

North Carolina - Guilford County

The certificate (s) of _____

323033

Susan L. Hunt

RECORDED
KATHERINE LEE PAYNE
REGISTER OF DEEDS
GUILFORD COUNTY, NC

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

BOOK: 4957
PAGE(S): 0832 TO 0849

1 MISC DOCUMENTS
17 MISC DOC ADDN PGS

323033 \$6.00
\$34.00

KATHERINE LEE PAYNE, REGISTER OF DEEDS

Deborah Johnson
Assistant/Deputy Register of Deeds

12/29/1999 14:14:39

1 PROBATE FEE

\$2.00

Prepared by Susan L. Hunt, Atty.

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**NORTH CAROLINA
GUILFORD COUNTY**

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR WILSON FARM SUBDIVISION**

THIS DECLARATION, made this 29th day of December, 1999, by SESSOMS DEVELOPMENT, INC., a North Carolina Corporation with its principal office and place of business in Guilford County, North Carolina, hereinafter referred to as the Declarant;

WITNESSETH:

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

All of that certain parcel of land shown on that plat entitled "Wilson Farm Subdivision, Phase 1 and Phase 2, Section 1" which appears in the Office of the Register of Deeds of Guilford County, North Carolina, in Plat Book , Page .
* Phase 1, Plat Book 135, pg 119, 120, 121
Phase 2, Plat Book 135, pg 122, 123

WHEREAS, Declarant is creating on the above-described property a planned residential community to be known as Wilson Farm; and

WHEREAS, Declarant desires to provide for the preservation and maintenance of the common areas and for certain other responsibilities in connection with Wilson Farm and to this end desires to subject the real property described above, together with such additions or annexed properties as may hereafter be made thereto, to the covenants, conditions, restrictions, and easements, hereinafter set forth, each and all of which is and are for the benefit of the property comprising Wilson Farm and each owner thereof.

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

ARTICLE I

DEFINITIONS

SECTION 1. "Association" shall mean and refer to Wilson Farm Homeowner's Association, Inc., a North Carolina non-profit corporation, its successors and/or assigns. The Association shall not expire but shall survive in perpetuity.

SECTION 2. "Wilson Farm" shall mean and refer to that certain real property hereinabove described which is herein made subject to this Declaration and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

SECTION 3. "Common Area" shall mean and refer to all common areas within Wilson Farm Subdivision owned by the Association for the common use and enjoyment of the Owners, as shown on the recorded plat of Wilson Farm Subdivision, and all subsequent recorded plats for additional phases to Wilson Farm Subdivision.

Declarant reserves the right, in its sole discretion, to convey from time to time additional property to the Association, and the Association shall accept any such conveyance of additional property, and thereafter such additional property shall be held and maintained by the Association as Common Area.

Improvements on the Common Area may include, but shall not be limited to, landscaping, roadways, entrance and subdivision signs, erosion control devices, and adding septic easements if necessary.

SECTION 4. "Lot" shall mean any separately numbered plot of land, regardless of size, as shown on a recorded subdivision map of Wilson Farm. Declarant hereby reserves the right to reconfigure, from time to time and without the consent of the Owners or the Members of the Association, the boundaries of any lot or lots owned by Declarant and to thereby create additional lots, eliminate existing lots, or create additional Common Area. If Declarant elects to exercise its right to revise the boundaries of one or more lots owned by Declarant, Declarant shall record a revised plat of the affected lot or lots. Upon the recording by Declarant of such a revised plat, each lot shown on the previously recorded plat or plats, the boundaries of which are revised by the revised plat, shall cease to be a "Lot" as defined in this Declaration and each newly configured lot shown on the revised plat shall be a "Lot" as defined in this Declaration.

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SECTION 5. "Dwelling Unit" shall mean a residence containing sleeping facilities for one or more persons and a kitchen.

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

SECTION 7. "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 part of Wilson Farm, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

SECTION 8. "Declarant" shall mean and refer to the Developer of Wilson Farm as well as its successors and assigns, if Declarant shall make an express conveyance to such successor or assign of its rights as Declarant hereunder, all of which rights may be assigned.

SECTION 9. "Board of Directors" or "Board" means those persons elected or appointed to act collectively as the directors of the Association.

SECTION 10. "Bylaws" shall mean the bylaws of the Association as they now or hereafter exist.

ARTICLE II

COMMON AREA OWNERSHIP AND MAINTENANCE

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

SECTION 2. DELEGATION OF USE: Any Owner may delegate his rights of enjoyment of the Common Area to the members of his family, his lessees, contract purchasers who reside in Wilson Farm, or his guests.

SECTION 3. RULES AND REGULATIONS: The Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Area. Such rules and regulations shall be maintained in a place reasonably convenient to the Members and available to them for inspection during normal business hours.

