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**GUILFORD COUNTY, NC**  
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REGISTER OF DEEDS

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**DECLARATION OF  
COVENANTS, CONDITIONS AND  
RESTRICTIONS**

**FOR**

**THE TOWNES AT  
BRIGHTWOOD FARM**

**THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS**

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**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR  
THE TOWNES AT BRIGHTWOOD FARM**

This Declaration is made July 2, 2024. **FORESTAR (USA) REAL ESTATE GROUP, INC.**, a Delaware corporation (“**Declarant**”), does hereby make, declare, and establish this Declaration of Covenants, Conditions, and Restrictions for **The Townes at Brightwood Farm** (“**Declaration**”), and hereby subjects the Property hereinafter defined to the terms of this Declaration. The Property is further subjected to Chapter 47F of the North Carolina General Statutes, commonly known as the North Carolina Planned Community Act.

WITNESSETH:

WHEREAS, Declarant is the Owner of certain real property located in Guilford County, North Carolina, which is more particularly described in Article I of this Declaration (the “**Property**”); and,

WHEREAS, Declarant intends to impose on the Property mutually beneficial restrictions under a general plan of development for the benefit of the owners of each portion of the Property, and to establish a procedure for the overall development, administration, maintenance, and preservation of the Property; and,

WHEREAS, in furtherance of such plan, Declarant has incorporated under the laws of the State of North Carolina, as a non-profit corporation, The Townes at Brightwood Farm Owner’s Association, Inc., to own, operate, maintain and/or manage, as may be applicable, any Common Areas as are defined herein, and to administer and enforce the covenants and restrictions imposed herein; and,

WHEREAS, Declarant executes this Declaration for the purpose of submitting the Property to the North Carolina Planned Community Act and the provisions of this Declaration;

NOW, THEREFORE, Declarant hereby declares that all the Property shall be held, sold, and conveyed subject to Chapter 47F of the North Carolina General Statutes and the easements, restrictions, covenants, uses, limitations, liens, and obligations set forth below, which shall run with the land and be binding on all parties having any rights, title, or interest in the land or any part thereof, their heirs, successors, and assigns.

**ARTICLE I  
PROPERTY SUBJECT TO THIS DECLARATION**

The property which shall be held, transferred, sold, conveyed, and occupied subject to this Declaration is located in the Township of Rock Creek, Guilford County, North Carolina, and is more particularly described on Exhibit A attached hereto and incorporated herein. The

property includes one hundred forty (140) residential lots and approximately 5.58 acres of common area.

## ARTICLE II DEFINITIONS

**Section 1.** **“Association”** shall mean and refer to The Townes at Brightwood Farm Owner’s Association, Inc., its successors, and assigns.

**Section 2.** **“Board” or “Board of Directors”** shall mean and refer to the body responsible for administration of the Association, elected as provided for in the Bylaws.

**Section 3.** **“Builder”** shall mean and refer to a person or entity other than Declarant who purchases or becomes the Owner of one or more Lots for the purpose of constructing a residential dwelling thereon for sale to a third party.

**Section 4.** **“Bylaws”** shall mean and refer to the Bylaws for The Townes at Brightwood Farm Owner’s Association, Inc., as they may be amended from time to time.

**Section 5.** **“Common Area”** shall mean all real property owned by the Association for the common use and enjoyment of the Members, including but not limited to all private streets and rights of way; any portion of the Property’s wastewater collection system with pumps, wastewater treatment works, and/or disposal systems (collectively, the **“Disposal System”**), including any portion of the Disposal System within the bounds of the private roads of the Property.

**Section 6.** **“Common Expenses”** shall mean and include: (i) all sums lawfully assessed by the Association against its Members; (ii) expenses related to the administration, maintenance, repair or replacement of the Common Area and any other property for which the Association bears maintenance responsibility per the terms of this Declaration, including but not limited to the Disposal System; (iii) expenses declared to be common expenses by the provisions of this Declaration or the Bylaws; (iv) expenses agreed by the Members to be common expenses of the Association; (v) ad valorem taxes and public assessments charges lawfully levied against Common Areas; (vi) utilities used in connection with the Common Area; and (vii) hazard, liability or such other insurance premiums as the Declaration or the Bylaws may require the Association to purchase.

**Section 7. “Declarant”** shall mean and refer to FORESTAR (USA) REAL ESTATE GROUP INC., a Delaware corporation, its successors and assigns, to whom the rights of Declarant hereunder are expressly assigned in writing.

**Section 8. “Declarant Control Period”** shall mean and refer to that period during which Declarant retains sole authority to appoint, remove and replace members of the Board of Directors. Unless Declarant voluntarily surrenders in writing its authority, the Declarant Control Period shall terminate upon the earlier of the following events: (i) when all the Lots have certificates of occupancy issued thereon and have been conveyed to persons other than a Builder or Declarant; or (ii) on December 31, 2031. Provided, however, that if Declarant subsequently annexes additional property pursuant to the provisions of Article VIII, the Declarant Control Period shall be revived and shall not terminate until all the Lots in the annexed property have certificates of occupancy issued thereon and have been conveyed to persons other than a Builder or Declarant.

**Section 9. “Declaration”** shall mean and refer to this Declaration of Covenants, Conditions, and Restrictions for The Townes at Brightwood Farm, as it may be amended from time to time.

**Section 10. “Lot”** shall mean and refer to any plot of land shown upon a Plat (hereafter defined), whether or not improvements are constructed thereon, which is intended for residential development, use and occupancy. The term “Lot” shall not refer to Common Area.

**Section 11. “Master Association”** shall mean and refer to Brightwood Farm Master Homeowners Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

**Section 12. “Master Declaration”** shall mean and refer to that Master Declaration of Covenants, Conditions and Restrictions for Brightwood Farm recorded in Book 6002, Page 2366, of the Guilford County Registry.

**Section 13. “Member”** shall mean and refer to a person subject to membership in the Association per Article IV of this Declaration.

**Section 14. “Owner”** shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

**Section 15. “Plat”** shall mean and refer to any plats recorded by Declarant in the Guilford County Registry with respect to the Property.

**Section 16. “Property”** shall mean and refer to that certain real property described in Article I together with such additional property as may be made subject to this Declaration.

**Section 17. “Stormwater Control Facilities”** shall mean one or more of the following devices and measures, together with associated private drainage easements utilized for conveying stormwater (however identified on a plat, map or in a recorded document) that serve(s) the Property and which are located outside of public street rights-of-way and drainage easements accepted into public use by the Guilford County, North Carolina,, including, but not limited to, bio-cells, conduits, inlets, channels, pipes, level spreaders, ditches, grassed swales, sand filters, wet ponds, dry detention basins, wetlands, permanently protected undisturbed open space areas (and similarly designated areas shown on any recorded plat of any portion of the Property), bio-retention areas, retention or detention ponds, runoff and pollutants for more than one (1) Lot in the Property. Private drainage easements, however identified on a recorded plat or recorded map or in a recorded document, that serve more than one (1) Lot are deemed to be dedicated to the Association for the benefit of the Property or applicable portions thereof. Said Stormwater Control Facilities and measures are more particularly described in that Stormwater Operations and Maintenance Agreement for The Townes at Brightwood Farm recorded in Book 8841, Page 264, Guilford County Registry (the “Stormwater O&M”), in accordance with the Guilford County Code of Ordinances Article 2, Section 15-56, Subsection 9(F)(5)(d)(iv) *et seq.* In the event that any terms of the Stormwater O&M conflict with any of the terms herein, the Stormwater O&M shall control.

