

FILED FOR REGISTRATION
JULY 11, 2006 4:08 P.M.
DATE TIME
AND RECORDED IN BOOK 670 PAGE 534
M. BRENT SHOAF, REGISTER OF DEEDS
DAVE COUNTY, NC
BY Davis C. Williams
ASST.

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

THE RESERVE AT LAKE LOUISE

**HENRY P. VAN HOY, II
TEN COURT SQUARE
MOCKSVILLE, NC 27028**

Revised July 11, 06

TABLE OF CONTENTS

Article I.	Definitions	2
Article II.	Property Rights	4
Article III.	Membership and Voting Rights	6
Article IV.	Maintenance	7
Article V.	Insurance and Casualty Losses	8
Article VI.	No Partition	10
Article VII.	Condemnation	11
Article VIII.	Annexation of Additional Property	11
Article IX.	Rights and Obligations of the Association	12
Article X.	Assessments	13
Article XI.	Architectural Standards	18
Article XII.	Use Restrictions	21
Article XIII.	Easements	26
Article XIV.	Declarant's Rights	28
Article XV.	Institutional Lenders	29
Article XVI.	General Provisions	30

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

THE RESERVE AT LAKE LOUISE

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made this 11 day of July, 2006, by The Burnfam Limited Partnership, a North Carolina limited partnership, (referred to herein as the "Declarant").

Declarant is the owner of the real property located in Davie County, North Carolina and described in Exhibit "A" attached hereto and incorporated herein by reference. Declarant intends by this Declaration to construct in phases on a portion of the Declarant's property a planned community development to be called "The Reserve at Lake Louise" consisting of not more than ninety (90) patio homes. Each phase shall be separately platted which plats shall be recorded in the Office of the Register of Deeds of Davie County, North Carolina. By the recording of this

instrument, the Declarant intends to impose upon the property contained in each such phase of The Reserve at Lake Louise as shown any plat, whether now or subsequently recorded, restrictions providing a flexible and reasonable procedure for the overall development of the Properties and establishing a method for the administration, maintenance, preservation, use and enjoyment of the Properties.

Declarant declares that such portion(s) of the property described in Exhibit "A" as is shown on a plat or plats now or hereafter recorded in the Office of the Register of Deeds of Davie County and designated as a phase of The Reserve at Lake Louise (herein referred to as the "Properties") and any additional property later subjected to this Declaration by Supplemental Declaration executed by the Declarant, shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property subjected to this Declaration, and which shall be binding on all parties having any right, title or interest in the Properties, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof.

This Declaration does not and is not intended to create a condominium within the meaning of the North Carolina Condominium Act, NC General Statute § 47C-1-101, et seq.

Article I **Definitions**

Section 1. "Area of Common Responsibility" means those areas designated as "Common Elements," "Limited Common Elements," "Landscape Easements," signs, alleyways, and streets designated on plats of any phase of "The Reserve at Lake Louise" together with those areas, if any, which by the terms of this Declaration or by contract or agreement with any third party, become the responsibility of the Association. The Area of Common Responsibility shall also include those areas identified in Article IV, Section 1 hereof.

Section 2. "Articles of Incorporation" or "Articles" means the Articles of Incorporation of The Reserve at Lake Louise Homeowners Association, Inc., when filed with the Secretary of State of the State of North Carolina.

Section 3. "Association" refers to The Reserve at Lake Louise Homeowners Association, Inc., a North Carolina non-profit corporation, its successors or assigns which shall be the association for all property owners of any phase of The Reserve at Lake Louise.

Section 4. "Assessment" means any type of assessment which can be levied under Article X as the context requires.

Section 5. "Board of Directors" or "Board" is the body responsible for administration

of the Association and designated to act on behalf of the Association. The Board members shall be selected as provided in the By-Laws and generally serve the same role as assigned to a board of directors under North Carolina corporate law.

Section 6. “By-Laws” means the By-Laws of The Reserve at Lake Louise Homeowners Association, Inc., incorporated herein by reference, as they may be amended from time to time.

Section 7. “Class “B” Control Period” means the period of time during which the Class “B” Member is entitled to appoint a majority of the members of the Board of Directors, as provided in Article III, Section 2, of the By-Laws or as provided in the Declaration. Essentially, the Class “B” Control Period lasts until eighty-one (81) Lots have been sold to in any event when eighty-one (81) patio houses have been sold to purchasers for occupancy as a house and not to contractors for the purpose of building patio houses.

Section 8. “Common Elements” means all real estate owned or leased by the Association, other than a Lot. Common Elements include Limited Common Elements.