SECTION 4. REGULATION OF USE OF COMMON AREA: The Association shall have the power to limit the number of guests, to regulate hours of use, and to curtail any use or uses of the Common Area it deems necessary for the best interests of Members or the protection of the facilities.

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SECTION 5. MAINTENANCE:

The Declarant may design and construct berms along roads and at the entrance area of Wilson Farm for the benefit of the lot owners. Declarant will pay the cost of construction. Declarant reserves unto itself, its successors/assigns/agents, a perpetual, alienable, and releasable easement or right to go on, over and under any berms and the entrance area, to erect, maintain, and use suitable equipment to erect and maintain the berms and entrance. Such rights shall not create any obligation on the part of Declarant to provide or maintain such berms or entrance.

The Association shall be responsible for the maintenance of all common areas, the entrance to the Subdivision and of any berms in said Subdivision, and said Association is hereby granted the right to enter upon the lots where the entrance, common areas or berms are located for the maintenance of same. Declarant reserves the right to determine whether and to what extent any additional landscaping is required on the entrance area, common areas and berms.

Overby Septic has been contracted to maintain the offsite septic systems. Overby Septic warrants the septic system for one year from date of installation. Thereafter, the owner of the lot which is served by the system is responsible for any and all repairs to the system. The Association must maintain a contract with Overby Septic during the one year warranty period. Should the Association terminate the contract with Overby Septic, then said warranty shall be null and void. The Association must maintain a contract for maintenance of the offsite septic systems with a subsurface water certified operator at all times. The Association shall remain responsible for the landscaping and ground maintenance of the common area. The Association shall be responsible for any needed repair of the offsite septic pump lines throughout the subdivision.

In the event the Association is dissolved or ceases to exist or otherwise defaults in its obligation to maintain the common areas, berms, entrance, offsite septic pump lines, then in such event the owners of record of the lots at the time of the required maintenance shall be jointly and severally liable for any and all costs associated thereto.

The property owners of any such lots whereupon the entrance or a berm is located shall not place any item of a permanent nature upon said berm or entrance which the owner does not wish to remove at owner's expense, nor shall Owner landscape the entrance or berm area or within any easement without the written permission of Declarant and/or the Association. The property owner shall be responsible for any expense incurred by the Declarant and/or Association in removing any items built into or upon the easements, offsite septic pump line easements, entrance or berm by the property owner and/or repairing any damage caused to the easement, offsite septic pump line easements, the offsite septic pump lines, the entrance or berm as a result of property owner's actions. Such cost will be added to the Owner's annual assessments and Declarant and/or the Association shall have the right to recover any such unpaid costs, together with attorney's fees, court costs and interest pursuant to Article VI, Section 9 hereinbelow.

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ARTICLE III
RESTRICTIONS

All of Wilson Farm shall be subject to the following covenants, conditions, restrictions and easements:

SECTION 1. LAND USE AND BUILDING TYPE. No lot shall be used except for residential purposes. No mobile homes or campers shall be permitted in said subdivision unless used temporarily as a construction office and they are not to be used as living quarters. No building shall be erected, altered, placed or permitted to remain on any lot other than a detached single family dwelling not to exceed two and one-half stories in height above ground level. No lot shall be permitted to be subdivided.

SECTION 2: DWELLING. All dwellings shall have a minimum of 1800 square feet and a two-car garage. All plans must be expressly approved in writing by Sessoms Development, Inc.

SECTION 3: BUILDING LOCATION.

- a. No building shall be located on any lot except on the site approved by the Declarant by a written instrument.
- b. For the purposes of this covenant, decks, steps and open porches shall not be considered as a part of a building, provided however, that this shall not be considered to permit any portion of a building on a lot to encroach upon another lot.
- c. All foundations must be brick veneered. However, should construction buildings materials become scarce, Sessoms Development, Inc. may elect to approve alternate materials. Any approval for alternate materials must be made in writing and must specify the type of materials to be used.
- d. All siding materials must be approved by the Developer in writing.

SECTION 4: DRIVEWAYS. All driveways shall be paved with concrete or asphalt.

SECTION 5: EASEMENTS. Drainage easements, easements for installation and maintenance of utilities and sight easements are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may obstruct or retard the flow of water through natural drainage channels. The easement area of each lot shall be maintained continuously by the lot owner except for those improvements for which a public authority or utility company is responsible. Sessoms Development, Inc. shall make the final determination as to any maintenance and landscaping upon said easement.

Sessoms Development, Inc. reserves unto itself, the Homeowners Association, and its successors and/or assigns, the inalienable right to establish additional easements upon any lot or lots within the subdivision for access to and use of any emergency septic fields within the subdivision common areas, provided that such easement does not render such lot unsuitable for building pursuant to these Restrictions and to Guilford County ordinance.

