

Prepared By and After Recording, Mail To: Rick F. Shumate, Esq., 330 South Greene Street, Suite 100, Greensboro, North Carolina 27401.

STATE OF NORTH CAROLINA
COUNTY OF GUILFORD

DECLARATION OF COVENANTS AND
RESTRICTIONS FOR PARKSIDE AT
NOTTINGHAM SUBDIVISION

THIS DECLARATION OF COVENANTS AND RESTRICTIONS FOR PARKSIDE AT NOTTINGHAM SUBDIVISION (hereinafter referred to as the "Declaration"), made this 22nd day of July, 1997, by Pulte Home Corporation, a Michigan corporation with its principal office and place of business in North Carolina located in Wake County, North Carolina, hereinafter referred to as the "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner and developer of certain real property near the City of Greensboro, Guilford County, North Carolina, said real property being hereinafter referred to alternatively as "Parkside at Nottingham Subdivision," the "Subdivision," or the "Property," said "Property" being more particularly described in Article I of this Declaration; and

WHEREAS, Declarant will convey the Property subject to certain protective covenants, restrictions, conditions, reservations, easements, charges and liens as hereinafter set forth in this Declaration; and

WHEREAS, Declarant desires to develop and subdivide the Property into single-family residential lots; and

WHEREAS, Declarant desires to provide for the preservation and enhancement of the property values, amenities and opportunities in the Property for the maintenance of the Property and improvements thereon, and to this end desires to subject the Property, together with such additions as may hereafter be made thereto, to the protective covenants, restrictions, conditions, reservations, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said Property and each owner thereof; and

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the values and amenities in and upon said Property to create an agency to which should be delegated and assigned the power of owning, maintaining and administering the Common Areas, if any, and facilities within the Property, administering and enforcing the covenants and restrictions, collecting and disbursing the assessments and charges hereinafter created, and promoting the recreation, health, safety, and welfare of the residents of the subdivision; and

WHEREAS, Declarant has caused to be incorporated under the laws of the State of North Carolina the Parkside at Nottingham Homeowners Association, Inc., (hereinafter referred to as the "Corporation") as a non-profit corporation for the purpose of exercising the functions aforesaid, among others.

NOW, THEREFORE, Declarant hereby declares that all of the Property described in Article I of this Declaration shall be held, sold, and conveyed subject to the following protective covenants, restrictions, conditions, easements, reservations, charges and liens, all of which shall run with the title to the real property, shall be binding on all parties having or acquiring any right, title, or interest in the described properties or any part thereof, and shall inure to the benefit of each owner thereof, his heirs, successors, and assigns.

**ARTICLE I
LEGAL DESCRIPTION OF THE PROPERTY**

SEE THE EXHIBIT "A" ATTACHED HERETO FOR THE LEGAL DESCRIPTION OF THE REAL PROPERTY WHICH IS SUBJECT TO THE TERMS AND PROVISIONS OF THIS DECLARATION OF COVENANTS AND RESTRICTIONS FOR FIELDSTONE SUBDIVISION, WHICH SAID EXHIBIT "A" IS INCORPORATED HEREIN BY REFERENCE.

**ARTICLE II
DEFINITIONS**

Section 1. "Corporation" shall mean and refer to the Parkside at Nottingham Homeowners Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 2. "Subdivision" and "Property" and "Parkside at Nottingham Subdivision" shall each mean and refer to that certain real property subject to this Declaration which is more particularly described in Article I hereof and such additions thereto as may hereafter be brought within the jurisdiction of the "Corporation" by the Declarant, its successors and/or assigns or by the "Corporation."

Section 3. "Common Areas" shall mean and refer to all real property within Parkside at Nottingham Subdivision presently owned or hereafter owned and maintained by the "Corporation" at any time for the common use and enjoyment of all Members. The Common Areas shall include all amenities and facilities located in or on the Common Areas.

Section 4. "Residential Lot" shall mean and refer to any single-family residential lot as shown on a recorded subdivision map of Parkside at Nottingham Subdivision,

whether or not a dwelling unit has been erected on said residential lot.

Section 5. "Finished Residential Lot" shall mean and refer to any single-family residential lot as shown on a recorded subdivision map of Parkside at Nottingham Subdivision upon which a finished and completed dwelling unit has been erected and which said lot has been conveyed by the Declarant to a Class A Member of the "Corporation."

Section 6. "Dwelling Unit" shall mean and refer to a single-family residence or dwelling erected on a residential lot.

Section 7. "Membership" and "Members" shall mean and refer to every person or entity entitled to membership in the "Corporation" as provided in this Declaration.

Section 8. "Class A Member" shall mean and refer to the owner of a Finished Residential Lot in Parkside at Nottingham Subdivision. "Class A Members" shall mean and refer to all of the owners of Finished Residential Lots in Parkside at Nottingham Subdivision.

Section 9. "Class B Member" shall mean and refer to the Declarant, its successors and/or assigns, as owner of one or more of the Residential Lots in Parkside at Nottingham Subdivision.

Section 10. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Residential Lot in Parkside at Nottingham Subdivision, including all Class A Members and the Class B Member, and including contract sellers, but excluding those having such interest solely as security for the performance of an obligation.

Section 11. "Declarant" and "Developer" shall each mean and refer to Pulte Home Corporation, a Michigan corporation, its successors and/or assigns.

Section 12. "Board of Directors" or "Board" shall mean and refer to those persons elected or appointed to act collectively as the directors of the "Corporation." A "Director" shall mean and refer to a person elected or appointed to act as a director of the "Corporation."

Section 13. "Book of Resolutions" shall mean and refer to the document containing rules and regulations and policies adopted by the Board of Directors of the "Corporation."

Section 14. "VA" shall mean and refer to Veterans Administration and "HUD" shall mean and refer to Department of Housing and Urban Development.

Section 15. "Bylaws" shall mean and refer to the bylaws of the "Corporation" as they now or hereafter exist.

Section 16. "Articles of Incorporation" and "Charter" shall each mean and refer to the Articles of Incorporation of the "Corporation" as they now or hereafter exist.

Section 17. "Plat" or "Plats" shall mean and refer to the various map or maps of Parkside at Nottingham Subdivision as said map(s) are now or hereafter recorded in the Office of the Register of Deeds of Guilford County, North Carolina.

ARTICLE III COMMON AREA OWNERSHIP AND MAINTENANCE

Section 1. Common Areas. The Parkside at Nottingham Homeowners Association, Inc. (hereinafter referred to in this Declaration as the "Corporation") shall own, use, pay ad valorem taxes on (if required by law), preserve, protect, maintain, manage, care for and supervise, all for the use of and for the benefit of the members of the "Corporation," all of the Common Areas, if any, together with any signs, monuments, structures, playgrounds, parks, equipment, amenities, easements, rights-of-way, and/or other facilities or improvements located on, over, or in said Common Areas. The "Corporation's" ownership of the Common Areas and all rights therein shall be subject to all of the terms and provisions of this Declaration and to all of the easements, rights-of-way, restrictions, and any other matters, as depicted and/or noted on the recorded Plats of Parkside at Nottingham Subdivision.

Section 2. Members Easements of Enjoyment. Each Member shall be a member of the Parkside at Nottingham Homeowners Association, Inc., and each Member has a right of enjoyment in and to the Common Areas, if any, which said membership and right of enjoyment shall be appurtenant to and shall pass with the title to every Residential Lot in Parkside at Nottingham Subdivision.

Section 3. Delegation of Use. Each Member may delegate his rights of enjoyment of the Common Areas to the members of his family, his tenants, contract purchasers who reside on the property, or his guests, but no Member may delegate his or her obligations or other rights as a Member of the "Corporation" to any other person or entity, such rights to pass only upon transfer of ownership of such Member's Residential Lot to a new owner.

Section 4. Rules and Regulations. The Board of Directors of the "Corporation" shall have the power to formulate, publish and enforce reasonable rules and regulations, not inconsistent with this Declaration or the Bylaws or Articles of Incorporation of the "Corporation," concerning the use and enjoyment of the Common Areas. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a Book of Resolutions, which said Book of Resolutions shall be maintained in a place reasonably convenient to the Members and available to the

Members for inspection during normal business hours.

Section 5. Operating Common Areas and Facilities. The Board of Directors of the "Corporation" shall have the power to limit the number of guests, to regulate hours of operation and behavior, and to curtail any use or uses it deems necessary for either the protection of the Common Areas or the peace and tranquillity of adjoining residents.

