



NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the Property 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 Summit Lakes Homeowners Association, Inc., its successors and assigns.

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 Property, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 3. "Property" shall mean and refer to that certain real property hereinabove described, except as specifically excluded herein.

SECTION 4. "Common Area" shall mean all real property and interests in real property (including easements and open spaces) owned by the Association for the common use and enjoyment of the Owners. The Common Area at the time of the conveyance of the first Lot is described as follows:

All of that land designated "Common Area" as shown on the Plat entitled "Summit Lakes, Phase One" which appears of record in the Office of the Register of Deeds of Guilford County, North Carolina, in Plat Book 129, Pages 77-83;

SECTION 5. "Dwelling" shall mean and refer to any single-family residential structure constructed on a Lot in the Property.

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

SECTION 7. "Declarant" shall mean and refer to Summit Oaks L.L.C., its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development and are designated as a Declarant in a recorded instrument executed by Summit Oaks L.L.C.

SECTION 8. "Lot" shall mean and refer to any numbered plot of land shown upon any recorded subdivision map of the Property other than the parcel of land designated as "89" on the Plat of Summit Lakes, Phase 4, Map 3, referenced above. Declarant retains the right to further

subdivide and to annex lot "89" and any lots resulting therefrom to the Property as described in Article X, Section 4, hereof.

ARTICLE II

PROPERTY RIGHTS; OWNERS' EASEMENTS OF ENJOYMENT

Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to regulate the use of the Common Area and to charge reasonable admission and other fees for the use of any recreational facility situated on the Common Area;

(b) the right of the Association to suspend the voting rights of an Owner and the right to the use of the recreational facilities and the Common Area by an Owner for any period during which any assessment, fine or other charge against his Lot remains unpaid;

(c) the right of the Association to grant easements and rights-of-way over the Common Area to any public agency, authority or utility (including any entity authorized by Guilford County to supply cable television service) for such purposes and subject to such conditions as may be agreed to by the Board of Directors of the Association. No such dedication or transfer shall be effective unless an instrument signed by a majority of the Board of Directors of the Association, agreeing to such dedication or transfer, has been recorded;

(d) the right of the Association to impose and enforce rules and regulations for the use of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area, and to establish and enforce the restrictive covenants applicable to Lots and the ordinances of Guilford County. Sanctions may include monetary fines and suspension of the voting rights and easements of enjoyment of any Member or tenant for a period not to exceed sixty (60) consecutive days; and

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

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

SECTION 1. MEMBERSHIP. 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 from ownership of any Lot which is subject to assessment.

002

SECTION 2. CLASSES OF MEMBERSHIP. The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners other than the Declarant. Class A Members 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 determine.

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, as the case may be, 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) on December 31, 2010.

SECTION 3. RIGHT OF DECLARANT TO REPRESENTATION ON BOARD OF DIRECTORS OF THE ASSOCIATION. Notwithstanding anything to the contrary herein, until December 31, 2010, Declarant shall have the right to designate and select a majority of the Board of Directors of the Association. Whenever Declarant shall be entitled to designate and select any person or persons to serve on any Board of Directors of the Association, the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or Bylaws of the Association. Declarant shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any Director or Directors so removed for the remainder of the unexpired term of any Director or Directors so removed. Any Director designated and selected by Declarant need not be an Owner. However, Declarant shall be responsible, pursuant to the provisions of Article IV, for the payment of assessments which may be levied by the Association against any Lot or Lots owned by Declarant, and for complying with the remaining terms and provisions hereof in the same manner as any other Owner. Any representative of Declarant serving on the Board of Directors of Association shall not be required to disqualify himself from any vote upon any contract or matter between Declarant and the Association where Declarant may have a pecuniary or other interest. Similarly, Declarant, as a Member of the Association, shall not be required to disqualify itself upon any contract or matter between Declarant and the Association where 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. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner for any Lot, by acceptance of a deed therefor, whether or not it shall be so