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SECTION 6: NUISANCES. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

SECTION 7: TEMPORARY STRUCTURES. No structure of a temporary character, trailer, tent, shack, garage, barn, or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently.

SECTION 8: LANDSCAPING.

a. All lots must be landscaped within sixty (60) days after occupancy of the house located thereon. The landscaping must be consistent with other homes in the Subdivision. The Declarant shall have the final decision as to whether the lot has been landscaped in accordance with the covenants and restrictions.

b. The Declarant shall have the final decision as to whether any additional landscaping is required on any common areas, berms and entrance. The Homeowners Association shall be responsible for the maintenance and upkeep of the common areas, berms and entrance.

c. Grading must not impede the natural flow of water from lot to lot without the express written permission of the Declarant.

d. The Lot owner is responsible for that portion of the public right-of-way connecting his/her lot to the road/street. See Section 20 "Road Maintenance" below.

SECTION 9: SIGNS. No sign of any kind shall be displayed to the public view on any lot except for one professional sign of not more than six square feet advertising the property for sale or rent; however, this provision is subject to the following exceptions:

a. Signs used by the Declarant or builders to advertise during the construction and sales period must not exceed thirty (30) square feet.

b. Only one Model Home shall be permitted for the development. Declarant shall make the determination as to which home will be the development's Model Home. No signs advertising model homes shall be permitted on any lot except for the lot designated by the Declarant as the development's Model Home.

c. Temporary "Open House" signs of not more than six square feet shall be permitted to be displayed on the day or days such open house shall be held, but shall be removed when the open house is not being conducted.

SECTION 10: USE OF PROPERTY. No lot or the building thereon shall be used for business, manufacturing, or commercial purposes, nor shall any animals or fowl be kept or allowed to remain on said property for commercial or breeding purposes, or which create a nuisance or annoyance to any lot owners.

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SECTION 11: GARBAGE RECEPTACLES. No property within this subdivision shall be used or maintained as a dumping ground for rubbish, trash, or other waste. All waste shall be kept in sanitary containers, and all incinerators or other equipment for the storage or disposal of such waste material shall be kept in a clean sanitary condition. The Declarant or its agent shall have the right to enter upon any lot or area to remove such waste or cut and remove any grass, weeds, trees, etc., on any lot or area deemed by public authority or the Declarant or its agent, to be unsightly. If the Declarant performs the work to comply with this restriction, then the cost shall be borne by the lot owner and the cost shall be a lien upon the lot until paid as hereinafter set forth.

SECTION 12: SATELLITE DISHES, ANTENNAS, FLAGPOLES OR CLOTHESLINES. No satellite dishes, antennas, flagpoles or clotheslines shall be erected, placed, altered, or allowed to remain on any lot without the prior written consent of Declarant or its Agent. Placement of any satellite dish must be approved in writing by Declarant and must be inconspicuously located.

SECTION 13: FENCES. No fences shall be erected, placed, altered, or allowed to remain on any lot without the prior written consent of the Declarant. No chain link or wire mesh type fences, including chain link dog runs, shall be placed or erected on any lot.

SECTION 14: EXTERIOR PAINT COLORS. All exterior colors must be approved in writing by the Declarant.

SECTION 15: BOATS, TRAILERS, TRACTOR-TRAILERS, MOTOR/MOBILE HOMES. No boats, trailers, tractor-trailers, motor homes or mobile homes, or inoperable, uninsured, unlicensed vehicles shall be parked on or in front of any lot unless parked inside an enclosed garage area. All cars or other vehicles must be parked in the garage or on the driveway. Any vehicle parked in the driveway must be licensed, insured and operable.

SECTION 16: MAILBOXES. All mailboxes and posts must be uniform in design and color. Mailboxes shall be black, with a natural wood, unpainted "Trotter Ridge" post. Contact Sessoms Development, Inc. for the mailbox and post design.

SECTION 17: SWIMMING POOLS. No swimming pools shall be placed or built on any lot without the prior written approval of the Declarant. All plans and designs for swimming pools shall be submitted to the Declarant for written approval prior to construction. NO ABOVE-GROUND SWIMMING POOLS shall be permitted to be placed on any lot.

SECTION 18: UTILITY BUILDINGS, OUTBUILDINGS, SHEDS. Anyone desiring to place a utility building, shed or other outbuilding on a lot must meet with the Declarant to obtain the Declarant's express written approval of the location and design of such outbuilding. Declarant's written approval must be obtained prior to placing, erecting, or altering an outbuilding on any lot. All outbuildings must be constructed with substantially the same material and with the same colors as the house on said lot. In addition, such outbuilding must be screened from the street and from the neighbors' view with adequate landscaping and/or fencing. No pre-fabricated outbuildings shall be permitted within Wilson Farm Subdivision.

