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**PHASE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
GLEN VIEW VILLAGE AT SALEM GLEN**

54.00

THIS DECLARATION, made on the 4th day of May, 1999, by SHUGART ENTERPRISES, LLC, a North Carolina limited liability company, hereinafter referred to as "Declarant", for itself, its successors and assigns;

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property in Davidson and Forsyth Counties, North Carolina, which is more particularly described on Exhibit "A" attached hereto and incorporated herein by reference.

WHEREAS, Declarant proposes to develop all of the land described in Exhibit "A" into a subdivision to be known as Glen View Village at Salem Glen, and

WHEREAS, Declarant desires to provide a Phase Owners Association to regulate lot use and provide for the maintenance and up keep of any amenities that are constructed including landscaping, access and entrance ways to the Development and lighting, if any, in addition to Declaration of Master Covenants, Conditions, Reservations and Restrictions for Salem Glen and Residential Villages, which this property is subject to, and

WHEREAS, Declarant hereby declares by this Declaration that property described on Exhibit "A" shall be held, sold and conveyed subject to the following easements, restrictions, covenants, conditions, liens and charges which are for the purpose of enhancing and protecting the value and desirability and attractiveness of, and which shall run with the real property and be binding on all parties having any right, title or interest in the property described on Exhibit "A" identified as Glen View Village at Salem Glen. It is the desire and intention of the Declarant to sell lots out of the property described on Exhibit "A" to various purchasers subject to the covenants, conditions, obligations and restrictions herein reserved to be kept and observed and subject to the Declaration of Master Covenants, Conditions, Reservations and Restrictions for Salem Glen.

NOW, THEREFORE, Declarant hereby declares that all of the land described in Exhibit "A" shall be held, sold and conveyed subject to the following easements, restrictions, covenants, conditions, liens and charges which are for the purpose of

enhancing and protecting the value and desirability and attractiveness of, and which shall run with, the real property described on Exhibit "A", 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 Glen View Village HOA, Inc., its successors and assigns, and "Master Association" shall mean and refer to the Salem Glen Residential Association as defined in the Master Declaration.

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

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described on Exhibit "A", and such additional land as by Supplementary Declaration(s) may hereafter be brought within the jurisdiction of the Association, if any.

Section 4. "Common Area" shall mean all real property or interest therein owned by the Association for the common use and enjoyment of the Owners. Included not to the exclusion of other items and areas are, any common lighting, entrance signage, walls and gates, if any, and entrance landscaping and other common landscaping located within the planting areas and area designated as common area on the plat or plats of Glen View Village as finally developed. The common area will not be fixed in total until dwellings are constructed on all lots.

"Limited Common Area" shall mean that area of the common area which serves one or more lots, but less than all lots. Such limited common area will be maintained, repaired and replaced by the member(s) served by the same. Known such areas are individual or joint driveways and walkways connecting the lots to Prestwick Court and utility lines connecting each dwelling's utility service to the main utility service lines. In the event an inadvertent survey or construction error occurs in the initial construction of a dwelling causing a part of the main structure of a dwelling on a lot to fall or be located upon a portion of the common area such encroachment shall be limited common area for the purposes of allowing the same to remain upon approval by the Architectural Review Committee.

to the proper utility and/or governmental authority for such use, all without the joinder of the Association;

(b) The right of the Association to charge reasonable admission and other fees for the use of any recreational or other facilities, if any, situated upon the Common Area;

(c) The right of the association to suspend the voting rights and right to use of the recreational facilities, if any, and common area other than access to the lot of an Owner for any period during which any assessment against his Lot remains unpaid;

(d) The right of the Association, through its President and Secretary, to dedicate or transfer all or any part of the Common Area owned by it to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed by the Members. No such dedication or transfer shall be effective unless approved by 80% of Class A and B, until the Class B membership is terminated, members present in person or by proxy of a duly called and noticed meeting where one of the stated purposes of the meeting will be a vote or the granting of such dedication or transfer. At such meeting, a quorum for this purpose shall be no less than sixty percent (60%) of the Class A and B Members. Provided, in the event the required quorum for this purpose is not present, a subsequent meeting may be called and noticed and at such meeting a quorum shall constitute thirty percent (30%) of the Class A and B Members, and 80% of the Members present in person or by proxy at such meeting may approve such dedication or transfer. Such subsequent meeting shall not be held later than sixty (60) days beyond the originally called meeting. Declarant reserves the right without the joinder of the Association to grant any and all easements necessary or desirable to the full development of the property to utility and governmental authorities without the joinder of the Association.