Section 6. Suspensions. The Board of Directors of the "Corporation" shall have the power to suspend the voting rights and the right to the use of any Common Areas of a Class A Member or any person to whom that Class A Member has delegated his right of enjoyment for any period during which any assessment paid to the "Corporation" by such Class A member remains unpaid, and for a period not to exceed sixty (60) days, for any infraction of the rules and regulations published pursuant to Section 4 of this Article III.

Section 7. Common Area Dedication or Transfer. Unless prohibited or restricted by law, the "Corporation" shall have the right to dedicate or transfer all or any part of the Common Areas 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 and until Members holding at least two-thirds of the votes entitled to be cast a meeting of the Members of the "Corporation" have signed an instrument agreeing to such dedication or transfer, said instrument to be filed with the Secretary of the "Corporation," and unless written notice of the proposed action is sent to every Member and not less than thirty (30) days in advance. Notwithstanding the foregoing, once any area depicted on any of the recorded Plats of Parkside at Nottingham Subdivision as "COMMON AREA" has been conveyed to the "Corporation" by the Declarant, its successors and/or assigns, such "COMMON AREA" shall not thereafter be subdivided or conveyed by the "Corporation" unless and until a revised Preliminary Plat and a revised Final Plat showing such subdivision or conveyance shall have been submitted to and approved by the appropriate municipal authority of the City of High Point, North Carolina.

Section 8. Declarant's Covenant to Convey Title to Common Areas. The Declarant hereby covenants for itself, its successors and assigns, that it will convey to the Parkside at Nottingham Homeowners Association, Inc., (the "Corporation"), by North Carolina Non-Warranty Deed, the real property that is or will be designated as the Common Areas on the various recorded Plats of Parkside at Nottingham Subdivision. Future Plats of Parkside at Nottingham Subdivision will be recorded by the Declarant in the Office of the Register of Deeds of Guilford County, North Carolina, as the various phases/sections of Parkside at Nottingham Subdivision are developed by Declarant, its successors and/or assigns, and as said phases/sections are Approved by the appropriate municipal authority of the city of High Point, North Carolina. Upon the approval of each section/phase and will thereafter deliver to the "Corporation" the deed for the Common Areas, if any, depicted on said recorded plat. The deed for such Common Areas, if any,

will be delivered and recorded in the Guilford County Registry by the Declarant, its successors and/or assigns, at or prior to such time as Declarant, its successors and/or assigns, conveys the first Residential Lot in an approved section/phase of Parkside at Nottingham Subdivision to a Class A Member (i.e., at or prior to the time Declarant conveys to a homebuyer a Residential Lot in the approved section/phase upon which has been erected a Finished Dwelling Unit). Said conveyance to the "Corporation" of the Common Areas will be made subject to all of the terms and provisions of this Declaration, to easements and rights-of-way of record affecting said real property, and to easements and rights-of-way and other matters as may be depicted on the recorded Plat of said section/phase. Said real property will be conveyed free and clear of any liens of a monetary nature at the time of said conveyance. Similarly, Declarant will convey to the "Corporation" such portions of any annexed properties that will be designated as Common Areas in the event those properties are annexed in the future by the Declarant pursuant to the provisions of Article XII of this Declaration. No additional amenities shall be required on account of the annexation of such additional properties.

Section 9. Liability Insurance, Ad Valorem Property Taxes and Assessments, and Default by the Corporation.

(a) Liability Insurance: The "Corporation" shall procure, and shall maintain in full force and effect at all times, and shall pay the premiums thereon when due, one or more policies of liability insurance covering the "Common Areas" owned by the "Corporation," said liability insurance to be in an amount equal to or exceeding the greater of the following: (1) the minimum required by the Guilford County, or (2) the sum of One Million and no/100 Dollars (\$1,000,000.00).

(b) Ad Valorem Property Taxes: The "Corporation" shall pay from the funds of the "Corporation" any and all city and county ad valorem property taxes for the "Common Areas" owned by the "Corporation" and shall pay said taxes on or before the date upon which said taxes shall be due and payable.

(c) Assessments: The "Corporation" shall pay from the funds of the "Corporation" any and all assessments for public and/or private improvements made to or for the benefit of the "Common Areas" owned by the "Corporation" and shall pay said assessments promptly.

(d) Default By The "Corporation": Upon default by the "Corporation" in the payment to the jurisdiction entitled thereto of (1) any ad valorem property taxes due on the "Common Areas" owned by the "Corporation," and/or (2) any assessment(s) for public improvements(s) made to or for the benefit of the "Common Areas" owned by the "Corporation," which said default shall continue for a period of six (6) consecutive months, each owner of a Residential Lot in Parkside at Nottingham Subdivision shall thereafter become personally liable for and shall be obligated to pay to the jurisdiction owed a

portion of the taxes and/or assessment(s) owed in an amount determined by dividing the total taxes and/or assessment(s) due to the jurisdiction by the total number of Residential Lots in Parkside at Nottingham Subdivision." If an owner of a Residential Lot in the Subdivision does not pay his/her/its share of said taxes and/or assessment(s) to the taxing or assessing jurisdiction owed within thirty (30) days next following receipt of written notice of the amount due, the amount of said owner's share shall become and shall constitute a continuing lien on the property of the owner, his/her/its heirs, devisees, personal representatives, successors and assigns. The taxing or assessing jurisdiction may, at its option, either bring an action at law against the owner personally obligated to pay the same, or may elect to foreclose the lien against the property of the owner.

Section 10. Restoration of Common Areas. In the event of partial or total damage to or destruction of any of the "Common Areas" owned by the "Corporation" (including, but not limited to, damage to or destruction of any sign, monument, structures, playgrounds, parks, or other equipment or improvements located thereon or therein and any "storm water detention structure" located within the ponds situated thereon or therein), the "Corporation" shall take immediate steps to repair and restore the affected "Common Area," and the improvements thereon or therein, to the condition in which said "Common Area" existed just prior to the occurrence of the damage and/or destruction. The costs of said repair and/or restoration shall be paid from the funds of the "Corporation." Should the "Corporation" have insufficient funds with which to pay said costs, each owner of a Residential Lot in "Parkside at Nottingham Subdivision" shall be assessed by the "Corporation" in an amount determined by dividing the total costs for such repair and/or restoration by the total number of lots in "Parkside at Nottingham Subdivision." If an owner of a Residential Lot in the Subdivision does not pay his/her/its assessment within thirty (30) days next following receipt of written notice of the amount due, the amount of said owner's shares shall become and shall constitute a continuing lien on the property of the owner, his/her/its heirs, devisees, personal representatives, successors and assigns. The "Corporation" may thereafter use the remedies specified in Section 7 of Article XI of this Declaration to collect said assessment(s) from the defaulting owner.

ARTICLE IV LAND USE

Section 1. Covenants and Restrictions. All of the Property described in Article I of this Declaration and all of the Residential Lots in Parkside at Nottingham Subdivision as said Residential Lots are depicted on the Plats of Parkside at Nottingham Subdivision as now recorded or hereafter recorded, and all Common Areas depicted on said recorded Plats and described in Article III of this Declaration, shall be held, sold and conveyed subject to all of the restrictions, protective covenants, conditions, easements, reservations, charges and liens set forth both in the Bylaws of Parkside at Nottingham Homeowners Association, Inc. and in this Declaration, as the same may be amended and/or modified

from time to time.

Section 2. Designated Residential Lot Restrictions. All of the Residential Lots in Parkside at Nottingham Subdivision as depicted on the Plats of the Subdivision, whether now or hereafter recorded in the Office of the Register of Deeds of Guilford County, North Carolina, shall be used, maintained, improved and devoted exclusively to residential use. No structures shall be erected or allowed to remain on any Residential Lot in Parkside at Nottingham Subdivision except one (1) single-family residential dwelling not exceeding two (2) stories and an attic (whether finished or unfinished) in height, with a basement (whether finished or unfinished) and a garage.

No Residential Lot in Parkside at Nottingham Subdivision shall be occupied by more than a single family, together with the household employee(s) of such single family. For purposes of this Section 2, a single family shall be defined as follows:

- (a) any number of persons related by blood, adoption, or marriage living with not more than one person who is not so related as a single household unit; and/or
- (b) no more than two persons who are not so related living together as a single household unit.

Section 3. Common Area Restrictions. All Common Areas, if any, and facilities shall be used, maintained, improved and devoted exclusively to park and recreational purposes for the benefit of the Members of this "Corporation," except as otherwise may be required by the City of High Point as noted on the recorded Plats or by this Declaration or by law. All Common Areas shall be subject to such easements, rights-of-way and other matters as depicted on the various Plats of Parkside at Nottingham Subdivision now or hereafter recorded in the Office of the Register of Deeds of Guilford County, North Carolina, and to such easements and/or rights-of-way as have heretofore been granted by Declarant.