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SECTION 19: PROPANE TANKS. Any propane tanks or other storage tanks must be buried underground and the site must be properly landscaped in accordance with this Declarations. Neither Developer, its subsidiaries, agents or assigns shall be held liable in any manner for any defects in the tank, site preparation, use or otherwise.

SECTION 20: ROAD MAINTENANCE: All streets within the subdivision that have been or will be built by the Developer are constructed and designed to meet North Carolina Department of Transportation (D.O.T.) Standards in order that said streets may be petitioned by the Developer for acceptance into the NC D.O.T. maintenance program once required occupancy levels are reached. Developer shall maintain street pavement until such time that Developer petitions for D.O.T. maintenance and the streets are acquired by NC D.O.T. for maintenance. Under no circumstances shall such agreement to maintain said pavement prohibit the Developer from seeking legal action to collect for damages to pavement or rights-of-way caused by negligence or willful destruction of others.

All lot owners shall follow NC D.O.T. guidelines in the maintenance of the portion of street right-of-way that connects their lot to the paved street, including but not limited to keeping that portion of their lot in the right-of-way free of unauthorized landscaping, filling, grading, debris, objects and/or materials. All lot owners shall immediately comply with any requests made by Developer on behalf of NC D.O.T. in order to get the streets accepted by NC D.O.T. for maintenance.

Should any lot owner fail or refuse to comply with the Developer's requests for removal of objects or improper landscaping, filling or grading within the right-of-way within the prescribed time established by Developer in a written request to the lot owner, Developer then reserves the right to remove said items or repair the landscaping, filling or grading to its original condition and shall place a lien on said property for all expenses incurred, including legal fees.

Should any lot owner or owners interfere with Developer's petition for NC D.O.T. road maintenance, or should they in any way obstruct the acceptance of the roads into the State road system, said owner or owners shall be liable for any and all expenses incurred by Developer, its successors and/or assigns, for court costs, attorneys fees, road maintenance expenses, and any other damages caused by such interference and/or obstruction. Furthermore, said owner or owners, their successors and/or assigns, shall thereafter be fully responsible for continuing road maintenance until such time as the roads are accepted by NC D.O.T. for maintenance.

ARTICLE IV

ARCHITECTURAL CONTROL

SECTION 1. ARCHITECTURAL COMMITTEE. An Architectural Committee consisting of three (3) persons shall be appointed by the Declarant. Declarant shall prescribe the procedures, nature and composition of the Committee until the Declarant has conveyed all of the Lots in Wilson Farm and in any future phases of Wilson Farm, but not in any event later than

December 31, 2010, at which time Declarant's powers hereunder shall vest in the Association, subject to subsection (a) of Section 2 below.

In the event of the dissolution of Sessoms Development, Inc. or its failure to act in any capacity herein provided or at such time as the initial construction of a dwelling unit has been completed and the dwelling unit on each lot in Wilson Farm (including any additional phases to Wilson Farm), or on December 31, 2010, whichever shall first occur, then at any time thereafter any consent or approval as herein required in this Article III to be obtained from Sessoms Development, Inc., instead of being given to Sessoms Development, Inc., may be given either by the Board of Directors of the Association or the Architectural Committee appointed as provided herein in Article IV.

SECTION 2. PLAN OR DESIGN APPROVAL.

(a) **APPROVAL OF INITIAL IMPROVEMENTS REQUIRED BY SESSOMS DEVELOPMENT, INC.** No site preparation or initial construction, erection, or installation of any improvements, including, but not limited to, Dwelling Units, outbuildings, driveways, fences, walls, swimming pools, tennis courts, signs, television antennas, mailboxes, post lamps and other structures, or additions, or excavation, or changes in grade shall be undertaken upon any Lot unless the plans and specifications therefor, showing the nature, kind, shape height, materials, and location of the proposed improvements shall have been submitted to and expressly approved in writing by Sessoms Development, Inc. No approval shall be required, however, for any improvements made by the Declarant.

After the date of the completion of the initial improvements to a Lot (which is herein defined as being that date ending six months after the beginning date of the first occupancy of the Dwelling Unit initially constructed on the Lot), plans and specifications for subsequent improvements shall be submitted for approval to the Architectural Committee, as herein provided in subparagraph (b) below, rather than to Sessoms Development, Inc.

In the event of the dissolution of Sessoms Development Inc. or its failure to act in the capacity herein provided, then at any time hereafter any approval as herein required to obtained from Sessoms Development Inc. shall be obtained by the Architectural Committee as herein provided in subparagraph (b) below.

Developer reserves the right, at the Developer's discretion, to retain full power and authorization to approve the initial dwelling on lots not built upon at the time the Association obtains control of the Covenants and Restrictions. Developer specifically and definitively reserves the right to have exclusive authority, at Developer's discretion, to approve dwelling on lots owned by Developer at the time the Covenants are turned over to the Association, free and clear from authority by the Architectural Committee or the Association.