2883

expressed in such deed, is deemed to covenant and agree to pay to the Association (1) regular annual assessments or charges; (2) street annual assessments, if applicable, as hereinafter provided, (3) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided; (4) a fine of Ten Dollars (\$10.00) per day for failure to commence construction of the dwelling on the Lot as provided in the restrictive covenants contained in the deed for each Lot; and (5) a fine of One Hundred Dollars (\$100.00) per day for failure to complete the Dwelling and landscaping on a Lot as provided in the restrictive covenants contained in the deed for each Lot; and 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, and any fine or other charge, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment and charge, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment or charge fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

#### SECTION 2. PURPOSE OF ASSESSMENTS.

(a) The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the residents of the Property and in particular for the acquisition, improvement and maintenance of properties, services (including providing street lighting) and facilities devoted to this purpose, the maintenance of any dedicated streets within the Property which have not been accepted for maintenance by the appropriate governmental authority, the maintenance of entrance signs and related landscaping and lighting and for the improvement, maintenance, use and enjoyment of the Common Area. Expenditures may include, but are not limited to, the cost 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 in accordance with the Bylaws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

(b) All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Property, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the Bylaws 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. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom shall be held for the benefit of the Members of the Association, no Member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his Membership interest therein, except as an appurtenance to his Lot. When 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 funds or assets of the Association, or which may

have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Property.

SECTION 3. MAXIMUM REGULAR ANNUAL ASSESSMENT.

(a) Until January 1 of the year immediately following the year of conveyance of the first Lot to an Owner, the maximum annual assessment for each Lot shall be Five Hundred Forty and 00/100 Dollars (\$540.00).

(b) The maximum annual assessment for the calendar year immediately following the year in which conveyance of the first Lot to an Owner is made and for each calendar year thereafter shall be established by the Board of Directors and may be increased by the Board of Directors without approval by the Membership by an amount not to exceed twenty percent (20%) of the maximum annual assessment of the previous year.

(c) The maximum annual assessment for the calendar year immediately following the year in which conveyance of the first Lot to an Owner is made and for each calendar year thereafter may be increased without limit by a vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose.

(d) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum, subject to the provisions of Section 7 of this Article.

SECTION 4. STREET ANNUAL ASSESSMENT. Certain of the Lots in Summit Lakes may abut streets and cul-de-sacs which have been dedicated for public use, but which have not yet been accepted by public authorities for maintenance. Such streets and cul-de-sacs shall be maintained by the Association unless and until they are effectively accepted by a public authority for maintenance.

Until such time as any such street or cul-de-sac is accepted by a public authority, the Declarant, for each such Lot abutting such a street or cul-de-sac owned by it, hereby covenants, and every other Owner of each such Lot, by acceptance of deed therefor, whether or not expressed in any such deed, is deemed to covenant and agrees to pay to the Association an annual assessment for maintenance and repair of any street and cul-de-sac abutting such Lot not accepted for maintenance by public authority.

The street annual assessment must be fixed at a uniform rate for all Lots subject thereto and shall be collected on a monthly or quarterly basis in advance. Such street assessments may be kept in an account separate from any other assessments collected pursuant to this Declaration.

SECTION 5. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part the costs of any 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 two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed at a uniform rate for all Lots and may be collected on a monthly, quarterly or annual basis.

SECTION 6. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 3 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 5 shall be sent to all Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) 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 7. RATE OF ANNUAL ASSESSMENT.

(a) With the exception set forth in Section 4 of Article V, annual assessments must be fixed at a uniform rate for all Lots.

(b) The Declarant shall pay annual assessments on Lots owned by it on the same basis as other Lot Owners.

SECTION 8. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS; DUE DATES. The annual assessments provided for herein shall be collected on a monthly or quarterly basis in advance and shall commence for each Lot conveyed by the Declarant to an Owner on the first day of the first month following the conveyance of such Lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year after conveyance of such Lot. The annual assessments for Lots owned by Declarant commence as to a particular Lot at the time the first Lot shown on the recorded subdivision plat (that includes the particular Lot) is conveyed to an Owner.

At least thirty (30) days in advance of each annual assessment period, the Board of Directors shall fix the amount of the annual assessment and shall send written notice thereof to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

SECTION 9. EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION. Assessments authorized by this Declaration shall be due and payable on the dates established by the Board of Directors from time to time. Fees, fines and penalties authorized by this Declaration shall be due and payable thirty (30) days after written notice thereof from the Association to the Owner. Any assessment, fee, fine or penalty not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner

personally obligated to pay the same or foreclose the lien created herein against the property in the same manner as prescribed by the laws of the State of North Carolina for the foreclosures of deeds of trust, and interest, costs and reasonable attorney's fees for representation of the Association in such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of his Lot.