Section 4. Offensive Use, Nuisance or Annoying Use. No immoral, improper, offensive, or offensive use shall be made of any of the Residential Lots in the Subdivision or of the Common Areas. No trade materials or inventories (other than materials for construction of dwelling units and other approved structures on the Residential Lots) may be stored or maintained on the Residential Lots. No business activity or trade of any kind whatsoever, which shall include but not be limited to use of any dwelling unit or structure on a Residential Lot as a doctor's office or professional office of any kind, a fraternity house, a rooming house, a boarding house, an antique shop or gift shop shall be carried on upon any Residential Lot; provided, however, the Declarant, its successors and/or assigns may cause a dwelling unit or temporary trailer to be placed upon a Residential Lot and utilized as a temporary model home or sales facility or construction facility.

Unless prior written approval of the "Architectural Control Committee" (the "Committee") of the "Corporation" shall have been obtained, stored vehicles and vehicles which are either obviously inoperable or do not have current operating licenses shall not be permitted or allowed to remain on any Residential Lot in the Subdivision except within enclosed garages. For purposes of this Declaration, a vehicle shall be considered a "stored vehicle" if such vehicle (a) is put up on blocks or wood or other materials, and/or (b) is covered with a tarpaulin or other material, and (c) said vehicle remains in such state for fourteen (14) consecutive days. Upon violation of this provision the "Corporation" shall have the right to cause such offending vehicle to be removed at the vehicle owner's expense, and in so doing the "Corporation," its agents and employees, shall not be subject to any liability for trespass or any other liability in connection with such removal.

(b) Satellite Dishes: No satellite dishes, antennas, discs or other equipment for receiving or sending sound or video messages shall be permitted on any residential lot in the "Subdivision" (except for AM and/or FM radio reception and VHF and/or UHF television reception) without the express approval of the Architectural Control Committee.

(c) Pools and Tennis Courts and Other Recreations Facilities: No in-ground pools, tennis courts, or other recreational facility shall be constructed, erected, installed, or permitted to remain on a Residential Lot in the Subdivision unless and until the proposed plans for such facility shall have been presented to and approved in writing by the "Architectural Control Committee" (the "Committee") of the "Corporation." Such proposed plans must be submitted to the "Committee" prior to the commencement of any clearing, grading or construction thereof. No "above-ground" swimming pools shall be erected, constructed, installed or allowed to remain on any Residential Lot in the Subdivision.

(d) Fences: No chain link fences shall be allowed on any Residential Lot in the Subdivision. No other type fence shall be constructed, erected, installed, or permitted to remain on a Residential Lot in the Subdivision unless and until the proposed plans for such fence shall have been presented to and approved in writing by the Declarant or the "Architectural Control Committee" (the "Committee") of the "Corporation," in accordance with the provisions of Article V of this Declaration, which said approval may be withheld for any reason. Such proposed plans must be submitted prior to the commencement of any clearing, grading or construction thereof.

Fencing shall be allowed only where a specific purpose is served thereby and all fencing must be approved as to type and location by the Declarant and/or the Architectural Control Committee, as appropriate, pursuant to the provisions of Article V of this Declaration. No fence shall be permitted to extend nearer to the street in front of a Dwelling Unit on a Residential Lot than the rear of the Dwelling Unit on such Residential

Lot, except that on a corner lot, such fence shall not extend nearer to the street in front of such Dwelling Unit than the rear of the Dwelling Unit on such Residential Lot, nor shall such fence extend closer to the side street than the minimum building corner lot setback line imposed by the City of High Point, North Carolina for such Residential Lot. No fence on any Residential Lot shall exceed six (6) feet in height.

(e) Signs: No sign or billboard of any kind shall be displayed to the public view on any Residential Lot in the Subdivision except that (1) a single sign of not more than five (5) square feet may be placed in the front yard of a Residential Lot advertising the property for sale, and (2) signs used by a builder to advertise a Residential Lot during the construction and sales period may be placed on such Residential Lot. No sign or billboard of any kind shall be displayed to the public view on any of the Common Areas in the Subdivision except for signs and/or monuments placed therein by the Declarant, its successors and/or assigns, for the purpose of advertising the Subdivision during the construction and sales period and for signs and/or monuments approved by the Board of Directors of the "Corporation." The "Corporation" and its agents and employees shall have the right to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing the "Corporation," its agents and/or employees, shall not be subject to any liability for trespass or any other liability in connection with such removal.

Lots number 91 and 92 will have a monument marker and a stone wall on the East boundary line. The maintenance and repair of the marker and wall will be the responsibility of Parkside at Nottingham Homeowners Association.

All three phases at Parkside at Nottingham will have street signs within the subdivision which will be specialty/non-standard street signs to be approved by Guilford County. These street signs will be maintained by Parkside at Nottingham Homeowners Association.

(f) Playgrounds, Wetlands, Lakes and Water Bodies:

(1) Playgrounds: Any playground or other play areas located within any of the Common Areas owned by the "Corporation" and any equipment or structures within the Common Areas owned by the "Corporation" which is or was furnished or erected by or on behalf of the "Corporation" or by or on behalf of the Declarant, its successors and/or assigns, shall be used at the risk of the user, and neither the "Corporation," nor Declarant, its successors and/or assigns, shall be held liable to any Person for any claim, loss, damage, or injury to any person or property occurring thereon or related to use thereof.

(2) Wetlands, Lakes and Water Bodies: All wetlands, lakes, ponds, and streams located within the Subdivision, if any, shall be aesthetic amenities only, and no

other use thereof, including, without limitation, fishing, swimming, boating, playing, or use of personal floatation devices, shall be permitted without the prior approval of the Board of Directors of the "Corporation." The "Corporation" and Declarant, its successors and/or assigns, shall not be responsible for any claim, loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of the wetlands, lakes, ponds, or streams within the Subdivision. No docks, piers, or other structures shall be constructed on or over any body of water within the Subdivision, except such as may be constructed by the Declarant, its successors and/or assigns, or by the "Corporation."

(g) Animals: No animals, livestock or poultry of any kind shall be raised, bred or kept on any Residential Lot, except that household pets, such as dogs and cats and other normal household pets (not to exceed a total of four (4) such household pets at any one time) may be kept on a Residential Lot. Household pets kept on a Residential Lot shall not be bred or maintained for any commercial purpose.

(h) Basketball Equipment: No basketball hoops, backboards or similar sports equipment shall be erected or installed or allowed to remain attached to any Dwelling Unit or garage on any Residential Lot. With the approval of the Declarant or the Architectural Control Committee, as appropriate, pursuant to the provisions of Article V of this Declaration, one (1) basketball hoop and backboard on supporting pole(s) may be installed adjacent to the paved driveway on a Residential Lot, provided such placement does not interfere with any utility easements or other easements on such Residential Lot, and provided further that such placement does not violate any county and/or municipal codes and/or ordinances.

(i) Air Conditioning Units and Clotheslines: Except as may be permitted by the Declarant or the Architectural Control Committee, as appropriate, pursuant to the provisions of Article V of this Declaration, no window air conditioning unit(s) may be installed or allowed to remain in any Dwelling Unit on any Residential Lot. The outdoor drying of clothes and the erection of outdoor clotheslines or similar devices on any Residential Lot is prohibited.

(j) Lighting: All exterior lights on a Residential Lot must be preapproved by the Declarant or by the Architectural Control Committee, as appropriate, pursuant to the provisions of Article V of this Declaration, except that reasonable seasonal decorative lights may be displayed on a Residential Lot between Thanksgiving and January 10th of each year.

(k) Artificial Vegetation, Exterior Sculpture, and Similar Items: No artificial Vegetation shall be permitted on the exterior or any portion of a Dwelling Unit on any

residential Lot. Exterior sculpture, fountains, and similar items must be approved by the Declarant or the Architectural Control Committee, as appropriate, pursuant to the provisions of Article V of this Declaration.

(l) Energy Conservation Equipment: No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed or allowed to remain on any Dwelling Unit on any Residential Lot unless it is an integral and harmonious part of the architectural design of such Dwelling Unit, as determined in the sole discretion of the Declarant or the Architectural Control Committee, as appropriate, pursuant to the provisions of Article V of this Declaration.

Section 7. Dwelling Unit Size, Location, Access, Resubdivision, and Easements.