(b) **APPROVAL REQUIRED FROM ARCHITECTURAL COMMITTEE AFTER COMPLETION OF INITIAL IMPROVEMENTS.** After the date of the completion of the initial improvements to a Lot (as defined in (a) above), no subsequent alteration or modification of existing

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improvements or construction, erection or installation of additional improvements may be undertaken or allowed to remain without the review and express approval in writing of the Architectural Committee.

SECTION 3. EFFECT OF FAILURE TO APPROVE OR DISAPPROVE. In the event that Sessoms Development Inc. or the Architectural Committee, as the case may be, fails to approve or disapprove any of the foregoing within thirty (30) days after plans and specifications therefor have been submitted and received (receipt being hereinafter defined), approval will not be required, and the requirements of this Article shall be deemed to have been fully satisfied; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by an officer of Sessoms Development Inc. or the Architectural Committee, as the case may be, if they contain erroneous data or fail to present full and adequate information upon which Sessoms Development Inc. or the Architectural committee, as the case may be, can arrive at a decision.

For purposes of this Section 3, plans and specifications will not be deemed to have been "received" unless an officer of Sessoms Development Inc. or a member of the Architectural Committee, as the case may be, either acknowledges in writing such receipt or the plans and specifications are sent by certified or registered mail to Sessoms Development, Inc. or a member of the Architectural committee, as the case may be, and a return receipt is received acknowledging the receipt thereof by such member.

Neither Declarant, nor any member or manager of the Declarant, nor any member of the Association's Board of Directors, nor any member of the Architectural Committee, shall be responsible or liable in any way for any defects in any plans or specification approved by them, nor for any structural defects in any work done according to such plans and specifications. Further, neither Declarant, nor any member or manager of the Declarant, nor any member of the Association's Board of Directors, nor any member of the Architectural committee, shall be liable in damages to anyone by reason of mistake in judgment, negligence, misfeasance, malfeasance or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specification or the exercise of any other power or right provided for in this Declaration. Every person who submits plans or specifications for approval agrees, by submissions of such plans and specifications, and every owner of any Lot agrees, that he or she will not bring any action or suit against Declarant, nor any member or manager of the Declarant, nor Sessoms Development Inc. or its subsidiaries, nor any member of the Association's board of Directors or Architectural committee, to recover any such damage.

SECTION 4. RIGHT OF INSPECTION. Declarant, its agents or assigns, shall have the right, at its election, to enter upon any of the Lots in Wilson Farm 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. If such work is not being performed in conformity with the approved plans and specifications, such work shall immediately cease upon verbal or written notice by Declarant, and shall either be removed, replaced or repaired so as to conform to the approved plans and specifications or new plans and specifications shall be submitted to Declarant for approval and no work shall commence until such approval is expressly made in writing by Declarant.

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SECTION 5. MAINTENANCE The maintenance of Lots and the Dwelling units located thereon and other improvements constructed thereon shall be the duty and responsibility of the Owner of such Lot and shall not be the responsibility of Declarant or the Association. If, however, in the opinion of Declarant or the Architectural Committee or the Association any owner shall fail to discharge his or her repair, maintenance or upkeep responsibilities in a responsible and prudent manner to a standard harmonious with that of other Lots in Wilson Farm, the Declarant, Architectural Committee or Association, at its discretion, and following ten (10) days' written notice to the Owner, may enter upon and make or cause to be made maintenance work or repairs as may be deemed by said persons to be reasonably required. Declarant, Architectural Committee or the Association, shall have an easement upon any lot for the purpose of accomplishing the foregoing. The costs incurred in rendering such services plus a service charge of twenty percent (20%) of such costs, shall be added to and become a part of the assessments to which such Lot is subject.

SECTION 6. ORIGINAL IMPROVEMENTS BY DECLARANT. Nothing herein contained shall in any way prevent or interfere with the right of the Declarant or a member of the Declarant to construct the original improvements desired by them on any Lot, and no approval shall be required for Sessoms Development Inc. or the Architectural committee for any such construction.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

SECTION 1. MEMBERS. The Declarant, for so long as it shall be an Owner, and every person or entity who is an Owner of a fee simple or undivided fee simple interest in any Lot which is subject by covenants of record to assessments by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Ownership of such Lot shall be the sole qualification for membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. The Association may promulgate reasonable rules relating to the proof of ownership of a Lot.

SECTION 2. CLASSES OF MEMBERS AND VOTING RIGHTS. The Association shall have one (1) class of Members. The Members shall be all Owners. Members shall be entitled to one (1) vote for each Lot in which they hold the required ownership interest. When more than one person or entity holds the required ownership interest in a Lot, all such persons or entities shall be members. The vote for each such lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot, and no fractional votes may be cast.