### ARTICLE III 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 and any sidewalks or drives within the subdivision for access, ingress, and egress from and to public streets, walkways and parking areas, and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the restrictions set forth in this Declaration, as well as the following provisions:

- a. for any period during which any assessment against a Lot remains unpaid for thirty (30) days or longer, the right of the Association to suspend the voting rights of that Lot Owner and to suspend other privileges or services provided by the Association, including use of recreational amenities, if any;

- b. for violation of the Declaration, Bylaws, rules or regulations of the Association, the right of the Association to suspend other privileges or services provided by the Association, including use of recreational amenities, if any, for a period not to exceed sixty (60) days, and after notice and an opportunity to be heard, to impose fines;
- c. the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed by the Members;
- d. the right of the Association to borrow money for the purpose of improving the Common Area or any other area which is the responsibility of the Association to maintain, and in aid thereof to mortgage the Property, and the rights of such mortgagee in said Property shall be subordinate to the rights of the homeowners hereunder; and
- e. the right of the Association to adopt, publish and enforce rules and regulations as provided in Article VII.

**Section 2. Delegation of Use.** Any Owner may delegate the Owner's right of enjoyment in and to the Common Area to family members, tenants or contract purchasers who reside on the Owner's Lot.

**Section 3. Title to the Common Area.** The Declarant hereby covenants for itself, its successors and assigns that prior to the conveyance of the last Lot to someone other than a Builder, the Declarant will convey fee simple title to the Common Area to the Association, free and clear of all encumbrances and liens, except utility and storm drainage easements and other easements of record.

#### ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

**Section 1.** Every Owner of a Lot which is subject to assessment 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.

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

- a. Class A Members. Class A Members shall be all Owners except for 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 for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. Fractional voting with respect to any Lot is hereby prohibited.
  
- b. Class B Member. The Declarant shall be the sole Class B Member and shall be entitled to five (5) votes for each non-occupied Lot owned. Declarant shall be entitled to one (1) vote for each occupied Lot owned. The Class B Membership shall terminate as of the date Declarant no longer has the unilateral right to annex property to the subdivision. Upon such termination, the Declarant shall become a Class A Member and shall have Class A votes with respect to any Lot owned by it.

**Section 3. Appointment of Board.** During the Declarant Control Period, the Declarant shall have the right to appoint all members of the Board of Directors.

## ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

**Section 1. Creation of the Lien and Personal Obligation of Assessments.** In addition to those master assessments due to the Master Association under Article IV of the Master Declaration, the Declarant for each Lot owned within the Property hereby covenants, and each Owner of any Lot, by acceptance of a deed thereto, whether it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual and special assessments and other assessments for those purposes outlined below and elsewhere in this Declaration, such assessments to be established and collected as hereinafter provided. The annual and special and other assessments, together with interest, costs and reasonable attorney 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, with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Lot when each assessment was made, and such assessments shall not pass to that person's successors in title unless expressly assumed by them. Notwithstanding anything herein to the contrary, the Declarant and Builders shall be exempt from paying annual or special assessments for any unoccupied Lot owned by them.

**Section 2. Purpose of Assessments.** The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Property and, in particular, for (i) the payment of Common Expenses; (ii) the acquisition, improvement and maintenance of Common Area; (iii) maintenance of the Stormwater Control Facilities, in accordance with the Guilford County Code of Ordinances Article 2, Section 15-56, Subsection 9(F)(5)(d)(iv) *et seq.*; (iv) the cutting and removal of weeds and grass and the removal of trash and rubbish and any other maintenance necessary for the use and enjoyment of the Common Area, including but not limited to, cost of repairs, replacement and additions; (v) the cost of labor, equipment, materials, management and supervision; (vi) the payment of taxes and public assessments assessed against the Common Area; (vii) the procurement and maintenance of insurance in accordance with this Declaration; (viii) the employment of attorneys and other professionals to represent and advise the Association when necessary; (ix) the provision of adequate reserves for the replacement of capital improvements and any other major expense for which the Association is responsible; and (x) such other needs as may arise.

**Section 3. Reserves.** The Association shall establish and maintain an adequate reserve fund for periodic maintenance, repair, and replacement of improvements to the Common Area and of other items which the Association is obligated to maintain per this Declaration.

**Section 4. Maximum Annual Assessment.** The maximum annual assessment shall be subject to annual review and adjustment by the Association.

- a. Each year, the maximum annual assessment may be increased effective January 1 of such year without vote of membership by up to twenty percent (20%) of the previous year's maximum annual assessment.
- b. The maximum annual assessment may be increased above the increase permitted in Section 4(a) above only with the consent of Owners holding seventy-five percent (75%) of the votes in the Association. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.
- c. The Board of Directors may fix the annual assessment at an amount not more than the maximum.

**Section 5. Special Assessments for Capital Improvements.** In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of acquisition and improvement of any Common Area, including but not limited to the Disposal System, or any maintenance, construction, reconstruction, repair or replacement of a capital improvement upon the Common Area or the Lots, provided that any such assessment

shall have the consent of Owners holding seventy-five percent (75%) of the votes in the Association.

**Section 6. Uniform Rate of Assessment.** Both annual and special assessments shall, except as herein otherwise specifically provided, be fixed at a uniform rate for all Lots and shall be collected at least on an annual basis. However, the Declarant and Builders shall be exempt from paying annual or special assessments on any non-occupied Lot owned by them.

The Declarant intentionally reserves the right to construct dwellings with a variety of exteriors to achieve harmony of design and textures while at the same time avoiding monotony. Some dwellings may require more expense for exterior maintenance than others. However, variety of structures and exteriors is for the enhancement of property values of all Lots. Therefore, no difference is made in the amount of annual assessment between the Lots on account of any disparity in the cost of exterior maintenance.

**Section 7. Date of Commencement of Annual Assessments; Due Dates.** The assessments provided for herein shall commence as to a Lot when such Lot is conveyed by Declarant or a Builder to a third party. Assessments shall be due and payable in a manner and on a schedule as the Board may provide. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period.

Within 30 days after adoption of any proposed budget, the Board shall provide to all Owners a summary of the budget and a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The Board shall set a date for a meeting of the Owners to consider ratification of the budget, such meeting to be held not less than 10 nor more than 60 days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at that meeting Owners holding at least eighty percent (80%) of the total votes in the Association rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

Written notice of the annual assessment shall be sent to every Owner subject thereto. 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. Any certificate so given shall be conclusive evidence of payment of the assessments stated therein.