Section 9. “Common Expenses” means expenditures made by the Association or financial liabilities of the Association, together with any allocations to reserves, as the Board finds necessary and appropriate pursuant to this Declaration, the By-Laws, or the Articles of Incorporation of the Association.

Section 10. “Declarant” means The Burnfam Limited Partnership and any successor or assign to whom the Declarant has specifically assigned any Declarant right.

Section 11. “Declaration” means this instrument as amended from time to time.

Section 12. “House” means a detached patio house constructed upon a Lot as a residence for a single family.

Section 13. “Limited Common Elements” means a portion of the Common Elements allocated by the Declaration or by operation of law and as shown on any recorded plat of The Reserve at Lake Louise and labeled “Limited Common Element”. A Limited Common Element is for the exclusive use of the Lot surrounded by the particular Limited Common Element.

Section 14. “Lot” means a physical portion of the planned community labeled as a “building envelope” on recorded plats of The Reserve at Lake Louise and designated for separate Lot Ownership or occupancy by a Lot Owner and upon which a single family detached house shall be built within the foot print. The foot print of a House will be within the building envelope together with a three foot dirt perimeter.

Section 15. “Lot Owner” means a Declarant or other person more Persons who owns a

Lot, but excluding any party holding merely a security interest in a lot. If a Lot is sold under a recorded contract of sale, and the contract specifically so provides, then the named purchaser will be considered the Lot Owner.

Section 16. “Member” means a Person who holds membership and voting rights in the Association, as provided herein.

Section 17. “Person” means a natural person, a corporation, a partnership, business trust, a trustee, association, joint venture, or any other legal or commercial entity.

Section 18. “Planned Community Act” means Chapter 47F of the North Carolina General Statutes.

Section 19. “Properties” means that portion of the Declarant’s real property described in Exhibit “A” shown on any plat or plats now or hereafter recorded in the Office of the Register of Deeds of Davie County and designated as a phase of The Reserve at Lake Louise, together with such additional property as may be later subjected to this Declaration by Supplemental Declaration.

Section 20. “Supplemental Declaration” means an amendment or supplement to this Declaration which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein. The term shall also refer an instrument recorded by the Association pursuant to Article VIII. Additional property may only be annexed as provided by the terms of this Declaration.

Section 21. “Zoning Conditions” means the re-zoning conditions imposed by the County of Davie on the Properties dated September 20, 2004.

Article II **Property Rights**

Section 1. General. Every Lot Owner shall have, as a right appurtenant, a nonexclusive easement of use, access and enjoyment in and to the Common Elements, but not to Limited Common Elements, subject to:

- (a) this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association;
- (b) the right of the Board to adopt reasonable rules regulating the use and enjoyment of the Common Elements;
- (c) the right of the Board to suspend the voting right of a Lot Owner for a period during which any assessment against such Lot Owner’s Lot remains unpaid or during the

period the Lot Owner is in violation of this Declaration or of any published rule or regulation pertaining to such Lot Owner's Lot;

(d) the right of the Association to dedicate or transfer non-exclusive easements on, over and upon all or any part of the Common Elements for such purposes and subject to such conditions as may be agreed to by the Board; provided however, no such dedication or transfer shall be effective unless an instrument executed on behalf of the Association by its duly authorized officers, agreeing to such dedication or transfer, has been recorded;

(e) the right of the Association, pursuant to Section 47F-3-112 of the Planned Community Act and with the consent of the Members entitled to cast at least eighty percent (80%) of the votes of each class of Member of the Association, to dedicate or transfer fee title to all or any part of the Common Elements for such purposes and subject to such conditions as may be agreed to by the Members consenting to such dedication or transfer; provided however, during Class "B" Control Period, the Declarant must also consent to such action and, further provided that no such dedication or transfer shall interfere with or obstruct utility service to, or ingress, egress and regress to or from, the Lots or any remaining Common Elements or cause any lot or any remaining Common Elements to fail to comply with applicable laws, regulations or ordinances;

(f) the right of the Board to make permanent and temporary assignments of parking spaces and to establish rules and regulations concerning parking and vehicular traffic flow on and along the streets and roadways, whether public or private, within or abutting the Properties which rules and regulations may restrict or prohibit on-street parking and may be enforced by towing at the expense of the vehicles owner, by reasonable fine levied against the vehicles owner and/or any Lot Owner to which such violation reasonably may be attributed, or by any other reasonable method of enforcement established by the Board;