SECTION 3. RIGHT OF DECLARANT TO REPRESENTATION ON BOARD OF DIRECTORS OF THE ASSOCIATION. Notwithstanding anything contained herein to the contrary, until December 31, 2010, Declarant (or the assignee of the right granted in this section) shall have the right to designate and select two thirds (2/3) majority of the Board of Directors of the Association. Whenever Declarant shall be entitled to designate and select any person or persons to serve on any Board of Directors of the Association, the manner in which such person or persons shall

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be designated shall be as provided in the Articles of Incorporation and/or By-Laws of the Association. Declarant shall have the right to remove any person or persons with another person or other persons to act and serve in the place of any Director or Directors so removed. Any director designated and selected by Declarant need not be an Owner. Any representative of Declarant serving on the Board of Directors 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. Similarly, Declarant, as a member of the Association, shall not be required to disqualify itself upon any vote upon or entrance into any contract or matter between Declarant and the Association where Declarant may have a pecuniary or other interest.

ARTICLE VI

ASSESSMENTS

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS. The Owner of any Lot subject to the provisions of this Declaration, by acceptance of a deed therefor, whether or not expressed in any such deed, is deemed to covenant and agree to pay to the Association:

- (a) Annual assessments or charges as herein provided;
- (b) Special assessments for capital improvements, such assessments to be fixed, established, and, collected from time to time as hereinafter provided; and
- (c) To the appropriate governmental taxing authority, a pro rata share of ad valorem taxes levied against the Common Area, and a pro rata share of assessments for public improvements to or for the benefit of the common Area if the Association shall default in the payment of either or both for a period of six (6) months.

All annual and special assessments on a Lot, together with interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest and costs, and reasonable attorney's fees (as provided in North Carolina General Statutes 6-21.2) incurred by the Association in collecting delinquent assessments shall also be the personal obligation of the person or entity who was the owner of such Lot at the time when the assessment became due. The personal obligation of an Owner for delinquent assessments shall not pass to his successors or assigns in title unless expressly assumed by such successor or assign.

SECTION 2. PURPOSE OF ASSESSMENTS

- (a) The assessments levied by the Association shall be used exclusively for the purposes of the general enhancement and promotion of Wilson Farm, including without limitation the recreation, health, safety and welfare of the Owners in Wilson Farm, the enforcement of these covenants and the rules of the Association, and in particular, the improvement and maintenance of the Common Areas, including, without limitation, the maintenance of any dedicated streets which

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are not accepted for maintenance by the appropriate governmental authority, the maintenance of entrance ways, landscaping and lighting of Common Areas, the cost of operating, maintaining and repairing any offsite septic pump lines, street light or signs created by the Association or the Declarant, the payment of taxes assessed against the Common Area, the payment of assessments for public capital improvements levied against the Common Area, the maintenance of liability and other insurance and for such other needs consistent with this Declaration as may arise, the employment of attorneys and other agents to represent the Association when necessary, the provision of adequate reserves for the replacement of capital improvements, the payment of management fees and such other needs as may arise. Repairs and maintenance shall include, but not be limited to, the costs of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision.

(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 Wilson Farm, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the By-Laws of the Association. As monies for any assessment are paid to the Association by any Owner, the same may be commingled with monies paid to the Association by the other 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 an 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 Wilson Farm.

SECTION 3. ANNUAL ASSESSMENT.

(a) To and including December 31, 2000, the annual assessment for each Lot shall be \$300.00 and shall be collected annually at the time of the conveyance of each Lot by Declarant. There shall be no assessment for any Lot owned by Declarant Thereafter, the maximum annual assessment shall be established by the Board of Directors as an amount reasonably and prudently necessary to fund the Association's performance of its duties under this Declaration, under any agreement to which the Association is a party, and under any applicable law. The maximum annual assessment may be increased by the Board of Directors without approval by the membership by an amount not to exceed ten percent (10%) of the maximum annual assessment of the previous year; and

(b) After December 31, 2000, the annual assessment may be increased without limit by the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy at a meeting called for such purpose.

(c) At any time the Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

SECTION 4. SPECIAL ASSESSMENT FOR REPAIRS. In the event any portion of the Common Area is damaged or destroyed by an owner or any of his guests, tenants, licensees, agents, or family members, the Association is hereby authorized to repair such damaged area in a good and workmanlike manner. The amount necessary for such repairs, labor and material including a twenty percent (20%) fee, shall become a special assessment upon the Lot of said Owner.

SECTION 5. SPECIAL ASSESSMENT FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized above, the Association may levy one or more special assessments applicable to that year for the purpose of defraying the costs of construction or reconstruction, unexpected repair, or replacement of a capital improvement upon the Common Area, 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 the Members who are voting in person or by proxy at a meeting duly called for this purpose.

