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PRESENTED FOR
REGISTRATION
RECORDED

Return to: *Blanco Tackabery Combs & Matamoros, P.A., P. O. Drawer 2508
Winston-Salem, NC 27114-5008*

Prepared by: *George E. Hollodick*

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STATE OF NORTH CAROLINA)
COUNTY OF FORSYTH)

**DECLARATION OF COVENANTS
AND RESTRICTIONS**

John Holleman
Register of Deeds
Forsyth Co. N.C.

[Handwritten signature]

KNOW ALL MEN BY THESE PRESENTS that this Declaration of Covenants, Conditions and Restrictions made and entered into on this 12 day of July, 1995, by C.B. DEVELOPMENT COMPANY, INC., GROVER SHUGART, JR., BRIAN D. SHUGART, and JAMES O. YOPP, JR. (hereinafter collectively referred to as "Developer").

WITNESSETH:

WHEREAS, Developer desires to subject the real property described in Article One to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is, and are, for the benefit of said real property and each owner thereof; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities in the community and for the maintenance of the facilities including all private access roads situate therein and, to this end, desires to subject the real property described in Article One to the covenants, conditions, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is, and are, for the benefit of said real property and each owner of a portion thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in the community, to create an agency to which should be delegated and assigned the powers of maintaining and administering the community properties and facilities, administering and enforcing the covenants, conditions and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has or will cause to be incorporated under the laws of the State of North Carolina as a nonprofit corporation, Harwick/Bridgeport Homeowners' Association, Inc. (the "Association"), for the purpose of exercising the functions aforesaid.

NOW, THEREFORE, Developer declares that the real property described in Article One is, and shall be, held, transferred, sold, conveyed and occupied subject to the terms and provisions of the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to herein as "covenants and restrictions" or "this Declaration"), as hereinafter set forth.

ARTICLE ONE**Property Subject to this Declaration**

Section 1. Property. The real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration (the "Property") is located in Forsyth County, North Carolina and is more particularly described as follows:

The real property described on Exhibit A attached hereto.

The Developer reserves unto itself the exclusive right to amend this Declaration at any time prior to July 1, 2005 for the purpose of adding additional real property and upon recordation of such amendment(s) executed by Developer, all such additional real property shall become part of the Property and any recorded maps or plats of such additional real property shall become part of the Plat.

ARTICLE TWO**Definitions**

The following words, when used in this Declaration or any supplemental declaration, (unless the context shall require otherwise) shall have the following meanings:

- (a) "ACC" shall mean and refer to the Architectural Control Committee.
- (b) "Articles" shall mean and refer to the Articles of Incorporation of the Association.
- (c) "Association" shall mean and refer to Harwick/Bridgeport Homeowners' Association, Inc.
- (d) "Board" shall mean and refer to the Board of Directors of the Association.
- (e) "Bridgeport" shall mean that portion of the Property described on Exhibit B.
- (f) "Bylaws" shall mean and refer to the Bylaws of the Association.
- (g) "C.B." shall mean and refer to C.B. Development Company, Inc.
- (h) "Class A" and "Class B" members shall have the meanings set forth in Article Six, Section 4.
- (i) "Common Expense" shall mean the expenses of the Association as set forth in Article Six, Section 6.

- (j) "Common Properties" shall mean that portion of the Property described on Exhibit C, and the improvements located thereon, together with any and all other real property hereinafter acquired by Association.
- (k) "Harwick" shall mean that portion of the Property described on Exhibit D.
- (l) "Living Area" shall mean and refer to those heated and/or air-conditioned areas within a Living Unit which shall not include garages, carports, porches patios, storage areas, breezeways, terraces or unfinished basements.
- (m) "Living Unit", "dwelling" or "building" shall mean and refer to any building situated upon any Lot which is a part of the Property, designed and intended for use and occupancy as a residence by a single family.
- (n) "Lot" shall mean and refer to any plot of land within the Property shown upon any recorded subdivision plat of the Property or any portion thereof, with the exception of the Common Properties.
- (o) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon The Properties; but notwithstanding any applicable theory of any lien or mortgage law, shall not mean or refer to any mortgagee or trust beneficiary unless and until such mortgagee or trust beneficiary has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.
- (p) "Plans" shall have the meaning set forth in Article Five, Section 2.
- (q) "Plat" shall mean, collectively, any and all maps of the Property, now or hereinafter recorded in the Forsyth County Registry.
- (r) "Property" shall have the meaning set forth in Article One.
- (s) "Shugart" shall mean and refer to Shugart Enterprises, Inc.

ARTICLE THREE

General Provisions

Section 1. Duration. The covenants and restrictions of this Declaration shall run with the Property and shall inure to the benefit of, and be enforceable by, any Owner, their respective legal representatives, heirs, successors and assigns, for the term of forty (40) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by the then Owners of two thirds (2/3) of the Lots has been recorded, agreeing to change said covenants and restrictions in

whole or in part; provided however, that no such agreement to change pursuant to this Article Three, Section 1, shall be effective unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken.

Section 2. Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, postpaid, to the last known address of the said Owner. Notice to any one of the Owners, if title to a Lot is held by more than one, shall constitute notice to all Owners of such Lot.

Section 3. Enforcement. In addition to all other enforcement provisions and remedies at law or in equity, enforcement of these covenants and restrictions shall be by an appropriate civil proceeding against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, or both, and against the Lot owned by such person(s) to enforce any lien created by these covenants and such action may be brought by an Owner, the Developer or the Association; and failure by the Developer, the Association or any Owner to enforce any covenant or restriction herein contained shall not be deemed a waiver of the right to do so thereafter.

Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision, which shall remain in full force and effect.

ARTICLE FOUR

Restrictions on Use and Rights of the Owners

Section 1. Restrictions on Use and Rights of the Owners.

- (a) **Permissible Uses.** No Lot shall be used except for residential purposes and no building of any type shall be erected, altered, placed or permitted to remain on any Lot other than one single family dwelling. All dwellings shall be constructed on site on a Lot. Notwithstanding the foregoing, the Developer shall have the absolute right to construct and publicly dedicate a roadway over any Lot owned by the Developer for the purpose of connecting any street located on the Property, with a street located outside the Property.
- (b) **Minimum Square Footage.** With respect to any Living Unit constructed on a Lot within Bridgeport, the minimum square footage of Living Area shall be as follows: 1,300, with respect to a single story Living Unit; 1,500, with respect to a one and one-half story Living Unit; and 1,600, with respect to a two story Living Unit. With respect to any Living Unit constructed on a Lot with Harwick, the minimum square footage of Living Area shall be as follows: 1,500, with respect to a single story Living Unit; 1,750, with respect to a one and one-half story Living Unit; and 1,850, with respect to a two story Living Unit. Measurements shall be made to exterior walls.

- (c) Applicable Codes. All construction shall comply with all applicable building, plumbing, heating, electrical, zoning, or other Forsyth County and North Carolina building codes.
- (d) Construction Period. Once construction of any Living Unit has begun, work thereon shall be prosecuted diligently and continuously until the full completion thereof. Under no condition should the construction time from start to certification for occupancy take more than one year. All landscaping proposed to and approved by the ACC shall be completed within 180 days of the issuance of a certificate for occupancy.
- (e) Building Materials. Only new building materials will be used. Nothing shall be built which contains cement or cinder blocks which are visible from the outside of the Living Unit. No log construction shall be used. There shall be no flat roof construction. Vinyl shutters are allowed. All exposed chimneys will be brick, stone, masonite or vinyl siding. All exposed foundations shall be brick, stone or stucco. There shall be no modular, mobile or manufactured home construction or any similar type living unit or construction.
- (f) Secondary Buildings. No detached buildings or structures shall be permitted.
- (g) Division of Lots. No Lot shall be further divided, except (i) any two Owners may divide a Lot between them if such Lot is adjacent to the Lots owned by each Owner and provided further that only one single family dwelling may be constructed on the Lot as subdivided and combined subject to the approval of the ACC, and (ii) Developer may subdivide or replat any Lot or Lots.
- (h) Setback Requirements. No Living Unit or other building shall be located on any Lot nearer to any Lot line than the Forsyth County zoning or subdivision ordinance will allow.
- (i) Utilities and Easements. All utility lines of every type, including but not limited to water, electricity, telephone, gas, sewage and television cables, running from the main trunk line or service location to any Living Unit, must be underground. No outside, above-ground storage tanks shall be permitted. Developer reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the ground to erect, maintain and use water, sewer, electric, gas, television cable and telephone systems, wires, cables and conduits for the purpose of bringing services to the Property on, in or over the area within ten (10) feet of each Lot line fronting on a street, ten (10) feet along the side lines of each Lot and twenty (20) along the rear line of each Lot, and such other areas as may be shown on any recorded plats of the Property; provided further that the Developer reserves such other easements for drain ways for surface water wherever and whenever such action is required by applicable health or sanitation authorities in order to maintain the Property, and reasonable standards of health, safety and appearance. The Property is also subject to all easements shown on the Plat, including, without limitation, all sight easements and the greenway easement across the Common Properties. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, take or add any soil, or to take any other similar

action reasonably necessary to provide economical and safe utility or drainage installation or to maintain reasonable standards of health, safety or appearance.