(a) Size of Dwelling Unit: No dwelling unit building shall be erected, altered, placed or permitted to remain on any Residential Lot in the Subdivision other than one detached single-family dwelling unit not to exceed two (2) stories and an attic (whether finished or unfinished) in height, a basement (whether finished or unfinished) and a garage. Each dwelling unit erected on a Residential Lot shall have an enclosed area of the main structure, exclusive of one-story open porches and garages and basements, of at least 1,200 square feet. One (1) storage shed may be placed at the rear of each Residential Lot upon approval by the Architectural Control Committee, but only after the plans and specifications for such storage shed, together with a plot plan showing the proposed location of such storage shed, have been submitted to and approved by the Architectural Control Committee. Any such storage shed must meet the minimum requirements, if any, imposed by the ordinances of the City of High Point, North Carolina.

(b) Location of Dwelling Unit on Residential Lot: No dwelling unit shall be erected, altered, placed or permitted to remain on any Residential Lot in the Subdivision nearer to the front side, or rear lot lines of said Residential Lot, nor nearer to any street adjacent to said Residential Lot, than the minimum setback requirements/ limitations imposed by the ordinances of Guilford County, North Carolina. No hedge or screen planting between adjacent Residential Lots shall be erected or permitted to remain on any Residential Lot closer to the front lot line of said Residential Lot than the front of the dwelling unit erected on said Residential Lot.

(c) Access to the Residential Lots: Access from the Residential Lots in the Subdivision to the public street known as "Randleman Road" shall be over the streets in the Subdivision. No Residential Lot in the Subdivision shall have direct access to the public street known as "Randleman Road."

(d) Resubdivision of a Residential Lot: No Residential Lot shall be resubdivided once a Finished Dwelling Unit has been erected on such Residential Lot and said Finished Residential Lot has been sold to a homebuyer. Prior to such event, the Declarant may

recombine any Residential Lots so as to facilitate the placement of dwelling units on said Residential Lots; provided any such recombination is approved by the appropriate municipal and/or county governmental agencies.

(e) Lease of Portion of Residential Dwelling Unit: An owner of a Residential Lot may rent or let all of his or her entire Dwelling Unit on his or her Residential Lot, but no portion of a Dwelling Unit on a Residential Lot shall be leased nor shall any other building located on a Residential Lot be leased separately from the Dwelling Unit on such Residential Lot.

(f) Easements: All of the Residential Lots in the Subdivision shall be subject to the easements and rights-of-way and other matters depicted on the Plats of Parkside at Nottingham Subdivision recorded in the Office of the Register of Deeds of Guilford County, North Carolina. Declarant reserves unto itself, its successors and assigns, an easement and right over the front five (5) feet of each Residential Lot in the Subdivision for the erection, placement, maintenance and repair of all utilities provided in the Subdivision for the benefit of the owners of the Residential Lots. Declarant reserves the right to subject the Property described in Article I hereof and as depicted on the various recorded Plats of the Subdivision to a contract with Duke Power Company for the installation of aboveground and/or underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or continuing monthly payment to the utility by the owner of each Residential Lot. No Residential Lot, or portion thereof, shall be dedicated or used for a public street without the express written consent of the Declarant, its successors and/or assigns.

ARTICLE V ARCHITECTURAL CONTROL

Section 1. Architectural Control Committee. The Board of Directors of the "Corporation," by resolution adopted by a majority of the Directors in office, shall designate and appoint a committee which shall be named the "Architectural Control Committee of Parkside at Nottingham Homeowners Association" (referred to in this Declaration and in the Bylaws of the "Corporation" as the "Architectural Control Committee" or the "Committee"), which said Committee shall consist of three (3) persons, who may or may not be Members of the "Corporation," two (2) of whom must also be Directors of the "Corporation." The Architectural Control Committee, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors of the "Corporation" with regard to architectural control for the Common Areas owned by the Corporation, and any interest therein, and for all of the Finished Residential Lots in Parkside at Nottingham Subdivision upon which have been erected finished single-family residential dwellings and which are not owned by Declarant, its successors and/or assigns. The Committee shall have the following powers and duties and limitations:

(a) to preserve, protect and maintain the "COMMON AREAS", if any, as are depicted on the recorded Plat referred to in Article I of this Declaration; to reserve, protect and maintain the Common Areas depicted on future recorded Plats of the Subdivision, which said Plats will be recorded by the Declarant, its successors and/or assigns, as future sections/phases of the Subdivision are developed; and

(b) to preserve, protect, maintain, erect and design, subject to any municipal ordinances or requirements, any park and recreational facilities located within the Common Areas labeled the "COMMON AREA" (including any buffers, access easements, other easements, rights-of-way, amenities, or personal property located therein), said "COMMON AREA" being as depicted on the "Plats" of Parkside at Nottingham Subdivision recorded in Guilford County, North Carolina; and

(c) to exercise architectural control over all of the Finished Residential Lots in Parkside at Nottingham Subdivision subject to the following limitations:

(1) until a finished dwelling unit has been erected on a Residential Lot in Parkside at Nottingham Subdivision (i.e., such Residential Lot has become a Finished Residential Lot) and such lot has been conveyed by the Declarant to a homebuyer (Class A Member), the Declarant, its successors and/or assigns, shall have and shall retain complete power and authority to approve and/or disprove the plans and specifications for any and all improvements erected on such Residential lot, including but not limited to, the approval/disapproval of the dwelling unit to be erected on such Residential Lot; the approval/disapproval of the excavation, mass plantings, or changes in grade on any such Residential Lot; the approval/disapproval of any fence(s), garage(s), outbuilding(s), accessory building(s), antenna(s) of any type, and other structure(s) to be erected on such Residential Lot; the approval/disapproval of any setback violation(s) for such Residential Lot; and the approval/disapproval of any waiver(s) and/or variance(s) required for such Residential Lot, so long as such approval/disapproval is in compliance with the requirements of this Declaration and any applicable municipal and/or county ordinances. Upon such approval by the Declarant, the Residential Lot, together with any dwelling unit, elevation, mass planting, grade, fence(s), garage(s), outbuilding(s), accessory building(s), antenna(s), and/or other structure(s) situated on said Residential Lot, at the time of conveyance by the Declarant to the homebuyer (Class A Member) shall be deemed to be a Finished Residential Lot and shall be deemed to be in full compliance with all of the architectural control provisions of this Declaration, and with the Articles of Incorporation and the Bylaws of the "Corporation;" and

(2) The Architectural Control Committee shall have no power with regard to a Residential Lot in Parkside at Nottingham Subdivision until such time as a single-family dwelling unit has been constructed on such Residential Lot and such Lot has been conveyed by the Declarant to a homebuyer (Class A Member). Thereafter the Committee shall have full power and authority to require that the owner(s) of any such Finished Residential Lots fully comply with all of the "architectural control" and other provisions

contained in this Declaration and in the Bylaws of the "Corporation;" to approve or disapprove any external improvements to be made to the completed dwelling unit erected on any such Finished Residential Lots; to approve or disapprove any excavations, mass planting, or changes in grade on any such Finished Residential Lots; to approve or disapprove any fence(s), garage(s), outbuilding(s), accessory building(s), antenna(s) or any type, and any other structure(s) to be erected on any such Finished Residential Lots; to approve or disapprove in writing any setback violation(s) required for such Finished Residential Lots, so long as such approvals/disapproval are in compliance with the provisions of this Declaration and the Bylaws and any applicable municipal and/or county ordinances; and

(3) For so long as the Declarant, its successors and/or assigns, shall own any of the Residential Lots and/or other real property depicted on any of the "Plats" of Parkside at Nottingham Subdivision as now or hereafter recorded, neither the "Corporation," nor the Members of the "Corporation," nor the Board of Directors, nor the Architectural Control Committee shall have any power or authority to amend or modify the Articles of Incorporation or Bylaws of the "Corporation" or this Declaration without the written consent and approval of the Declarant, its successors and/or assigns.

Section 2. Vacancy. Any vacancy occurring in the Architectural Control Committee shall be filled by the vote of a majority of the number of Directors fixed by the Bylaws of the "Corporation" at a regular or special meeting of the Board of Directors of the "Corporation."

Section 3. Quorum. A majority of the whole Architectural Control Committee shall constitute a quorum and the act of the majority of the members present at a meeting at which a quorum is present shall be the act of the Committee.

Section 4. Rules. The Architectural Control Committee may adopt rules for its own government not inconsistent with the provisions of this Declaration or the Bylaws of the "Corporation" or with rules adopted by the Board of Directors of the "Corporation."

