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KATHERINE LEE PAYNE
REGISTER OF DEEDS
GUILFORD COUNTY, NC
BOOK: 5548
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**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
VILLAS AT EAGLE POINTE**

THIS DECLARATION, made on the date hereinafter set forth by Greensboro Classic Living, LLC, hereinafter referred to as "Declarant";

07/02/2002	GUILFORD CO. NC	
1 MISC DOCUMENTS	593165	\$12.00
10 MISC DOC ADDN PGS		\$30.00
1 PROBATE FEE		\$2.00

WITNESSETH:

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

All of that certain parcel of land shown on the plat entitled, The Villas at Eagle Pointe which appears of record in the Office of the Register of Deeds of Guilford County, North Carolina in Plat Book 146, at Page 115.

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

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to VILLAS AT EAGLE POINTE HOMEOWNERS' ASSOCIATION, INC., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner (other than Declarant), whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely a security for the performance of an obligation.

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

Section 4. "Common Elements" shall mean all real property owned by the Association for the common use and enjoyment of the Owners. The "Common Elements" are referred to as "Common Elements", as shown on the recorded plat. The numbered lots are not a part of the

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Common Elements.

Section 5. "Lot" shall mean and refer to any plat of land shown upon any recorded subdivision map of the Properties with the exception of the "Common Elements".

Section 6. "Declarant" shall mean and refer to Greensboro Classic Living, LLC and its successors and/or assigns.

ARTICLE II
DEVELOPMENTAL RIGHTS

Declarant hereby reserves the right to develop future Phases of Villas at Eagle Pointe, which is the remainder to the property described in Deed Book 5221, page 1511, Guilford County Register of Deeds, not a part of Phase I. Each firm, person or corporation who purchases lots in future Phases shall purchase said lots subject to these Declaration of Covenants, Conditions and Restrictions and each firm, person or corporation will automatically become members of Villas at Eagle Pointe Homeowners' Association, Inc., together with all rights afforded to each lot owner in the By-Laws, but subject to the requirement of said Homeowners' Association By-Laws.

ARTICLE III
PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner and Declarant shall have a right and easement of enjoyment in and to the Common Elements which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

- (a) the right of the Association to suspend the voting rights and right to use the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulation;
- (b) the right of the Association to dedicate or transfer all of any part of the Common Elements to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by at least sixty six and two thirds percent (66 2/3%) of each class of members, agreeing to such dedication or transfer, has been recorded;
- (c) the right of the Association to impose regulations for the use and enjoyment of the Common Elements and improvements thereon, which regulations may further restrict the use of the Common Elements.

Section 2. Declaration of Use. Declarant and Owner may delegate, in accordance with the By-Laws, their rights of enjoyment of the Common Elements and facilities to the members of their families, their tenants, or contract purchasers who reside on the property.

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ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS

Section 1. Declarant and every Owner of a Lot which is subject to assessments shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership or any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

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

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.
- (b) upon resignation of Declarant as a Class B member.

ARTICLE V
COVENANT FOR MAINTENANCE AND ASSESSMENT

Section 1. Creation of Lien and Personal Obligation of Assessments. Each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest at the rate of ten percent (10%) or the highest rate allowed by law whichever is less, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. In the event that the Association shall fail to pay any taxes or assessments when due, each lot owner shall owe a pro-rata share of said tax or assessment when due, each lot owner shall owe a pro-rata share of said tax or assessment which shall be established in accordance with the Greensboro City Ordinances as amended from time to time. Said pro-rata share shall become a lien on each property owner's lot in favor of the City of Greensboro.

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Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose, including the maintenance, reconstruction and repair of water and sewer lines, roads, walkways, clubhouse and related facilities, and storm water systems and pond roads located within the Common Elements and to promote the use and enjoyment of the Common Elements, including but not limited to, the payment of taxes and assessments assessed against the Common Elements, the procurement and maintenance of such insurance, including liability insurance, as may be determined in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, garbage and trash collection services, street lighting, maintenance and landscaping of Common Elements, restoration of Common Elements improvements and party walls in the event of destruction or damage, to provide for exterior maintenance upon each Lot which is subject to assessment hereunder as provided in Article VII, Section 2 below, and such other needs as may arise. The assessments levied by the association shall be used as required or deemed appropriate by the association for the repair and/or maintenance of the permanent wet detention pond. Repairs and maintenance shall include but are not limited to the cost of repairs, replacements, and additions, and the cost of labor, equipment materials management and supervision. Assessments shall also provide for the procurement and maintenance of liability insurance, the provision of adequate reserves for the replacement of major structures incorporated into the permanent wet detention pond, and such other needs as may arise.