- (j) Temporary Structures. No structure of a temporary character shall be placed upon any portion of the Property at any time; provided however, this prohibition shall not apply to shelters or huts used by contractors during the construction of a Living Unit or improvements or additions thereto on any Lot. Temporary shelters, tents, recreational vehicles and trailers/mobile homes (whether attached or unattached to the realty) may not, at any time, be used as a temporary or permanent residence.
- (k) Driveways and Fences. Any driveway located on a Lot must be paved with asphalt or concrete. No fencing may be located closer to the front of any Lot than the farthest point of the Living Unit to the front of such Lot. All fences shall be either brick, vinyl coated chain link, or wooden. No wire fencing shall be used. No fences will be allowed that are taller than eight (8) feet. All fencing shall be subject to the prior approval of the ACC.
- (l) Outdoor Recreational Areas. Any tennis court or swimming pool constructed on a Lot must be fenced and screened from public view by a screening material approved by the ACC; moreover, any lighting used to illuminate such facilities must be so lighted as to cast no direct light upon adjacent Lots. Permanent play equipment such as swing sets and basketball goals will not be located closer to any front Lot line than the farthest point of the Living Unit located on such Lot.
- (m) Screening. Erection of clothes lines and the maintenance of any exterior garbage containers shall not be permitted unless stored or placed in a screened enclosure, either manmade or natural. Garbage containers and clothes lines will be screened from the view of all streets. All screening material is subject to the approval of the ACC.
- (n) Antennas. No outside radio or television antenna (including a satellite disc) shall be erected on any Lot or attached to any Living Unit. Notwithstanding the foregoing, an Owner may erect a satellite disc with a diameter not to exceed eighteen (18") inches provided (A) the disc is affixed to the Living Unit and (B) such Owner obtains the prior written approval of Developer, or at any time more than three (3) years after recordation of this Declaration, of the ACC, as to the location of the disc. Developer or the ACC may deny any Owner's requested location for any reason set forth in Article Five, Section 2.
- (o) No Offensive Activity. No noxious, loud, illegal or offensive activity shall be carried on upon any portion of the Property.
- (p) Animals and Pets: Dog Lots. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot except that dogs, cats and other customary household pets may be kept and maintained provided that, at all times they (A) are confined to their Owner's

Lot or are maintained on a leash; (B) are not kept or maintained for commercial purposes and (C) do not create a nuisance or a safety risk. No dog lot shall be constructed except within a fenced rear yard.

- (q) Vehicles. There shall be no on-street parking of any boats, trailers, vans, recreational vehicles, or other vehicles other than cars and standard non-commercial pick-up trucks.
- (r) Signage. No sign of any kind shall be displayed to the public view on any Lot except one (1) sign with dimensions of not more than two feet by three feet (2' X 3') advertising any Lot or home for sale.
- (s) Rules and Regulations. The Board shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Properties.

ARTICLE FIVE

Architectural Control, Rights of the Association and Others, Streets and Common Areas

Section 1. Purpose. In order to provide and maintain certain standards as to harmony of external design and location in relation to surrounding structures and topography, the Developer does hereby empower the ACC with certain rights of architectural control.

Section 2. Architectural Control. Unless expressly authorized in writing by the ACC, no dwelling, building, fence, wall, hedge, tree, driveway, or other structure, nor any exterior addition or alteration to any existing structure, nor any clearing or site work shall be commenced, erected or maintained by an Owner, upon any Lot until plans and specifications thereof (the "Plans") showing the shape, dimension, materials, basic exterior finishes and colors, location on site, driveway, parking, gutter drains, landscaping, floor plan and elevations therefor shall have been submitted in duplicate and approved in writing, as to harmony of external design and location in relation to any surrounding structures and topography, by the ACC, in its sole discretion. This approval shall apply to all initial construction, additions and subsequent construction. The ACC shall have the absolute and exclusive right to refuse to approve any such Plans which are not suitable or desirable in the opinion of the ACC for any reason, including purely aesthetic reasons, which, in the sole and uncontrolled discretion of the ACC, shall be deemed sufficient; provided, however, that the ACC shall not refuse to approve any Plans which are substantially similar to Plans which previously have been approved or constructed on a Lot, and provided further, if the ACC denies a request, the ACC shall articulate its reasons for the denial.

Section 3. Architectural Control Committee.

- (a) **Membership.** The ACC shall consist of three (3) or more persons appointed by the Class B Member(s). When the Class B membership expires, the Board shall appoint a new committee of three (3) or more members who shall serve for such periods as are set forth in rules adopted from time to time by the Board.
- (b) **Procedure.** At least thirty (30) days prior to the commencement of any construction, the Plans shall be submitted to the ACC. Receipt of the Plans shall be acknowledged, in writing, by the ACC chairman. The ACC's approval, disapproval or waiver as required in this Declaration shall be in writing. All decisions of the ACC shall be by a majority vote. In the event the ACC fails to approve, disapprove or respond within thirty (30) days after the Plans have been received by it, the Plans shall be deemed to have been approved. Furthermore, in the event any construction is commenced on any Lot without approval of the ACC of the Plans with respect thereto and no notice is provided to such Owner within thirty (30) days of obvious construction efforts beyond mere site preparation work or no action or suit is initiated against the Owner of such Lot by the Developer or by the Association within ninety (90) days after that construction has commenced or the foundation work has been completed, approval by the ACC will be deemed to have occurred.
- (c) **Prospective Purchasers.** If a prospective purchaser desires to submit Plans to the ACC for approval, disapproval or waiver prior to purchase of a Lot from Developer or an Owner, that person or entity shall follow the procedure set out in this Declaration and the ACC shall act on the submission in the same manner as if submitted by an Owner.
- (d) **Bonding Requirements.** The ACC may, in its sole discretion, require an Owner to post a bond in any amount up to \$2,500.00 prior to the commencement of any construction by such Owner as security for compliance with such reasonable requirements as the ACC may require for compliance with the covenants and conditions set forth in this Declaration relating to construction.
- (e) **Conformity to this Article.** The ACC or its representatives shall have the right to enter upon any Lot during preparation, construction, erection or, installation of any improvements to determine that work is being performed in conformity with the Plans.

ARTICLE SIX**Property Owners' Association and Assessments**

Section 1. Corporate Name. The Association has been or will be formed pursuant to the rules and requirements of the Non-profit Corporation Act (Chapter 55A) of the General Statutes of North Carolina as an association of the Owners of Lots. Its purposes are to own, manage and

maintain, the Common Properties in a first class condition; to enforce the restrictions contained herein; and to make and enforce rules and regulations contained herein; and to make and enforce rules and regulations governing the Owners' use and occupation of Lots.

