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Prepared By and Return To: Irvin R. Sink, Atty.

STATE OF NORTH CAROLINA DECLARATION OF RESTRICTIVE COVENANTS

COUNTY OF DAVIDSON SAPONA WEST, Phase One
PLAT BOOK 52 , PAGE 25
Davidson County Registry

THIS DECLARATION, made on the date hereinafter set forth by York Land Development, LLC, a North Carolina Limited Liability Company, hereinafter referred to as "Declarant."

WITNESSETH:

Declarant is the Owner of certain property located in Lexington Township, Davidson County, North Carolina, more particularly described in Exhibit "A" attached hereto and incorporated herein by reference and desires to develop this property as a residential development to be known as SAPONA WEST, Phase One. Declarant will convey the foregoing described property, and/or individual parts of it, subject to certain protective covenants, conditions, restrictions, reservations, and charges as are hereinafter set forth. Declarant intends to provide for open spaces and common areas.

Declarant desires to provide for the preservation and maintenance of the open spaces or common areas and amenities, for the preservation and maintenance of various landscaped areas, and for the preservation and maintenance of various lakes, dams, and parks on the property. Declarant desires to create certain other responsibilities in connection with the use and enjoyment of the property and to this end desires to subject the real property described above, together with such additions as may hereafter be made thereto, to the covenants, conditions, restrictions, easements, charges, and liens hereinafter set forth, each and all of which is and are for the benefit of the property and each owner thereafter.

Declarant has deemed it desirable for the foregoing purpose to create an entity to which has been delegated and assigned the powers of owning, maintaining, and administering the open

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spaces, common areas, facilities, lakes, ponds, parks and dams; administering and enforcing these covenants, conditions, and restrictions; collecting and disbursing the assessments and charges hereinafter created; and promoting the recreation, health, safety, and welfare of the Owners and residents of SAPONA WEST, Phase One. Declarant has created SAPONA WEST, Homeowners' Association, Inc. as a non-profit corporation for the purpose of exercising the foregoing functions, among others.

NOW THEREFORE, Declarant hereby declares all of the property described above to be held, sold, and conveyed subject to the following covenants, conditions, and restrictions, all of which are for the purposes hereinabove set forth, 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 party thereof, and shall inure to the benefit of the Association and each Member thereof and each owner.

ARTICLE I

DEFINITIONS

The following terms when used in this Declaration, or any amendment hereto (unless the context shall otherwise require or unless otherwise specified herein or therein) shall have the following meanings:

SECTION 1: "Accessory Structure" shall mean and refer to any structure that is not a dwelling.

SECTION 2: "Architectural Control Committee" or "Committee" shall mean and refer to the committee organized and appointed to oversee the development and enforcement of architectural control standards and restrictions described herein.

SECTION 3: "Assessment" shall mean and refer to a charge imposed by the Association in accordance with Article IV hereof.

SECTION 4: "Association" shall mean and refer to SAPONA WEST Homeowners' Association, Inc., its successors and assigns.

SECTION 5: "Building" shall mean and refer to a Structure having a roof supported by walls, columns or other means, designed or used for the shelter of individuals, animals, or chattels.

SECTION 6: "Common Area" shall mean and refer to all that area so designated on maps, surveys, and plats of SAPONA WEST designated for the common use and enjoyment of the Association and all its Members and shall include, but not be limited to streets until such is taken over for state maintenance, walkways and parks so designated on the subdivision plat of SAPONA WEST, and specifically shall include the "sign and landscape easement" along Mt. Carmel Church Road as designated on said plat.

SECTION 7. "Declarant" or "Developer" shall mean and refer to York Land Development, LLC and its respective heirs, successors, and assigns.

SECTION 8. "Dwelling" shall mean and refer to a residential Building which is designed for use exclusively as living quarters for one family.

SECTION 9. "Family" shall mean and refer to any of the following, together with his or their domestic servants, maintaining a common household in a Dwelling: (a) one or more individuals each related to the other by blood, marriage or legal adoption; (b) one or more individuals each related to the other by blood, marriage or legal adoption, together with one individual not so related; or (c) a group of not more than three individuals none of which are so related.

SECTION 10. "Garage" shall mean and refer to a building fully enclosed by solid wall or doors which close, designed to shelter motor vehicles. A Garage may or may not be attached to, or otherwise incorporated into, a Dwelling.