(g) the right of the Association to borrow money for the purpose of improving the Common Elements and facilities thereon and, with the assent of Members entitled to cast at least eighty percent (80%) of the votes of each class of Members of the Association, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred (any such mortgage shall be effective if it is executed on behalf of the Association by its duly authorized officers and recited that the requisite consent of Members has been obtained and documented in the Minute Book of the Association); provided however, during the Class "B" Control Period, Declarant must also consent to such action, and further provided that no such mortgage, encumbrance or hypothecation or foreclosure of the lien thereby created shall interfere with or obstruct utility service to, or ingress, egress and regress to or from, the Lots or any remaining Common Elements or cause any Lot or any remaining Common Elements to fail to comply with applicable laws, regulations or ordinances;

(h) the right of the Association to convey to Declarant portions of the Common Elements for the purpose of correcting erroneous conveyances of Common Elements or eliminating unintentional encroachment of dwellings or other improvements onto portions of the Common Elements or for the purpose of enhancing the utility of the Common Elements to be retained by the Association; provided however, no such conveyance shall interfere with or obstruct utility service to, or ingress, egress and regress to or from, the Lots or any remaining Common Elements or cause any Lot or any remaining Common Elements to fail to comply with applicable laws, regulations or ordinances; and

(i) such other rights granted the Association hereunder.

Section 2. Rules and Regulations, Fines. The Board may establish reasonable rules and regulations concerning the use of Common Elements and improvements located thereon from time to time which are binding upon Lot Owners, their families, guests, invitees, and agents. Board may impose reasonable monetary fines and other sanctions for the violation of established rules and regulations and for the violation of any of the covenants contained in this Declaration, which monetary fines and sanctions shall be assessed and collected pursuant to the provisions of Article X hereof. Copies of such rules and regulations shall be furnished by the Board to Lot Owners upon request.

Section 3. Delegation Right of Lot Owners. Any Lot Owner may delegate, in accordance with the Bylaws, the Lot Owner's right of enjoyment of the Common Elements and facilities to the members of the Lot Owner's family, tenants or contract purchasers who reside on the Lot Owner's Lot.

Section 4. Lot Leasing. Pursuant to the Zoning Conditions, no Lot Owner shall lease more than one Lot. Any Lease Agreement between a Lot Owner and a lessee for the lease of such Lot Owner's Lot shall provide that the terms of the Lease shall be subject in all respects to the provisions of this Declaration of Covenants, Conditions and Restrictions, the Articles of Incorporation and Bylaws of the Association, and the Zoning Conditions and any special use permit issued by the County of Davie, and that any failure by the lessee to comply with the terms of any such document shall be a default under the terms of the lease. All leases of Lots shall be in writing and shall have a term of not less than one (1) month.

Article III **Membership and Voting Rights**

Section 1. Membership. Every Lot Owner shall have a membership in the Association for each Lot owned. In the event the Lot Owner of a Lot is more than one Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by a Member or the Member's spouse. The membership rights of

a Lot owned by a corporation or partnership shall be exercised by the individual designated from time to time by the Lot Owner in a written instrument provided to the Secretary of the Association.

Section 2. Voting. The Association initially shall have two classes of membership – Class “A” and Class “B”:

(a) Class “A”. Class “A” Members shall be all Lot Owners with the exception of the Class “B” Member, if any. Class “A” Members shall be entitled to one equal vote for each Lot owned. Where more than one Person holds the interest in a Lot required for membership, the vote for such Lot shall be exercised as those Persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Lot’s vote shall be suspended if more than one Person seeks to exercise it.

(b) Class “B”. The Declarant is the Class “B” Member. The rights of the Class “B” Member, including the right to approve actions taken under this Declaration and the By-Laws, are specified elsewhere in the Declaration and the By-Laws. The Class “B” Member is entitled to appoint a majority of the members of the Board of Directors during the Class “B” Control Period, (Article III, Section 2, of the By-Laws) none of whom need be Lot Owners. Failure of the Class “B” Member to exercise such power within thirty (30) days of the opening of such a position constitutes a waiver of that power entitling the Class “A” Members to exercise such power. After termination of the Class “B” Control Period, the Class “B” Member shall have a right to disapprove actions of the Board of Directors and any committee as provided in the By-Laws. The Class “B” membership terminates and converts to Class “A” membership upon the earlier of

- (i) two (2) years after expiration of the Class “B” Control Period pursuant to Article III of the By-Laws;
- (ii) when the Declarant no longer owns any portion of the property described on Exhibit “A”;
- (iii) when, in its discretion, the Declarant so determines and declares in a written recorded instrument; or
- (iv) in any event when eighty-one (81) patio houses have been sold to purchasers for occupancy as a House and not to contractors for the purpose of building patio houses.