Section 2. Compulsory Membership. Each Owner shall be a member of the Association. The Developer, by this Declaration, and the Owners of individual Lots by their acceptance of individual deeds thereto, covenant and agree with respect to the Association:

- (a) That for so long as each is an Owner of a Lot, each will perform all acts necessary to remain in good and current standing as a member of the Association;
- (b) That each shall be subject to the rules and regulations of the Association with regard to ownership of a Lot;
- (c) That any unpaid assessment, whether general or special, levied by the Association in accordance with these restrictions, the Articles or the Bylaws shall be a lien upon the Lot or other property upon which such assessment was levied, and shall be the personal obligation of the Owner of the Lot at the time the assessment fell due.

Section 3. Membership in Association. Each membership in the Association shall relate to and have a unity of interest with an individual Lot which may not be separated from ownership of said Lot.

Section 4. Membership Classes. The Association shall have two (2) membership classes:

- (a) The Class A members shall consist of all of the Owners of Lots other than Developer. Each member shall be entitled to one (1) vote for each Lot owned; provided, however, when more than one (1) person or entity holds an interest in a given Lot, all such persons shall be members; provided, however, the vote for such Lot shall be exercised as they, among themselves, shall determine, but in no event shall more than one vote be cast with respect to any given Lot.
- (b) The Class B members shall be any of the Developer, C.B. and/or Shugart, each of which shall be entitled to three (3) votes for each Lot owned.

Section 5. Management and Administration. The management and administration of the affairs of the Common Properties shall be the sole right and responsibility of the Association. The management shall be carried out in accordance with the terms and conditions of this Declaration and the Articles and the Bylaws, but such management may be delegated or contracted to managers, management services or the Board.

Section 6. Common Expenses. The Common Expenses include:

- (a) All amounts expended by the Association in operating, administering, managing, repairing, replacing and improving the streets or Common Properties, including, without limitation, costs of utilities; all amounts expended by the Association in insuring the streets or Common Properties; all amounts expended by the Association in legal, engineering, or architectural fees; all similar fees which may be incurred by the Association from time to time in performing the functions delegated to the Association by these restrictions; and all amounts expended in any form by the Association in enforcing this Declaration, the Articles or the Bylaws.
- (b) All amounts expended by the Association in carrying out any duty or discretion as may be required or allowed by this Declaration, the Articles or the Bylaws.
- (c) All amounts declared to be Common Expenses in the Bylaws or in this Declaration.
- (d) All taxes and special assessments which may be levied from time to time by any governmental authority upon the Common Properties.

Section 7. Annual General Assessment. The Developer for each Lot owned, hereby covenants and each Owner of any Lot by acceptance of such a deed for same (whether or not it shall be so expressed in such deed) is deemed to covenant and agrees to pay to the Association annual general and special assessments or charges as hereinafter provided. The annual general assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge and lien on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Furthermore, each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person or entity who was the Owner of the Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to a successor in title to a Lot unless expressly assumed, but, subject to the provisions of this Declaration, delinquent assessments shall continue to be a lien upon such Lot.

Section 8. General Assessments/Limitation on Assessment.

- (a) The Board may fix the annual general assessment to pay for the Common Expenses at an amount not in excess of the maximum, subject to the limitations herein.
- (b) Once the annual general assessment has been set, notice of the annual general assessment shall be given to all members. After the initial notice of the assessment, the assessment shall become due and payable as provided by the Board.
- (c) The initial amount general assessment for the period through December 31, 1995 shall be \$300.00 which shall be due and payable on a prorated basis by an Owner upon the sale of a Lot by Developer and/or C.B. and/or Shugart to a Class A member. For subsequent

years, the amount of the general assessment shall be set by the Board, but unless as otherwise provided in subparagraph (d), shall not increase by more than the ten percent (10%). The general assessment shall be due and payable in full the later of (A) January 1 of each year or (B) fifteen days (15) after the amount of the general assessment is set by the Board and notice is given to the Owners.

- (d) Beginning in 1996, the maximum annual general assessment may be increased by an amount greater than 10 percent of the assessment for the previous year provided the proposed increase is approved by a vote of two thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose.
- (e) Notwithstanding the other provisions for assessment contained herein, no Lot owned by a Class B member(s) (whether individually or collectively) shall be subject to an annual assessment unless and until such Lot is occupied at which time the assessment shall be increased to the same annual assessment as Class A members.
- (f) The annual general assessments levied by the Association shall be used exclusively to pay for the Common Expenses.
- (g) The Association shall, upon demand, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 9. Notice of Meeting for Increased General Assessment. Written notice of any meeting called for the purpose of voting for authorized general assessments in excess of the amount of general assessment permitted to be fixed by the Board shall be sent to all members not less than thirty (30) days, and not 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 quorum is not present, another meeting may be called subject to the same notice requirement, and the same quorum requirement as the preceding meeting. No such subsequent meeting shall be held sooner than thirty (30) days following the preceding meeting. The determination of the validity of ballots and proxies shall be in the sole discretion of the Board.

Section 10. Special Assessments. Special assessments may be levied against Lots for such reasons as are provided in this Declaration, the Articles or the Bylaws and on such terms as provided by the Board or the members. Either the Board or the members may levy and impose special assessments upon a majority vote; provided, however, with respect to the members, the special assessment may only be levied and imposed upon a majority vote of each class of members. The purposes for which special assessments may be levied include, but are not limited to, providing funds to pay the Common Expenses which exceed the general assessment fund then on hand to pay same and providing a fund for capital improvements and extraordinary expenses. Payment of any special assessment is due within thirty (30) days from

the date of such billing. Any Owner late in paying such bill will be personally subject for, and such Owner's Lot will be subject to a lien for, penalties, late charges and any other expenses incurred in the collection of said bill.

Section 11. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first lien mortgage or deed of trust. Sale or transfer of any Lot shall not effect the assessment liability or lien provided for herein. However, the sale or transfer of any Lot which is subject to any first lien mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding, conveyance or assignment in lieu of foreclosure thereof, shall extinguish the lien of such assessments which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first lien mortgage or deed of trust.

Section 12. Compliance with this Declaration, the Articles and the Bylaws of the Corporation. In addition to all other enforcement and remedy provisions set forth herein and all other remedies, legal or equitable, in the case of failure of an Owner to comply with the terms and provisions contained in this Declaration, the Articles or the Bylaws of the Association, the following relief shall be available:

- (a) The Association, an aggrieved Owner(s) on behalf of the Association, or any Owner on behalf of any or all of the Owners shall have the right to bring an action and recover sums due, damages, injunctive relief, and/or such other and further relief as may be just and appropriate.
- (b) The Association shall have the right to remedy the violation and assess the costs of remedying same against the offending Owner as a special assessment.
- (c) If the violation is the nonpayment of any general or special assessment, the Association shall have the right to suspend the offending Owner's voting rights and the use by such Owner, his agents, employees and invitees of the Common Properties for any period during which an assessment against the Lot remains unpaid.
- (d) The remedies provided by this Article Six are cumulative, and are in addition to any remedies provided by law or in equity.
- (e) The failure of the Association or any person to enforce any restriction contained in this Declaration, the Articles or the Bylaws shall not be deemed to waive the right to enforce such restrictions thereafter as to the same violation or subsequent violation of similar character.

Prior to availing itself of the relief specified herein, the Association shall follow any hearing procedures which may be set forth in the Bylaws, if any.

ARTICLE SEVEN

Miscellaneous

Section 1. Recorded Plat. All dedications, limitations, easements, restrictions and reservations shown on the Plat are incorporated herein and shall be construed as being adopted in each contract, deed, or conveyance executed or to be executed by Developer, conveying Lots, whether specifically referred to therein or not.

Section 2. Mortgages. It is expressly provided that the breach of any of the foregoing conditions shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, as to the same premises or any part thereof encumbered by such mortgage or deed of trust, but said conditions shall be binding thereto as to Lots acquired by foreclosure, trustee's sale or otherwise, as to any breach occurring after such acquisition of title.

Section 3. Binding Effect. Each of the conditions, covenants, restrictions and agreements herein contained is made for the mutual benefit of, and is binding upon, each and every person acquiring any part of the Property, it being understood that such conditions, covenants, restrictions and agreements are not for the benefit of the owner of any land except land in the Property. This instrument, when executed, shall be filed of record in the deed records of Forsyth County so that each and every Owner or purchaser of any portion of the Property is on notice of the conditions, covenants, restrictions and agreements herein contained.

