GAMBRIL, 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:

SOUTHTRUST BANK, N.A.

BY: 
Group Vice President

TRUSTEE:


Troy A. Gambрил, Trustee

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STATE OF NORTH CAROLINA

COUNTY OF GUILFORD

I, Annette Kunak, a Notary Public of said County and State, hereby certify that William Daniel personally appeared before me this day and acknowledged that he/she is Group Vice Pres of SOUTHTRUST BANK, N.A., a corporation, and that he/she as Group Vice Pres being authorized to do so, executed the foregoing on behalf of the corporation.

WITNESS my hand and official seal this 8 day of June, 2001.

Annette K Kunak
Notary Public



My commission expires:

3/4/2006

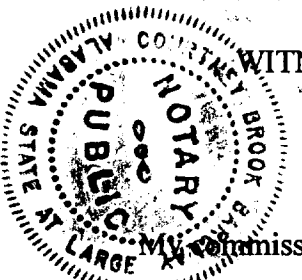
001577
001500

Alabama
NORTH CAROLINA
Jefferson
GUILFORD COUNTY

I, Courtney Brook Barclay, a Notary Public, do hereby certify that TROY A. GAMBRIL, Trustee, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official seal this the 12th day of June, 2001.

Courtney Brook Barclay
Notary Public



My commission expires:

**My Commission Expires
February 19, 2005.**

EXHIBIT "A"

BEGINNING at a new iron pin in the western margin of Lake Brandt Road (SR 2347) and the northeast margin of the property, now or formerly, of Dennis L. Torney and wife, Catherine R. Torney, Deed Book 3880, Page 631, of the Guilford County Registry; thence with the line of Torney, North 75 degrees 17 minutes 58 seconds West 760.70 feet to an existing iron pin; thence continuing with Torney's line, South 87 degrees 37 minutes 16 seconds West 227.83 feet to an existing iron pin in the northeastern corner of Lot 37 Lake Brandt Estates, Plat Book 79, Page 44; thence South 87 degrees 59 minutes 18 seconds West 1247.18 feet to a new iron pin, a common corner with the property, now or formerly, of the City of Greensboro; thence continuing with the line of the City of Greensboro the following courses and distances: North 32 degrees 54 minutes 48 seconds East 285.28 feet to a new iron pin; North 01 degrees 59 minutes 18 seconds West 289.20 feet to a new iron pin; North 22 degrees 45 minutes 07 seconds West 148.77 feet to a new iron pin; North 46 degrees 26 minutes 04 seconds East 488.46 feet to a new iron pin; North 18 degrees 22 minutes 54 seconds East 235.81 feet to a new iron pin; North 01 degrees 33 minutes 08 seconds East 388.23 feet to an existing iron pin; North 28 degrees 34 minutes 02 seconds West 328.82 feet to an existing iron pin; North 42 degrees 43 minutes 10 seconds East 159.34 feet to an existing iron pin; North 70 degrees 00 minutes 50 seconds East 316.64 feet to an existing iron pin; North 48 degrees 04 minutes 52 seconds East 175.38 feet to an existing iron pin; North 88 degrees 27 minutes 07 seconds East 64.53 feet to a existing iron pin in the northwestern line of the Guilford County Board of Education; thence with the Board of Education the following courses and distances: South 29 degrees 08 minutes 07 seconds West 730.71 feet to an existing iron pin; thence South 88 degrees 50 seconds 01 minutes East 828.22 feet to a new iron pin; South 64 degrees 40 minutes 01 seconds East 345.00 feet to a new iron pin; thence South 86 degrees 20 minutes East 600.05 feet to an existing iron pin in the western right-of-way of Lake Brandt Road (SR 2347): thence with the right-of-way of Lake Brandt Road, South 10 degrees 00 minutes 12 seconds East 340.85 feet to a new iron pin; thence continuing with the right-of-way of Lake Brandt Road along a curve to the right having a radius of 1259.43 feet and a chord bearing and distance of South 01 degrees 11 minutes 17 seconds East 386.08 feet to a new iron pin; thence South 07 degrees 37 minutes 43 seconds West 106.03 feet to a new iron pin; thence along a curve to the right having a radius of 2669.84 and a chord bearing and distance of South 13 degrees 50 minutes 14 seconds West 577.47 feet to a new iron pin; thence South 20 degrees 02 minutes 29 seconds West 168.64 feet to a new iron pin, the point and place of **BEGINNING**.



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

* * * * *

State of North Carolina, County of Guilford

The foregoing certificate of Aue Hobbes,
Annette K. Kuman,
Courtney Brook Barclay

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

KATHERINE LEE PAYNE, REGISTER OF DEEDS

By: Beckow City
~~Deputy~~ - Assistant Register of Deeds

* * * * *

THIS CERTIFICATION SHEET MUST REMAIN WITH THE DOCUMENT

03/29/00

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