1937

SECTION 10. 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 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 in the development. 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 then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

SECTION 11. SUBORDINATION OF THE LIEN TO 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 section. However, the sale or transfer of any Lot which is subject to any such first mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which become due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or deed of trust.

SECTION 12. 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 intended for or devoted to dwelling use shall be exempt from said assessments.



ARTICLE V

MAINTENANCE OF COMMON AREA,  
STREETS, LOTS AND DWELLINGS

SECTION 1. MAINTENANCE OF COMMON AREA. The Association shall maintain the Common Area and, until accepted for maintenance by public authorities, the streets and cul-de-sacs within the Property. Any ponds shall be maintained and repaired in accordance with all requirements of Guilford County or such other governmental authority having jurisdiction for watershed protection. If the Association should be dissolved or cease to exist, then in such event, the Owners of Lots shall be jointly and severally liable for the cost of such maintenance.

SECTION 2. MAINTENANCE OF EXTERIOR OF DWELLINGS AND LOTS. Each Owner shall provide exterior maintenance upon each Dwelling and yard of an improved Lot which is subject to assessments hereunder, as follows: paint, repair, replace and care of roofs, gutters, downspouts, exterior building surfaces, fences, decks, glass surfaces, window and door screens, steps, grass, trees, shrubs, walks and other exterior improvements. All yards and driveways must be kept free of trash and debris.

SECTION 3. STANDARD OF MAINTENANCE. The Association shall perform its maintenance obligations under this Declaration in a reasonable manner and on a reasonable basis as shall be determined by the Board of Directors, in the exercise of its discretion.

SECTION 4. OWNER'S NEGLIGENCE. In the event that the need for maintenance, repair or replacement is caused through the willful or negligent act of the Owner, his family, guest or invitees, the cost of such maintenance, replacement or repairs shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE VI

ARCHITECTURAL CONTROL

Initial construction of a Dwelling on a Lot shall be subject to the terms and conditions set forth in a separate set of restrictive covenants contained in each deed for Lots from Declarant to an Owner and recorded in the Guilford County Registry.

ARTICLE VII

USE RESTRICTIONS

SECTION 1. LAND USE AND BUILDING TYPE. No Lot shall be used except for single-family residential purposes; provided that Declarant or its designee may make temporary use of a Lot or Lots as a sales office and/or model.

SECTION 2. NUISANCE. No noxious or offensive activity shall be conducted upon any Lot nor shall anything be done thereon which may be or may become an annoyance or

388

nuisance to the neighborhood. Owners of Lots with garages shall keep the interior of such garages in a neat and orderly condition and shall keep garage doors closed as much as practical.

SECTION 3. ANIMALS. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any Dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and further provided that they are kept and maintained in compliance with all laws and ordinances of the County of Guilford relating thereto.

SECTION 4. OUTSIDE ANTENNAS. The following devices shall be prohibited within Summit Lakes:

(a) Direct broadcast satellites (DBS) dishes greater than one meter (39") in diameter; and

(b) Antennas greater than one meter (39") in diameter or diagonal measurement used to receive multichannel multipoint distribution (wireless cable) providers (MMDS).

No antennas may be erected within ten feet (10') of electric power lines. All antennas must be properly grounded and secured. These are safety requirements established to protect against possible contact between any antenna and electric power lines. Plans showing proposed location of antennas and grounding and security provisions therefor must be submitted to the Board of Directors of the Association prior to installation. Such plans shall be deemed approved if Owner is not advised in writing of disapproval within twenty-one (21) days following proper submission of plans.

Any Owner who wishes to install an antenna which will extend more than twelve feet (12') above the roofline to which it is mounted must obtain a permit from the Board of Directors of the Association for such installation.

Any otherwise permitted antenna or satellite dish shall be placed behind the front line of the Dwelling and in a location not visible from any street, to the extent such placement is possible consistent with reception of an acceptable quality video programming signal.