Section 4. Other Authorities. If other authorities, such as Forsyth County, impose more demanding, expensive or restrictive requirements than those set forth herein, the requirements of such authorities shall control.

Section 5. Amendment by Owners. At any time, the Owners of the legal title to seventy-five percent (75%) of the Lots as it may be extended (as shown by real estate records of Forsyth County, North Carolina), may amend the covenants, conditions and restrictions set forth herein by recording an instrument containing such amendments(s), except that, for the ten (10) years following the recording of this declaration, no such amendment shall be valid or effective without the joinder of Developer.

Section 6. Modification by Developer. Any restrictions, covenants or conditions set forth herein may be extended, removed, modified or changed by securing the written consent of the Developer, which written consent, if given, shall be duly executed, acknowledged and recorded in the Office of the Register of Deeds of Forsyth County, North Carolina, and which written consent may be given or withheld within the uncontrolled and sole discretion of the Developer and which written consent shall be the sole document necessary to evidence and effect such removal, modification or change. The Developer may convey its right to remove, modify or change any restriction, condition or covenant of this instrument to any person, firm or corporation (including the Association) by instrument in writing duly recorded in the Office of the Register of Deeds of Forsyth County. Unless and until Developer conveys such right to any other person,

firm or corporation, the Developer, with respect to Lots located with Bridgeport, hereby assigns and delegates to Shugart the right to remove, modify or change any restriction, condition or covenant, and with respect to Lots located with Harwick, hereby assigns and delegates to C.B. the right to remove, modify or change any restriction, condition or covenant.

Section 7. Captions and Introductions. The captions and introductory material herein are inserted only as a matter of convenience and reference and in no way define, limit or describe the scope of this Declaration, nor the intent of any provision hereof.

Section 8. Gender. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine and neuter genders, and the use of the singular shall be deemed to refer to the plural, and the use of the plural shall be deemed to refer to the singular, wherever the context so requires.

[NEXT PAGE SIGNATURE PAGE]

IN WITNESS WHEREOF, the Developer has caused this Declaration of Covenants, Conditions and Restrictions to be executed and sealed by them, as of the day and year first above written.

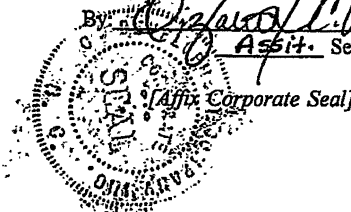
DEVELOPER:

C.B. DEVELOPMENT COMPANY, INC.

ATTEST:

By: [Signature]
Assit. Secretary

By: [Signature]
Its: _____



[Affix Corporate Seal]

[Signature] (SEAL) ✓
Grover Shugart, Jr.

[Signature] (SEAL) ✓
Brian D. Shugart

[Signature] (SEAL) ✓
James O. Yopp, Jr.
P 993

STATE OF NORTH CAROLINA)
)
COUNTY OF FORSYTH)

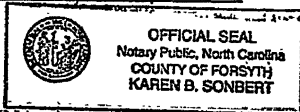
I, Karen B. Sonbert, a Notary Public of the County and State aforesaid, certify that Elizabeth C. White personally appeared before me this day and acknowledged that (s)he is the assit. Secretary of C.B. DEVELOPMENT COMPANY, INC., a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Said President, sealed with its corporate seal, and attested by Elizabeth C. White as its Assit. Secretary.

WITNESS my hand and notarial seal or stamp, this the 12th day of July, 1995.

Karen B. Sonbert
Notary Public

My Commission Expires: April 24, 1999

[Notarial Seal/Stamp]



STATE OF NORTH CAROLINA)
)
COUNTY OF DAVIDSON)

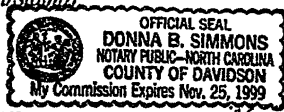
I, Donna B. Simmons, a Notary Public of the County and State aforesaid, certify that GROVER SHUGART, JR. personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and Notarial Seal or Stamp, this the 12th day of July, 1995.

Donna B. Simmons
Notary Public

My Commission Expires: 11/25/99

[Notarial Seal/Stamp]



STATE OF NORTH CAROLINA)
)
COUNTY OF Davidson)

I, Donna B. Simmons, a Notary Public of the County and State aforesaid, certify that BRIAN D. SHUGART personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and Notarial Seal or Stamp, this the 12th day of July, 1995.

Donna B. Simmons
Notary Public

My Commission Expires: 11/25/99



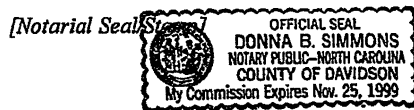
STATE OF NORTH CAROLINA)
)
COUNTY OF Davidson)

I, Donna B. Simmons, a Notary Public of the County and State aforesaid, certify that JAMES D. YOPP, JR. personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and Notarial Seal or Stamp, this the 12th day of July, 1995.

Donna B. Simmons
Notary Public

My Commission Expires: 11/25/99



STATE OF NORTH CAROLINA - Forsyth County

The foregoing (or annexed) certificate of Karen B. Sambert NP, Forsyth County, NC (here give name and official title of the officer signing the certificate passed upon) &

NC + Donna B. Simmons, NP, Davidson County, NC

is (are) certified to be correct. This the 25th day of July, 19 95.

John Holleman Register of Deeds

By Heida Groom Deputy Assistant

Probate and Filing Fee \$ _____ paid.

EXHIBIT A

BEGINNING at an iron pin located at the northwest corner of Lot 1, Atwood Acres, Section 7, and the northeast corner of Lot 2, Atwood Acres, Section 7, thence North 89° 25' 25" West 97.84 feet to an iron pin; thence South 89° 43' 29" West 235.50 feet to an iron pin; thence North 89° 45' 39" West 219.99 feet to an iron pin; thence North 89° 44' 54" West 169.84 feet to an iron pin; thence North 89° 41' 49" West 109.89 feet to an iron pin; thence North 88° 52' 28" West 110.34 feet to an iron pin; thence North 89° 49' 11" West 770.12 feet to an iron pin; thence North 89° 49' 54" West 60.04 feet to an iron pin; thence North 89° 48' 59" West 746.15 feet to an iron pin located at the northwest corner of Lot 14, Atwood Acres, Section 8; thence North 89° 31' 16" West 485.03 feet to an iron pin; thence North 14° 52' 23" East 433.93 feet to an iron pin; thence North 63° 18' 37" West 85.77 feet to an oak tree located in the western line of Lot 180, Salem Woods, Section 3; thence North 26° 41' 46" East 751.95 feet to an iron pin located in the eastern line of Lot 264, Salem Woods, Section 6; thence South 79° 50' 47" East 400.58 feet to an iron pin; thence South 30° 57' 32" East 78.25 feet to an iron pin; thence South 88° 24' 50" East 655.63 feet to an iron pin located in the southern line of Lot 35, Brook Hollow, Section 4; thence South 88° 10' 21" East 1,630.84 feet to an iron pin located at the southeast corner of Lot 125, Atwood Acres, Section 5, and in the western line of Lot 4, Atwood Acres, Section 5; thence South 01° 33' 22" East 197.22 feet to an iron pin; thence South 01° 54' 51" East 59.92 feet to an iron pin; thence North 89° 03' 26" West 15.03 feet to an iron pin located at the northwest corner of Lot 2, Atwood Acres, Section 5; thence South 01° 43' 12" East 214.42 feet to an iron pin located at the northwest corner of Lot 19 and the northeast corner of Lot 20, Atwood Acres, Section 3; thence running with the northern line of Lot 20, South 88° 56' 15" West 100.03 feet to an iron pin; thence South 01° 39' 26" East 462.37 feet to the point and place of BEGINNING and containing 66.578 acres as shown on the survey prepared by Gupton Foster Associates, dated July, 1994, last revised on July 20, 1995, Project Number 9935-94D, reference to which is hereby made for a more particular description.