Section 3. Maximum Annual Assessment. Until January 1 of the second year following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be One Hundred Fifty Dollars (\$150.00) per Lot.

From January 1 of the second calendar year following the first conveyance of a Lot to an Owner:

- (a) The maximum annual assessment shall be established by the Board of Directors and may be increased by the Board of Directors without approval by the membership by an amount not to exceed fifteen percent (15%) of the maximum annual assessment of the previous year; and
- (b) The maximum annual assessment may be increased without limit by a vote of at least sixty six and two thirds percent (66 2/3%) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

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

The annual assessment shall consist of the following two components:

- (1) an amount, payable per Lot, which shall be applied for all the uses specified in Section 2; and

(2) an amount, payable based upon the type of structure located upon each Lot, which shall be accumulated annually to establish a reserve, and expended as necessary, to provide for exterior maintenance upon each Lot which is subject to assessment hereunder as provided in Article VII, Section 2 below.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements, fixtures and personal property related thereto, provided that any such assessment shall have the assent of sixty six and two thirds percent (66 2/3%) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots within the same class and may be collected on a monthly basis; provided, however, each Lot owned by the Declarant shall be assessed for both annual and/or special assessments at twenty five percent (25%) of the assessment for Lots owned by Class A members, but such twenty five percent (25%) assessment ratio for a particular Lot owned by the Declarant shall terminate immediately upon the transfer of said Lot from the Declarant to a Class A member; and thereafter, the full one hundred percent (100%) assessment for such Lot shall apply.

Section 6. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members in accordance with the Bylaws of the Association. At the first such meeting called, the presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one tenth (1/10) of the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein may be collected on a monthly basis and shall commence as to all Lots on the first day of the month following conveyance of the Common Elements. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each annual assessment period, the Board of Directors shall fix the amount of the annual assessment against each Lot and send written notice of each assessment of every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the

Owner personally obligated to pay the same or foreclose the lien against the property, and interest, cost and reasonable attorney's fees of such action of foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien provided for herein shall be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust. Sale or transfer of any Lot shall not affect the assessment lien or liens provided for in the preceding section. However, the sale or transfer of any Lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust.

Section 10. Exempt Property. All property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VI
DEFAULT BY ASSOCIATION

Section 1. Default by Owners' Association. Upon default by the Owners' Association in the payment to the jurisdiction entitled thereto of any assessments for public improvements or ad valorem taxes levied against the Common Elements, which default shall continue for a period of six (6) months, each owner of a lot in the development shall become personally obligated to pay to the jurisdiction a portion of the taxes or assessments in an amount determined by dividing the total taxes and/or assessments due to the jurisdiction by the total number of lots in the development. If the sum is not paid by the owner within thirty (30) days following receipt of notice of the amount due, the sum shall become a continuing lien on the property of the owner, his heirs, devisees, personal representatives, and assigns. The taxing or assessing jurisdiction may 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.

ARTICLE VII
MAINTENANCE OF LANDSCAPING, FACILITIES,
EXTERIORS, WATER AND SEWER LINES, AND DETENTION POND

Section 1. Maintenance of Landscaping. The Association is responsible for maintaining the general landscaping of all Common Elements.

Section 2. Maintenance of Facilities. The Association is responsible for maintaining the roads, clubhouse and other facilities of the Association within the Common Elements.

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Section 3. Exterior Maintenance. In addition to maintenance upon the Common Elements, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: painting, repair, replacement and care of roofs, exterior building surfaces, trees, grassed areas, shrubs, walks and other exterior improvements, but specifically excepting therefrom any glassed area. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right to unobstructed access over and upon each Lot at all reasonable times to perform maintenance as provided in this Article.

In the event that the need for maintenance, repair or replacement is caused through the willful or negligent act of the Owner, his family, guests or invitees, the cost of such maintenance, replacement or repairs shall be added to and become a part of the assessment to which such Lot is subject.