(e) The right of the Association through the Board of Directors to impose rules and regulations for the use and enjoyment of the Common Area and Lots and the

converted to Class A membership when seventy-five percent (75%) of the total number of Lots subjected to this Declaration are sold to Owners other than the Declarant or on or before Ten (10) years from the date of recording this Declaration, whichever comes first. The Declarant shall have the right to appoint and reappoint a majority of the members of the Board of Directors of the Association until its Class B membership terminates.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. (a) **Creation of the Lien and Personal Obligation for Assessments.** The Declarant, for each Lot owned, within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided, and (3) direct assessments as hereinafter defined. The annual, special and direct assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Property against which each such assessment is made and when filed of record in the Office of the Clerk of Superior Court of the county or counties where the lot lays which will be Davidson and/or Forsyth County, North Carolina, as the case may be, shall be a lien upon the land to all who acquire an interest therein. Each such assessment, together with interest, costs and reasonable attorney's fees associated with the enforcement and collection, shall also be the personal obligation of the person who was the Owner of such Property at the time when the assessment fell due and any heir or devisee shall be deemed to have consented to make such payments. The personal obligation for delinquent assessments shall not otherwise pass to the successors in title unless expressly assumed by them.

(b) **Direct Assessments.** Each Owner shall have the obligation to maintain and keep in good repair and replace the improvements on his Lot, including the roof, gutters, windows, doors, shutters, and exterior walls of the dwelling unit thereon, and any other exterior improvement such as decks, porches, driveways and walks servicing the owner's lot, including any portion that may cross or be located on the common area, garden walls, carports or garages and routine watering of grass and shrubs (the Association will be responsible for the routine mowing of grass and trimming of shrubs), and other maintenance and replacement to present a good exterior appearance. If any Owner shall fail to properly comply with the provisions of this subsection, and in the opinion of the Architectural Control Committee of the Association as established under Article V of this Declaration,

such failure impairs the aesthetic harmony of Glen View Village, the Association may make demand upon such Owner to comply. In the event such Owner shall, after notice and opportunity for hearing, if requested, has been given, fail to take necessary steps to comply, the Association may proceed to remedy such Owner's default, but does not have the obligation to do so. Any expenses incurred by the Association for such purposes, including labor, materials, court costs and professional fees shall become a lien upon the Lot of such Owner and the personal obligation of the Owner, collectible as other assessments as provided for herein. Amounts incurred in the foregoing manner shall be deemed "Direct Assessments" and shall be in addition to any other assessments herein provided for and shall be due immediately upon demand. Interest shall accrue at the rate of eighteen percent (18%) per annum on any unpaid direct assessment not paid within thirty (30) days from date of demand for payment.

Section 2. Purpose of Assessment. The assessments levied by the Association shall be used exclusively to promote recreation, health, security, safety and welfare of the residents in the Properties and in particular for the maintenance and replacement of the gates, if any, common lighting, if any, landscaping located upon the common and the lots, the acquisition, improvement and maintenance of property, services and facilities devoted to this purpose for the maintenance, use and enjoyment of the Common Area, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, utilities, security, lighting, management and supervision, the payment of taxes, if any, assessed against the Common Area, the procurement and maintenance of insurance related to the Common Area, its facilities and use in accordance with this Declaration and the By-Laws, the employment of managers, attorneys and accountants to represent the Association when necessary, and such other common needs as may arise.

Section 3. Maximum Annual Assessments. Until the first annual meeting following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Nine Hundred and 00/100 Dollars (\$900.00) per Lot; provided, however, the assessment for Class B Member for any vacant Lot or a Lot containing an unoccupied, unsold home shall be twenty-five percent (25%) of the regular assessment for other occupied Lots. At the first annual meeting, subsequent annual meetings or special meetings called for the purpose of considering an increase or decrease in assessments the Board of Directors shall prepare a budget taking into consideration current expenses, anticipated expenses, accrued debts and reserves for future needs for approval at the noticed meeting, with a quorum present, by a majority of the members present,

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy special

assessments for the purpose of defraying, in whole or in part, the cost of construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of 67% of the votes of each class of Members who are voting in person or by proxy at a meeting duly called with this be one of purposes of the meeting.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots subject to assessment and may be collected on a monthly, quarterly or annual basis in advance as the Board of Directors may direct, except as herein provided. Without regard as to the collection time the assessment shall become a lien on the lots in twelve installments so that an owner acquiring title will be obligated for the assessment for the remainder of the year. Should an owner default the Board of Directors may accelerate the assessment for the entire year and bring action for the collection of the same for the entire year or part thereof not paid.

Section 6. Notice and Quorum for any Action Authorized under Section 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 shall be sent to all members not less than twenty (20) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members and/or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership entitled to vote shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessment: Due Dates. The annual assessments provided for herein shall be collected on a monthly, quarterly or annual basis as determined by the Board of Directors and shall commence as to all Lots on the first day of the month following the conveyance of the first Lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least ten (10) days in advance of each annual meeting or special meeting called for the purpose of considering the budget, the Board of Directors send the proposed budget to every Owner subject thereto. The due date(s) shall be established by the Board of Directors. The lien of the assessments shall attach on the first day of each month, however should default occur the Board of Directors may accelerate the lien for the year and file and collect for the annual sum due.