EXHIBIT B
(Bridgeport)

BEGINNING at an iron pin in the northern right-of-way line of Bridgeport Drive, said iron pin being located in the southwesternmost corner of Lot 3, Atwood Acres (Section 5) and as shown on the map recorded at Plat Book 23, Page 22; thence from said point and place of BEGINNING South $01^{\circ} 54' 51''$ East 59.92 feet to an iron pin located in the southern right-of-way line of Bridgeport Drive and in the northern line of Lot 2 of said Atwood Acres (Section 5); thence with the northern line of said Atwood Acres (Section 5) North $89^{\circ} 03' 26''$ West 15.03 feet to an iron pin located at the northwest corner of Lot 20; thence with the western line of Lots 2 and 1, Atwood Acres (Section 5) South $01^{\circ} 43' 12''$ East 154.42 feet to an iron pin located at the southwest corner of Lot 1 and the northeast corner of Lot 20 Atwood Acres (Section 5); thence on a new line North $76^{\circ} 34' 27''$ West 263.00 feet to a point; thence North $77^{\circ} 40' 33''$ West 151.93 feet to a point; thence North $88^{\circ} 14' 30''$ West 2,037.50 feet to a point; thence North $20^{\circ} 11' 22''$ East 125.28 feet to a point; thence on a curve to the left having a radius of 50.00 feet, a chord bearing and distance of North $16^{\circ} 54' 50''$ West 75.09 feet to a point; thence North $88^{\circ} 14' 30''$ West 196.04 feet to a point located in the center of a thirty-foot Sanitary Sewer Easement recorded at Book 883, Page 488; thence with the centerline of said easement North $43^{\circ} 48' 41''$ East 276.59 feet to a point; thence leaving center line of said Sanitary Sewer Easement South $79^{\circ} 50' 47''$ East 93.12 feet to an iron pin; thence South $30^{\circ} 57' 32''$ East 78.25 feet to an iron pin; thence South $88^{\circ} 24' 50''$ East 655.63 feet to an iron pin located in the southern line of Lot 35 of Brook Hollow Subdivision (Section 4) as shown on the map recorded at Plat Book 24, Page 64; thence South $88^{\circ} 10' 21''$ East 1,630.84 feet to an iron pin located at the southeastern corner of Lot 125, Brook Hollow (Section 1) as shown on the map recorded at Book 23, Page 193 and also being located in the western line of Lot 4, Atwood Acres (Section 5); thence with the western line of Lots 4 and 3 of said Atwood Acres (Section 5) South $01^{\circ} 33' 22''$ East 197.22 feet to an iron pin at the point and place of BEGINNING as shown on the survey prepared by Gupton Foster Associates dated July, 1994, and last revised July 20, 1995, Project Number 9935-94D, reference to which is hereby made for a more particular description.

EXHIBIT C

BEGINNING at a point located in the northern line of Forsyth County, Tax Block 3900, Tax Lot 27U (as presently constituted), said point being located North 89° 31' 16" West 102.26 feet from an iron pin located at the northwest corner of Atwood Acres, Section 8, Plat Book 25, Page 101, thence from said point and place of BEGINNING North 89° 31' 16" West 382.77 feet to an iron pin; thence North 14° 52' 23" East 433.93 feet to an iron pin; thence North 63° 18' 37" West 85.77 feet to an oak tree located in the eastern line of Lot 180, Salem Woods, Section 3; thence North 26° 41' 46" East 751.95 feet to an iron pin located in the eastern line of Lot 264, Salem Woods, Section 6; thence South 79° 50' 47" East 307.46 feet to a point located in the centerline of a 30-foot Sanitary Sewer Easement recorded at Book 883, Page 488; thence with the centerline of said Sanitary Sewer Easement South 43° 48' 41" West 276.59 feet to a point; thence South 88° 14' 30" East 196.04 feet to a point; thence on a curve to the left having a radius of 50.00 feet, a length of 84.95 feet, a chord bearing and distance of South 16° 54' 50" East 75.09 feet to a point; thence South 20° 11' 22" West 125.28 feet to a point; thence North 88° 14' 30" West 10.00 feet to a point; thence South 00° 14' 48" West 156.23 feet to a point; thence on a curve having a radius of 30.00 feet, a length of 20.24 feet, a chord bearing and distance of North 60° 05' 49" West 19.86 feet to a point; thence on a curve to the left having a radius of 50.00 feet, a length of 144.63 feet, a chord bearing and distance of South 56° 22' 03" West 99.23 feet to a point; thence North 89° 45' 12" West 153.43 feet to a point; thence South 00° 14' 48" West 280.00 feet to a point; thence South 89° 45' 12" East 150.00 feet to a point; thence on a curve to the left having a radius of 50 feet, a length of 52.36 feet, a chord bearing and distance of South 00° 14' 48" West 50.00 feet to a point; thence North 89° 45' 12" West 150.00 feet to a point; thence South 00° 14' 48" West 139.59 feet to the point and place of BEGINNING and containing 9.789 acres as shown on the survey prepared by Gupton Foster Associates, dated July, 1994, and last revised July 20, 1995, Project Number 9935-94D, reference to which is hereby made for a more particular description.

EXHIBIT D

BEGINNING at an iron pin located at the northwest corner of Lot 1 and the northeast corner of Lot 2, Atwood Acres, Section 7, thence North $89^{\circ} 25' 25''$ West 97.84 feet to an iron pin; thence South $89^{\circ} 43' 29''$ West 235.50 feet to an iron pin; thence North $89^{\circ} 45' 39''$ West 219.99 feet to an iron pin; thence North $89^{\circ} 44' 54''$ West 169.84 feet to an iron pin; thence North $89^{\circ} 41' 49''$ West 109.89 feet to an iron pin; thence North $88^{\circ} 52' 28''$ West 110.34 feet to an iron pin; thence North $89^{\circ} 49' 11''$ West 770.12 feet to an iron pin; thence North $89^{\circ} 49' 54''$ West 60.04 feet to an iron pin; thence North $89^{\circ} 48' 59''$ West 746.15 feet to an iron pin; thence North $89^{\circ} 31' 16''$ West 102.26 feet to a point; thence North $00^{\circ} 14' 48''$ East 139.59 feet to a point; thence South $89^{\circ} 45' 12''$ East 150.00 feet to a point; thence on a curve to the right having a radius of 50.00 feet, a length of 52.36 feet, a chord bearing and distance of North $00^{\circ} 14' 48''$ East 50.00 feet to a point; thence North $89^{\circ} 45' 12''$ West 150.00 feet to a point; thence North $00^{\circ} 14' 48''$ East 280.00 feet to a point; thence South $89^{\circ} 45' 12''$ East 153.43 feet to a point; thence on a curve to the right having a radius of 50.00 feet and a length of 144.63 feet, a chord bearing and distance of North $56^{\circ} 22' 03''$ East 99.23 feet to a point; thence on a curve having a radius of 30.00 feet and a length of 20.24 feet, a chord bearing and distance of South $60^{\circ} 05' 49''$ East 19.86 feet to a point; thence North $00^{\circ} 14' 48''$ East 156.23 feet to a point; thence South $88^{\circ} 14' 30''$ East 2,047.50 feet to a point; thence South $77^{\circ} 40' 33''$ East 151.93 feet to a point; thence South $76^{\circ} 34' 27''$ East 263.00 feet to a point located in the western line of Lot 1, Atwood Acres, Section 5; thence running with the western line of Lot 1, South $01^{\circ} 43' 12''$ East 60.00 feet to an iron pin located at the southwest corner of Lot 1; thence with the northern line of Lot 20, Atwood Acres, Section 5, South $88^{\circ} 56' 15''$ West 100.03 feet to an iron pin; thence South $01^{\circ} 39' 26''$ East 462.37 feet to an iron pin located at the point and place of BEGINNING and containing 37.318 acres as shown on the survey prepared by Gupton Foster Associates dated July, 1994, and last revised July 20, 1995, Project Number 9935-94D, reference to which is hereby made for a more particular description.