Section 4. Maintenance of Detention Pond. The Association is responsible for maintaining the completed permanent wet detention pond as directed by the governmental office having jurisdiction for watershed protection. If the Association should be dissolved or cease to exist, then in that event all Owners at the time of required maintenance shall be jointly and severally liable for any and all costs attendant thereto.

Section 5. Maintenance of Water and Sewer Lines. The water and sewer lines and all appurtenances thereto located within the Common Elements shall be owned, maintained and operated by the Association in accordance with all permits issued by any State or local authority. The Association shall allocate in its yearly budget and set aside in a separate account funds which may be used to repair, maintain or reconstruct said water and sewer lines and appurtenances thereto should same become necessary. In the event of a voluntary dissolution by the Association, the Association shall first transfer said water and sewer lines and all appurtenances thereto to some other person, corporation or other entity acceptable to and approved by the North Carolina Environmental Management Commission.

Section 6. Insurance. The Association shall be responsible for sufficiently insuring all Common Elements and shall be responsible for paying the cost of all such insurance. Each Owner shall be responsible for insuring any structures built on their Lot against loss or damage by fire or casualty and shall be responsible for paying the costs of such insurance. Owners shall be required to carry sufficient all-peril insurance to cover 100% of the replacement cost of any structure constructed on the Lot and the contents thereof and, in addition, general liability insurance, including bodily injury, death and property damage, for a combined single limit of Three Hundred Thousand Dollars (\$300,000).

Section 7. Maintenance of Party Walls. The Association is responsible for the establishment and maintenance of party walls within the Common Elements and shall restore the same in the event they are damaged or destroyed.

ARTICLE VIII
EASEMENTS

Section 1. Utilities and Drainage. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. In addition, easements for installation and maintenance of utilities and drainage facilities not shown on the recorded plat, including, water lines, sewer lines, gutter lines, gas lines and that area used for french drains are reserved. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements.

Section 2. Easement of Owner Over Common Elements. The Owner of each Lot on which a dwelling is situated shall have the right at any time to enter upon the Common Elements adjoining said Owner's Lot. The Owner of each Lot upon which a dwelling is situated shall also have the right of ingress, egress and regress over and across the driveways located in the common Elements leading to each unit.

Section 3. Unintentional Encroachments. If any portion of the common Elements encroaches upon any unit or any unit encroaches upon any other unit or upon any portion of the common Elements as a result of settling or shifting of a building, an easement for the encroachment and for the maintenance of the same shall exist so long as the building stands. If the building, the unit, any adjoining unit, or any adjoining part of the common Elements, shall be partially or totally destroyed as a result of fire or other casualty or as a result of eminent domain proceedings, and then rebuilt, encroachments of parts of the common Elements upon any unit or of any unit upon any other unit or upon any portion of the common Elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance there of shall exist so long as the subject building shall stand.

Section 4. Reservation of Easement by Declarant. Declarant reserves the right of access, ingress and egress over the Common Elements for the purpose of discharging Declarant's obligations and reservation of rights hereunder, specifically including a nonexclusive easement of access, ingress, egress by Declarant over the Common Elements and other Properties for the purpose of developing future Phases of Villas at Eagle Pointe.

Section 5. Reciprocal Easements for Maintenance of Sewer Lines. The Owner of each Lot, by acceptance of the deed for said Lot from the Declarant, shall have an easement over the Common Elements and any adjacent lot necessary for the maintenance and repair of the sewer line serving the dwelling situated upon said Owner's Lot.

ARTICLE IX
ARCHITECTURAL CONTROL

No building, awning, fence, wall or other structure or any planting or removal of vegetation of any type shall be commenced, erected or maintained upon the Properties, nor shall

any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, color, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Provided that nothing herein contained shall be construed to permit interference with the development of the Properties by the Declarant or maintenance of public utilities so long as said development follows the general plan of development of the Properties previously approved by the FHA/VA.

ARTICLE X
GENERAL PROVISIONS

Section 1. Enforcement. The Declarant, the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration.

Failure by the Declarant, the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. 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 3. Amendment. The Covenants and Restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date the Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy five percent (75%) of the Lot Owners, provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements, as herein provided, or affect any lien for the payment thereof established herein, and, provided further, that for so long as the Declarant is a Class B Member, the Declarant shall have the absolute right to amend this Declaration at any time. Any amendment must be properly recorded. Amendments to Declarations, Bylaws or Articles of Incorporation relating to the maintenance and ownership of the permanent wet detention pond shall not be permitted without review and approval by the governmental office having jurisdiction for watershed protection.