**Section 8. Capital Contribution.** Upon the initial conveyance of a Lot to the first Owner thereof other than a Builder or Declarant, the purchaser shall pay to the Association the amount of Seven Hundred Fifty and 0/100 Dollars (\$750.00), Five Hundred and 01/00 Dollars (\$500) of which shall be transferred upon closing of the Lot to the Association and held as a working capital fund, to be utilized to pay for Common Expenses in a manner determined by the Board, and the remaining Two Hundred Fifty and 0/100 Dollars (\$250) of which shall be

transferred into a reserve account. Amounts paid into the fund shall not be considered advance payment of regular assessments.

**Section 9. Effect on Nonpayment of Assessments: Remedies of the Association.**

Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest legal rate per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or may foreclose the lien against the Lot in the same way a Deed of Trust may be foreclosed under Power of Sale pursuant to Chapter 45 of the North Carolina General Statutes, or in accordance with Chapter 47F of the North Carolina General Statutes, or pursuant to any other applicable statute. Interests, costs, and reasonable attorney's fees of any such action shall be added to the assessment. No Owner may give or otherwise escape liability for the assessments provided herein by non-use of the Common Area or abandonment of that Owner's Lot. Should any deficiency remain after the foreclosure, the Association may also bring an action against the owner for said deficiency.

**Section 10. Subordination.** The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage recorded prior to the filing of a claim of lien under this Article and to ad valorem taxes. Sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

**Section 11. Exempt Property.** All Common Area, all property dedicated to and accepted by a local public authority, all property owned by a public or private utility for the purpose of providing water to the Lots, and all property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from these assessments.

**Section 12. Fines.** The Board may impose fines of up to \$100.00 per day (or any higher amount allowed by law) for each violation of this Declaration, the Bylaws of the Association, or any rules and regulations promulgated by the Association, provided that the Association shall not impose any fines without first notifying the Owner of the offending residential Lot in writing of the specific violation. Before imposing any fine, the Association shall also provide the offending Owner with an opportunity to be heard regarding the violation. Any fines imposed thereafter shall be a lien against the Owner's Lot. Fines shall be paid not later than thirty (30) days after notice of the imposition or assessment of fines. These fines shall not be construed to be exclusive and shall exist in addition to all other rights and remedies to which the Association may otherwise be legally entitled; however, any fine paid by the offending Owner shall be deducted from or offset any damages that the Association might otherwise be entitled to recover by law from such Owner.

**ARTICLE VI**  
**ARCHITECTURAL AND APPEARANCE CONTROL**

**Section 1. General Provisions.**

- a. Declarant shall retain control of the Architectural Review Committee until a certificate of occupancy has been issued on the last Lot in the subdivision unless, prior to that time, Declarant shall voluntarily assign in writing the rights, powers, duties, and obligations of the Architectural Review Committee to the Association. When the final certificate of occupancy has been issued on the last Lot in the subdivision, the rights, powers, duties and obligations of the Architectural Review Committee shall automatically transfer to the Association; except that if Declarant exercises its right to unilaterally annex property to the subdivision, Declarant shall automatically reacquire architectural review authority over all new construction within the annexed property that might otherwise have been vested in the Association. It is the intent of this section that Declarant retain all architectural review authority over new construction in annexed properties unless that right is voluntarily relinquished to the Association.
- b. During Declarant's control of the Architectural Review Committee, the Architectural Review Committee shall consist of one (1) or more person designated by the Declarant. When the rights, powers, duties, and obligations of the Architectural Review Committee shall be transferred or assigned to the Association:
- i. The Board may elect to either serve as the Architectural Review Committee or to designate the number of and appoint the members of the Architectural Review Committee on an annual basis, and such appointed members of the Architectural Review Committee may be members of the Board.
  - ii. The Board may remove members of the Architectural Review Committee appointed by the Board at any time with or without cause.
  - iii. In the event of the death, resignation, or removal by the Board of any member of the Architectural Review Committee, the Board shall have full right and authority to designate and appoint a successor to complete the unexpired term of such deceased, resigned or removed member.
- c. No building, sign, fence, hedge, wall, walk, dog house, landscaping, ornaments, statues, grading, site improvement or other improvements or structures shall be constructed, erected, placed upon or planted on a Lot, nor shall any alteration of a Lot or improvement take place, until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme, and location with respect to topography and finished product have been approved by the Architectural Review Committee, in writing, as to conformity and harmony of

external design with the existing structures in the subdivision, including, without limitation, with respect to topography and finished ground elevation. The Architectural Review Committee shall have the right to refuse to approve any plans and specifications which are not suitable or desirable, in its sole discretion, for appearance, aesthetic or any other reasons, provided such approval is not unreasonable withheld. In approving or disapproving such plans and applications, the Architectural Review Committee shall consider the suitability of the proposed building, improvement, structure or landscaping and materials in relation to the surrounding area and the effect thereof on adjacent or neighboring property.

- d. In the event the Architectural Review Committee shall fail to specifically approve or disapprove the plans and specifications submitted in final and complete form pursuant to those requirements for application set forth by the Architectural Review Committee, within forty-five (45) days after written request for final approval or disapproval, such plans and specifications shall be deemed approved.
- e. There is specifically reserved unto the Architectural Review Committee, the right of entry and inspection upon any Lot for the purpose of determination by the Architectural Review Committee whether there exists any construction of any improvement which violates the terms of any applicable covenants, conditions, or restrictions. The Architectural Review Committee and the Board of Directors are specifically empowered to enforce the provisions of this Declaration by any legal or equitable remedy, and in the event it becomes necessary to resort to litigation to determine the propriety of any constructed improvement, or to remove any unapproved improvements, the prevailing party shall be entitled to recovery of all court costs, expense, and reasonable attorney's fees in connection therewith.
- f. The Association, Declarant, Architectural Review Committee or any other officer, employee, director, or member thereof shall not be liable for damage to any persons submitting plans and specifications for approval by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval, disapproval, or failure to approve any plans and specifications. Every person who submits plans and specifications for approval agrees, by submission of such plans and specifications, that it will not bring any action or suit against the Association, Declarant or Architectural Review Committee to recover any such damages.
- g. Members of the Architectural Review Committee shall not be entitled to any compensation for services performed pursuant to this Article.

**Section 2. Maintenance of the Common Area.** The Association shall maintain all Common Area and improvements thereon. The Association's maintenance responsibility shall include, but is not limited to, maintenance, repair, and replacement of the walkways; private streets and rights of way; Stormwater Control Facilities and equipment in accordance with the Guilford County Code of Ordinances Article 2, Section 15-56, Subsection 9(F)(5)(d)(iv) *et seq*; any retaining wall installed by Declarant whether on a Lot or Common Area; the Disposal System;

and the streetlights (if any) and electricity to said lights to the extent not maintained by a public utility or local government. The Association shall have no maintenance or repair responsibility related to any Lot, including any improvements thereon, unless such responsibility is specifically assumed in writing by the Association or set forth in this Declaration. The Association shall have the right, but not the obligation, to maintain other property not owned by the Association, whether within or without the subdivision, where the Board has determined that such maintenance would benefit all Owners.