Section 5. Plan or Design Approval. Subject to rights of the Declarant, its successors and/or assigns, with regard to architectural control approval for Residential Lots as set forth in Section 1 of this Article, no site preparation or construction, erection, or installation of any improvements, including but not limited to, residential dwelling units, garages (either attached or detached), fences, walls, accessory buildings, outbuilding, antennas or any type, other structures, excavation, mass plantings, or changes in grade, shall be undertaken or allowed to remain upon any Finished Residential Lot unless and until the plans and specifications therefore, showing the nature, kind, shape, height, materials, and location of the proposed improvements shall have been submitted to the

Architectural Control Committee and expressly approved by said Committee in writing. No subsequent alteration or modification of any existing improvements may be undertaken or allowed to remain on any of the Finished Residential Lots without the review and express written approval of the Architectural Control Committee.

Section 6. Effect of Failure to Approve or Disapprove. In the event that the Architectural Control Committee fails to approve or disapprove the design of any proposed improvements to a Finished Residential Lot within sixty (60) days after plans and specifications therefor have been submitted to and received by the Committee, approval for such design shall not be required, and the requirements of this Article shall be deemed to have been fully satisfied; provided that any such improvements shall be erected or completed in accordance with the submitted plans and specifications. Plans and specifications shall not be deemed to have been received by the Architectural Control Committee if they contain erroneous data or fail to present adequate information upon which the Committee can arrive at a decision.

Section 7. Right of Inspection. The Architectural Control Committee shall have the right, at its election, to enter upon any of the Finished Residential Lots during preparation, construction, erection, or installation of any improvements to determine that such work is being performed in conformity with the approved plans and specifications.

Section 8. Exterior Maintenance. The exterior maintenance of the Finished Residential Lots, and of any dwelling units located thereon, and of any improvements constructed or located thereon, shall be the duty of the individual owner(s) of such Finished Residential Lots (except where specifically provided otherwise) and shall not normally be interfered with by the "Corporation," the Architectural Control Committee, or by other agent or representative of the "Corporation." If, however, in the opinion of the Architectural Control Committee any owner(s) of any Finished Residential Lot shall fail to maintain his Finished Residential Lot and/or the dwelling unit and improvements constructed or located thereon in a manner which is reasonably neat and orderly or shall fail to keep the improvements constructed thereon in a state of repair so as not to be unsightly, the "Corporation," at its discretion, and following ten (10) days written notice to the owner(s) of such Finished Residential Lot, may enter upon and make or cause to be made repairs to such Finished Residential Lot and/or the improvements constructed thereon and perform such maintenance on the lot and dwelling unit and improvements constructed thereon, including but not limited to, the removal of trash, cutting of grass, pruning of shrubbery, and seeding for erosion control, as the Committee shall deem necessary to restore said Finished Residential Lot and the improvements constructed thereon to a safe, neat and orderly state. The "Corporation" shall have an easement on each and every Finished Residential Lot for the purpose of accomplishing the foregoing. The costs incurred by the "Corporation" in rendering such services plus a service charge of twenty percent (20%) of such costs, shall be added to and become a part of such other dues and assessments to which such Finished Residential Lot is subject.

**ARTICLE VI
MEMBERSHIP AND VOTING RIGHTS**

Section 1. Membership. The Membership of the "Corporation" shall be composed of all of the owners of the Residential Lots in Parkside at Nottingham Subdivision. The Members of the "Corporation" (whether Class "A" or Class "B") shall collectively be referred to herein as the "Members" or the "Membership." All of the owners of such Residential Lots must be Members of this "Corporation," either as a Class A Member or Class B Member.

Section 2. Classes of Members. The Corporation shall have the following two (2) classes of Members. The designation of such classes and the qualifications and rights of the Members of each such class shall be as follows:

(a) CLASS "A" MEMBERS: Except for the Declarant, its successors and/or assigns, and subject to the provisions of subparagraph (b) of this Section 2, each owner of each Finished Residential Lot in Parkside at Nottingham Subdivision upon which a finished single-family residential dwelling unit has been erected shall be a Class A Member of the "Corporation" and shall be entitled to one (1) vote for each such Finished Residential Lot owned by such owner and may cast such vote at any regular or special meeting of the Members of the "Corporation." Class A Members shall be entitled to cast their votes on any matter which may regularly come before their Members at any regular and/or special meeting of the Members, including but not limited to, the election of the Directors of the "Corporation." Only one (1) vote shall be allotted to each Finished Residential Lot. Should a Finished Residential Lot be co-owned by more than one owner, the owners thereof shall be entitled to cast only one (1) vote representing such Finished Residential Lot. Should a Class A Member own more than one such Finished Residential Lot, such Class A Member shall be entitled to one (1) vote for each such Finished Residential Lot owned by such Class "A" Member. Upon conveyance by the owner(s) of a Finished Residential Lot to another person or persons, the membership in the "Corporation" for such Finished Residential Lot shall automatically transfer to such new owner(s) of such Finished Residential Lot and the previous owner(s) of such Finished Residential Lot shall thereafter cease to be a Class A Member as to such lot.

(b) CLASS "B" MEMBERS: The Declarant, its successors and/or assigns, shall be the Class B Member of the "Corporation" and shall be entitled to three (3) votes for each Residential Lot in Parkside at Nottingham Subdivision owned by said Declarant. The Class B Member shall be entitled to cast its votes on any matter which may regularly come before the Members at any regular and/or special meeting of the "Corporation," including, but not limited to, the election of the Directors of the "Corporation." Upon the completion of a finished single-family dwelling unit on seventy-five percent (75%) of such

Residential Lots in Parkside at Nottingham Subdivision and the conveyance of seventy-five percent (75%) of Finished Residential Lots by the Class B Member to Class A Members (homebuyer), or seven (7) years from the date of the execution of these By-Laws, _____, whichever first occurs, such Class B class of membership in the "Corporation" shall cease to exist and such Class B Member shall thereafter have no further rights or interests in and to Membership in the "Corporation" or its property, subject to the provisions of Section 2 of Article XII of this Declaration.

Section 3. Termination of Membership. The Board of Directors of the "Corporation," by affirmative vote of two-thirds (2/3) of all of the Directors, may suspend or expel a Class A Member for cause ("cause" being defined as a breach of the terms of this Declaration or the Bylaws) after an appropriate hearing, and may, by a majority vote of those present at any regularly constituted meeting of the Board, terminate the membership of any Class A Member who becomes ineligible for membership, or suspend or expel any Class A Member who shall be in default in the payment of dues and/or assessments fixed in the Bylaws of the "Corporation" or in Article XI of this Declaration or shall be in default in the compliance with any of the Architectural Control requirements set out in the Bylaws of the "Corporation" or in Article V of this Declaration or shall be in default in the compliance with any of the Common Areas and Land Use provisions set out in the Bylaws of the "Corporation" or in Article III and in Article IV of this Declaration. Subjection of a Class A Member to any one or more of the foregoing (i.e., suspension, expulsion, or termination) shall not relieve such Class A Member from such Member's duty and obligation to pay the dues and/or assessments fixed in the Bylaws of the "Corporation" or in Article XI of this Declaration or to comply with the other provisions of the Bylaws of the "Corporation" or of Article III and Article IV and Article V of this Declaration.

Section 4. Reinstatement. Upon written request signed by a former Class A Member and filed with the Secretary of the "Corporation," the Board of Directors of the "Corporation" may, by the affirmative vote of two-thirds of the members of the Board, reinstate such former Class A Member to membership upon such terms as the Board of Directors deem appropriate.

ARTICLE VIII EASEMENTS

Section 1. Walks, Drives, Parking Areas, Utilities, Etc. All of the Residential Lots and all of the Common Areas in Parkside at Nottingham Subdivision," shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television antenna and cablevision lines, other utilities, fences, buffers, maintenance access to the Common Areas, ingress, egress and regress and otherwise as shall be established by the Declarant, its successors and/or assigns, prior to the conveyance of all of the Common Areas to the "Corporation" and the "Corporation" shall have the power and authority to grant and establish further easements upon, over, under and across the Common Areas. All of the

Residential Lots and all of the Common Areas, is and shall remain subject to the dedications, easements, rights-of-way, and buffers depicted on the "Plat" referred to in Article I of this Declaration and on the Plats of the Subdivision hereafter recorded by the Declarant, its successors and/or assigns.