Section 8. Effects of Nonpayment of Assessments: Remedies of the Association. Any assessments not paid within thirty (30) days after the due date

shall bear interest from the due date at the rate of eighteen percent (18%) per annum, and the Board of Directors may impose a late payment fee not in excess of ten per cent of the sum due. Such late payment fee shall be set forth in the notice or bill for payment or be set forth in a subsequent letter requesting payment. The Association may bring an action at law against the Owners personally obligated to pay the same and/or foreclose the lien against the Property, and late fees, interest, costs, fees and reasonable attorney's fees for such action and/or foreclosure shall be added to the amount of such assessment. No Owner may waive nor otherwise escape liability for any of the assessments provided for herein by inability to use, or non-use of the Common Area or abandonment of his Lot. Election to sue a defaulting Owner shall not bar subsequent filing of lien and foreclosure. The Association may pursue either or both remedies without bar to the other remedies. A prospective purchaser or lender may request a written certificate from the Association as to the status of assessments on any Lot, they or it is concerned with and as to such purchaser, lender or subsequent purchaser from them, such statement of the Association shall be binding on the Association as of the date of its issuance. The Association may charge a fee for such certificate if it advises the requesting party of the charge before or at the time of delivery of the certificate, provided a member may obtain such statement without charge.

Section 2. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust filed prior to a lien for assessments. Sale or transfer of any lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any court proceeding, in lieu of foreclosure thereof, shall extinguish the lien of such assessment as to the payment thereof which became due after the recording of the deed of the deed of trust, other than in the instance where a lien had been filed by the Association prior to such recording, but the personal obligation of the Owner of the Property when the assessment fell due shall survive. No such sale or transfer shall relieve such Lot from liability for any assessments, monthly or otherwise, which thereafter become 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 filed prior to a lien for assessments being filed.

ARTICLE V

ARCHITECTURAL CONTROL

Section 1. "Architectural Control."

(a) **Purpose.** The Declarant desires to establish an Architectural Control Committee) in order to provide and maintain certain standards as to harmony of external design and location in relation to surrounding structures and

topography.

(b) **Architectural Control.** Following the conveyance of a lot from the Declarant in fee simple in its natural or improved state, unless expressly authorized in writing by the Architectural Control Committee (herein "Committee or ACC") no building, fence, wall, driveway or other structure nor any exterior addition or alteration (including color, addition or deletion of trim, roofing type or color) to any existing structure, nor any change or addition to the landscaping on any lot, any clearing or site work shall be commenced, erected or maintained upon the designated property, or any other alteration, addition, replacement or reconstruction of a destroyed or damaged improvement, which in anyway varies the external appearance of the improvements, including landscaping, on any lot until plans and specifications therefor showing the shape, dimensions, materials, exterior finish and colors, location on site, landscaping, driveway, parking, floor plan, and elevations therefor (all of which is hereinafter referred to as the "Plans"), shall have been submitted in duplicate to and approved in writing, as to harmony of external design and location in relation to any surrounding structures and topography, by the Committee and the ARC under the Master Declaration, if required. The Committee shall have the absolute and exclusive right to refuse to approve any such Plans and specifications which are not suitable or desirable in the opinion of the Committee for any reason, including purely aesthetic reasons which in the sole and uncontrolled discretion of the Committee shall be deemed sufficient; provided that the Committee's decision to deny an application may be appealed to the Board of Directors for review which Board may confirm, amend or modify the decision of the Committee or may appoint an appeal board of members to hear such appeal. The Committee shall articulate its reasons for denial. Approval of some item at one location shall not be construed as approval at any other location nor set a binding precedent for approval at any other location.

External alterations which fall under the Master Declaration shall be processed through the Committee and if approved forwarded with the Committee's recommendation to the Architectural Review Committee (herein ARC) established under the Master Declaration for final determination of approval, amended approval with conditions or denial.

(c) **The Architectural Control Committee.** (herein called the ACC or Committee) The Architectural Control Committee shall be composed of three (3) persons appointed by the Declarant. At the time when all Lots subjected to this Declaration have been improved by the construction of a dwelling house thereon and conveyed in fee simple, the Architectural Control Committee will be appointed by the Board of Directors of the Association. In no event shall representatives, such as Executors or Trustees be entitled to be members of the Committee.

(d) **Architectural Control Committee: Decisions Relating to Declaration.**

Any covenant, conditions or restriction herein set forth under Article V may be removed, modified or changed by written consent signed by a majority of the Committee members and kept with the records of the Committee, which such written consent may be given or withheld within the uncontrolled and sole discretion of the Committee, or its successors. In the event of disagreement among members of the Committee, a Committee decision shall require the assent of a majority of the members of the Committee.