SECTION 6. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 3 AND 5. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 5 shall be sent to all Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty percent (50%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and no quorum shall be required at the subsequent meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 7. EFFECT OF NONPAYMENT OF ASSESSMENT: REMEDIES OF THE ASSOCIATION. Assessments authorized by this Declaration shall be due and payable on the dates established by the Board of Directors from time to time. Fees, fines, and other charges authorized by this Declaration shall be due and payable thirty (30) days after written notice thereof from the Association to an Owner. Any Assessment, fee, fine, or other charge not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. 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. Interest, costs and reasonable attorney's fees for representation of the Association in such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of his Lot, nor shall damage to or destruction of any improvement on any Lot or fire or other casualty result in any abatement or diminution of the assessments provided herein.

SECTION 8. 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 assessments for public improvements or ad valorem taxes levied against the Common Area, which default shall

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continue for a period of six (6) months, each lot owner in Wilson Farm shall become personally obligated to pay 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 Wilson Farm. If such sum is not paid by the lot 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 9. SUBORDINATION OF THE LIEN TO MORTGAGES AND AD VALOREM TAXES. The lien of the assessments provided for herein on any Lot shall be subordinate to the lien of any first mortgage or first deed of trust on such Lot, and subordinate to ad valorem taxes. The sale or transfer of any Lot shall not affect the assessment lien; provided, however, that the sale or transfer of any Lot pursuant to a decree of foreclosure on a first mortgage or first deed of trust thereon or any proceeding in lieu of foreclosure thereof shall extinguish the lien of such assessments, fees, fines or other charges as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments, fees, fines or other charges 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 first deed of trust.

SECTION 10. EXEMPT PROPERTY. Any portion of Wilson Farm dedicated to, and accepted by, a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein; provided, however no land or improvements devoted to use as a dwelling shall be exempt from said assessments

SECTION 11. RESERVE FUND. The Board of Directors of the Association, in establishing the annual budget for operation, management and maintenance of Wilson Farm, may designate therein a sum to be collected and maintained as a reserve fund for replacement or any extraordinary repairs or maintenance of any capital improvements to the Common Area (Capital Improvement fund). The amount to be allocated to the Capital Improvement Fund shall be established by the Board of Directors so as to collect and maintain a sum reasonably necessary to anticipate the need for replacements or extraordinary repairs or maintenance in the common area. The amount collected for the Capital Improvement fund may be maintained in a separate account by the Association and such money shall be used only to make capital improvements to the Common Area. Any interest earned on monies in the Capital Improvement fund may, in the discretion of the Board of Directors of the Association, be expended for current operation and maintenance. Although the funds held in the Capital Improvement Fund, 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. The funds held in the Capital Improvement Fund shall not be subject to withdrawal by an Owner.

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ARTICLE VII

EASEMENTS

SECTION 1. WALKS, DRIVES, UTILITIES, ETC. Common Areas shall be subject to such easements for walkways, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television antenna lines and cables, and other utilities, ingress, egress and regress and otherwise as shall have been established or hereinafter are established by the Declarant, whether by express easement or by the recording of a plat dedication or otherwise establishing an easement. The Association, and the Declarant so long as it owns a Lot in Wilson Farm shall have the power and authority to grant and establish further easements upon, over, under and across the common Area.

SECTION 2. EASEMENT RESERVED BY DECLARANT. Declarant hereby reserves such easements on, across and over the Common Area as shall be reasonably necessary for (i) the exercise by Declarant of any right herein reserved, including, without limitation, Declarant's right, should Declarant elect, to annex additional property and (ii) the development by Declarant, its successors and assigns, of additional property, should Declarant elect not to annex the additional property, including, without limitation, easements for ingress, egress and regress over private roads and streets now or hereafter erected in Wilson Farm and easements for the use of all utility lines, fixtures and/or their connections located within the Common Area for the purpose of providing water, light, power, telephone, sewage and sanitary service to the additional properties.

Declarant further reserves unto itself, its successors and assigns, and its agents, a perpetual, alienable, and releasable easement or right to go on, over and under any bermes and the entrance area, to erect, maintain, and use suitable equipment to erect and maintain the bermes and entrance. Such rights shall not create any obligation on the part of the Developer to provide or maintain such bermes or entrance.

Declarant reserves unto itself, the Homeowners Association, and its successors and/or assigns, the perpetual and inalienable right to establish additional easements upon any lot or lots within the subdivision for access to and use of any emergency septic fields within the subdivision common areas, provided that such easement does not render such lot unsuitable for building pursuant to these Restrictions and to Guilford County ordinance.

SECTION 3. EASEMENT FOR GOVERNMENTAL BODIES AND UTILITY COMPANIES. An easement is hereby established for county, municipal, state or public utilities serving Wilson Farm, 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 facilities and connections, and acting with other purposes consistent with the public safety and welfare, including, without limitation, police and fire protection and collection of garbage.