Article IV
Maintenance

Section 1. Association's Responsibility. The Association shall maintain and keep in good repair the Area of Common Responsibility. The Area of Common Responsibility includes, but is not limited to:

(a) all landscaping, lawns, and other structures and improvements situated upon the Common Elements;

(b) landscaping within public rights-of-way within or abutting the Properties, and landscaping within any public utility easement within the Properties (subject to the terms of any easement agreement relating thereto);

(c) mowing and maintenance of the yards of the Lots;

(d) such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, or any Supplemental Declaration, or any contract or agreement for maintenance thereof entered into by the Association;

The Area of Common Responsibility shall not be reduced by any means except with the prior written approval of the Declarant.

The Association may maintain property which it does not own, including property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain such for the benefit of the community.

Section 2. Lot Owner's Responsibility. Each Lot Owner shall maintain his Lot and all structures, parking areas, driveways, and other improvements comprising the Lot, including necessary repairs and replacements. In addition to any other enforcement rights available to the Association if any Lot Owner fails properly to perform the Lot Owner's maintenance responsibility, the Association may perform it and assess all costs it incurs against the Lot and the Lot Owner thereof in accordance with Article X, Section 4 of this Declaration. Except when entry is required due to an emergency situation, the Association shall afford the Lot Owner reasonable notice and an opportunity to cure the problem prior to entry.

Section 3. Easement. Each Lot Owner grants to the Association an easement of access to enable the Association unobstructed access over and upon each Lot at all reasonable times to perform maintenance as provided in this Article.

Section 4. Standard of Performance. All maintenance shall be performed in a good and workmanlike manner, in compliance with all codes and all applicable covenants, and consistent with the high standards of The Reserve at Lake Louise. Neither the Association or an Lot Owner shall be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the

performance of its maintenance responsibilities hereunder.

Article V
Insurance and Casualty Losses

Section 1. Association Insurance. The Association, acting through its Board of Directors or its duly authorized agent, shall obtain blanket "all-risk" property insurance, if reasonably available, for all insurable improvements on the Common Elements and on other portions of the Area of Common Responsibility to the extent that the Association has assumed responsibility for maintenance, repair and/or replacement thereof in the event of a casualty. If blanket "all-risk" coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage, including coverage for vandalism and malicious mischief shall be obtained. The face amount of such insurance shall be sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any insured peril.

The Board shall also obtain a broad form public liability policy in an amount of not less than one million dollars covering the Area of Common Responsibility, insuring the Association and its Members for all damage or injury caused by the negligence of the Association, any of its Members, its employees, agents, or contractors while acting on behalf of the Association.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses and shall be included in the Base Assessment.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the coverage required hereunder. In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premium for the applicable insurance coverage. However, if the Board reasonably determines after notice and an opportunity to be heard in accordance with Article III, Section 22 of the By-Laws, that the loss is the result of the negligence or willful conduct of one or more Lot Owners, then the Board may specifically assess the full amount of such deductible against such Lot Owner(s) and their Lots pursuant to Article X, Section 4 of this Declaration.

In addition to other insurance required by this Section, the Association shall obtain such other insurance as it deems appropriate, as a Common Expense, including worker's compensation insurance, directors' and officers' liability coverage, if reasonably available, and a fidelity bond or bonds, if reasonably available, covering all persons responsible for handling Association funds.

All such insurance shall, to the extent possible, contain a waiver of the right of subrogation against members of the Association, its officers, agents and employees.

Section 2. Individual Insurance. Each Lot Owner shall acquire and maintain blanket "all-risk" property insurance on its Lot (s) and structures constructed thereon providing full replacement cost coverage (less a reasonable deductible). Each Lot Owner shall furnish to the Association a copy of the policy at least annually. The Association may take action to monitor and enforce this covenant, and may require Lot Owners to provide copies of such policies or other evidence of such insurance upon request.

Section 3. Damage and Destruction, Repair.

(a) In the event of damage to or destruction of any structure on a Lot, the Lot Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article XI of this Declaration and shall apply all proceeds of insurance thereto. The Lot Owner shall pay any costs of repair or reconstruction which are not covered by insurance proceeds. If a Lot Owner fails to make repairs as required hereunder, the Association shall be empowered to perform the necessary repairs and/or reconstruction and, in such event, the Lot Owner who fails to perform shall become liable to the Association for the costs incurred by the Association in making the repairs or reconstruction. The Association shall have a lien on the defaulting Lot Owner's Lot and House for which such costs were incurred enforceable as provided in Article X hereof. Further, in such event, the Association shall have a lien on any funds paid to the unit Lot Owner, for coverage of loss to the House or Lot, for the costs incurred by the Association.