ARTICLE XI
RESTRICTIONS

Section 1. Land Use and Building Type. No lot shall be used for other than residential

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purposes. No building or structure shall be erected, altered, placed or permitted to remain on any lot other than: (1) one attached, single-family dwelling not to exceed two and one half stories in height (hereinafter the "dwelling") and (2) two private garages, attached to the dwelling, for not more than two automobiles each.

Section 2. Driveways. Paved driveways are required for each dwelling.

Section 3. Keeping of Animals. No livestock of any nature shall be kept upon any lot, nor shall dogs, cats, or other animals be kept for breeding purposes or for any purpose other than household pets.

Section 4. Wavier of Violations. Violation of these restrictions may be waived with the consent of all contiguous property owners.

Section 5. Nuisances. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become any annoyance or nuisance to the neighborhood.

Section 6. Signs. No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than one (1) square foot, one sign of not more than five (5) square feet advertising the property for sale or for rent, or signs used by a builder to advertise the property during the construction and sales period, and except seasonal holiday displays which are approved in advance by the Board of Directors of the Association in their absolute discretion.

Section 7. Miscellaneous.

- (a) No clotheslines are permitted.
- (b) No additional structures shall be placed on the property.
- (c) No satellite dishes may be placed on the property with a diameter of more than eighteen inches (18").
- (d) No motorhomes, boats, trailers, and/or junk automobiles may be placed on the Lots.
- (e) Patio areas are to be kept neat with only patio furniture, outdoor grills and/or house plants located thereon.
- (f) There shall be one joint townhome yard sale per year. No individual yard sales permitted.

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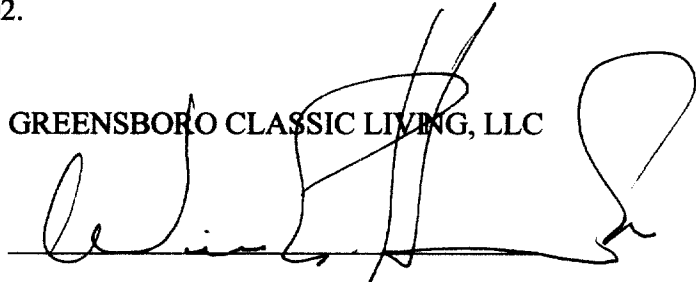
ARTICLE XI
FEDERAL LENDING REQUIREMENTS

Declarant may (at Declarant's option) amend and modify this Declaration without obtaining the consent or approval of the Owners if such amendment or modification is necessary to cause this Declaration to comply with the requirements of the Federal Housing Administration, the Veterans Administration, Fannie Mae or other similar agency. Any such amendment must be with the consent and approval of such agency and must be properly recorded.

IN WITNESS WHEREOF, Greensboro Classic Living, LLC, has caused this document to be signed by its duly authorized Manager and its seal to be hereunto affixed the 19 day of June, 2002.

GREENSBORO CLASSIC LIVING, LLC

By:



William E. Holland, III, Manager

STATE OF NORTH CAROLINA

COUNTY OF GUILFORD

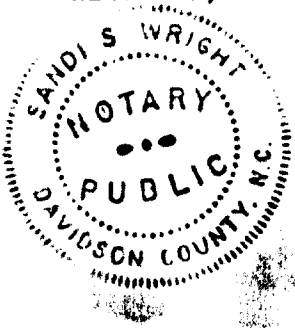
I, Sandi S. Wright, a Notary Public of the County of Davidson, State of North Carolina, do hereby certify that William E. Holland, III personally appeared before me this day and acknowledged that he is the Manager of Greensboro Classic Living, LLC, and further acknowledged the due execution of the foregoing instrument on behalf of Greensboro Classic Living, LLC.

Witness my hand and official stamp or seal this the 19 day of June, 2002.

Sandi S. Wright
Notary Public

My Commission Expires:

March 27, 2006



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

* * * * *

State of North Carolina, County of Guilford

The foregoing certificate of Sandi S. Wright

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

KATHERINE LEE PAYNE, REGISTER OF DEEDS

By: Peggy H. Boone
Deputy - Assistant Register of Deeds

* * * * *

**Yellow certification sheet is a vital part of your recorded document.
Please retain with original document and submit when re-recording.**