HUBBARD REALTY OF WINSTON-SALEM, INC.
2110 CLOVERDALE AVENUE, SUITE 2-C
WINSTON-SALEM, NC 27103

2004034579 00140

FORSYTH CO, NC FEE \$29.00
NON-STANDARD DOC FEE \$25.00
PRESENTED & RECORDED:
05-17-2004 01:01 PM
DICKIE C HOOD
REGISTERED CLERK
By: E NAVARRO DPTY
BK: RE 2471

PG: 1598-1603

Original to *Angie Kear*NON-STANDARD
DOCUMENT

OFFER TO PURCHASE AND CONTRACT

Isenhour & Hubbard, Inc., as Buyers, hereby offer to Purchase and James D. Yopp, Jr. and wife, Johanna F. Yopp, Shugart Management, Inc. (formerly known as Shugart Enterprises, Inc) and C.B. Development Company, Inc., both North Carolina Corporations, as Sellers, upon acceptance of said offer, agrees to sell and convey, all of that plot, piece or parcel of land described in Exhibit "A" and Exhibit "B" attached, upon the following terms and conditions.

1. PURCHASE PRICE: The purchase price is (\$600,000.00) Six-Hundred, Thousand Dollars cash at time of closing.

(a) \$100.00 EARNEST MONEY DEPOSIT with this offer by cash, X personal check, bank check, certified check

other:

\$100.00 to be deposited and held in escrow by Shugart Management, Inc. ("Escrow Agent") until the sale is closed, at which time it will be credited to Buyer or until this contract is otherwise terminated. In the event: (1) this offer is not accepted; or (2) any of the conditions hereto are not satisfied, then all earnest monies shall be returned to Buyer. In the event of breach of this contract by Seller, upon Buyer's request, all earnest monies shall be returned to Buyer, but such return shall not affect any other remedies available to Buyer for such breach. In the event this offer is accepted and Buyer breaches this contract, then all earnest monies shall be forfeited upon Seller's request, but receipt of such forfeited earnest monies shall not affect any other remedies available to Seller for such breach.

NOTE: In the event of a dispute between Seller and Buyer over the return or forfeiture of earnest money held in escrow by a broker, the broker is required by state law to retain said earnest money in the broker's trust or escrow account until a written release from the parties consenting to its disposition has been obtained or until disbursement is ordered by a court of competent jurisdiction.

(b) \$599,900.00 BALANCE of the purchase price in cash at Closing.

2. CONDITIONS: There must be no restriction, easement, zoning or other governmental regulation that would prevent the reasonable use of the Property for Residential purposes.

(a) All deeds of trust, liens and other charges against the Property, not assumed by buyer, must be paid and satisfied by Seller prior to or at Closing such that cancellation may be promptly obtained following Closing. Seller shall remain obligated to obtain any such cancellations following Closing.

(b) Title must be delivered at closing by GENERAL WARRANTY DEED unless otherwise stated herein, and must be in simple marketable title, free of all encumbrances except: ad valorem taxes for the current year (prorated through the date of Closing); utility easements and unviolated restrictive covenants that do not materially affect the value of the Property and such other encumbrances as may be assumed or specifically approved by Buyer. The property must have legal access to public right of way.

3. SPECIAL ASSESSMENTS: Seller warrants that there are no pending or confirmed governmental special assessments for sidewalk, paving, water, sewer or other improvements on or adjoining the Property, and no pending or confirmed association special assessments.

4. PRORATIONS AND ADJUSTMENTS: Unless otherwise provided, the following items shall be prorated and either adjusted between the parties or paid at Closing: (a) Ad valorem taxes on real property shall be prorated on a calendar year basis through the date of Closing; (b) Ad valorem taxes on personal property for the entire year shall be paid by the Seller unless the personal property is conveyed to the Buyer, in which case, the personal property taxes shall be prorated on a calendar year basis through the date of Closing; (c) All state listing penalties, if any, shall be paid by Seller; (d) Rents, if any, for the Property shall be prorated through the date of Closing; (e) Owner's association dues and other like charges shall be prorated through the date of Closing. Seller represents that the regular owner's association dues, if any, are \$250.00 per year.

5. CLOSING EXPENSES: Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this agreement, and for excise tax (revenue stamps) required by law. Buyer shall pay for recording the deed and for preparation and recording of all instruments required to secure the balance of the purchase price unpaid at Closing.

6. EVIDENCE OF TITLE: Seller agrees to use his best efforts to deliver to the Buyer as soon as reasonably possible after the Effective Date of this contract copies of all title information in possession of or available to Seller, including but not limited to: title insurance policies, attorney's opinions on title, surveys, covenants, deeds, notes and deed of trust and easements relating to the Property.

7. LABOR AND MATERIAL: Seller shall furnish at Closing an affidavit and indemnification agreement in form satisfactory to Buyer showing that all labor and materials, if any, furnished to the Property within 120 days prior to the date of Closing have been paid for and agreeing to indemnify Buyer against all loss from any cause or claim arising therefrom.

8. REASONABLE ACCESS: Seller will provide reasonable access to the Property (including working, existing utilities) through the earlier of Closing or possession by Buyer, to Buyer or Buyer's representatives for the purposes of appraisal, inspection, and/or evaluation. Buyer may conduct a walk-through inspection of the Property prior to Closing.

9. CLOSING: Closing shall be defined as the date and time of recording of the deed. All parties agree to execute any and all documents and papers necessary in connection with Closing and transfer of title on or before June 15, 2004 at a place designated by Buyer. The deed is to be made to ISENHOOR & HUBBARD, INC.

10. POSSESSION: Unless otherwise provided herein, possession shall be delivered at Closing.

11. OTHER PROVISIONS AND CONDITIONS: (ITEMIZE ALL ADDENDA TO THIS CONTRACT AND ATTACH HERETO.)

1. Exhibit "A" and "B" attached.
2. Addendum attached.

12. ASSIGNMENTS: This contract may not be assigned without the written consent of all parties, but if assigned by agreement, then this contract shall be binding on the assignee and their heirs and successors.

13. PARTIES: This contract shall be binding upon and shall inure to the benefit of the parties, i.e. Buyer and Seller and their heirs, successors and assigns. As used herein, words in the singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.

14. SURVIVAL: If any provision herein contained which by its nature and effect is required to be observed, kept or performed after the Closing, it shall survive the Closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.

15. ENTIRE AGREEMENT: This contract contains the entire agreement of the parties and there are no representations, inducements or other provisions other than those expressed herein. All changes, additions or deletions hereto must be in

*After recording, please mail to: Angie Kear, Attorney
5080 Northgate Drive, Winston-Salem, NC 27104*

llh

(8)

writing and signed by all parties. Nothing contained herein shall alter any agreement between a REALTOR ® or broker and Seller or Buyer as contained in any listing agreement, buyer agency agreement, or any other agency agreement between them.

- 16. NOTICE AND EXECUTION: Any notice or communication to be given to a party herein may be given to the party or to such party's agent. This offer shall become a binding contract (the "Effective Date") when signed by both Buyer and Seller and such signing is communicated to the offering party. This contract is executed under seal in signed multiple originals, all of which together constitute one and the same instrument, with a signed original being retained by each party and each REALTOR® or broker hereto, and the parties adopt the work "SEAL" beside their signatures below.

IF YOU DO NOT UNDERSTAND THIS OFFER TO PURCHASE AND CONTRACT OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Buyer acknowledges having made an on-site personal examination of the Property prior to the making of this offer.

Date: 6/7/00

ISENHOUR & HUBBARD, INC. Buyer: [Signature] (SEAL)

Buyer: [Signature] 1/8/04 (SEAL)

Date: 6-8-2000 Seller: James E. Yopp, Jr. (SEAL)

Seller: Johanna F. Yopp (SEAL)

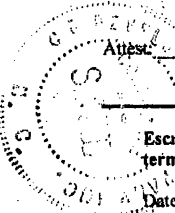


Attest: [Signature] Secretary

Seller: [Signature] President (SEAL)

SHUGART MANAGEMENT, INC (formerly known as Shugart Enterprises, Inc.)

[Signature] 4-26-04 C.B. DEVELOPMENT COMPANY, INC. A North Carolina Corporation



Attest: [Signature] Secretary

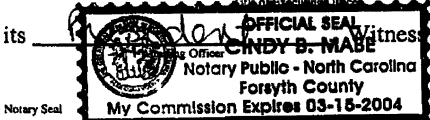
Seller: [Signature] President (SEAL)

Escrow Agent acknowledges receipt of the earnest money and agrees to hold and disburse the same in accordance with the terms hereof.