SECTION 11. "Improvement" shall mean and refer to any Structure, any driveway, parking area, sidewalk, patio, terrace or other paving, any swimming pool, tennis court or other recreation equipment or facility permanently affixed to the Property, any landscaping feature (including, without limitation, the alteration of the natural grade of any part of the Property, trees, plants, shrubs, earthen mounding, grasses and flowers), utility lines and anything else which becomes affixed in a permanent manner to, or is otherwise an alteration of the natural state of, any part of the Property.

SECTION 12. "Lot" shall mean and refer to any numbered plot of land shown upon any recorded subdivision map of the Properties with the exception of the common area and dedicated streets and roads or any additional Lots added to Phase One by Declarant.

SECTION 13. "Member" shall mean and refer to every person or entity who holds membership in the Association.

SECTION 14. "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 the Property, including merely as security for performance of an obligation.

SECTION 15. "Properties" or "Property" shall mean and refer to that certain real property hereinabove described and such additions thereof as may hereafter be brought within the jurisdiction of the Association.

SECTION 16. "Structure" shall mean and refer to any stationary object, other than those described in the next following sentence, erected, constructed or placed on the Property or attached to something having a permanent location on or in the Property. The following are not structures: landscape materials, including, without limitation, plants, trees, shrubs, flowers, grasses and earthen mounding; driveways, sidewalks, patios, terraces and other paved area; and

swimming pools, tennis courts and other recreation equipment and facilities permanently affixed to the Property. Without limiting the generality of the first sentence of this Section, a sign or other advertising device, detached or projecting, shall be deemed to be a separate Structure. Also without limiting the generality of the first sentence of this Section, Structures shall include but shall not be limited to, sheds, dwellings, garages, other buildings, flag poles, free-standing light fixtures and poles, fences and walls.

ARTICLE II

PROPERTY RIGHTS

SECTION 1. OWNER'S 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, subject to the following provisions:

(a) the right of the Association to limit and regulate the use of any recreational facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against the Owner's Lot remains unpaid; and, for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) the right of the Association to grant easements and rights of way, to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility (including any entity authorized by Davidson County to supply cable television service) for such purposes and subject to such conditions as may be agreed to by the Members and/or the Association.

(d) the right of the Association to impose regulations for the use and enjoyment of the Common Area and the improvements thereon, which regulations may further restrict the use of the Common Area;

(e) the right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and facilities thereon; and to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(f) the right of the Association to exchange portions of Common Area with the Declarant for substantially equal areas of the Properties for the purpose of eliminating unintentional encroachments of homes or other improvements onto portions of the Common Area.

(g) without further assent or permit, the right of Declarant, exercisable from time to time in its sole discretion, to add properties in the future to the terms and conditions of this Declaration without further declaration and to bring such additional properties, whether or not

such additional properties are a part of the original subdivision, within the jurisdiction of the Association through membership.

SECTION 2. DELEGATION OF USE. Any Owner may delegate, in accordance with the By-laws, his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Every Owner of a Lot which is subject to a lien for assessments shall be a Member of the Association. Membership shall be appurtenant to and may not be separated for Ownership of 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 (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote or votes for such Lot shall be exercised as they among themselves determines, but in no event shall more than one (1) vote be cast with respect to any Lot.

CLASS B. The Class B Member shall be the Declarant and shall be entitled to four (4) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership 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; or

(b) When 75% of the lots are owned by Class A members.

SECTION 3. REPRESENTATION OF DECLARANT ON BOARD OF DIRECTORS. Notwithstanding any earlier provisions of this Declaration, the Declarant shall have the right to designate and select a majority of the Board of Directors of the Association through January 1, 2013. Declarant shall have the right to remove any persons selected by it and to replace such persons with other persons to act and serve in their place for the remainder of the unexpired term of any Director so removed. Any Director designated and selected by Declarant need not be the Owner of a Lot in SAPONA WEST, Phase One. Any person chosen by Declarant to serve on the Board of Directors shall not be required to disqualify himself from any vote on any contract or matter between Declarant and the Association where Declarant may have a pecuniary or other interest. The Declarant shall not be required to disqualify itself upon any contract or matter between itself and the Association where the Declarant may have a pecuniary or other interest.