**Section 3. Maintenance of Lots.** In addition to maintenance of the Common Area and the improvements and facilities located thereon, the Association shall be responsible for maintaining the grass, plants, shrubs, trees, and landscaping (hereinafter the "Yard Improvements") installed by the Declarant or Association on a Lot; provided, however, the Association's responsibility shall not include maintenance, repair or replacement of Yard Improvements installed by an Owner; necessitated by work done by or at the request of any Owner or any utility company or governmental entity; or replacing any plant, shrub or tree or other planting for any reason, unless agreed upon by the Board, in the Board's sole discretion. The Association shall provide the foregoing yard maintenance services on a schedule approved by the Board, in the Board's sole discretion.

The Association shall also be responsible for certain exterior maintenance and repair of the residences located on a Lot which is necessitated by ordinary wear and tear, as follows: the power-washing, painting, repair, and replacement of exterior building surfaces; the painting and/or staining of exterior trim; the maintenance, repair, and replacement of roofs to include roof decking (anything beneath the roof decking is the Owner's responsibility); the maintenance and repair of gutters, and downspouts; the maintenance, repair, and replacement of walkways serving more than one Lot; and termite inspections. It is the specific intent of this Section that the Association's maintenance responsibilities should extend only to maintenance and repair necessary to prevent and repair damage caused by normal wear and tear and aging, and not to reconstruct or repair damage caused by casualty losses, negligent or intentional acts, acts of God, or similar events.

Except for the maintenance responsibilities allocated to the Association above, the Owner of each Lot shall have the duty and responsibility, at such Owner's sole cost and expense, to keep the Owner's Lot, including buildings and structures thereon, in a well-maintained, safe, clean, and attractive condition at all times, including, but not limited to, maintenance, repair and replacement of the following:

- a. Prompt removal of all litter, trash, refuse and waste from the Lot;
- b. For any Yard Improvements installed by Owner (which must have written consent of the Association), pruning and trimming of all trees, hedges, and shrubbery; removal of dead or diseased trees, shrubs, and other plant material; and maintenance of flower and plant gardens;

- c. Maintenance of exterior lighting and mechanical facilities, all heating and air equipment, and all fixtures and equipment installed at a point where the utility lines, pipes, wires, conduits, or systems enter the Lot;
- d. Repairing and painting (or other appropriate care) and otherwise caring for all windows, window glass, other glass surfaces, exterior doors, garage doors, trim (excluding painting), screens, window and door fixtures and hardware;
- e. Repairing and painting (or other appropriate care) and otherwise caring for the interiors of all building and structures or other improvements located on the Lot, including, without limitation, all interior portions of the dwelling and all structural components of the dwelling and the foundation;
- f. Repairing, painting, and maintaining (or other appropriate care) and otherwise caring for all decks, patios, stoops, porches, stairs, steps, driveways, walkways, and all other exterior improvements located on the Lot;
- g. Preventing and correcting unclean, unsightly, or unkempt conditions of Lots and all improvements thereon clean and free of garbage, junk, trash, debris, non-operable vehicles and apparatus, and any substance or conditions that might contribute to an unsightly condition, health hazard or the breeding and habitation of snakes, rats, insects, or other wildlife or pests;
- h. Repairing, painting, and maintaining improvements not part of the original construction unless the architectural approval granted by the Association for such subsequent improvements specifically provides that the Association will maintain such improvements;
- i. Repairing, replacing, and painting the exterior of any dwelling when such maintenance, repair or replacement is necessitated by work done by or at the request of any Owner or any utility company or governmental entity; and
- j. Complying with all governmental health and police requirements.

The Board of Directors may adopt and enforce additional rules and regulations related to required maintenance upon the Lots.

**Section 4. Additional Maintenance Provisions.** In the event that the Board determines that the need for maintenance, repair, or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner, or the Owner's family, guests, lessees, invitees or contractors, and is not covered and paid for by insurance maintained by the Association, in whole or in part, then the Association may perform such maintenance, repair or replacement at such Owner's sole cost and expense, and all costs thereof shall be an individual assessment of the Owner which shall become a lien against the Lot and may be collected as set forth in Article V.

If the Board determines that any Owner has failed or refused to discharge properly any of Owner's obligations regarding the maintenance, repair, or replacement of items for which such Owner is responsible, the Association shall, except in an emergency, give the Owner written notice of the Association's intent to provide such necessary maintenance, repair, or replacement at the Owner's sole cost and expense. The notice shall set forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. The Owner shall have ten (10) days after receipt of such notice within which to complete such maintenance, repair, or replacement, or, if such maintenance, repair, or replacement is not capable of completion within a ten (10) day period, to commence such work which shall be completed within a reasonable time. If any Owner does not comply with the provisions hereof, the Association may provide any such maintenance, repair, or replacement at such Owner's sole cost and expense, and all costs shall be an individual assessment which shall become a lien against the Lot and may be collected as set forth in Article V. The remedies provided in this Section shall be in addition to, and not in lieu of, other remedies provided in this Declaration or by law for a violation of the Declaration.

**Section 5. Setbacks.** All yard and setback requirements shall comply with applicable local government setback regulations, as well as any setback requirements depicted on the Plat.

**Section 6. Utility and Drainage Easements.** Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded Plat. Within these easements, no structure, planting, or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities and drainage channels in the easements. Such easement areas of each Lot and all improvements on it shall be maintained continuously by the owner of the Lot. Declarant reserves the right to waive, in writing, any one or all rear and side-line easement requirements.

**Section 7. Walks, Drives, Parking Areas, and Utilities.** All of the Property, including Lots and Common Area, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television antenna lines, and other public utilities as shall be established prior to subjecting the Property to this Declaration by the Declarant, and the Association shall have the power and authority to grant and to establish in, over, upon, and across the Common Area conveyed to it such further easements as are requisite for the convenient use and enjoyment of the Property.

**Section 8. Encroachments.** All Lots and the Common Area shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots by the Declarant to the extent that such initial improvements encroach, including, without limitation, such items as overhanging eaves, gutters, downspouts, exterior storage rooms, and walls. If any encroachment shall occur after subjecting the Property to this Declaration because of settling or shifting of any building or because of any permissible repair, construction, reconstruction, or alteration, there is hereby created and shall be a valid easement for such encroachment and for

the maintenance of the same.