Section 2. Declarant's Easement to Correct Drainage. For a period of twenty-five (25) years from the date of the conveyance of the first Finished Residential Lot to a Class A Member, Declarant, on behalf of itself, its successors and/or assigns, reserves a blanket easement and right on, over and under the ground beneath all of the Residential Lots and the Common Areas in the Subdivision, to maintain and to correct drainage or surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or take any other similar action reasonably necessary. After such action has been completed, the Declarant shall restore the affected property to its original condition to the extent practicable. Declarant shall give reasonable notice of intent to take such action to all affected Owners. These rights and reservations are assignable by the Declarant.

Section 3. Easements to Utilities. An easement is hereby established for municipal, county, state, or public utilities serving the area, their agents and employees, over all Common Areas hereby or hereafter established for setting, removing, and reading utility meters, maintaining and replacing utility or drainage connections, and acting with other purposes consistent with the public safety and welfare, including, without limitation, police and fire protection.

ARTICLE IX STREET MAINTENANCE

Section 1. Construction and Maintenance of Street Declarant acknowledges its obligation and responsibility for the construction and maintenance and upkeep of the publicly dedicated streets in Parkside at Nottingham Subdivision until such time as said streets are accepted for maintenance and upkeep by the appropriate municipal or county governmental body. Declarant will, at Declarant's expense, build and construct said streets and will maintain said streets until such time as said streets are accepted by the appropriate municipal or county governmental body. After acceptance of said streets by the appropriate municipal or county governmental body, Declarant shall thereafter have no further responsibility or obligation to maintain said streets.

Section 2. Street Construction and Maintenance Easement. Until such time as the streets shown on the recorded Plats of Parkside at Nottingham Subdivision shall have been completed by Declarant and accepted for maintenance and upkeep by the appropriate municipal or county governmental body, and for any warranty period thereafter required by such municipal or county governmental body, Declarant shall have and Declarant

reserves unto itself, its successors and assigns, an easement and rights on, over, under, in and to all of the Residential Lots and the Common Areas in the Subdivision to construct, maintain, repair, and perform such maintenance and upkeep on said streets as may be require by such municipal or county governmental body as a condition of acceptance of said streets.

ARTICLE X BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the "Corporation" shall be managed by its Board of Directors. Except as otherwise expressly provided by law, the Articles of Incorporation of the "Corporation," or the Bylaws of the "Corporation," all of the power of the "Corporation" shall be vested in its Board of Directors. For so long as the Declarant, its successors and/or assigns shall own any of the Residential Lots or any other property in Parkside at Nottingham Subdivision as depicted on the recorded Plats of said Subdivision, the Directors of the "Corporation" shall have no power to modify or amend this Declaration without the written consent of the Declarant, its successors and/or assigns.

ARTICLE XI ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessment. The Class B Member shall not be required to pay any assessments or special assessments to the "Corporation." Until such time as the Declarant, its successors and/or assigns, shall convey to the "Corporation" all of the Common Areas described in Article III of this Declaration and until such time as all of the Residential Lots in Parkside at Nottingham Subdivision have been conveyed by Declarant, its successors and/or assigns, to Class A Members, the Class B Member shall be responsible for and shall pay its prorate share (based upon the percentage derived by dividing the total number of Residential Lots owned by the Class B Member by the total number of Residential Lots in Parkside at Nottingham Subdivision) of the costs of maintenance and upkeep and improvement for such Common Areas, including but not limited to, any ad valorem property taxes assessed thereon. The "Corporation" shall have no power to compel the Declarant, its successors and/or assigns, to cause any improvements to be made to the Common Areas, other than such improvements as may be required by the City of High Point as a condition prerequisite to transferring said Common Areas to the "Corporation."

Each Class A member of the "Corporation" as an owner of one or more Finished Residential Lots, upon acceptance of a deed for any such Finished Residential Lot, whether or not expressed in any such deed or other covenants, is deemed to covenant and agrees to pay to the "Corporation:"

- (a) Annual assessments or charges (hereinafter referred to as "assessments") for

each Finished Residential Lot owned by such Class A Member, and

(b) Special assessments for capital improvements to the Common Areas and Facilities owned by the "Corporation," such special assessments to be fixed, established, and collected from time to time as hereinafter provided.

The annual and special assessments on a Finished Residential Lot, together with interest thereon and costs of collection thereof including reasonable attorney's fees, shall be a charge on such Finished Residential Lot and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest and costs and reasonable attorney's fees (as provided in North Carolina General Statutes Section 6-21.2, as may be amended) incurred by the "Corporation" in collecting delinquent assessments, shall also be the personal obligation of the person or entity who was the owner of such Finished Residential Lot at the time when the assessment became due. The obligation of an owner for any delinquent assessments shall pass to his or her heirs, successors or assigns in title unless expressly excused by the "Corporation."

Section 2. Purpose of Assessments. The assessments levied by the "Corporation" shall be used exclusively for the purposes of promoting the beautification of Parkside at Nottingham Subdivision, the recreation, health, safety and welfare of the Members of the "Corporation," the enforcement of the Bylaws and this Declaration and the rules and regulations of the "Corporation," and, in particular, the improvement, maintenance, preservation, protection, management and supervision of the Common Areas and Facilities owned by the "Corporation," including but not limited to, the payment of any and all ad valorem and other taxes assessed.

Section 3. Annual Assessment. Subject to the requirement of the Class B Member to pay its prorata share of the expenses for the Common Areas specified herein in Section 1 of this Article, until and including May 1, 1997, the total annual assessment for the Class A Members shall be shared equally by the Class A Members (each owner of each Finished Residential Lot being charged with one (1) share) and the basic annual assessment for each such Finished Residential Lot shall not be in excess of \$125.00 per Finished Residential Lot, the exact amount of which shall be determined from time to time by the Board of Directors of the "Corporation" in accordance with the following provisions:

(a) From and after April 30, 1997, the basic annual assessment for each Finished Residential Lot owned by a Class A Member may be increased by the board of Directors effective January 1 of each year, without vote of the Members, by a percentage which may not exceed the percentage increase reflected in the U.S. City Average, Consumer Price Index-United States (published by the U.S. Bureau of Labor Statistics, Washington, D.C.) or such index as may succeed such Consumer Price Index, for the twelve month period ending the immediately preceding July 1; provided, however, that

should the Board of Directors determine after a review of the financial records of the "Corporation" that this limitation on increases in the basic annual assessment will not meet all of the obligations of the "Corporation," the Board of Directors may increase such basic annual assessment for each Finished Residential Lot to a sum which will meet all of the obligations of the "Corporation." Any such increase in the basic annual assessment above and beyond the percentage increase permitted based upon the Consumer Price Index shall become effective only upon thirty (30) days written notice to each Class A Member.

(b) After April 30, 1997, the basic annual assessment for each Finished Residential Lot may be increased by 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 called for such purpose. Written notice of the meeting shall be given to all Members not less than thirty (30) days in advance of the meeting. For this purpose, the Class B Member shall be entitled to only one (1) vote for each Residential Lot owned by such Class B Member at the time of the meeting.

Section 4. Special Assessment for Repairs. In the event any portion of the Common Areas is damaged or destroyed by a Member or any of his guests, tenants, licensees, agents, or family members, such Member does hereby authorize the "Corporation" to repair said damaged area in a good and workmanlike manner. The amount necessary for such repairs, labor and materials, shall become a special assessment upon the Residential Lot(s) owned by such Member.

Section 5. Special Assessments for Capital Improvements. Subject to the limitations and restrictions regarding on the payment of assessments by the Class B Member set forth in Section 1 of this Article, in addition to the annual assessments authorized above, the "Corporation" may levy against the Class A Members one or more special assessments applicable to that year only for the purpose of defraying the costs of the construction or reconstruction, unexpected repair, or replacement of a described capital improvement upon the Common Areas, including the necessary 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 entitled to vote in person or by proxy at a meeting duly called for this purpose. Written notice of such meeting shall be sent to all Members not less than thirty (30) days in advance of the meeting. Such special assessments shall be apportioned among the Class A Members based upon the number of Finished Residential Lots owned by a Class A Member (i.e., the special assessment to be charged against each Finished Residential Lot shall be equal to the total special assessment divided by the total number of Finished Residential Lots in the Parkside at Nottingham Subdivision owned by Class A Members).

Section 6. Uniform Rate of Assessment. Both annual and special assessments (with the exception of the special assessment authorized by Section 4 of this Article XI) must be fixed at a uniform rate for all Finished Residential Lots owned by the Class A

Members and may be collected on a monthly or quarterly or annual basis in advance, as determined by the board of Directors. The assessments provided for herein shall commence as to a Class A Member on the first day of the month next immediately following the month in which said Class A Member shall purchase a Finished Residential Lot in Parkside at Nottingham Subdivision from the Declarant, its successors and/or assigns.