ARTICLE IV

COVENANT FOR MAINTENANCE AND ASSESSMENTS

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. Owner, for each Lot owned within the Properties, by acceptance of a deed, hereby covenants and agrees 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) to the appropriate governmental taxing authority: (a) a pro rata share of ad valorem taxes levied against the Common Area; and (b) 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 as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Declarant is not charged assessments or charges for Lots prior to the first sale.

SECTION 2. PURPOSE OF ASSESSMENTS.

(a) The assessments levied by the Association shall be used exclusively for capital improvements to or for the benefit of the Common Area, to promote the recreation, health, particular for the acquisition, improvement, and maintenance of properties, services, facilities (including a reasonable provision for contingencies and replacements) devoted to this purpose for the use and enjoyment of the Common Area, including but not limited to, the costs of repairs, replacements, and additions, the cost of labor, equipment, materials, management, and supervision, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance and liability insurance in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

(b) The Association shall maintain all streets within the property until said streets are accepted for purposes of maintenance by a governmental entity. The Association shall have the responsibility of maintaining a sightly appearance along all street rights-of-way and utility easements. The Association shall have the responsibility of constructing, maintaining, and repairing any ponds, lakes, and/or dams on the Properties.

(c) 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 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 unto the Association by any Lot Owner, the same may be commingled with monies paid to the Association by the other Lot Owners. All funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom shall be held for the

benefits of the Members of the Association. No Member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Lot. When a Lot Owner shall cease to be a member of the Association by reason of his divestment of ownership of his Lot, by whatever means, the Association shall not be required to account to such Owner for any share of the fund or assets of the Association, or which may have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Properties.

SECTION 3. MAXIMUM ANNUAL ASSESSMENT.

(a) The maximum annual assessment for a calendar year shall be an amount established by the Board of Directors as of January 1 of each year. The annual assessment for 2007 shall be set by Declarant.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year by not more than 15% above the maximum assessment for the previous year without a vote of membership.

(c) The annual assessments provided for herein shall commence as to each Lot on the first day of the month following the conveyance of such Lot to someone or an entity other than the Declarant. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year.

SECTION 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized above, the Association may levy, in any year, a special assessment applicable to that year only for the purpose of defraying in whole or in part the costs of any construction, reconstruction, or repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereon, provided that any such assessment shall have the assent of a majority of the votes of each class of Members who are voting in persons or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed at a uniform rate for all Lots and shall be collected as determined by the action of a majority vote of the Association.

SECTION 5. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTION 3 AND 4. Written notice of any meeting for the purpose of taking any action authorized under Section 3 or 4 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 one-fourth (1/4) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 6. EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION.

(a) Any assessments which are not paid when due are delinquent. Any assessment delinquent for a period of more than fifteen (15) days shall incur a late charge in an amount the Board may from time to time determine. The Association shall give a notice of delinquency to any member who has not paid within fifteen (15) days following the due date. If the assessment is not paid within thirty (30) days of the due date, a lien, as provided in this Article, shall attach and shall include the late charge, interest on the principal amount due (not to exceed the maximum legal rate), and all late charges from the date first due, all costs of collection, any fines assessed as hereinafter provided, reasonable attorney's fees actually incurred, and any other amounts provided for or permitted by law. If the assessment remains unpaid after sixty (60) days from the due date, the Association may, as determined by the Board, institute suit to collect the amounts due and to foreclose the lien. Each Owner, by acceptance of a deed or as a party to any other type of conveyance, vests in the Association of its agents the right and power to bring all actions against him or her personally for the collection of the charges as a debt or to foreclose the lien in the same manner as other liens for the improvement of real property may be foreclosed. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all other Owners.

(b) The Association shall have the right after notice and hearing, to levy fines for infractions of the provisions of this Declaration or rules and regulations promulgated by the Board provided that the Owner shall have been warned in writing of a previous infraction, within the preceding one (1) year and the fine conforms to the rates hereinafter provided. Late charges on delinquent assessments and fines levied by the Association shall not exceed the following rates computed on the outstanding balance, which shall include any late charges previously assessed and unpaid, from month to month.

- (1) on so much of the outstanding balance as does not exceed One Thousand Dollars (\$1,000.00), one and one-half percent (1.50%);
- (2) if the outstanding balance is more than One Thousand Dollars (\$1,000.00), one percent (1.0%) on the excess over One Thousand Dollars (\$1,000.00) of the outstanding balance;
- (3) if the late charge so computed is less than Ten Dollars (\$10.00) for any month, then Ten Dollars (\$10.00).