**Section 9. Additional Easements.** The Lots shall be subject to, and Declarant does hereby grant, the following non-exclusive perpetual and temporary easements for the enjoyment of Declarant, the Association, and subcontractors authorized by Declarant, the Association, the Members, and the successors-in-title of each:

- a. Easements Shown on Plat. Each Lot shall be subject to all easements, borders, buffers and the like which are shown and depicted on the Plat as affecting and burdening such Lot.
- b. Entry. Each Lot shall be subject to an easement for the entry by the authorized agents and representatives of the Association to go upon such Lot under such circumstances and for such purposes as are described elsewhere in this Declaration and for the purpose of correcting, repairing, or alleviating any emergency condition which arises upon any Lot that endangers any building or structure on another Lot or on the Common Area.
- c. Surface Water Drainage. Each Lot shall be subject to a perpetual easement in favor of the Association and all other Lots for the drainage of surface waters over, under or across such Lot, including any runoff or carryover of water from one Lot to another, provided that such cross-Lot drainage condition was created by Declarant.
- d. Street Lighting. Declarant reserves the right to subject the property to installation of street lighting, which cost for such operation, maintenance, and repair of said lighting may be a Common Expense or may be charged by the applicable utility directly to Lot Owners as determined by the utility.
- e. Common Area Easements. The Association shall have the power and authority to grant and establish upon, over, under and across the Common Area conveyed to it such further easements as are requisite for the convenience, use and enjoyment of the Property. In addition, there is hereby reserved unto the Declarant and its agents and employees an easement and right of ingress, egress and regress across all Common Area now or hereafter owned by the Association for the purpose of construction of improvements within the Properties.

## ARTICLE VII USE RESTRICTIONS

**Section 1. Rules and Regulations.** The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of each Lot and the Common Area.

**Section 2. Use of Property.** No portion of the Property (except for temporary offices of the Declarant and/or any model used by Declarant) shall be used except for single family residential purposes and for purposes incidental or accessory thereto. No trade or business or commercial activity shall be carried on, in, or upon any Lot at any time except with the written approval of the Board, which the Board may grant so long as such business, in the sole discretion of the Board, does not otherwise violate the provisions of the Declaration or any rules and regulations, does not create a disturbance, does not involve employees or clients regularly visiting the Lot, and does not unduly increase traffic flow or parking congestion. The Board may promulgate rules and regulations regarding permitted business activities. Leasing of a Lot in accordance with the provisions of this Article VII shall not be considered a business or business activity.

**Section 3. Leasing of Lots.** "Leasing," for purposes of this Paragraph, is defined as regular, exclusive occupancy of a Lot by any person, other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. All leases shall be in writing. The Board may require a minimum lease term; however, in no case shall such term be shorter than six (6) months. No owner shall lease any Lot without first providing all lessees with copies of the Governing Documents. Each lease shall require all lessees to acknowledge receipt of copies of all of the Governing Documents and to comply with and adhere to all of the Governing Documents. A true copy of each executed lease, together with such additional information as may be required by the Board, shall be given to the Board by the Lot Owner within ten (10) days of execution of the lease. This Section 3 shall not apply with respect to any Lot subject to a mortgage which is insured or guaranteed by the Federal Housing Administration or the Veterans Administration, or where the provisions of this Section 3 are otherwise prohibited by law.

**Section 4. Condition of Property.** It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on such Owner's Lot, and the Board of Directors shall have the authority to establish community standards regarding the same. No portion of the Property, including any Lot, shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. There shall not be maintained any plants or animals or device or thing of any sort whose

activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Property.

**Section 5. Animals.** No animals, livestock or poultry of any kind shall be kept or maintained on any Lot except that dogs, cats or other household pets may be kept or maintained on a Lot as long as they are not kept or maintained for commercial purposes and are controlled in accordance with applicable governmental ordinances. For purposes of this section, the term “household pet” shall not include chickens, pigs, horses, goats, sheep, cows, or other type of livestock of any size, including pygmy and miniature varieties, even if the owner considers the animal to be a pet, and shall not include any venomous snake. At no time shall any household pet be allowed to run free. All pets shall be leashed when off the Owner’s Lot. Pets shall not at any time be left tied or chained on any Lot. Pet owners are responsible for the immediate removal and proper disposal of any pet waste. All pets shall be licensed and inoculated as required by law. All pets shall be controlled so as not to create a nuisance or unreasonable disturbance (including loud and excessive barking) whether inside or outside the owner’s dwelling.

**Section 6. Dwelling Specifications; Accessory Buildings.** No building shall be erected, altered, placed, or permitted to remain on any Lot other than (1) townhome dwelling not to exceed three (3) stories in height. Under no circumstances shall detached accessory storage buildings be permitted. All dwellings must be site built, also known as “stick built”. No modular homes or mobile homes are permitted.

**Section 7. Subdivision and Recombination.** No Lot shall be subdivided or recombined without the express consent of the Architectural Review Committee and the applicable local government authority.

**Section 8. Temporary Structures.** Except during construction by Declarant or a Builder, or as otherwise set forth herein, no trailer, tent, shack, pod, barn, outbuilding, storage container or other temporary structure shall be erected or placed on any Lot governed by these covenants.

**Section 9. Fences.** No fence or fencing-type barrier of any kind shall be placed, erected, allowed, or maintained upon any portion of the Property, including any Lot, without the prior written consent of the Architectural Review Committee, which may deny placement in its discretion. No fence, wall, hedge, or mass planting shall be permitted to be closer to the front street than the rear corner of the residence.

**Section 10. Outdoor Structures and Equipment.** No outside clotheslines, supplies or equipment are allowed on a Lot. Transformers, air conditioning, and other alternative energy devices shall either be concealed behind screening or integrated into the building design to be

inconspicuous. No window air conditioning units may be installed. All outdoor accessories on a Lot must be approved in writing by the Architectural Review Committee as compatible and harmonious with the surroundings and may be required to be screened from view or restricted to rear yards only. No play structures are permitted to be placed on a Lot. No artificial vegetation shall be permitted on the exterior of any Lot.

**Section 11. Trees.** No trees located on a Lot shall be removed without the prior written consent of the Architectural Review Committee except trees removed during the construction of the original dwelling on a Lot.

**Section 12. Parking.** There shall be no parking of automobiles on any portion of the Lot except in the enclosed garage or driveway, and parking of automobiles on the Common Area shall be in marked spaces only, subject to rules and regulations of the Board. No boats, trailers, commercial vehicles, campers, motor homes, tractors, golf carts, motorcycles, recreational vehicles, or other similar items may be parked on any part of the Property, including on a Lot, unless such items shall be parked in an enclosed garage. No inoperative, abandoned, or unlicensed vehicle or any vehicle displaying an invalid inspection sticker shall be parked or stored on any Lot or on the streets in the Property. No tractor trailer or tractor cab may be parked anywhere within the Property at any time, whether permanently or temporarily, including on the streets. The Board of Directors may promulgate additional rules and regulations governing parking and operation of vehicles, conveyances, and equipment within the Property, including on the Lots. The foregoing parking restrictions shall not apply to the development or construction activities of Declarant or any Builder approved by Declarant.