(e) **Architectural Control Committee: Plans Review Procedure.** Prior to the commencement of any construction or alteration of external appearance on any lot or common area the Plans and specifications of the proposed construction, alteration and/or external change shall be submitted in writing to the Committee. The Committee's approval, disapproval or waiver as required in these covenants shall be in writing. The decision of a majority of the Committee, in case of any disagreement among Committee members, as to the approval, disapproval or waiver of the Committee, shall be controlling. The Committee shall make its decision within the thirty (30) days from the date the Plans are submitted to it. If the Committee fails to act within such thirty (30) day period, the Plans shall be deemed accepted by the Committee, provided, upon the Committee's failure to act, if approval is required by the ARC then it shall be the obligation of the requesting member to forward the request to the ARC for decision in order to comply with the Master Declaration. The Member submitting the Plans shall obtain a written dated receipt from the Committee member submitted to or a return receipt from submission by Certified U.S. Mail. If additional materials or information is requested by the Committee, the time for approval shall be extended for up to thirty (30) additional days after the materials or information requested are delivered to the Committee. In the case of a matter that requires approval of the ARC under the Master Declaration, the Committee shall forward their recommendation of approval or amended approval with the information and materials furnished with the request to the ARC for final determination under its rules and the Master Declaration. Denial by the Committee shall not require forwarding of the matter to the ARC unless the Committee's decision is appealed and approved on appeal.

Section 2. Restrictions on Use and Rights of the Association and Owners.

(a) **Permissible Uses.** No Lot shall be used except for residential purposes, and no building of any type shall be erected, altered, placed, or permitted to remain on any Lot other than one single-family dwelling, including an attached garage. Moreover, no Lot shall be used for access to any adjoining Lot or other Property, unless the Declarant authorizes such access in writing, and such authorization is recorded in the Office of the Register of Deeds of the county the land lays in. Declarant reserves the right to annex additional land into the Development and the

right to use any lot it owns for access to such land. When construction of any building, structure, improvements, or addition has once begun, work thereon shall be pursued diligently and continuously, and completion shall occur within twelve (12) months. No living unit or other structure shall be built which contains cement or cinder blocks which are visible from the outside of the living unit, nor may any detached storage units or structures be erected, placed or used without the consent of the Committee. Plans not previously approved by the Master Declarant/Developer and/or the ARC will require approval.

(b) **Division of Lots.** No Lot shall be further divided, without the prior consent of the Committee. The Declarant reserves the right to re-subdivide, relocate and re-plat lots it owns until such time as all the land annexed into the subdivision is sold.

(c) **Temporary Structures.** No structure of a temporary character shall be placed upon any portion of the properties at any time; provided, however, that this prohibition shall not apply to shelters or huts used by contractors during the construction of a living unit, or improvements or additions thereto, on any Lot. Temporary shelters, tents, recreational vehicles, trailers (whether attached or unattached to the realty), and detached storage buildings may not, at any time, be placed on any portion of a Lot or Property. By way of definition, temporary residence is a residence which is occupied more than two (2) days of a thirty (30) day period.

(d) **Other Prohibitions or Requirements.**

(i) Any living unit shall comply with all applicable building, plumbing, electrical and other codes.

(ii) Downspouts and gutters must be so constructed so as not to promote the erosion of the soil of any lot or common area.

(iii) Parking on private drives and on any other common land shall be subject to rules and regulations adopted from time to time by the Board of Directors of the Association and as governed by the Master Declaration. Parking of trucks having more than four wheels with no more than four tires total shall not be parked on the common area or lots except during periods while loading or unloading and during periods of construction where necessary.

(iv) No external antennas for transmission or reception shall be placed upon any property, provided small reception dishes not exceeding twenty-five inches in diameter may be placed upon a lot with the written approval of the Committee and ARC, if required. Such installation shall not be visible from the street side of the lot and may require shielding wherever located, if approved.

(v) Erection of exterior clothes lines, the maintenance of any exterior garbage cans, the storage of boats, campers, and trailers shall not be permitted except as approved by the ACC and ARC, if required. Each Owner shall provide receptacles for garbage, and all garbage receptacles, tools and equipment for use on the Lot of any Owner or otherwise shall be placed in an area in accordance with reasonable standards established by the Committee to shield same from general visibility from roads, golf course and other lots in their discretion, which may require that the same be stored in an enclosure or a part of the dwelling.

(e) Debris. No leaves, trash, garbage or other similar debris shall be burned except as permitted by the appropriate governmental authority. No garbage, trash, construction debris or other unsightly or offensive materials shall be placed upon any portion of the properties, except as is temporary and incidental to the bona fide improvement of any portion of the Properties.

(f) No Offensive Activity. No plants, animals, or device or thing of any sort whose normal activities or existence is in any way noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of other Lots by any owner, tenants, and guests thereof, may be maintained. No noxious or offensive activity shall be carried on upon any portion of the Properties, nor shall anything be done tending to cause embarrassment, discomfort, annoyance or nuisance to any owner, tenant or guest thereof, in any portion of the Properties.