(c) No charge may be imposed more than once for the delinquency of the same payment, provided, however, that the imposition of a late charge on any delinquent payment shall not eliminate or supersede charges imposed on prior delinquent payments. When an assessment is paid more than fifteen (15) days after the due date of the assessment, late charges shall accrue from the first day following the due date of the assessment. All late charges shall be non-cumulative. The Association may bring legal action against the Owner personally obligated to pay a delinquent assessment or fine and the Association may suspend the delinquent Owner's membership rights in the Association while the assessment or fine remains unpaid. In any legal

action to enforce payment of any assessment or fine, the Association shall be entitled to recover interest, costs and reasonable attorney's fees.

(d) No Owner may waive or otherwise exempt himself or herself from liability for the assessments provided for herein, including, by way of illustration, but not limitation, by non-use of Common Areas, or abandonment of the Lot. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws, or for improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay assessments being a separate and independent covenant on the part of each Owner.

(e) All payments shall be applied first to costs and attorney's fees, then to fines, then to late charges, then to interest, then to delinquent assessments, then to any unpaid installments of the annual assessment or special assessments which are not subject matter of suit, in the order of their coming due, and then to any unpaid installments of the annual assessment or special assessments which are the subject matter of suit, in the order of their coming due.

(f) The Association shall have the power and authority to promulgate rules and regulations governing Architectural Control including lot erosion control, and enforce same by levy of fines. There is hereby granted to the Association the right and easement to correct an erosion problem and assess the costs thereof as an assessment charged against the lot involved.

SECTION 7. EFFECT OF DEFAULT IN PAYMENT OF AD VALOREM TAXES OR ASSESSMENTS FOR PUBLIC IMPROVEMENTS BY ASSOCIATION. Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or assessments for public improvements to or for the benefit of the Common Area, which default shall continue for a period of six (6) months, each Owner of a Lot in the development shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by dividing the total taxes and/or assessments due the governmental authority by the total number of Lots. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the Owner, his heirs, devisees, personal representatives, and assigns, and the taxing or assessing governmental authority may either bring an action at Law against the Owner or may elect to foreclose the lien against the Lot of the Owner.

SECTION 8. SUBORDINATION OF THE LIEN TO THE MORTGAGES. The liens provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien or liens provided for in the preceding sections. However, the sale or transfer of any Lot which is subject to any such bona fide first mortgage or deed of trust, pursuant to a 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 transfer. No such sale or transfer shall relieve

such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or deed of trust.

SECTION 9. EXEMPT PROPERTY. All property 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. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE V

ARCHITECTURAL CONTROL

SECTION 1. THE ARCHITECTURAL CONTROL COMMITTEE. An Architectural Control Committee (the "Committee") consisting of three (3) or more persons shall be appointed by the Declarant. Declarant shall appoint the Committee until such time Declarant is no longer a member of the Association, or until initial plans for construction of improvements on each of the lots have been approved whichever occurs first, at which time the Board of Directors of the Association shall appoint a new Committee of three or more persons. The Architectural Control Committee shall designate a chairman among them. The Declarant, and subsequently the Board of Directors of the Association, may remove a committee member and appoint a new one at any time, with or without cause or reason.

SECTION 2. PURPOSE.

(a) The Architectural Control Committee shall regulate the external design, appearance, use, location, and maintenance of the Properties and of improvements thereon including dwellings, garages, gazebos, fences, in-ground swimming pools, mailboxes and any and all structures which otherwise comply with these restrictive covenants and may be erected on a lot, in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography. To that end, no construction, improvements, alterations, repairs, change of paint colors, plantings, excavations, changes in grade or other work which in any way alters the exterior of any Lot or the improvements located thereon from its natural or improved state existing on the date such Lot as first conveyed in fee by the Declarant to an Owner shall be made or done without the prior written approval of the Architectural Control Committee.

(b) All construction shall be performed by builders approved by the Architectural Control Committee. A list of approved builders can be obtained from the Declarant or the Committee.