A Class A Member purchasing a Finished Residential Lot after January 1 in any year shall be required to pay only that portion of any annual or special assessment for such Finished Residential Lot purchased that would be equal to the following formula:

Total assessment due = total assessments due for a Finished Residential Lot for the year divided by 12 months and multiplied by the number of months remaining in the year beginning with the month next immediately following the date of purchase of the Finished Residential Lot by such Class A Member.

Such prorata portion shall be due in advance upon the date such Class A Member shall acquire title to a Finished Residential Lot in Parkside at Nottingham Subdivision.

The Board of Directors of the "Corporation" shall fix the amount of the annual assessment against each Finished Residential Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment for each Finished Residential Lot shall be sent to the owner(s) of such Finished Residential Lot. If the Board of Directors shall determine that it would be inequitable to require the payment of the full amount of the annual assessment, the Board may waive payment of any portion of the assessment so long as such waiver is granted to all Class A Members. The due dates for any assessments and appropriate penalties for late payment shall be established by the Board of Directors. The "Corporation," upon demand at any time, shall furnish a certificate in writing setting forth whether the assessments on a specified Finished Residential Lot have been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. Such certificates shall be conclusive evidence of payment status.

Section 7. Remedies for Non-Payment of Assessments Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at a rate not to exceed eighteen percent (18%) per annum. The "Corporation" may bring an action at law against the owner(s) personally obligated to pay any assessment and interest or the "Corporation" may foreclose the lien created herein in the same manner as prescribed by the laws of the State of North Carolina for the foreclosure of Deeds of Trust. Costs and reasonable attorney's fees (as set forth in Section 1 of this Article) of any such action shall be added to the amount of such assessment. No owner of any Finished

Residential Lot may waive or otherwise escape liability for the assessments provided for herein by the non-use of the Common Areas or the abandonment of his Finished Residential Lot. In the event of such action of law and in the further event that such action results in a judgment being entered against the owner of the Finished Residential Lot in favor of the "Corporation," then and in that event, the "Corporation" shall be further empowered to execute on that judgment in such manner and to the extent provided and permitted by the laws of the State of North Carolina.

Section 8. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein on any Finished Residential Lot shall be subordinate to the lien of any first mortgage, deed of trust or first purchase money deed of trust representing a first lien on said Finished Residential Lot and shall be subordinate to the lien of any ad valorem taxes due on said Finished Residential Lot. Sale or transfer of any Finished Residential Lot shall not affect the assessment lien, provided, however, that the sale or transfer of any Finished Residential Lot pursuant to a decree of foreclosure on a mortgage thereon or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Finished Residential Lot from liability or liens arising from assessments thereafter becoming due.

Section 9. Exempt Property. Any portion of the Common Areas and any portion of the Parkside at Nottingham Subdivision dedicated to, and accepted by, a local public authority shall be exempt from the assessments created herein; provided, however no land or improvements devoted to single-family residential use shall be exempt from said assessments.

Section 10. Annual Budget. By a majority vote of the Directors, the Board of Directors of the "Corporation" shall adopt each year an annual budget for the subsequent year of operation, which said annual budget shall provide for the allocation of expenses in such a manner that the obligations of the "Corporation" imposed by the Bylaws and this Declaration and all supplementary Declarations will be met.

ARTICLE XII ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Annexation by Members. Except as provided in Section 2 of this Article XII, additional lands may be added and annexed to Parkside at Nottingham Subdivision only if two-thirds (2/3) of the Members of each class of Membership, in the aggregate, are cast in favor of annexation. In such event the Class B Member shall be entitled only to one vote for each Residential Lot owned by the Class B Member. A meeting shall be duly called for this purpose, written notice of which shall be sent to each Member not less than thirty (30) days in advance of the meeting.

For purposes of such meeting, the presence thereof of Members or authorizing proxies entitled to cast sixty percent (60%) of the votes, in the aggregate, of the Members, shall constitute a quorum. If the required quorum is not forthcoming at any such meeting, another meeting may be called within sixty (60) days thereafter, subject to the notice requirements set forth above, and the required quorum of such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting.

If a quorum is present and a majority of the votes cast are in favor of the annexation, but the majority is less than the two-thirds (2/3) majority of each class required for approval of the annexation, and it appears that the required two-thirds (2/3) of each class may be achieved if the Members not present or voting by proxy assent to the annexation, then, and in that event, the Members not present or voting by proxy may assent to or dissent from the proposed annexation in writing within one hundred twenty (120) days next immediately following the date of the meeting, said written consent or dissent to be delivered to the Secretary of the "Corporation." If the number of votes cast at a meeting in favor of the annexation, together with the votes deemed to have been cast by the Members assenting to the annexation, shall constitute the requisite two-thirds (2/3) majority of each class of all votes entitled to be cast, the annexation shall stand approved.

Section 2. Annexation by Declarant. The Declarant, its successors and/or assigns may annex additional lands to Parkside at Nottingham Subdivision at any time in the following manner and subject to the following limitations:

(a) If at any time within fifteen (15) years of the date of incorporation of Parkside at Nottingham Homeowners Association, Inc., the Declarant, its successors and/or assigns, should develop additional lands consisting of any lands which are then contiguous to the boundaries of Parkside at Nottingham Subdivision, such additional lands may be annexed to Parkside at Nottingham Subdivision without the assent of the Members of this "Corporation;" provide, however, that each such annexation shall be approved by the appropriate municipal and/or county governmental agencies, and further provided that the total annexation of such additional lands shall not exceed the total of ninety-five (95) acres in size or two hundred thirty (230) single-family residential lots. No additional amenities shall be required on account of the annexations of such additional properties.

(b) The Declarant, its successors and/or assigns, may, in one or more such annexations, annex said additional land into Parkside at Nottingham Subdivision by recording in the Guilford County Registry, North Carolina, a Declaration of Annexation, duly executed by the Declarant, its successors and/or assigns, describing the lands annexed and incorporating the provisions of this Declaration, as may be amended, into such Declaration of Annexation. The additional lands shall be deemed to be annexed into Parkside at Nottingham Subdivision on the date of the recordation of the Declaration of Annexation, and no other action or consent shall be necessary except for appropriate municipal and/or county governmental agency approval. Subsequent to the recordation of

any such Declaration of Annexation, the Declarant, its successors and/or assigns, shall deliver to the "Corporation" one or more deeds conveying any property that will be designated as Common Areas within the lands annexed as such designated property is developed. AS to any such annexed land, the Declarant, its successors and/or assigns, upon the effective date of such annexation, shall become and shall be reinstated as a Class B Member of the "Corporation" and shall have and enjoy the same rights and obligations of the Class B Member as set forth in the Bylaws of the "Corporation" and in this Declaration and shall have the same powers, duties and responsibilities with regard to architectural control of the single-family residential lots to be developed from the additional annexed land as it enjoyed with respect to the initially developed Residential Lots in Parkside at Nottingham subdivision. Upon the sale by Declarant, Lots subdivided from such annexed property to homebuyers, such homebuyers shall thereafter become Class A Members of the "Corporation" and shall have and enjoy all of the rights, duties and obligations of Class A Members as set forth in this Declaration and in the Bylaws of the "Corporation."

ARTICLE XIII GENERAL PROVISIONS

Section 1. Enforcement The "Corporation," or any Member (owner of any Residential Lot in Parkside at Nottingham Subdivision), shall have the right to enforce, by any proceedings at law or in equity, all restrictions, protective covenants, conditions, reservations, charges and/or liens now or hereafter imposed by the provisions of this Declaration. Failure by the "Corporation" or by any Member (owner) to enforce any such restriction, covenants, condition, reservation, change or lien herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Rights of Lenders and Insurer of First Mortgages. Lenders and insurers of first mortgages on any Finished Residential Lot in Parkside at Nottingham Subdivision shall have the following rights:

(a) In the event that any Class A Member is in default in any obligation hereunder which default remains uncured for a period of sixty (60) days, every lender who is a first mortgagee as to the dwelling unit and/or Finished Residential Lot of the defaulting Class A Member and the insurer of any such first mortgage, shall be immediately notified of such default, provided that such lender and/or insurer shall have given written certified notice to the "Corporation" that it is a mortgagee or insurer as to the dwelling unit and/or Finished Residential lot of such Class A Member and shall have requested the notice of default as herein set forth.