(g) Animals and Pets. Except as otherwise permitted herein, or in any supplementary declaration hereto, no animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose or permitted to become a nuisance to the neighborhood. Dogs, cats and other household pets shall be confined and maintained inside the dwelling. When removed from the interior of the dwelling the same shall be at all times be in the arms of the owner or attached to a leash held by the owner, provided alternate method(s) of confinement may be approved by the ACC and/or the ARC, if required. The Board of Directors, after notice to correct, may rescind approval of an alternate method of pet restraint if the same is not meeting its purpose and /or removal of the pet(s) from the property if any pet becomes and annoyance or nuisance no matter where kept on the property in the sole discretion of the Board of Directors. A pet which barks excessively or makes other disturbing sounds or is allowed to roam free, after written warning to the member to correct, shall be deemed a nuisance.

(n) Discharge of Firearms, Fireworks Hunting and trapping of wild animals, fowl and game and the discharge of firearms, BB guns, fireworks and/or

bows and arrows within the Properties is prohibited.

(o) **Signage.** No sign of any kind shall be displayed to the public view on any Lot except one (1) sign with dimensions of not more than two (2) feet by three (3) feet advertising any lot for sale or rent. All other signs on any Lot must be approved in writing by the Committee. The Declarant reserves the right to place signage on the common property or lots in promotion of the development and sale of homes until fully developed.

(r) **Commercial Vehicles.** No Commercial, recreational vehicle, construction, or like equipment, or mobile or stationary trailers of any kind shall be kept or permitted to remain on any Lot or the Properties, unless approved by the Architectural Control Committee and stored in an enclosure away from view, which definition "Away from View" shall be in the sole discretion of the Committee.

ARTICLE VI.

MAINTENANCE, ORDINARY REPAIRS AND ALTERATIONS.

Section 1. By the Association. the Association shall maintain, repair and replace all parts of the Common Areas and Facilities, maintain the landscaping upon the lots by providing routine grass cutting, mulching and shrub maintenance, provide for common lighting, and gates, if any, except as may be otherwise stated herein.

Section 2. By the Owners. Each Owner shall maintain, repair, and/or replace all other improvements located on the Owner's Lot and those associated with the Owner's Lot such as driveways, sidewalks, all pipes, wires, conduits and machinery associated with and servicing only the Owner's Lot, wherever located. The owner shall water plants and shrubs in dry periods to avoid costly replacement by the Association. Failure to do so may result in replacement at the cost of the owner after notice to such owner. The Owner shall maintain and repair any area of the common that the ACC has allowed the Owner the use of as directed in the letter of approval from the ACC and/or the ARC, if required.

Section 3. By the Owner and Association. All damages to the Common Area and facilities intentionally or negligently caused or resulting by an Owner, his or her family, tenants, guests, invites, agents, servants, employees or contractors, shall be repaired promptly at the expense of such Owner, except to the extent such damage or loss is covered by insurance proceeds received by the Association, if any.

Section 4. Restrictions on Owners. No Owner shall perform or cause to be

performed any maintenance, repair or replacement work upon a Lot which disturbs the rights of other Owners. If any Owner shall cause any work so performed, which in the sole opinion of the Board of Directors violates the terms of this paragraph, it shall be immediately corrected and such Owner shall refrain from recommencing or continuing any such work without written consent of the Board. An Owner shall not repair, alter, replace, add to or move any of the Common Areas and Facilities or landscaping at any location without the prior written consent of the Board or as the Board may delegate such decisions to the ACC. An Owner shall not change color of paint or otherwise decorate, add to or change the outside appearance of any building, including doors and windows and storm doors, or any appurtenance thereto without the written consent of the Architectural Control Committee as set forth in Article V, and the ARC, if required.

Section 5. Duty to Report. Each Owner shall promptly report in writing to the Board or its agent any known defect or need for repairs to or replacement of any Common Areas or Facilities for which the Association is responsible.

Section 6. Default of Owner. If the Owner defaults in any obligations under this Article and such default is not cured within ten (10) days from written demand by the Association or a longer period specified in the Notice, then the Association may, but is not obligated to, perform the necessary maintenance, repair, and/or replacement, or remove an unauthorized repair, alteration or addition and the costs thereof shall be assessed against the Owner and Lot of Owner and may, in addition to the actual cost, add an administrative fee of up to fifteen percent (15%) of such costs as an additional cost and direct assessment to the Owner and is due on demand. Such assessment shall be the obligation of the Owner and a lien on the Lot and be collectable as other assessments are. The Association may file action to cause restraint of the action of the owner and for damages if the default is not corrected. Pending such action a *lis pendens* may be filed. The costs of such action shall be a lien upon the lot and the personal obligation of the owner if the Association prevails.

Section 7. Alterations to Common Areas and Facilities. The Association through the Board of Directors is authorized to make minor improvements to and alterations to the improvements located in and on the Common Areas and Facilities, as a Common expense however, no major or structural improvements to or alterations of the Common Areas or Facilities, or improvements or alterations costing in excess of \$3,000.00 shall be made by the Board of Directors of the Association without first obtaining approval of at least sixty-seven percent (67%) of the Owners present at a duly called meeting of the members where the notice stated such a matter would be a part of the agenda. This Section does not apply to required repair, maintenance and replacement of existing Common Areas and Facilities.