(c) Exposed exterior walls are to be approved by the Architectural Control Committee along with submitted building plans, however, exposed exterior walls composed of the following materials shall be prohibited from this subdivision: concrete blocks, imitation asphalt brick siding, and imitation asphalt stone siding. In addition, all roofs over the main

dwelling shall be a minimum of 8/12 pitch, and the ground floor heated area shall contain a minimum ceiling height of nine (9) feet. Any dwelling shall be of new construction and of new materials. Outbuildings and garages shall be of new construction and of a quality compatible with the residence located, or to be constructed, thereon.

(d) Construction of improvements on a lot once started cannot be abandoned. The intent of this restriction is to prevent unsightly and/or hazardous excavations and partially completed structures. The normal period of completion for houses shall be presumed to be one year from the issue date of building permit. The normal period of completion time for outbuildings, or other improvements shall be presumed to be twelve months from issue date of building permit.

SECTION 3. PROCEDURE

(a) At least thirty (30) days prior to the anticipated commencement of any landscaping, construction of any structure, repair or improvement on any Lot, the Owner of such Lot (or his duly appointed agent) shall submit to the Chairman of the Architectural Control Committee a survey of the Lot, which survey shall show each Lot corner. There shall further be shown on said survey the proposed location of all proposed and existing structures or improvements, including driveways, patios, decks and breezeways, and of all improvements that will result in the creation of impervious surfaces as defined by any applicable governmental agency enforcing storm water or watershed regulations relating to density of construction or allowed impervious surface development. There shall further be provided to the Architectural Control Committee sufficient building elevations and other site plans, including a statement of exterior building materials and proposed exterior colors, to allow the Architectural Control Committee to appropriately and accurately evaluate what is proposed for construction of the Lot. There shall be submitted two copies of all information required to be submitted.

(b) Prior to grading and/or construction on any Lot, a Soil Erosion and Sedimentation Control Plan shall be submitted to the Architectural Control Committee for approval. Any disturbed area over one acre in size shall require a sedimentation control plan approved by NCDEHNR. Any clean-up on a Lot shall be the responsibility of the property owner and/or builder.

(c) Within thirty (30) days after receipt of all required information, the Architectural Control Committee shall give in writing to the Owner of the Lot notice about whether or not the requested improvements are approved. Unless a response is given by the architectural Control Committee within thirty (30) days, the plan shall be deemed approved. A quorum for meetings of the Committee shall be two (2) members present and acting throughout any meeting. In addition, the Committee may take action without a meeting if said action is signed by not less than two (2) members of the Committee. The response of the Association may be an approval, a denial, an approval with conditions, or a request for additional information. A request for additional information shall be deemed a determination that the information submitted was inadequate, and the thirty (30) day time for response shall only commence upon receipt of the requested additional information. If approval with conditions is granted, and

construction then begins, the construction shall be deemed approval by the Owner of the Lot of the conditions imposed.

(d) As a condition to the granting of approval of any request made under this Article, the Architectural Control Committee may require that the Owner requesting such change be liable for any cost of maintaining or repairing the approved project. If such condition is imposed, the Owner shall evidence his consent thereto by a written document in recordable form satisfactory to the Architectural Control Committee. Thereafter, the Owner, and any subsequent Owner of the Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree that any cost of maintenance and repair of such improvement shall be a part of the annual assessment or charge set forth in Article IV, Section 1, and subject to the lien rights described in said Article IV.

ARTICLE VI

USE RESTRICTIONS

1. The Property shall be used for residential purposes only, and no structure shall be erected or allowed to remain on any lot except one detached single-family dwelling.

2. No resubdivision of any single lot shall be allowed, if any resulting lot will be smaller in size than any of the lots resubdivided, prior to resubdivision. Nothing contained herein shall prohibit conveyance of more than one lot, or portions of contiguous lots, as long as the resulting lot or lots are greater in size than those originally subdivided, except Declarant may divide and reconfigure lots subject to planning and health department approval even if the redivision increases the total number of lots in the subdivision. The deed of conveyance of any such resubdivided or recombined lots shall restrict the construction thereon to one single family residential home per redivided lot, so that the maximum number of homes which can be constructed within the subdivision shall not increase. Upon the recombination of any lots to reduce the total number of allowable building lots within the subdivision, for purposes of membership in the Association and for purposes of the payment of assessments, any recombined lots shall be considered a single lot. Furthermore, should any lot be determined by Declarant to be unbuildable, and should such lot then be deeded to the Association as Common Area, or dedicated by Declarant as a recreation or Open Space for the benefit of the Association, all by document duly recorded in the office of the Register of Deeds of Davidson County, there shall be no further assessments owed from the date of such recordation; however, any assessments prepaid shall not be reimbursed.