SECTION 5. BOATS, TRAILERS AND CERTAIN MOTOR VEHICLES. No boats, buses, trailers, campers or recreational vehicles shall be parked on any Lot unless such boat or vehicle is parked behind the front line of the Dwelling. No motor vehicle shall be parked on any Lot unless there is displayed thereon a currently valid license tag and state vehicle inspection sticker.

SECTION 6. FENCES. No chain link or other chain type fences shall be permitted on any Lot except (i) those behind the rear line of the Dwelling on such Lot, and (ii) fences constructed by Declarant, its designee or the Association on Common Areas.

ARTICLE VIII

EASEMENTS

SECTION 1. UTILITIES. Easements for installation and maintenance of utilities (including cable television service) and drainage facilities (including water quality ponds and pump stations) are reserved as shown on the recorded Plat. Within these easements no structures, planting or other material shall be placed or permitted to remain, nor will the alteration or removal of any berms, swales or ditches be permitted, which may interfere with the installation and maintenance of such utilities, or which may change the direction or flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements.

SECTION 2. UNINTENTIONAL ENCROACHMENTS. In the event that any improvements on a Lot shall encroach upon any Common Area for any reason not caused by the purposeful or negligent act of the Owner or agents of such Owner, then an easement appurtenant to such Lot shall exist for the continuance of such encroachment upon the Common Area for so long as such encroachment shall naturally exist; and, in the event that any portion of the Common Area or improvement thereon shall encroach upon any Lot, then an easement shall exist for the continuance of such encroachment of the Common Area into any such Lot for so long as such encroachment shall naturally exist.

ARTICLE IX

RIGHTS RESERVED UNTO INSTITUTIONAL LENDERS

SECTION 1. ENTITIES CONSTITUTING INSTITUTIONAL LENDERS. "Institutional Lender" as the term is used herein shall mean and refer to banks, savings and loan associations, insurance companies or other firms or entities customarily affording loans secured by first liens on Dwellings.

SECTION 2. OBLIGATION OF ASSOCIATION TO INSTITUTIONAL LENDERS. So long as any Institutional Lender shall hold any first lien upon any Lot, or shall be the Owner of any Lot, such Institutional Lender shall have the following rights:

(a) To inspect the books and records of the Association during normal business hours and to be furnished with at least one (1) copy of the annual financial statement and report of the Association prepared by a certified public accountant designated by the Board of Directors of the Association, such financial statement or report to be furnished by April 15 of each calendar year.

(b) To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering any proposed amendment to this Declaration of Covenants, Conditions and Restrictions or the Articles of Incorporation or Bylaws of the Association or of any proposed abandonment or termination of the Association or the effectuation of any decision to terminate professional management of the Association and assume self management by the Association.

0581

(c) To receive notice of any condemnation of the Common Areas or any portion thereof.

(d) To receive notice of any substantial damage to the Common Area.

(e) To have the right to approve of any alienation, release, transfer, hypothecation or other encumbrance of the Common Areas, other than those specific rights vested in the Association under Article II hereof.

SECTION 3. REQUIREMENTS OF INSTITUTIONAL LENDER. Whenever any Institutional Lender desires to avail itself of the provisions of this Article, it shall furnish written notice thereof to the Association by CERTIFIED MAIL at the address shown in the Articles of Incorporation identifying the Lot or Lots upon which any such Institutional Lender holds any first lien or identifying any Lot or Lots owned by such Institutional Lender and such notice shall designate the place to which notices, reports or information are to be given by the Association to such Institutional Lender.

## ARTICLE X

### GENERAL PROVISIONS

SECTION 1. ENFORCEMENT. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Declaration. 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. The Association shall have the right to request that law enforcement, public safety and animal control officers come on the Property to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.

SECTION 2. SEVERABILITY. Invalidation of any one of the covenants or restrictions by judgment or court order shall in no wise affect any other provision which shall remain in full force and effect.

SECTION 3. AMENDMENT. The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by a vote of not less than ninety percent (90%) of the Lot Owners, and thereafter by a vote of not less than seventy-five percent (75%) of the Lot Owners, provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements, as herein provided, or affect any lien for the payment thereof established herein. Any amendment must be signed by the proper officers of the Association or by the required percentage of Lot Owners and be properly recorded.