Section 8. Approval of Payment Vouchers. All vouchers for payment of expenses incurred by the Association in the maintenance, repair, alteration and replacement of the Common Areas and Facilities and lot landscape maintenance and replacement shall be approved in writing jointly by the President and Treasurer of the Association. In the absence or disability of the President, the Vice President may perform the duties herein of the President, and the Assistant Treasurer may perform the duties of the Treasurer herein in the absence or disability of the Treasurer. Notwithstanding the foregoing, the Board may authorize any officer, member, committee or independent manager to approve or disapprove all vouchers for payment of routine expenses incident to the maintenance, repair, alteration or replacement of the Common Areas or Facilities, so long as the resolution granting such authority specifically limits the maximum amount which may be authorized on each occasion, and so long as the subject resolution described the items which may routinely be so authorized. Withdrawal of funds from a reserve account shall require approval of the Board of Directors and the signature of two Directors.

ARTICLE VII

EASEMENTS

Section 1. Utilities Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat, and the properties shall be further subject to such additional easements for installation and maintenance of utilities and drainage facilities as are reasonably necessary for the construction of dwelling units by Declarant and purchasers of undeveloped Lots from Declarant. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the 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. Easements as required to correct drainage and utility installation are reserved by the Declarant over the Common Area and for a distance of up to ten (10) feet along and with all Lot lines, but not on or under a dwelling, until development is complete and functional. If corrections are necessary over a Lot that has been conveyed and improved, the party performing the correction shall repair and replace any damage to the landscaping and improvements in a reasonable manner.

Section 2. Easements Reserved to Declarant. Declarant reserves and retains non-exclusive easements for ingress, egress and regress and for the installation of all types of utilities and drainage over the Common Area and Lots (as above stated) necessary and desirable in the development of the subdivisions to completion and for access over all roads until the Property as it may be expanded by annexation is totally developed with dwellings on each Lot.

Section 3. Easements Reserved to the Association. The Association is granted an easement to go upon any lot to maintain, repair and replace the entrance way, common signage, landscaping and to determine if the obligations of the owner under this declaration and the rules and regulations adopted from time to time by the Board of Directors are being complied with and to do necessary repairs, maintenance and replacement as required by this declaration.

ARTICLE VIII

COVENANTS OF OWNER TO KEEP UNITS INSURED AGAINST LOSS, TO REBUILD AND TO KEEP IN GOOD REPAIR

The Declarant covenants with the Association, on behalf of itself and on behalf of each subsequent Owner of a Lot within the properties, and each Owner of any Lot within the properties, by acceptance of a deed therefor, whether or not it shall be so expressed in said deed, or by exercise of any act of ownership, is deemed to covenant:

- (1) To keep each dwelling unit upon a Lot insured against loss by fire with what is commonly called extended coverage in an amount equal to at least ninety-five percent (95%) of the replacement value of such dwelling unit;
- (2) Subject to the provisions and covenants contained in any mortgage or mortgages, deed of trust or deeds of trust creating a lien against any Lot, to apply the full amount of any insurance proceeds to the rebuilding or repair of any dwelling and improvements;
- (3) To rebuild or restore the dwelling in the event of damage thereto; and
- (4) To keep the dwelling and appurtenances, excluding common ground, in good repair as provided by this Declaration and Rules and Regulations adopted from time to time by the Board of Directors.

In the event of non-payment of any premium for insurance required under this Article VIII, the Association is authorized to pay such premium, and sums so paid shall be due on demand and become a lien upon the insured Lot and a personal obligation of the Owner which shall be enforceable in the same manner and to the same extent as provided for enforcement of liens for assessments hereunder. This is a right to do so and not an obligation of the Association.

ARTICLE IX**GENERAL PROVISIONS**

Section 1. Enforcement. The Association, through its Board of Directors, 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. Prior to any action being taken by an owner for enforcement, such owner shall request the Board of Directors to take action. Failure of the Board to act, if required or in the opinion of the Board no action is necessary or it decides to advise the owner to proceed, then the owner may proceed with enforcement.

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

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment of court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment by Members. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of five (5) years. This Declaration may be amended by an instrument signed by not less than sixty-seven percent (67%) of the Lot Owners, provided, that no amendment shall alter any obligation to pay ad valorem taxes or assessments, as herein provided, or affect any lien for the payment thereof established herein. Any amendment is to be properly recorded in the Davidson and Forsyth County Register of Deeds Offices.

Section 4. Annexation. The Declarant reserves the right to annex without the joinder or approval of the Members all or a part of any land which adjoins the property in its sole discretion until such time as all of the land described in Exhibit "A" is sold to purchasers. Thereafter additional contiguous residential property and Common Area may be annexed to the properties only with the consent of 67% of the Class A Members. Provided if VA and/or FHA approval of this development is sought annexation of additional property as long as there is a Class B member shall require their approval.