SECTION 4. SIGNEASEMENTS. Declarant and the Association shall each have the right to erect within the Common Area subdivision signs and landscaping and lighting surrounding same.

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Declarant hereby reserves unto itself and grants, gives and conveys to the Architectural Committee and the Association a perpetual, non-exclusive easement over the portions of Lots to maintain, repair, and replace the subdivision signs which may be located thereon, and the lighting fixtures and landscaping surrounding same. The Association shall be responsible for maintaining, repairing and replacing any such signs, landscaping and lighting and the costs of such maintenance, repair and replacement shall be part of the common expenses of the Association, payable by the Owners. In addition to the easements reserved and granted above as to the portion of Lots designated "sign easement," Declarant hereby reserves unto itself and gives, grants and conveys to the Association the right of ingress, egress and regress over other portions of such Lots as shall be reasonably necessary to effectuate the purposes stated above. The easements hereby granted shall run with the land in perpetuity and be binding upon and inure to the benefit of all persons and entities now owning or subsequently acquiring all or a part of the Property.

ARTICLE VIII

GENERAL PROVISIONS

SECTION 1. ENFORCEMENT. The Declarant, Association, Architectural Committee, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. The non-compliant Lot Owner shall be assessed interest at the maximum legal rate, attorney's fees and court costs should legal action be taken. Failure by the Declarant, Association, Architectural Committee 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. Should any Lot Owner fail to comply with these Declarations following ten days written notice by Declarant, the Architectural Committee or the Association, Declarant, the Committee members or a member of the Board of Directors have an easement to and may enter upon any Lot to make or cause to be made such work or repairs to create compliance with these Declarations. The costs incurred for such work plus a service charge of twenty percent (20%) of such costs, shall be added to and become a part of the assessments to which such Lot is subject.

SECTION 2. TERM AND AMENDMENT BY OWNERS. The covenants, conditions and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association, or any Owner, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless terminated or amended as hereafter provided. Prior to the sale of any Lot by the Declarant, this Declaration may be amended or revoked by Declarant in its sole discretion. After the sale of Lots commences, this Declaration may be amended by an instrument signed by the Declarant and not less than fifty-one percent (51%) of the Lot Owners. No amendment purporting to revoke or curtail any right herein conferred to Declarant shall be effective unless executed by Declarant, and no amendment relating to the maintenance or ownership of any permanent detention or retention pond shall be effective unless reviewed and approved by the governmental office having jurisdiction for watershed protection and no amendment shall alter any obligation to pay ad valorem taxes of assessments for public improvements or affect any lien for the payment thereof established herein.

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SECTION 3. ANNEXATION. Additional residential property and Common Area may be annexed to the Properties by Declarant.

SECTION 4. CONFLICTS. In the event of any irreconcilable conflict between this Declaration and the Bylaws of the Association, the provisions of this Declaration shall control. In the event of an irreconcilable conflict between this Declaration or the Bylaws of the Association and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.

SECTION 5. SEVERABILITY. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

SECTION 6. MINOR VIOLATIONS. Minor violations of these covenants may be waived by Declarant or the Association or their agent or successors or assigns, by written instrument.

SECTION 7. INTERPRETATIONS OF THESE COVENANTS. DECLARANT, ITS SUCCESSORS AND/OR ASSIGNS SHALL MAKE ALL FINAL INTERPRETATIONS AS TO THE MEANING AND INTENT OF THESE COVENANTS.

SECTION 8. CONTRACT RIGHTS OF ASSOCIATION. The undertaking and contracts authorized by the initial Board of Directions (including contracts for the management of Wilson Farm) shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by any Board of Directors duly elected by the membership after recording of this Declaration, so long as such undertakings and contracts are within the scope of the powers and duties which may be exercised by the Board of Directors of the Association in accordance with this Declaration, the Articles of Incorporation and the Bylaws.

IN WITNESS WHEREOF, the undersigned Declarant herein has caused this Declaration to be duly executed this the 29th day of December, 1999.

SESSOMS DEVELOPMENT, INC.

BY: William T. Monroe

William T. Monroe, President

(CORPORATE SEAL)

ATTESTED TO BY:

Belinda Covington
Belinda Covington, Secretary

NORTH CAROLINA, GUILFORD COUNTY

I, SUSAN L. HUNT, a Notary Public, do hereby certify that Belinda Covington personally appeared before me and acknowledged that she is Secretary of Sessoms Development, Inc., a North Carolina Corporation, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by her as its Secretary on behalf of the corporation. Witness my hand and seal this 29th day of DECEMBER, 1999.

My Commission Expires: 6/27/00

Susan L. Hunt
Notary Public

SUSAN L. HUNT
NOTARY PUBLIC
GUILFORD COUNTY, NC
My Commission Expires 6-27-2000