SECTION 4. ANNEXATION.

(a) Additional property and Common Area may be annexed to the Property with the consent of two-thirds (2/3) of each class of Members.

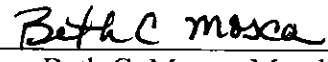
(b) Additional land within the area described in the metes and bounds description attached hereto as Exhibit "A" and incorporated herein by reference may be annexed by the Declarant without the consent of Members until December 31, 2015.

SECTION 5. WORKING CAPITAL FUNDS. In order to provide the Association with adequate working capital, upon the initial sale of each Lot from Declarant to an Owner, such Owner shall pay to the Association a contribution equal to one-sixth (1/6th) of the estimated Annual Assessment at the time of the sale. The payments to this fund will be maintained in an Association account for the use and benefit of the Association.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be executed by its member/managers, this the 20th day of November, 2004.

SUMMIT OAKS L.L.C.,  
a North Carolina limited liability company

By:   
Daniel D. Mosca, Member/Manager

By:   
Beth C. Mosca, Member/Manager

02892

STATE OF NORTH CAROLINA

COUNTY OF GUILFORD

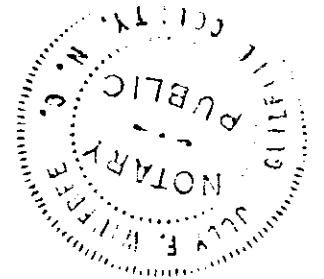
I, Judy Winfree, a Notary Public of the aforesaid county, do hereby certify that DANIEL D. MOSCA and BETH C. MOSCA, Member/Managers of SUMMIT OAKS L.L.C., a North Carolina Limited Liability Company, personally appeared before me this day and acknowledged the execution and sealing of the foregoing instrument as Member/Managers on behalf of and as the act of the company referred to in this acknowledgment.

WITNESS my hand and official seal this the 9 day of March, 2005.

Judy A. Winfree  
Notary Public

My commission expires:

11-5-05



2893

FNB SOUTHEAST (formerly FIRST NATIONAL BANK OF REIDSVILLE), a North Carolina corporation, as holder of a promissory note secured by a deed of trust on the property described in this Declaration of Covenants, Conditions and Restrictions for Summit Lakes, Phase 2, Maps 1 and 2, said deed of trust being recorded in Book 5553, Page 1752, as modified in Book 6032, Page 886, Guilford County Registry, and ROBERT L. WATT, III as Trustee under said deed of trust, join in the execution hereof for the purpose of subjecting the aforesaid deed of trust to the terms and provisions of this Declaration of covenants, Conditions and Restrictions.

**NOTE HOLDER:**

FNB SOUTHEAST  
(formerly First National Bank of Reidsville)

By: William C Jackson III  
Name: WILLIAM C JACKSON III  
Title: VICE PRESIDENT

**TRUSTEE:**

Robert L. Watt III (SEAL)  
Robert L. Watt, III

4607  
2894

STATE OF NORTH CAROLINA

COUNTY OF GUILFORD

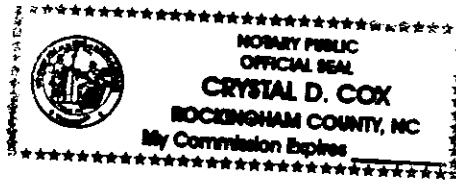
I, Crystal D. Cox, a Notary Public of said County and State, hereby certify that William C. Jackson III personally appeared before me this day and acknowledged that he/she is Vice President of FNB SOUTHEAST (formerly First National Bank of Reidsville), a corporation, and that he/she as Vice President, being authorized to do so, executed the foregoing on behalf of the corporation.

WITNESS my hand and official seal this 10<sup>th</sup> day of March, 2005.

Crystal D. Cox  
Notary Public

My commission expires:

Sept. 15, 2009



NORTH CAROLINA

COUNTY OF Rockingham

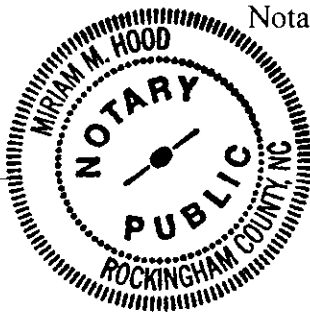
I, Miriam M. Hood, a Notary Public, do hereby certify that ROBERT L. WATT III personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official seal this the 9 day of March, 2005.