**Section 13. Antennas and Satellite Dishes.** No radio, television, or other antenna, aerial or satellite dish may be installed without the approval of the Architectural Review Committee, except as follows:

- a. **Satellite Dishes:** Satellite dishes that are one meter or less in diameter and are designed to receive direct broadcast satellite service, including direct-to-home satellite service, or to receive or transmit fixed wireless signals via satellite, may be installed without pre-approval. If adequate reception is available, satellite dishes must be located on the rear exterior wall or rear roof of the residence, or the rear yard behind the residence, and to the extent possible must not be visible from adjoining lots, streets, or common area.
- b. **Other Antennas:** Antennas that are one meter or less in diameter or diagonal measurement and are designed to receive video programming services via broadband radio service (wireless cable) or to receive or transmit fixed wireless signals other than via satellite and antennas that are designed to receive local television broadcast signals may be installed without pre-approval. If adequate reception is available, such antennas must be located on the rear roof of the

residence, or the rear yard behind the residence, and to the extent possible must not be visible from adjoining lots, streets, or common area.

The Architectural Review Committee may enact requirements regarding screening and plantings as may be necessary to ensure that dishes and antennas are screened from view. Owners are solely responsible for maintaining satellite dishes, antennas, and all related equipment. Owners are not permitted to install satellite dishes or antennas of any type on the Common Area.

**Section 14. Solar Collectors.** Solar collectors may be installed only after approval of the Architectural Review Committee. Applications must include the type of solar collector, a photo of the same if available, and a drawing detailing the proposed location. Solar collectors may not be placed in the following locations if visible by a person on the ground: (1) on the façade of a structure that faces areas open to common or public access; (2) on a roof surface that slopes downward toward the same areas open to common or public access that the façade of the structure faces; or (3) within the area set off by a line running across the façade of the structure extending to the property boundaries. The Architectural Review Committee may require screening of solar collectors depending upon the type and placement desired. The term “Solar collector” shall have the same meaning as that set forth in N.C.G.S. §22B-20 (b). In the event a Solar Collector is allowed by the Architectural Review Committee, the Owner shall be obligated to sign a Memorandum of Understanding in recordable format outlining maintenance issues and responsibilities to be drafted at the expense of the Owner pursuant to, inter alia, N.C.G.S. §22B-20 (c).

**Section 15. Garbage Receptacles.** All garbage shall be stored in receptacles within the garage located on the Lot, except on garbage pickup days.

**Section 16. Mailboxes.** A central mailbox unit sufficient to allocate one mail receptacle per Lot shall be installed by Declarant on the Property, and shall be maintained, repaired, and replaced by the Association, whether located on a Lot or Common Area. No Owner may move, deface, damage, or otherwise alter said central mailbox unit.

**Section 17. Pools.** No swimming pools of any kind are allowed on the Lots.

**Section 18. Governmental Regulations.** All government buildings codes, health regulations, zoning restrictions and the like applicable to the Property shall be observed. In the event of any conflict between any provisions of such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provision shall apply.

**Section 19. Basketball Goals and Trampolines.** Permanent basketball goals are permitted on a Lot, pursuant to those rules set forth by the Architectural Review Committee. Trampolines are prohibited.

**Section 20. Tanks.** Above ground and sub-surface fuel tanks (i.e., gasoline, diesel, etc.) and propane tanks are prohibited.

**Section 21. Play Sets/Structures.** No play sets or play structures are permitted.

**Section 22. Airspace / Drones.** The following rules shall apply to the use of any unmanned aircraft system (e.g. drones) as defined in N.C.G.S. §63-94 et seq. Notwithstanding the rules listed in this Section 22, Declarant, during the Declarant Control Period, and thereafter the Board of Directors, reserves the right to further promulgate additional rules and regulations related to airspace and drones.

- a. Declarant, as developer of the Property, is permitted to take photos by way of drone or have photos taken by way of drone, of any of the Common Area or Lots owned by an Approved Builder.
- b. The Association may operate drones within Common Area airspace. No drone usage by the Association shall be considered a commercial use. Nothing in this Section 5 shall prohibit the Association or its designated agents from using drones as the Board of Directors or the Association's managing agent deems necessary from time to time related to the Common Area.
- c. Any operation of drones by Owners in the Common Area is prohibited absent express written permission from the Association.
- d. Owners may not operate drones outside of their own Lot airspace for recreational or commercial purposes.
- e. Notwithstanding the foregoing, Declarant, Association, and Owners are not permitted to conduct surveillance of a person or dwelling occupied by a person.
- f. Individuals operating drones are responsible for the following: (i) not operating drones more than 400 feet above ground level, (ii) operating only within visual line of sight, (iii) not operating within five miles of an airport, (iv) not interfering with manned aircraft, (v) registering any drone that weighs more than .55 lbs., (vi) operating drones in a safe and reasonable manner, respecting the privacy of other Lots, (vii) not using drones for nefarious purposes including but not limited to voyeurism, stalking, harassment or other unlawful purposes, (viii) ensuring that drone related noise does not pose a nuisance.
- g. Drone operators are solely responsible for ensuring their own compliance with all federal, state, and local laws, regulations, rules, and advisories. Drone

operators are personally responsible for all legal claims related to their use of drones including, but not limited to invasion of privacy, nuisance and trespass claims as well as claims related to personal injury and property damage. Owners are expressly responsible for the actions of their residents, guests, friends, invitees, vendor and/or agents who operate drones within the Property.

**Section 23. Time Limits on Construction.** With respect to new construction improvements approved by the Architectural Review Committee, each Owner is required to complete construction within 180 days of receiving a building permit from Guilford County, unless additional time for completion is granted by the Architectural Review Committee. Issuance of a certificate of occupancy shall be deemed to be the completion of construction. The Architectural Review Committee may establish deadlines by which all other proposed improvements or alterations must be completed.

## ARTICLE VIII ANNEXATION OF ADDITIONAL PROPERTIES

Annexation of additional property shall require approval from the appropriate governmental authority and shall be required to occur within ten (10) years from the date of recording of this instrument; provided, however, that no annexation of additional property shall have the effect of placing the original development in violation of the appropriate governmental ordinances. Annexation of additional property shall be accomplished by recording in the Guilford County Registry a Declaration of Annexation, duly executed, describing the lands annexed and incorporating the provisions of this Declaration, either by reference or by fully setting out said provisions of this Declaration. The additional lands shall be deemed annexed to the Property on the date of recordation of the Declaration of Annexation.

In the case of an annexation by the Declarant, no action or consent on the part of the Association or any other person or entity shall be necessary to accomplish the annexation. Otherwise, approval of a majority of the Members present in person or by proxy at a meeting duly called for such purpose shall be required to annex additional property. Prior to the conveyance of the last Lot in any newly annexed area, the Declarant shall deliver to the Association one or more deeds conveying fee simple title to any Common Area within the lands annexed.

## ARTICLE IX INSURANCE

**Section 1. Owner Insurance.** Each Owner of a Lot shall maintain property or casualty insurance on its Lot insuring against loss or damage by fire and other hazards commonly insured under an "all-risk" policy, and such coverage shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction of the dwelling as well as all other improvements on the Lot in the event of damage or destruction from any such hazard. If

all-risk coverage is not reasonably available, each Owner shall maintain at a minimum, fire and extended coverage. The Board of Directors may require on an annual basis, or at such other times as the Board deems appropriate, that Owners submit proof that the insurance coverage required under this section is in force.