3. A lot owner shall maintain and preserve his lot or lots in a clean, orderly and attractive appearance within the spirit of this development.

4. Until such time a public sewage system is available, sewage disposal shall be by septic tanks which shall be constructed and maintained in a manner satisfactory to the Davidson County Health Department or other appropriate regulatory agency.

5. All homes constructed in this subdivision must be supplied with water for normal domestic use from the water system of Davidson Water, Inc., or its successors.

6. No communication satellite dishes may be installed on any lot unless fully screened from view from the street front, and adjoining properties by appropriate landscaping, fencing or other screening. The erection, screening and placement of the satellite dish must be approved by the Committee.

7. No building shall be erected or allowed to remain on any lot within the building setback lines shown on the recorded plat, or within 15 feet of the side lot line or within 25 feet of a back line. A detached garage or other outbuilding may be located no nearer than 10 feet of the side lot line.

8. No junk automobiles or other salvage shall be allowed to remain on any lot.

9. There shall be no clothesline located on any lot. Garbage cans shall not be exposed to public view.

10. No noxious or offensive activity shall be carried on upon any lot. The interference of any stream or waterway so as to cause pollution or stagnation is prohibited. The throwing or dumping of trash, garbage, and waste materials shall not be permitted on any lot. There shall be no excavation made which does not pertain to the building or construction of a home.

11. No burning of any refuse shall be permitted on part of the property or lot other than in proper facilities therefor maintained in and as part of the dwelling, except that the burning of leaves is permitted if and to the extent allowed by applicable laws and regulations.

12. No fowl, animal, or reptile of any kind shall be kept or allowed to remain on any lot. However, dogs, cats and birds which are kept solely as household pets may be allowed, provided that the keeping thereof shall not be a nuisance or annoyance to the community or dangerous to public health, and provided further, that if dogs are kept restrained outside the home, no more than two (2) dogs may be kept in a fenced area of at least 2000 square feet. Provided however, rottweillers, pit bulls or any mix of the two breeds shall not be allowed on any lot. All fences and outside pet houses must have architectural approval by the committee. Dogs cannot be kept outside restrained by chain or other tie-up.

13. Hunting and trapping of wild animals, fowl and game and the discharge of firearms and/or bow and arrows within the subdivision is prohibited unless required for public safety.

14. No trailer, mobile home, manufactured home, modular home of any type, basement without superstructure, tent, barn, garage, or other outbuilding shall at any time be used as a residence, temporarily or permanently on any lot, nor shall any structure of a temporary character be used as a residence. Only homes built "on-site" shall be allowed to be used as a residence.

15. Porches and Decks shall be designed with substantial, well-proportioned railings, flooring and support posts meeting building code requirements. Space below decks shall be screened with lattice, shrubbery or other means appropriate to the house design.

16. The approved mailbox must installed only in a location approved by the Committee. House numbers may be displayed on buildings or mailboxes only as approved by the Committee.

17. No motorbikes, mopeds, three-wheel bikes, or similar motorized vehicles shall be operated within the right-of-way of the streets and roads of the subdivision, neither on the paved portion of the roadway nor on the shoulders of the roadway. No motor homes, travel trailers, other recreational vehicles, school buses, vans, or large trucks may be parked within the right-of-way of the streets and roads of the subdivision, neither on the paved portion of the roadway nor on the shoulder of the roadway or private residential driveways. No vehicle of any size which transports inflammatory, explosive or hazardous materials may be kept in the subdivision at any time.

18. All driveways shall be paved except as approved by the Committee, pavement to consist of asphalt, concrete, or any other material deemed appropriate by the Committee. All residences must be provided with private driveways for adequate parking off of the public right-of-way. All connections of private driveways to the public road shall be constructed and maintained in accordance with the rules, regulations and specifications of the N.C. Department of Transportation, or its successors applicable to the connection of private driveways.

19. No tractor or trailer, or combination thereof (except a moving van being used to move furniture to or from a house) shall be permitted to remain on any lot or any street in the subdivision for a longer period than two consecutive hours.