(b) Every first mortgagee and/or insurer of the first mortgage of the dwelling unit and/or Finished Residential Lot of a Class A Member of the "Corporation": shall have the right, upon advance written request and during regular business hours, to examine the

books and records of the "Corporation."

Section 3. Governing Law. The terms and provisions of this Declaration shall be interpreted under and governed by the laws of the State of North Carolina.

Section 4. Waiver of Notice. Whenever any notice is required to be given to any Member by law, or by the terms and provisions of the Articles of Incorporation and the Bylaws of the "Corporation," or by the terms and provisions of this Declaration, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 5. Context. Nouns and pronouns in the masculine gender referring there to in this Declaration shall be deemed to include the masculine, feminine or neuter and the singular shall include the plural, all as required by context. Wherever the terms "law" or "laws" are used in this Declaration, such term shall be deemed to mean the laws of the State Of North Carolina.

Section 6. Amendment of Declaration. This Declaration may be amended and/or modified only as follows:

(a) Declarant's Consent. Any other provisions contained in the Articles of Incorporation or the Bylaws of the "Corporation" or in this Declaration to the contrary notwithstanding, for so long as the Declarant, its successors and/or assigns, shall own any Residential Lot or other real property in the Nottingham Subdivision, neither this Declaration, nor the Articles of Incorporation of the "Corporation," nor the Bylaws of the "Corporation" may be modified or amended by the Members except with the written consent and approval of the Declarant, its successors and/or assigns. In the event the Declarant, its successors and/or assigns shall no longer own any of the Residential Lots or other real property in Parkside at Nottingham Subdivision, this Declaration and the Bylaws and the Articles of Incorporation of the "Corporation" may be modified and/or amended without the written consent and approval of the Declarant provided at least two-thirds of the Class A Members vote for such modification and/or amendment.

(b) Amendment(s) to Correct Errors. Any other provisions in the Bylaws or Articles of Incorporation of the "Corporation" or in this Declaration to the contrary notwithstanding, the Board of Directors, with the written consent of the Declarant and with prior approval of VA or HUD may at any time amend this Declaration to correct any obvious error(s) or inconsistency in drafting, typing or reproduction, if such amendment is requested by VA, HUD or the Federal National Mortgage Association. Any such amendment may be made by the Board of Directors without action or consent of the Members of the Corporation and such amendment shall be certified as an official act of the Board of Directors and recorded in the Office of the Register of Deeds of Guilford County, North Carolina.

(c) Amendment to Achieve Tax-Exempt Status. The Declarant, for so long as it shall be the Class B Member of the "Corporation," and, thereafter, the Board of Directors of the "Corporation," may amend this Declaration as shall be necessary, in its opinion, with the consent and approval of VA or HUD, and without the consent of the Members of the "Corporation," in order to qualify the "Corporation" or the Common Areas, or any portion thereof, for tax-exempt status. Upon notification by Declarant of the need for such amendment(s), the Board of Directors shall immediately execute such amendment(s). Such amendment(s) shall become effective upon the date of recordation of such amendment(s) in the Office of the Register of Deeds of Guilford County, North Carolina.

(d) Board Actions Upon Amendment. Subject to the provisions of subparagraph (a) of this Article, any instrument amending this Declaration (other than pursuant to subparagraphs (b), and (c) of this Article), shall be delivered, following approval by the Members, to the Board of Directors. Thereupon the Board of Directors shall, within thirty (30) days after delivery, do the following:

(1) Reasonably assure itself that the amendment has been duly approved by the Members as provided in subparagraph (a) of this Article (For this purpose, the Board may rely on its roster of Members and shall not be required to cause any title to be examined to determine ownership of any Residential Lot); and

(2) Attached to the amendment a certification as to its validity, which certification shall be executed by the "Corporation;" and

(3) Cause the amendment to be recorded in the Office of the Register of Deeds of Guilford County, North Carolina.

(e) Effect and Validity of Amendments. All amendments shall be effective from the date of proper recordation in the Office of the Register of Deeds of Guilford County, North Carolina. When any instrument purporting to amend this Declaration has been recorded by Declarant pursuant to the provisions of this Declaration or has been certified by the Board of Directors and recorded as provided herein, it shall be conclusively presumed that such instrument constitutes a valid amendment to this Declaration as to the Members (owners) of the "Corporation."

Section 8. Duration of Declaration. The restrictions, protective covenants, conditions, reservations, easements, charges and liens of this Declaration (hereinafter collectively referred to as the "covenants" shall run with the land and bind the land, and shall inure to the benefit of and be enforceable by the "Corporation," or the owners of any Residential Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of Twenty-Five (25) years from the date this Declaration is recorded in the Office of the Register of Deeds of Guilford County, North Carolina, after which time said "covenants" shall be automatically extended for successive periods of ten (10) years, unless at the expiration of said twenty-five (25) years period, at

least two-thirds of the Class A Members (owners) at that time shall vote to amend and/or repeal such "covenants."

Section 9. Conflicts. In the event of any irreconcilable conflict between this Declaration and the Bylaws of the "Corporation," the provisions of this Declaration shall control. In the event of an irreconcilable conflict between this Declaration or the Bylaws of the "Corporation" and the Articles of Incorporation of the "Corporation," this declaration shall control. Invalidation of any one of the provisions contained in this Declaration by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

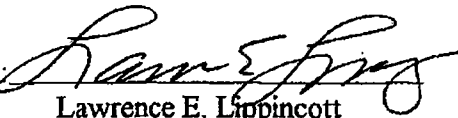
Section 10. Dissolution of Parkside at Nottingham Homeowners Association, Inc. The "Corporation" may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of Members. Upon dissolution of the "Corporation," other than incident to a merger or consolidation, the assets of the "Corporation" shall be dedicated to an appropriate public agency to be used for the purposes similar to those for which the "Corporation" was created. In the event that such dedication is refused acceptance, such access shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

Section 11. VA and HUD Approval. As long as there is a Class B Member, the following acts will require the prior approval of the Class B Member for compliance with established VA and HUD guidelines: Annexation of additional properties to Parkside at Nottingham Subdivision, dedication of additional Common Areas, and amendment of this Declaration, such approval to be not unreasonably withheld.

IN WITNESS WHEREOF, the undersigned Pulte Home Corporation, a Michigan corporation, the Declarant, has cause this instrument to be executed in its corporate name by its duly appointed attorney-in-fact and its corporate seal affixed hereto, all by order and authority duly granted by its corporate board of directors, the day and year first above written.

PULTE HOME CORPORATION,
a Michigan Corporation.
Declarant

(CORPORATE SEAL)

By: 
Lawrence E. Lippincott
Attorney-in-Fact for Pulte Home
Corporation

STATE OF NORTH CAROLINA

COUNTY OF GUILFORD

I, the undersigned, a Notary Public of Guilford County, North Carolina, do hereby certify that Lawrence E. Lippincott, Attorney-in-Fact for Pulte Home Corporation, a Michigan corporation (Declarant), personally appeared before me this day and being by me duly sworn, says that he executed the foregoing and annexed instrument for and in behalf of and as an act of Pulte Home Corporation, a Michigan corporation; that his authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged and recorded in the Office of the Register of Deeds of Guilford County, North Carolina, on the _____ day of _____, 1997, and recorded in Book _____, Page _____, Guilford County Registry; that this instrument was executed under and by virtue of the authority given by said instrument granting him power of attorney; and that the said Lawrence E. Lippincott acknowledged the due execution of the foregoing and annexed instrument for the purposes therein stated.

Witness my hand and official stamp or seal, this the _____ day of _____, 1997.

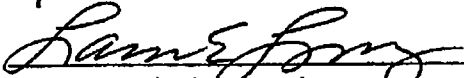
Notary Public


My Commission Expires: _____

unless and until such consent is obtained.

No Bylaw adopted or amended by the members of the Corporation shall be altered or repealed by the Board of Directors.

This the 22nd day of July, 1997.


Lawrence Lippincott, Director


Glenn Arrowood, Director

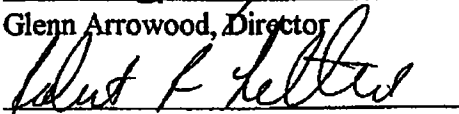

Robert Gilbert, Director

EXHIBIT "A"

Being all lots as are duly recorded in the Plat of PARKSIDE AT NOTTINGHAM, Section 1 in Plat Book 123 at Page 71, Section 2 in Plat Book 124 at Page 126, Guilford County Registry.