(b) Immediately after damage or destruction to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors shall proceed with the filing and adjustment of all claims arising under such insurance, shall obtain estimates of the cost of repair or reconstruction of the damaged or destroyed property, and shall repair or reconstruct the damaged property to substantially the same condition in which it existed prior to the damage, allowing for any changes or improvements necessitated by changes in applicable building codes, unless the Board determines that such repair or replacement is not reasonably necessary.

(c) If it is determined that the damage or destruction to the Common Elements shall not be repaired or reconstructed and no alternative improvements are authorized, the affected portion of the Properties shall be cleared of all debris and ruins. Thereafter, the Properties shall be maintained by the Association in a neat and attractive, and landscaped condition.

(d) If the insurance proceeds are insufficient to defray the costs of repairing or reconstructing the damage to the Common Elements, the Board of Directors shall, without the necessity of a vote of the Voting Members, levy a special assessment against those Lot Owners responsible for the premiums for the applicable insurance coverage under Section 1 of this Article. Additional assessments may be made in like manner at any time during or following

the completion of any repair or reconstruction.

Article VI
No Partition

There should be no judicial partition of the Common Elements, nor shall any Person acquiring any interest in the Properties seek any judicial partition unless the Properties have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Article VII
Condemnation

If all or any part of the Common Elements shall be taken or conveyed due to condemnation or threat thereof, the award made for such taking shall be payable to the Association to be used by the Board of Directors as it deems appropriate to restore or replace such Common Elements and facilities to the extent land is available therefore. If the Board of Directors decides not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then the funds shall be disbursed to the Association and used for such purposes as the Board of Directors determine appropriate.

Article VIII
Annexation of Additional Property

Section 1. Annexation Without Approval of Membership. The Declarant, its successors and assigns, shall have the unilateral right, privilege, and option, from time to time at any time until December 31, 2026, to cause other real property adjoining the properties described herein to become subject to the provisions of this Declaration and the jurisdiction of the Association by filing in the public registry for Davie County, North Carolina, a Supplemental Declaration annexing such property. An annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

Section 2. Acquisition of Additional Common Elements. Declarant may convey to the Association additional real estate, improved or unimproved, located within the properties described in Exhibit "A" which shall be maintained thereafter by the Association at its expense for the benefit of all its Members, subject to any restrictions or limitations set forth in the deed of conveyance.

Section 3. Additional Covenants and Easements. The Declarant may unilaterally

subject any portion of the property submitted to this Declaration initially or by Supplemental Declaration to additional covenants and easements, including covenants obligating the Association to maintain and insure such property on behalf of the Lot Owners and obligating such Lot Owners to pay the costs incurred by the Association through assessments. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrent with or after the annexation of the subject property, and shall require the written consent of the Lot Owner(s) of such property, if other than the Declarant. All additional covenants shall be for the mutual benefit of all Lots within the Properties and may be enforceable by any Lot Owner.

Section 4. Amendment. This Article shall not be amended without the prior written consent of Declarant, so long as the Declarant owns any property described in Exhibit "A" hereof.

Article IX
Rights and Obligations of the Association

Section 1. Common Elements. The Association, subject to the rights of the Lot Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Elements and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with that of the community.

Section 2. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Properties conveyed to it by the Declarant.

Section 3. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Such regulations and use restrictions shall be binding upon all Lot Owners, occupants, invitees, and licensees, if any, until and unless modified in a regular or special meeting of the Association by the vote of Voting Members representing a majority of the total Class "A" votes in the Association and by the Class "B" Member, so long as such membership shall exist.

Section 4. Areas of Common Responsibility. The Association shall make and enforce all necessary rules and regulations necessary to carry out its duties regarding maintenance of the area of common responsibility such as by way of illustration but not limitation, mowing

and landscaping maintenance of the yards of individual Lots. The Association shall have no responsibility for any maintenance of a Lot Owner's House or any other structure constructed by a Lot Owner.