Additional properties as annexed shall become a part of the properties as defined herein and shall be subject to the provisions of this Declaration, the Bylaws and the Articles of Incorporation of the Association.

Section 5. Amendment by Declarant. In the event Declarant shall seek to obtain approval of this Declaration, the Bylaws, Rules and Regulations and/or the Articles of Incorporation and the development plan, as the same may be changed or supplemented, in order that Lots will be eligible for loan approval, guaranteed or insured by the Veterans Administration ("VA"), the Department of Housing and Urban Development ("HUD"), the Federal Housing Loan Mortgage Corporation ("FHLMC"), the Federal National Mortgage Association ("FMNA") or other governmental or lending or insuring agency, it is possible that such agency or agencies will require change in this Declaration and other documents in order to make the Lots and units eligible for such loans. In such event, Declarant, in its sole discretion, without the consent or approval of any other Owner ("Member") shall have the right to amend the Articles of Incorporation, Bylaws, this Declaration and/or Supplemental Declaration, and other documentation and the amendment shall become effective upon recordation of the amendment, along with the attached evidence of approval by the appropriate governmental, insuring or lending agency in the Office of the Register of Deeds of Forsyth County, North Carolina. A letter from an official, or a current published regulation, guideline or statement of policy, of the VA, HUD, FHLMC, FMNA, or other such agencies' requirements of changes shall be sufficient evidence for Declarant to amend. Each Owner (Member) and his respective mortgagees, by acceptance of a deed conveying a Lot or mortgage including the same, as the case may be, hereby, irrevocably appoint Declarant, his or their attorney-in-fact, such power of attorney being coupled with an interest, and authorize direct or empower, Declarant, in the event that Declarant exercises the rights reserved herein to amend this Declaration and any Supplemental Declaration and other documentation as herein provided, to execute, acknowledge and record for an in the name of such Owner (Member) and any such mortgagee and amendment or amendments for such purpose, and for and in the name of such respective mortgagees to execute a consent and joinder of such amendment or amendments. This right of amendment shall exist and continue until Declarant disposes of all land described in Exhibit "A" attached hereto and may not be amended without the written consent of the Declarant, its successors or specific assigns to whom such right is assigned.

ARTICLE X

RIGHTS OF FIRST MORTGAGEES

Section 1. Notification of Default by Mortgagor. Any first mortgagee of any Lot shall be entitled, upon written request to the Association, to written notification by the Association of any default by the Owner - mortgagor of such Lot in the performance of such Owner - mortgagor's obligations under this Declaration when such default is not cured within thirty (30) days from its occurrence.

ARTICLE XI

GENERAL

Section 1. At any place herein where it is required that a certain percentage of members approve the adoption of an amendment, an approval or consent of any other matter, such percentage requirement may be obtained after any required meeting, provided the motion for approval was not defeated, by obtaining the signatures of members sufficient to meet the required percentage.

Section 2. Declarant reserves and retains the right to delete, amend, modify, change or expand the terms and conditions hereof and any documents associated with the Association to bring this Declaration, by-laws, and Articles of Incorporation into compliance with the Mater Declaration and dthe law of North Carolina. Such amendment will be recorded in the Office of the Register of Deeds of Davidson and Forsyth County, North Carolina.

Section 3. Conflicts. The properties are encumbered by the Master Declaration for Salem Glen Country Club and Residential Villages as stated hereinbefore. In case of conflict between this Declaration and the Master Declaration, the Master Declaration shall control, provided where the restrictions is greater or is not governed by the Master Declaration then this Declaration shall control. In some instances both declarations will control in order to obtain approvals.

Section 4. Planned Community Act. This Declaration is not intended to be in conflict with Chapter 47F of the General Statutes of North Carolina and if any of the terms hereof are not in compliance with such Act then such Act shall control in such instances and this Declaration is expanded to incorporate matters set forth in the Act that are not covered hereby.

IN TESTIMONY WHEREOF, Shugart Enterprises, LLC, through it authorized manager has signed and sealed this instrument for and on behalf of the limited liability company.

SHUGART ENTERPRISES, LLC (SEAL)

By 
Grover Shugart, Jr., Manager

STATE OF NORTH CAROLINA - COUNTY OF FORSYTH

I, Dawn H. Hall, a Notary Public of the County and State aforesaid, certify that Grover Shugart, Jr. Manager of Shugart Enterprises, LLC, personally appeared before me this day and acknowledged the execution of the foregoing instrument for an on behalf of Shugart Enterprises, LLC.

WITNESS my hand and Notarial Seal or Stamp, this the 4th day of May, 1999

My Commission Expires: 7-13-2000

Dawn H. Hall
Notary Public



STATE OF NORTH CAROLINA - COUNTY OF DAVIDSON

The foregoing certificate of _____ is certified to be correct.

This the _____ day of _____, 1999.

RONNIE CALLICUTT, Davidson County, Register of Deeds

By: _____
Deputy/Assistant

STATE OF NORTH CAROLINA - COUNTY OF ~~FORSYTH~~ ^{DAVIDSON}

The foregoing certificate of Dawn H Hall is certified to be correct.