Date: Firm:

CORPORATE ACKNOWLEDGMENT - See attesting and seal

STATE OF NORTH CAROLINA, Forsyth COUNTY I, Cindy B. Mabe, a Notary Public certify that, Kit Todd Isenhour, personally came before me and acknowledged that (s)he is President of Isenhour & Hubbard, Inc. and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by him(her)self as



its [Signature] witness my hand and official seal this 8 day of January, 2004. Cindy B. Mabe Notary Public

My Commission expires 3-15-2004

INDIVIDUAL ACKNOWLEDGMENT

STATE OF NORTH CAROLINA, Forsyth COUNTY I, Inga Floyd Kear, a Notary Public do certify that Grover Shugart, Jr. personally appeared before me this day and acknowledged the due execution of the foregoing instrument. Witness my hand and notarial seal this 26 day of April 2004.



[Signature] Notary Public My Commission expires: July 21, 2004

STATE OF NC - FORSYTH CO

The foregoing certificate(s) of:

Wanda B. Mabe and Inez

NP(s)

is certified to be correct as the date of recordation shown on the first page thereof.
Dickie C. Wood, Register of Deeds by: [Signature] Deputy/Asst

EXHIBIT "A"

Being lot numbers 6, 7, 26, 27, 28, 29, 33, 35, 37, 38, 39, 40, 43, 45, 47, 48, 49, 52, 53, and 57 a total of 20 lots in the subdivision of **Bridgeport** as recorded in Plat Book 38, Page No. 81 & 82 in the office of the Register of Deeds, Winston-Salem, Forsyth County, NC.

This map is not a certified survey and has not been reviewed by a local government agency for compliance with any applicable land development regulations

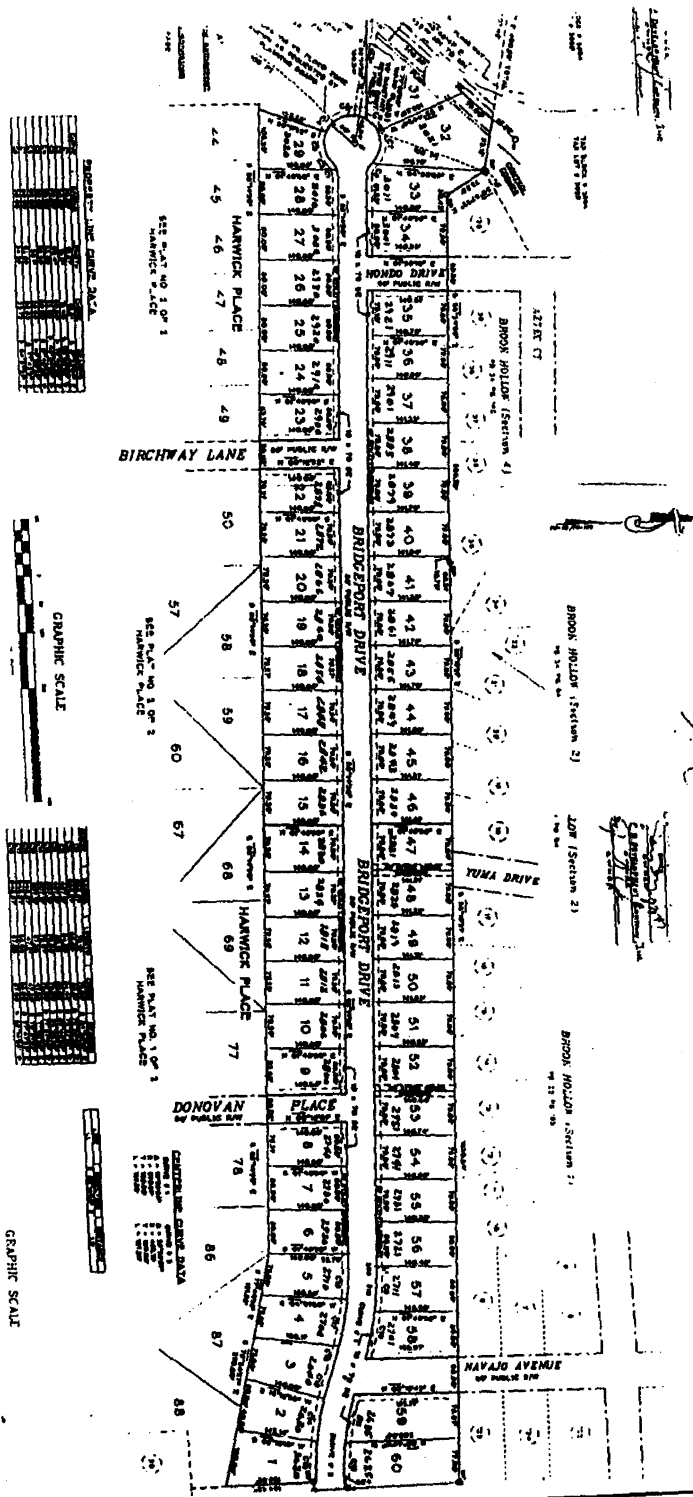
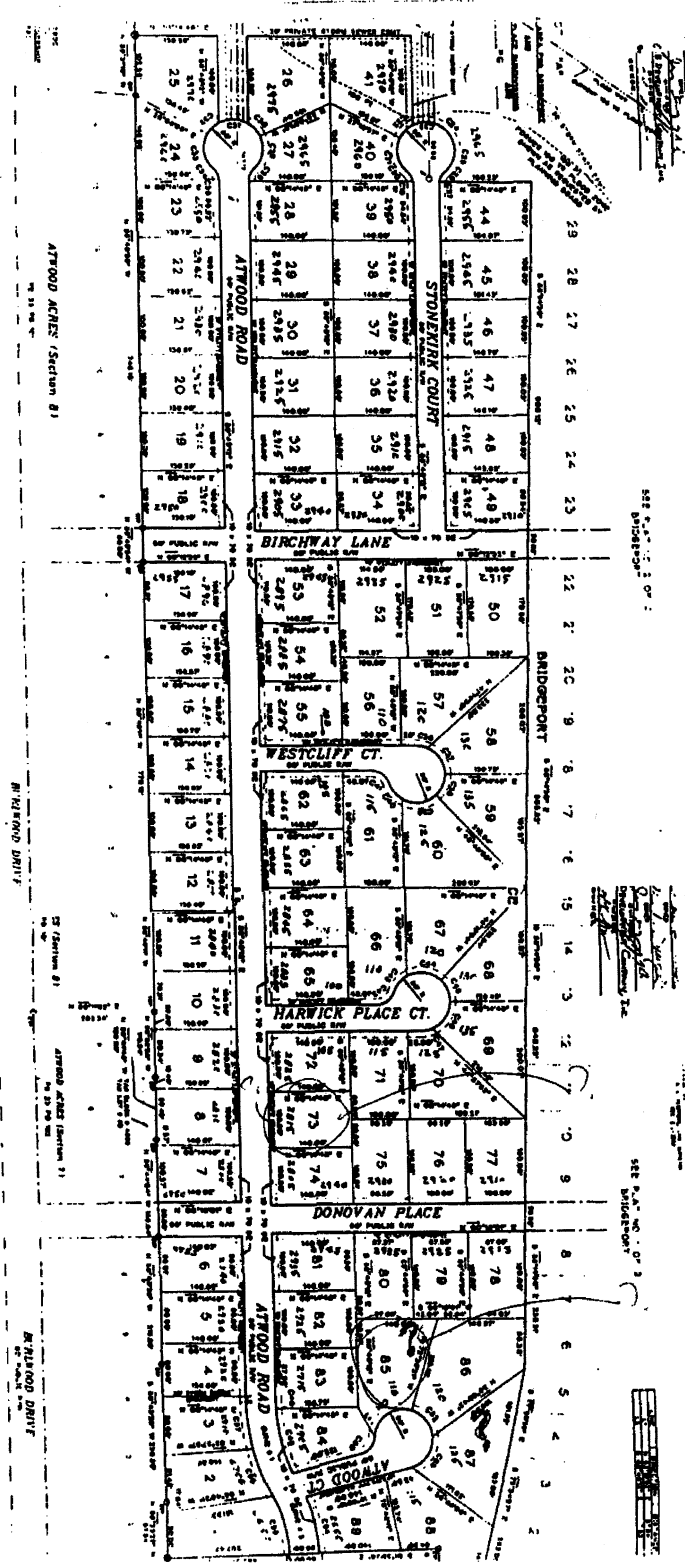


EXHIBIT "B"

Being lot numbers 3, 4, 8, 10, 11, 14, 15, 16, 23, 24, 32, 33, 66, 67, 68, 84, 85, 87, 88, and 89 a total of 20 lots in the subdivision of **Harwick Place** as recorded in Plat Book 38, Page No. 103 & 104 in the office of the Register of Deeds, Winston-Salem, Forsyth County, NC.