Section 5. Enforcement. The Association may impose sanctions for violations of this Declaration, the By-Laws, or rules and regulations. Sanctions may include reasonable monetary fines and suspension of the right to vote and to use any recreational facilities on the Common Elements. In addition, the Association, through the Board, in accordance with Article III, Section 22 of the By-Laws, shall have the right to exercise self-help to cure violations, and shall be entitled to suspend any services provided by the Association to any Lot Owner or such Lot Owner's Lot in the event that such Lot Owner is more than thirty days delinquent in paying any assessment or other charge due to the Association. The Board shall have the power to seek relief in any court for violations or to abate nuisances. Sanctions shall be imposed as provided in the By-Laws. The Association, through the Board, by contract or other agreement, shall have the right, but not the obligation, to enforce county and municipal ordinances and shall permit the counties or municipalities to enforce ordinances on the Properties for the benefit of the Association and its Members.

Section 6. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 7. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director, or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association). The Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 8. Additional Powers and Rights. In addition to any powers and rights set forth herein, the Association shall have all rights and powers conferred under NCGS § 47F-3-102.

Article X
Assessments

Section 1. Creation of Assessments. There are hereby created, and the Association is hereby authorized to levy, assessments for expenses incurred or anticipated to be incurred by the Association in performing its responsibilities and exercising its rights and powers under this Declaration, any Supplemental Declaration, and under the By-Laws, specifically including but not limited to: expenses of maintaining, repairing, replacing, operating and insuring the Area of Common Responsibility, including amounts due to third parties who perform such tasks on behalf of the Association; the cost of insurance and fidelity bond coverage obtained pursuant to Article V hereof; expenses of monitoring and enforcing compliance with the provisions of this Declaration and all exhibits hereto and instruments referenced herein; expenses arising out of the Association's indemnification obligations under Article IX, Section 7 hereof; expenses arising out of its responsibilities for architectural control under Article XI hereof, expenses of managing the Association, including compensation of management personnel, maintaining books and records, handling Association funds, providing financial reports, and corresponding with Members; postage and copying expense; cost of office supplies and equipment necessary or desirable to perform its responsibilities; legal, accounting and other professional fees; and such other expenses as the Board of Directors deems necessary or desirable to keep the Properties in good, clean and attractive condition, and to maintain and enhance property values and marketability of Lots within the Properties. Such assessments shall commence at the time and in the manner set forth in Section 7 of this Article.

There shall be three (3) types of assessments: (i) Base Assessments to fund Common Expenses for the benefit of all Members of the Association; (ii) Special Assessments as described in Section 3 below; and (iii) Benefitted Assessments as described in Section 4 below. Each Lot Owner, by acceptance of a deed or recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments. This covenant is appurtenant to the land and shall pass to each Lot Owner's successors-in-title.

Base Assessments shall be levied equally on all Lots not owned by Declarant subject to assessment. Base Assessments shall be payable annually in advance on the first day of each fiscal year as determined by the Board, pursuant to Section 2 below. The initial base assessment shall be \$1,200.00 payable by purchasers of any Lot who take title in 2006.

Any assessment or installment thereof which is delinquent for a period of fifteen (15) days shall, after notice and the right of hearing as provided in NCGS § 47F-3-102 (11), incur a late charge in the amount that is the greater of \$20.00 per month or ten percent (10%) of any

assessment installment unpaid, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made until paid as provided in NCGS § 47F-3-116. Each such assessment, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Lot Owner of such Lot at the time the assessment arose, and, in the event of a transfer of title, if expressly agreed, his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a Lot pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon demand at any time, furnish to any Lot Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Lot. Such certificate shall be conclusive evidence of payment to the Association of any assessments therein stated to have been paid. The Association may require the advance payment of a processing fee for the issuance of such certificate.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors. Each Lot Owner, by acceptance of a deed to his or her Lot, acknowledges that all Base Assessments levied hereunder are annual assessments due and payable in advance on the first day of the subsequent fiscal years. Each Lot Owner purchasing a Lot directly from the Declarant by acceptance of a deed to his or her Lot acknowledges the obligation to pay the Assessment for that calendar year in full upon transfer of title. If any Lot Owner is delinquent in paying any assessments or other charges levied on his Lot, the Board, after notice and hearing as required under NCGS § 47F-3-102 (12) and NCGS § 47F-3-107.1, may revoke the privilege of paying in installments and require all annual assessments to be paid in full immediately and may impose a fine not to exceed \$100.00.

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

Section 2. Computation of Base Assessment. The Board shall, at least sixty days before the beginning of each fiscal year, prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a budget separately prepared, as

provided in Section 6 of this Article.