This the 6 day of May, 1999.

~~Ronald W. Collicutt~~
~~DICKIE C. WOOD~~, Forsyth County, Register of Deeds

By: Mary S. Rhodes, deputy
Deputy/Assistant

EXHIBIT "A"

BEING KNOWN AND DESIGNATED as Lots 1 through 24, known as Glen View Village at Salem Glen, to be located on a tract of land as more fully described below.

Commencing at an the southeastern intersection of Keswick Lane and Salem Glen Boulevard as shown on the Plat of Salem Glen Boulevard, Section 1, at Salem Glen as recorded in Plat Book 41 page 35, of the Forsyth County Registry and in Plat Book 29 page 47, of the Davidson County Registry; thence with the southern right of way line of Salem Glen Boulevard North 65 degrees 20 minutes 40 seconds East 78.62 feet to an iron stake; thence on a curve to the left having a radius of 627.14 feet a chord direction and distance North 55 degrees 50 minutes 15 seconds East 207.16 feet to an iron stake; thence North 46 degrees 50 minutes 50 seconds East 319.79 feet to an iron stake; thence on a curve to right having a radius of 544.77 feet a chord direction and distance North 62 degrees 10 20 seconds East 297.43 feet to an iron stake in the southern right of way line of Salem Glen Boulevard in the northern line of the Planter Area shown on the Plat of Glen View Village at Salem Glen recorded in Plat Book 29 page 4, in the Office of the Register of Deeds of Davidson County, the POINT AND PLACE OF BEGINNING; thence from said point of Beginning and with the southern right of way line of Salem Glen Boulevard North 78 degrees 00 minutes 55 seconds East 245.09 feet to an iron stake; thence on a curve to the left having a radius of 818.17 feet a chord direction and distance North 66 degrees 09 minutes 35 seconds East 336.40 feet to an iron stake; thence North 54 degrees 18 minutes 10 seconds East 280.43 feet to an iron stake; thence on a curve to the right having a radius of 786.30 feet a chord direction and distance North 59 degrees 19 minutes 25 seconds East 137.62 feet to an iron stake in the southern right of way line of Salem Glen Boulevard, the northeastern corner of Glen View Village at Salem Glen as recorded in Plat Book 29 page 4, in the Davidson County Registry; thence South 25 degrees 39 minutes 25 seconds East 52.73 feet to an iron stake, a corner of Lot 1, thence with the eastern line of Lots 1 through 6, South 17 degrees 20 minutes 15 seconds West 451.70 feet to an iron stake, a corner with Lot 6; thence with the southern line of Lot 6, South 77 degrees 03 minutes 45 seconds West 67.10 feet to an iron stake, the common corner of Lots 6 and 7; thence with the line of Lots 7 and 8 North 64 degrees 03 minutes 25 seconds West 110.86 feet to an iron stake a corner of Lot 8; thence with the line of Lots 8 through 11, South 58 degrees 17 minutes 40 seconds West 163.03 feet to an iron stake, common corner of Lots 8 and 9, thence with the line of Lots 12 through 16, South 17 degrees 44 minutes 30 seconds West 280.83 feet to an iron stake; thence with the line of Lots 16 and 17, South 66 degrees 17 minutes 40 seconds West 167.97 feet to an iron stake a corner with Lot 17; thence with the line of Lots 17 through 22 and the Planter Area North 34 degrees 11 minutes 00 seconds West 520.79 feet to an iron stake in the southern right of way line of Salem Glen Boulevard, thence with said right of way line on a curve to the right having a radius of 544.77 feet, a chord direction and distance North 75 degrees 04 minutes 30 seconds East 55.88 feet to an iron stake, the Point and Place of Beginning. Containing 6.96 acres, more or less, in accordance with a survey made by Richard P. Bennett, Jr., dated July 24, 1997, bearing Job #3443DG#1, and being the land shown on the Plat of Glen View Village at Salem Glen as recorded in Plat Book 29 page 4, in the Office of the Register of Deeds of Davidson County, North Carolina, to which reference is

hereby made for a more particular description. Upon this plat is shown Lots 1 through 24, a Planter Area and Prestwick Court, a private street. The major portion of this land lays in Davidson County with a portion of the Planter area and Lots 1 and 2, as presently shown on the referenced plat being in Forsyth County. The lots shown thereon are solely for the purpose of limiting the number of single family residences to be located on the tract to 24. Shugart Enterprises, LLC will record subsequent plats to set the location of each building site(lot) (envelope) to be conveyed as an as built lot. The same may be set forth as lots and/or as building sites with common areas as Shugart Enterprises, LLC may determine in its sole discretion by the subsequent recording of plats. The building sites-lots will not be located as shown on the referenced plat. For further reference see Book 1110 page 564 of the Davidson County Registry and Book 2039 page 1491 of the Forsyth County Registry for changes and approvals under the Master Declaration.