This map is not a certified survey and has not been reviewed by a local government agency for compliance with any applicable land development regulations

NORTH CAROLINA
FORSYTH COUNTY

ADDENDUM

THIS ADDENDUM to that certain Offer to Purchase and Contract entered into between Isenhour & Hubbard, Inc. (Buyer) and James D. Yopp, Jr. and wife, Johanna F. Yopp, Shugart Management, Inc. (formerly known as Shugart Enterprises, Inc.) and C.B. Development Company, Inc. (Sellers); and

WHEREAS, the Buyer and Sellers have entered into certain further agreements and understandings regarding the purchase of the lots in Harwick Place and Bridgeport as follows:

1. The Sellers shall transfer all right, title and interest that they/it may have to manage, own or, control and supervise the Homeowners Association including any right to alter or amend Restrictive Covenants and Conditions on the property as granted in any recorded or unrecorded covenants, conditions, restrictions, or Homeowners Association articles, bylaws, or any right, title or interest to own or control the common areas, pool, entryways, or other facilities that serve the Harwick Place and Bridgeport subdivisions.
2.
 - A) All lots to be purchased shall be good buildable lots with public sewer and water, dedicated public streets and storm drainage and water management systems as are required by local governmental agencies and other authorities including payment of all offsite fees and charges in respect thereto and with all necessary installed public utilities.
 - B) There must be no fill dirt on any lot such that a home cannot be built in a reasonable place upon any lot and if any fill has been used there must be certification from qualified engineers provided by Seller(s) so that a home may be built on the lot in a reasonable location.
 - C) If after the purchase of any lot subsequent tests or construction should show that i) the load bearing characteristic of the soil or its condition at the time of commencement of construction will not allow the construction of a single-family residential dwelling with or without a basement, or (ii) any lot shall contain rock

Handwritten signature

71

necessitating excavation and/or blasting for the construction of footers, or such that an engineered footer is required, in that event, or (iii) if the public utilities or the aforementioned are not available then upon written notice to Buyer/Purchaser any time up to three (3) years after the purchase of the lot the Seller shall be required to repurchase the lot for the original purchase price or the alternative pay to the Buyer/Purchaser the amount of additional expense to be incurred by Buyer/Purchaser for the increased cost of construction due to the adverse subsurface conditions or unavailable utilities.

This the 14th day of JUNE, 2000.

Buyer:

ISENHOUR & HUBBARD, INC.

By: [Signature]
President

Seller(s):

[Signature] (SEAL)
James E. Yopp, Jr.

[Signature] (SEAL)
Johanna F. Yopp

SHUGART MANAGEMENT, INC.
(Formerly known as Shugart Enterprises, Inc.)

By: [Signature]
President


C.B. DEVELOPMENT COMPANY, INC.

By: [Signature]
President

1/8/04

4-26-04

2004059927 00132


 FORSYTH CO, NC FEE \$20.00
 PRESENTED & RECORDED:
 08-25-2004 10:49 AM
 DICKIE C WOOD
 REGISTER OF DEEDS
 By: PATSY RUTH DAVIS DPTY
 BK: RE 2499
 PG: 543-545

CONVEYANCE OF RIGHT TO EXTEND, REMOVE, MODIFY OR CHANGE THE
 DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTION
 AND THE BY-LAWS OF
 HARWICK-BRIDGEPORT SUBDIVISION

THIS CONVEYANCE OF POWER TO EXTEND, REMOVE, MODIFY OR
 CHANGE the Declaration of Covenants, Conditions and Restriction and the By-Laws of
 the Harwick-Bridgeport Sub-division and/or the Bridgeport Homeowners' Association,
 made this the 17 day of August, 2004, by Grover Shugart, Jr., President of
 Shugart Management, Inc., (hereinafter referred to as the "Declarant"), for itself, its
 successors and assigns;

WITNESSETH:

WHEREAS, the Declaration of Covenants, Conditions and Restrictions
 (hereinafter referred to as the "Declaration") was drafted by C. B. Development
 Company, Inc., Grover Shugart, Jr., Brian D. Shugart, and James O. Yopp, Jr.
 (collectively referred to as the "Developer" of the Harwick/Bridgeport subdivision,
 located in Forsyth County, North Carolina); and,

WHEREAS, the said Declaration was recorded with the Forsyth County Register of
 Deeds Office on July 25, 1995, in Book 1865 at pages 1607-1627; and,

WHEREAS, Article Seven, Section (6) of the said Declaration states that:

"[a]ny restrictions, covenants or conditions set forth herein may be
 extended, removed, modified or changed by securing the written consent
 of the Developer, which written consent, if given, shall be duly
 executed, acknowledged and recorded in the Office of the Register of
 Deeds of Forsyth County, North Carolina, and which written consent may
 be given ... within the uncontrolled and sole discretion of the Developer
 and which written consent shall be the sole document necessary
 to evidence and effect such removal, modification or change. The
 Developer may convey its right to remove, modify or change any restriction,
 condition or covenant of this instrument to any person, firm or

Original to Inga Kear

corporation (including the [Homeowners'] Association by instrument in writing duly recorded in the Office of the Register of Deeds of Forsyth County."

WHEREAS, Declarant sold lots in the said subdivision of Harwick Place and also in Bridgeport to K. Todd Isenhour, who is President of Isenhour & Hubbard, Inc., on June 7, 2000, and again on June 14, 2000, said purchases being recorded with the Forsyth County Register of Deeds Office on May 17, 2004, in Book 2471 at Pages 1598-1603; and,

WHEREAS, due to said sale of the lots in the subdivision of Harwick Place and in Bridgeport, to said K. Todd Isenhour, the Declarant hereby vests from itself and transfers to said K. Todd Isenhour, as President of Isenhour & Hubbard, Inc., all rights and powers to extend, remove, modify or change the said Declaration, just as if the said K. Todd Isenhour were the original developer, and said conveyance and vestment is pursuant to Article Seven, Section (6) of the said Declaration, and in case of a contradiction between Article Seven, Section (6) and Article Three, Section (1), Article Seven, Section (6) shall control.

This the 17 day of August, 2004.

Shugart Management, Inc.

By

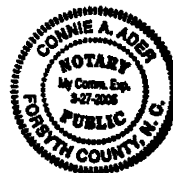

Grover Shugart, Jr., President

STATE OF NORTH CAROLINA)
) CORPORATE ACKNOWLEDGMENT
COUNTY OF FORSYTH)

I, Connie Ader, a Notary Public certify that GROVER SHUGART, JR., personally came before me and acknowledged he is the President of Shugart Management, Inc., and that by authority given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its President. Witness my hand and official seal this the 17th day of August, 2004.

Connie A Ader
Notary Public

My Commission Expires: 3/27/05



The foregoing Certificate(s) of Connie A. Ader, et al
_____ are certified to be correct. This instrument and
this certificate are duly registered this 25th day of August, 2004, at _____
o'clock _____ m., in Book _____, Page _____.

Register of Deeds for Forsyth County, NC

DICKIE C. WOOD, REGISTER OF DEEDS

[Signature] ASST.