The Base Assessment to be levied against each Lot for the coming year shall be determined by dividing the total budgeted Common Expenses, including reserves, by the total number of Lots subject to the Declaration. In determining the total number of Lots subject to the Declaration, the Board shall take into account the number of Lots subject to the Declaration on the first day of the fiscal year for which the budget is prepared and may, in its discretion, take into account, on an adjusted basis, the number of Lots reasonably anticipated to be subjected to the Declaration during the fiscal year. The Board, in its discretion, may also consider other sources of funds available to the Association.

The Board shall cause a copy of the Common Expense budget and notice of the amount of the Base Assessment to be levied against each Lot for the following year to be delivered to each Lot Owner at least thirty days prior to the beginning of the fiscal year. Any annual increase of the budget in excess of ten percent must be approved at a meeting of the Association by the affirmative vote of two-thirds of the votes cast at such a meeting by the Voting Members. Voting Members representing sixty percent of the total eligible vote of the Association shall constitute a quorum at such a meeting. Should such a quorum not be attained, the quorum requirement at any meeting subsequently convened for such purpose shall be reduced to thirty percent of the total number of eligible votes.

Notwithstanding the foregoing, however, if the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 3. Special Assessments.

(a) Unbudgeted Expenses. In addition to the Base Assessments authorized hereunder, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Such Special Assessments may be levied against the entire membership if such Special Assessments is for general common Expenses. Except as otherwise specifically provided in this Declaration or written consent of Voting Members representing at least two-thirds of the total Class "A" votes allocated to Lots which will be subject to such Special Assessment, and the affirmative vote or written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

(b) Costs to Cure Non-compliance. The Association may levy a Special Assessment against any Lot to reimburse the Association for costs incurred in bringing the Lot into compliance with the provisions of the Declaration, any applicable Supplemental Declaration,

the Articles, the By-Laws, and the Association rules and regulations. Such Special Assessments may be levied upon the vote of the Board after notice to the Lot Owner and an opportunity for a hearing.

Section 4. Benefitted Assessments. The Board shall have the power to specifically assess expenses of the Association in the amount of the benefit received against Lots receiving benefits, items, or services not provided to all Lots within the properties (1) that are incurred upon request of the Lot Owner of a Lot for specific items or services relating to the Lot or (2) that are incurred as a consequence of the conduct of less than all Lot Owners, their licensees, invitees, or guests. This provision does not apply to Common Expenses incurred by the Association in fulfilling its normal and usual duties assigned to it hereunder, including Common Expenses incurred in maintaining Limited Common Elements.

Section 5. Lien for Assessments. The Association shall have the right to impose and enforce liens for any unsatisfied obligation of a Lot Owner pursuant to the provisions of NCGS § 47F-3-116.

Section 6. Reserve Budget and Capital Contribution. The Board of Directors shall annually prepare a reserve budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the applicable budget and notice of base assessments and subject to any approval requirements, as provided in Sections 2 and 3 of this Article for the fiscal year for which the capital contribution is required.

Section 7. Date of Commencement of Assessments. The obligation to pay the assessments provided for herein shall commence as to each Lot upon the transfer of title from the Declarant herein to the Lot Owner. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide on an annual basis beginning January 1, 2007 and as provided in Section 1 above with respect to Lots purchased from Declarant in 2006.

Section 8. Failure to Assess. The omission or failure of the Board to fix the assessment amounts or rates or to deliver or mail to each Lot Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Lot Owner from the obligation to pay assessments. In such event, each Lot Owner shall continue to pay annual assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.

Section 9. Exempt Property. Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of Base Assessments and Special Assessments:

- (a) all Common Elements; and
- (b) all property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public streets and public parks, if any.

Article XI
Architectural Standards

Section 1. General. No construction of any kind, no exterior alteration or modification of existing improvements, and no landscaping shall take place except as approved by the appropriate committee in strict compliance with this Article. The Board of Directors may establish reasonable fees, payable in advance, to be charged by the committees on behalf of the Association for review of applications hereunder.

This Article shall not apply to the activities of the Declarant, nor to construction or improvements or modifications to the Common Elements by or on behalf of the Association.

This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

Section 2. Architectural Review. Responsibility for administration of the Architectural Guidelines, as defined below, and review of all applications for construction and modifications under this Article shall be handled by two committees, as described in subsections (a) and (b) of this Section 2. The members of the Committees need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board of Directors. The Board of Directors may establish reasonable fees to be charged by the Committees on behalf of the Association for review of applications hereunder and may require such fees to be paid in full prior to review of any application.