20. Declarant reserves the right to erect and maintain signs designating streets and any other signs that will aid in the development of the subdivision. Individual signs at residences' entrances must be approved by the Committee. No signboards of any description shall be displayed on any residential lot with the exception of signs "For Sale" or "For Rent" which signs shall not be larger than two feet by three feet.

21. Declarant reserves an easement for, and the right at any time in the future, to grant rights of way for the installment, erection and maintenance of public utilities, including but not limited to electric, gas, propane, water, sewer, and cable television lines, and other necessary improvements on, under, and across lots and as shown on the recorded plat, and on a sixteen (16) ft. strip lying adjacent to all lot lines and/or easements.

22. No lot shall be used to extend road(s) for public or private use or to create additional development for any purpose except Declarant may use any lot for the purpose of access to additional development, provided however, Lot No. 27 may be used by the adjoining property owner on the west, Eric Myers, et ux, or his assigns; for driveway access to one single family dwelling used for residential purposes on said property adjoining Lot 27.

23. No construction vehicles shall park within the road right of way.

ARTICLE VII

DWELLING SIZE

1. The square footage requirements set forth below are for enclosed heated floor area and are exclusive of the areas in heated or unheated basements, vaulted ceiling areas and attics, unheated porches of any type, attached or detached garages, carports and unheated storage areas, decks and patios. Any dwelling erected upon any Lot shall contain not less than the following heated floor areas:

	<u>Minimum Total Heated Area</u>	<u>Minimum Ground Floor Heated Area</u>
1 story	1800	1800
1 ½, or greater, split level, tri-level and others.	2000	1300

2. Notwithstanding the foregoing instruments, the Architectural Control Committee shall have the right, in its sole and absolute discretion, because of restrictive topography, lot dimensions, unusual site related conditions or other reasons to allow variances of up to ten percent (10%) of such minimum square footage requirements by a specific written variance.

ARTICLE VIII

STREETS AND ROAD MAINTENANCE

1. All streets in this development will be constructed as public streets, meeting the standards of the North Carolina Department of Transportation (NCDOT) for subdivision streets except for the private access easements as shown on the plat map. The Declarant will dedicate right-of-way for the public streets as shown on the recorded map referred to above having a width of at least fifty (50) feet.

2. The streets may be accepted by NCDOT for addition to the state highway system as state maintained roads upon petition by affected lot owners pursuant to the then current regulations of NCDOT. Reference is made to the regulations of the NCDOT for a more complete discussion of procedures regulating the admission of streets to the state system. Following such a petition, the streets will be reinspected by the NCDOT to insure that they continue to meet all state standards, including condition of right-of-way and drainage ditches and swales, failing which the streets may

not be admitted to the state system. Declarant hereby reserves authority to submit application to NCDOT for addition to the state maintenance system any or all of the streets in the subdivision.

3. Until a street is added to the state maintenance system and in the event a street is not added to the state system, the street maintenance shall be the responsibility of the lot owners or the Association. Each lot owner shall pay a proportionate share of road maintenance expense based on the number of dwelling houses served by said street. **THE OBLIGATION TO MAINTAIN THE STREET SHALL BE APPURTENANT TO AND RUN WITH THE OWNERSHIP OF A LOT, AND MAY BE ASSUMED BY THE ASSOCIATION WITH THE MAINTENANCE COSTS COLLECTED AS ASSESSMENTS PURSUANT TO ARTICLE IV OF THESE COVENANTS.**

4. Nothing, including but not limited to walls, fences, gates, timbers, trees or plants, shall be erected, placed or permitted to remain in any portion of the street right-of-way or related sight or drainage easements as shown on the recorded map of this development. No drainage ditch or swale shall be filled, tiled or altered in any way except in accordance with the standards of the NCDOT. Mailboxes approved for use by NCDOT may be placed at locations pursuant to NCDOT regulations subject to approval by the Architectural Control Committee.