The proceeds of any applicable insurance policy shall be used to repair or restore any damage or destruction to a Lot and improvements on the Lot unless restoration would be illegal under any State or local health or safety statute or ordinance. If no insurance proceeds are available, or insufficient insurance proceeds are available, repair or replacement shall be at the Owner's expense. All plans and specifications required in connection with any repair or restoration shall be subject to review and approval by the Architectural Review Committee.

**Section 2. Association Insurance.** The Association shall procure and maintain insurance as set forth below, and the premiums for such insurance shall be a Common Expense:

- a. Liability Insurance. The Association shall procure and maintain liability insurance in reasonable amounts, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Area. The commercial general liability insurance shall not, however, cover the liability of an Owner arising from an occurrence within its own Lot.
- b. Property Insurance – Common Area. The Association shall procure and maintain at all times a policy or policies of property insurance covering all buildings owned by the Association, all personal property of the Association wherever located, and all improvements located in the Common Areas in an amount not less than one hundred percent (100%) of the insurable replacement cost of such buildings, property and improvements at the time such insurance is purchased and at the time of each renewal thereof, exclusive of the costs of excavation, paving, foundations, footings and other items normally excluded from property policies.
- c. Other. The Association may also obtain and maintain (in amounts to be determined by the Board) (1) fidelity insurance covering all members of the Board, officers, or employees of the Association who handle funds of the Association; (2) directors and officers liability insurance; and (3) such other insurance coverages as it deems desirable and necessary.

**Section 3. Obligation to Rebuild.** Should any dwelling or portion of a dwelling be damaged or destroyed, the Owner shall utilize any applicable insurance proceeds to repair or replace it promptly in accordance with the original construction plans and specifications unless (i) the community is terminated as a planned community under the provisions of the Act, or (ii) repair or replacement would be illegal under any applicable law. If no insurance proceeds are available repair or replacement shall be at the Owner's expense.

**Section 4. Obligation to Pay Assessments.** If a dwelling is not habitable by reason of damage or destruction, the obligation of the Owner to pay assessments shall be not reduced, delayed, abated, or suspended pending the rebuilding of the dwelling.

## ARTICLE X PARTY WALL

**Section 1. General Rules of Law to Apply.** Each wall on a Lot which is built as a part of the original construction of the townhome dwelling and placed on the dividing line between the townhome dwellings and all reconstruction or extensions of such walls shall constitute party walls. To the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls, lateral support, in belowground construction and of liability for property damage due to negligence or willful acts or omissions shall apply.

**Section 2. Sharing of Repair and Maintenance.** The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

**Section 3. Destruction by Fire or Other Casualty.** If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it. If other Owners make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use; subject, however, to the right of any Owners to call for a larger contribution from the others under any rule of law regarding liability for negligence or willful acts or omissions.

**Section 4. Construction or Reconstruction.** The Owner may construct or reconstruct a party wall subject to and within the limitations of architectural control and other limitations of this Declaration with the right to go upon the adjoining Lot to the extent reasonably necessary to perform the construction. The construction shall be done expeditiously. Upon completion of the construction, the Owner shall restore, as is reasonably practicable, the adjoining Lot to as near the same condition which prevailed on or before the commencement of the construction.

**Section 5. Weatherproofing.** Notwithstanding any other provisions of this Article, an Owner who, by his negligence or willful act, causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against those elements.

**Section 6. The Right to Contribution Runs with the Land.** The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to the Owners' successors in title.

## ARTICLE XI DECLARANT RIGHTS

During the Declarant Control Period, the Declarant shall have the following rights and privileges:

- a. The right to appoint and remove members of the Board of Directors and officers.
- b. The right to appoint and remove members of the Architectural Review Committee.
- c. The right to use all Common Areas for sales and marketing events and to assign such rights as it deems appropriate to Builders or other third parties.
- d. The right to subject the Property to contracts for the provision of utilities including water, sewer, electric service, gas, cable, telephone, broadband and internet or other similar services.
- e. The right to unilaterally amend this Declaration as it, in its sole discretion deems advisable, provided that any such amendment shall not adversely affect the rights of any Builder without that Builder's consent.
- f. The right to unilaterally amend the Plat to adjust Lot lines of any Lot owned by Declarant, or any other Lot with that Lot Owner's permission.
- g. The right to unilaterally amend the Plat to adjust Common Area boundaries and to convert property delineated on the Plat as Common Area for other purposes, as long as such amendment is in keeping with governmental requirements for the Property and occurs prior to Declarant conveying such Common Area to the Association.
- h. The right to assign its rights as declarant, in whole or in part, as it deems advisable and upon such assignment to be released from all liability for actions of declarant as to rights so assigned.
- i. The right to convey real and personal property to the Association upon terms and conditions as it deems appropriate and to require the Association to accept such conveyances.
- j. The right to use all easements and rights of ways within the Property, whether for ingress and egress, drainage, or utilities or for utilities and to grant easements to third parties.
- k. The right to withdraw portions of the Property from this Declaration or any Supplemental Declaration.

1. Such other rights as are set forth herein.

## ARTICLE XII GENERAL PROVISIONS

**Section 1. Enforcement.** The Declarant, Association, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration or the rules and regulations. Failure by the Declarant, Association, or 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 court may award the prevailing party its reasonable attorneys' fees incurred in such enforcement action.

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

**Section 3. Amendment.** These covenants and restrictions shall run with, burden, 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 ten (10) years. Until such time as certificates of occupancy have been issued for the entirety of the Lots, this Declaration may be unilaterally amended by the Declarant without the need for membership approval. Otherwise, this Declaration may be amended by the affirmative vote or written agreement of Owners to which at least seventy-five percent (75%) of the votes in the Association are allocated, except that during the Declarant Control Period no amendment shall be effective without the written consent of Declarant.

**Section 4. Management and Contract Rights of Association.** Declarant or the Board may enter a contract with a management company for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the Property.

**Section 5. Rights of Noteholders.** Any institutional holder of a first mortgage on a Lot will, upon request, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive an annual financial statement of the Association within ninety (90) days following the end of its fiscal year, (c) receive written notice of all meetings of the Association and right to designate a representative to attend all such meetings, (d) receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the Lot securing its mortgage, (e) receive written notice of any sixty-day delinquency in the payment of assessments or charges owed by the Owner of any Lot on which it holds the mortgage, (f) receive written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association, (g) receive written notice of any proposed action that requires the content of a specified percentage of mortgage holders, and (h) be furnished with a copy of the master insurance policy.

**ARTICLE XIII  
ELECTRICAL SERVICE**

Declarant reserves the right to subject the above-described Property to a contract with any provider for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or continuing monthly payment by the Owners of Lots within the Property.

**ARTICLE XIV  
SECONDARY ASSOCIATION**

This Declaration and Association are formed in compliance with Article 1, Section 14 of that Master Declaration of Covenants, Conditions and Restrictions for Brightwood Farm recorded in Book 6002, Page 2366, of the Guilford County Registry, which states that a Secondary Association (as defined therein) may be formed pursuant to additional covenants for the further administration, protection, maintenance and control of the Lots subject to such additional covenants and related property to be maintained for the benefit of the Owners of such Lots.