Miriam M. Hood  
Notary Public

My commission expires:

3-17-07



002895



## EXHIBIT "A"

BEGINNING at an existing iron pipe in the western right of way of Brooks Lake Road (SR 2509 having a 60 foot right of way) and running South 89°44'43" West 1560.16 feet with the line of that property formerly owned by Lindsay Troxler, now Summit Oaks, L.L.C.; thence still with the Summit Oaks, L.L.C. line, North 02°46' East 1442.59 feet to an existing iron pipe; thence still with the line of Summit Oaks, L.L.C., North 89°06'53" West 2221.96 feet to an existing iron pipe, a corner with R.W. Bell; thence with the line of Bell and Donald L. McDaniel, North 03°26'10" East 1059.89 feet to a point in the line of Harry W. Overman; thence the following courses and distances dissecting the present tract owned by the Old North State Council, Boy Scouts of America, Inc.: South 86°33'50" East 1288.98 feet to a point; North 46°09'20" East 38.34 feet to a point; North 24°02'05" East 316.02 feet to a point; North 70°22'50" East 241.70 feet to a point; North 23°34'35" West 97.34 feet to a point; North 73°55'50" East 214.59 feet to a point; North 11°33'05" East 514.46 feet to a point; North 41°43'50" West 469.26 feet to a point; North 35°49'20" East 151.57 feet to a point; and North 55°30'35" West 17.40 feet to an existing stone, a corner with Frances Bowman; thence with Bowman's line, North 01°51'13" East 2682.10 feet to a new iron pipe in Bowman's line, said point being located South 88°14'24" East 843.23 feet from an existing stone; thence with the line of the Bowman Estate as referenced in Estate File 91 E 1137, South 87°29'26" East 1139.67 feet to a new iron pipe; thence still with the Bowman Estate, North 03°05'13" East 1402.20 feet to a new iron pipe, a corner with E. Paul Davis; thence South 86°54'45" East 279.45 feet to a point in the western right of way of Brooks Lake Road; thence with the western right of way of Brooks Lake Road the following bearings and distances: a chord bearing and distance of South 26°50' East 960.81 feet to a point; South 22°22'35" East 754.88 feet to a new iron pipe; a chord bearing and distance of South 22°29'45" East 701.64 feet to a new iron pipe; South 24°28'51" East 440.89 feet to a new iron pipe; a chord bearing and distance of South 12°53'10" East 232.84 feet to a point; South 01°17'32" East 765.01 feet to a new iron pipe; a chord bearing and distance of South 13°15'43" West 553.36 feet to a new iron pipe; South 27°48'54" West 985.13 feet to a point; a chord bearing and distance of South 13°14'02" West 244.05 feet to a point; South 01°20'48" East 667.31 feet to a new iron pipe; a chord bearing and distance of South 03°16'33" West 493.53 feet to a new iron pipe; and South 07°54'01" West 1607.44 feet to the point of BEGINNING, being a portion of that property owned by the Old North State Council, Boy Scouts of America, Inc. formerly the General Greene Council of the Boy Scouts of America, Inc. containing 408.74 acres ± as per survey of Fleming Engineering, Inc. dated 8/22/95 and revised 10/5/95 together with all of the right, title and interest of the Grantor in and to those lands lying within the right of way of Brooks Lake Road (S.R. 2509) which has a 60 foot right of way.

02896

02897



JEFF L. THIGPEN, REGISTER OF DEEDS  
GUILFORD COUNTY  
201 SOUTH EUGENE STREET  
GREENSBORO, NC 27402

\* \* \* \* \*

State of North Carolina, County of Guilford

The foregoing certificate of Judy F Winfree  
Crystal D Cox  
Miriam M Hood

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

JEFF L. THIGPEN, REGISTER OF DEEDS

By: Jane Schultz  
Deputy - Assistant Register of Deeds

\* \* \* \* \*

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