5. Each lot owner shall be responsible for the maintenance of the lot's driveway connection and any drainage ditch or swale pursuant to NCDOT and NC Department of Environmental Health and Natural Resources (NCDEHNR) standards. Prior to any construction, the driveway connection must be installed. All driveway connections shall be installed with reinforced concrete pipe (RCP). At the time of petition of the street for State maintenance, if required by NCDOT, each lot owner is responsible for the driveway connection, any drainage ditch and or swale being returned to NCDOT standards if it has been altered by the lot owner or damaged by any construction on the lot. Each respective lot owner agrees to indemnify and save Declarant harmless from any loss or damage arising from the lot owner's failure to keep the lot driveway connection, drainage ditch and swales in conformity with NCDOT and NCDEHNR regulations, and in addition, from any loss or damage to the existing street caused by heavy equipment in connection with construction on a lot. The intent of this provision is for no action by the lot owner arising from any grading or construction on the lot, or erection of any structures or mailboxes not in accordance with NCDOT or NCDEHNR standards, to be a bar to acceptance of the street for State maintenance. **THESE STANDARDS MAY BE ENFORCED BY THE LEVY OF FINES AS DETERMINED BY THE ASSOCIATION.**

ARTICLE IX
STREET LIGHTS

SECTION 1. DECLARANTS OBLIGATION

Street Lighting within this residential subdivision will be provided by Energy United. Actual street light locations are to be approved by the Declarant prior to installation.

SECTION 2. LOT OWNER'S OBLIGATION

(a) This Street Lighting service requires a continuing monthly charge to the individual residential customers or homeowners association, and it is the Declarant's responsibility to notify the purchaser of each building lot in writing of said charge. The Declarant reserves the right to subject the real property in this subdivision to a contract with the Energy United for the installation of Street Lighting, which requires a continuing monthly payment to the Energy United by each residential customer or association in the event the Association assumes responsibility for the street lighting service with the costs thereof collected as assessments pursuant to Article IV of these covenants.

(b) The obligation to pay for street lighting shall be appurtenant to and run with the lot, and may be assumed by the Association as set out above.

ARTICLE X
VALIDITY AND ENFORCEMENT

SECTION 1. REMEDIES

(a) If any person shall violate or attempt to violate any of the covenants and restrictions contained herein, it shall be lawful for any other person or persons owning any of the lots in said subdivision to prosecute any proceedings at law or in equity against the persons violating or attempting to violate any such covenants and restrictions, and either to prevent him or them from so doing or to recover damages for such violation, it being understood that this right extends not only to the present owner of said subdivision, but also to any future lot owners thereof.

(b) Invalidation of any one of these covenants by judgment of court order shall in no way affect any of the other provisions which shall remain in full force and effect.

SECTION 2. APPURTENANT TO LAND

These covenants and restrictions are to run with the land and shall be binding on the parties herein and all persons, firms or corporations purchasing lots and those claiming under them until January 1, 2033, at which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years, unless by vote of a majority of the then owners of the lots in this subdivision, it is agreed to change said covenants and restrictions in whole or in part.

ARTICLE XI

RIGHT OF MODIFICATION

Declarant has developed this subdivision pursuant to a general plan or scheme of development and does not intend to abandon this general plan. However, Declarant reserves the right to modify or change any of the above restrictions by written consent, duly acknowledged and recorded in the Office of the Register of Deeds of Davidson County, North Carolina, and which written consent may be given or withheld within the uncontrolled and sole discretion of Declarant as it may deem best for the general plan or scheme of development.

IN WITNESS WHEREOF, Declarant, York Land Development, LLC has caused this instrument to be signed by its duly authorized member manager this the 22 day of January, 2008.

York Land Development, LLC

BY: Henry Johnson York, III

Henry Johnson York, III, Member-Manager

NORTH CAROLINA DAVIDSON COUNTY

I, the undersigned, a Notary Public, do hereby certify that **Henry Johnson York, III**, personally appeared before me this day and acknowledged that they are member-managers of **York Land Development, LLC**, a limited liability company, and further acknowledged the due execution of the foregoing instrument on behalf of the limited liability company.

Witness my hand and official seal, this 22 day of January, 2008.

My commission expires:

3-26-09

Irvin R. Sink
Notary Public

Irvin R Sink

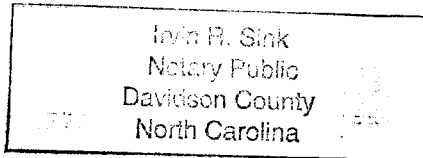


EXHIBIT "A"

BEING Lots Nos. 1 through 40, inclusive, and streets known as Oakleaf Drive, Eagle Lane, and Deerwood Drive, all as shown on Plat of Sapona West recorded in Plat Book 52, page 25, Davidson County Registry.