The Owner of each Lot provided for herein shall be a member of both the Master Association and The Townes at Brightwood Farm Owner's Association and shall comply with all rules set forth by both the Master Declaration and this Declaration, including but not limited to the payment of assessments.

*[Signature Page Follows]*

IN WITNESS WHEREOF, Declarant has hereunto caused this instrument to be executed by its Manager, as an act and deed of the Declarant this the 2 day of July, 2024

**FORESTAR (USA) REAL ESTATE GROUP, INC.,**

a Delaware corporation

By: [Signature]

Name: Jason Rivenbark

Title: Vice President – Real Estate Investments &

Development, Carolinas East

STATE OF North Carolina

COUNTY OF Wake

ACKNOWLEDGEMENT

I, Catherine E. Walden, a Notary Public of the County and State aforesaid, certify that Jason Rivenbark of whose identity I have personal knowledge, personally appeared before me and acknowledged that the signature on the record presented is his/her signature and that s/he voluntarily executed the foregoing instrument for the purpose stated therein and in the capacity indicated and with full authority to do so.

Witness my hand and official stamp or seal, this 2 day of July, 2024



Catherine E. Walden  
Notary Public

CATHERINE E WALDEN  
Printed Name

My Commission Expires:

10-20-2026

## EXHIBIT A

## The Property

BEING THAT PORTION OF THE BRIGHTWOOD FARM DEVELOPMENT GENERALLY IDENTIFIED AS PHASE 5A ON THAT CERTAIN UNIFIED DEVELOPMENT PLAN FOR BRIGHTWOOD FARM, RECORDED IN BOOK 193, PAGES 25-27 (SPECIFICALLY SHOWN ON PAGE 26) OF THE GUILFORD COUNTY REGISTRY, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIPE ON THE WESTERN RIGHT OF WAY OF PREAKNESS PARKWAY, THE NORTH EAST CORNER OF LOT 1, AS SHOWN ON PLAT BOOK 158, PAGE 123 OF THE GUILFORD COUNTY REGISTRY; THENCE WITH THE NORTH LINE OF SAID LOT 1 SOUTH 87°57'45" WEST A DISTANCE OF 463.01 FEET TO AN IRON PIPE; THENCE SOUTH 40°29'40" WEST A DISTANCE OF 146.69 FEET TO AN IRON PIPE ON THE NORTHERN RIGHT OF WAY OF BRIGHTWOOD FARM PARKWAY, AS SHOWN ON PLAT BOOK 205, PAGE 130; THENCE WITH SAID NORTHERN RIGHT OF WAY, A CURVE TO THE LEFT, A RADIUS OF 795.00 FEET, AN ARC LENGTH OF 57.70 FEET, A CHORD BEARING OF NORTH 51°35'07" WEST, A CHORD LENGTH OF 57.69 FEET TO AN IRON PIPE; THENCE WITH A CURVE TO THE LEFT A RADIUS OF 795.00 FEET, AN ARC LENGTH OF 125.44 FEET, A CHORD BEARING OF NORTH 58°11'06" WEST, A CHORD LENGTH OF 125.31 FEET TO AN IRON PIPE; THENCE NORTH 62°42'19" WEST A DISTANCE OF 443.78 FEET TO AN IRON PIPE; THENCE A CURVE TO THE LEFT, A RADIUS OF 795.00 FEET, AN ARC LENGTH OF 123.95 FEET, A CHORD BEARING OF NORTH 67°10'18" WEST, A CHORD LENGTH OF 123.83 FEET TO AN IRON PIPE; THENCE NORTH 71°38'17" WEST A DISTANCE OF 264.64 FEET TO AN IRON PIPE; THENCE A CURVE TO THE RIGHT, A RADIUS OF 867.74 FEET, AN ARC LENGTH OF 606.95 FEET, A CHORD BEARING OF NORTH 51°35'59" WEST, A CHORD LENGTH OF 594.66 FEET TO AN IRON PIPE, THE SOUTHWEST CORNER OF THE COMMON AREA SHOWN ON PLAT BOOK 157, PAGE 25; THENCE WITH SAID COMMON LINE NORTH 60°12'38" EAST A DISTANCE OF 217.73 FEET TO AN IRON PIPE; THENCE SOUTH 64°41'15" EAST A DISTANCE OF 265.13 FEET TO AN IRON PIPE; THENCE SOUTH 51°43'58" EAST A DISTANCE OF 117.56 FEET TO AN IRON PIPE; THENCE SOUTH 49°09'29" EAST A DISTANCE OF 55.80 FEET TO AN IRON PIPE; THENCE SOUTH 58°22'52" EAST A DISTANCE OF 53.50 FEET TO AN IRON PIPE; THENCE SOUTH 77°52'20" EAST A DISTANCE OF 107.09 FEET TO AN IRON PIPE; THENCE SOUTH 74°30'11" EAST A DISTANCE OF 43.26 FEET TO AN IRON PIPE; THENCE SOUTH 84°41'58" EAST A DISTANCE OF 173.75 FEET TO AN IRON PIPE; THENCE NORTH 87°57'34" EAST A DISTANCE OF 362.51 FEET TO AN IRON PIPE, THE SOUTHWEST CORNER OF THE COMMON AREA SHOWN ON PLAT BOOK 155, PAGE 35; THENCE WITH SAID COMMON LINE NORTH 87°57'34" EAST A DISTANCE OF 42.49 FEET TO AN IRON PIPE; THENCE SOUTH 77°27'59" EAST A DISTANCE OF 51.66 FEET TO AN IRON PIPE; THENCE NORTH 87°57'34" EAST A DISTANCE OF 100.00 FEET TO AN IRON PIPE; THENCE NORTH 73°19'56" EAST A DISTANCE OF 51.48 FEET TO AN IRON PIPE; THENCE NORTH 87°57'34" EAST A DISTANCE OF 438.33 FEET TO AN IRON PIPE ON THE WESTERN RIGHT OF WAY OF PREAKNESS PARKWAY; THENCE WITH SAID RIGHT OF WAY, A CURVE TO THE LEFT, A RADIUS OF 795.00 FEET, AN ARC LENGTH OF 223.06 FEET, A CHORD BEARING OF SOUTH 04°21'17" WEST, A CHORD LENGTH OF 222.32 FEET TO AN IRON PIPE; THENCE SOUTH 03°39'57" EAST A DISTANCE OF 66.77 FEET TO AN IRON PIPE; THENCE A CURVE TO THE RIGHT, A RADIUS OF 735.00 FEET, AN ARC LENGTH OF 236.46 FEET, A CHORD BEARING OF SOUTH 05°30'38" WEST, A CHORD LENGTH OF 235.44 FEET TO THE POINT OF BEGINNING; CONTAINING 791,087 SQUARE FEET OR, 18.16 ACRES.