(a) *Architectural Review Committee.* The Architectural Review Committee (ARC) shall consist of at least three, but not more than five, persons and shall have exclusive jurisdiction over all original construction on any portion of the Properties. Until one hundred percent of the Properties have been developed and conveyed to Lot Owners in the normal course of development and sale, the Declarant retains the right to appoint all members of the ARC who shall serve at the discretion of the Declarant. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board of Directors shall appoint the members of the ARC, who shall serve and may be removed at the discretion of the Board of Directors.

(b) Modifications Committee. The Board of Directors may establish a Modifications Committee (MC) to consist of at least three and no more than five persons, all of whom shall be appointed by, and shall serve at the discretion of, the Board of Directors. Members of the MC may include architects or similar professionals who are not Members of the Association. The MC, if established, shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Lots or structures containing Lots and the open space, if any, appurtenant thereto pursuant to standards and procedures it has developed consistent with those of the ARC. Notwithstanding the above, the ARC shall have the right to veto any action taken by the MC which the ARC determines, in its sole discretion, to be inconsistent with the guidelines promulgated by the ARC.

(c) Interior Modifications. Nothing contained herein shall be construed to limit the right of a Lot Owner to remodel the interior of his House, or to paint the interior of his House any color desired. However, modifications or alterations to the interior of screened porches, patios, and similar portions of a House visible from outside the House shall be subject to approval.

Section 3. Guidelines and Procedures. The Declarant shall prepare design and development guidelines and applications and review procedures (the "Architectural Guidelines"), which shall be applicable to all construction activities within The Reserve at Lake Louise.

The ARC, acting on behalf of the Board of Directors, shall adopt such Architectural Guidelines at its initial organizational meeting and, thereafter shall have sole and full authority to amend them from time to time, without the consent of the Lot Owners. Amendments shall affect construction begun after the date of the amendment.

The Architectural Guidelines shall be available to all persons who plan to construct improvements upon a Lot in the Properties. All construction shall be conducted in strict accordance with the Architectural Guidelines. The Architectural Guidelines may be recorded in the Office of the Register of Deeds of Davie County, North Carolina, in which event the recorded version, as it may unilaterally be amended from time to time by the ARC by recordation of amendments thereto, shall control in the event of any dispute as to which version of the Architectural Guidelines was in effect at any particular time.

The MC may promulgate application and review procedures and design standards governing its area of responsibility. Such standards shall be consistent with those set forth in the Architectural Guidelines. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the MC for approval as to quality of workmanship and design and as to harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finishing grade elevation. No permission or approval shall be required to repaint in accordance with an originally approved color scheme, or to rebuild in accordance with originally approved plans and specifications.

In the event that the ARC or MC fails to act upon any completed application within fifty days, or within the specified period of time designated in the Architectural Guidelines, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall permit construction inconsistent with the Architectural Guidelines unless a variance has been granted in writing by the ARC pursuant to Section 5 below.

Section 4. No Waiver of Future Approvals. The approval of either the ARC or MC of any matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar matter subsequently or additionally submitted for approval or consent.

Section 5. Variance. The ARC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) estop the Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 6. Limitation of Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither the ARC or MC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board of Directors, any committee, or member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Lot.

Section 7. Enforcement. Any construction, alteration, or other work (collectively "construction") done in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board or the Declarant, Lot Owners shall, at their own cost and expense, remove such construction and shall restore the land to substantially the same condition as existed prior to the construction. Should an Lot Owner fail to remove and restore as required hereunder, the Association, acting through its directors or the Board's designees, shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as existed prior to the construction. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefitted Lot and collected as a Special Assessment pursuant to Article X, Section 3 hereof.

Review of all applications and enforcement of all provisions of the Architectural Guidelines shall be conducted reasonably and undertaken in good faith.

Any contractor, subcontractor, agent, employee, or other invitee of an Lot Owner, who fails to comply with the terms and provisions of this Article and the Architectural Guidelines may be excluded by the Board from the Properties, subject to the notice and hearing procedures contained in the By-Laws. In such event, neither the Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this paragraph.

In addition to the foregoing, the Association shall have the authority and legal standing, acting through the Board, to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARC and MC.

Article XII **Use Restrictions**

The properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, streets, parks, utilities, and sales, business and construction offices for the Declarant, and the Association) as may more particularly be set forth in this Declaration and amendments hereto. Any Supplemental Declaration or additional covenants imposed on the property may impose stricter standards than those contained in this Article. The Association, acting through its Board of Directors, shall have standing and the power to enforce such standards.

The Association, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the Properties, in addition to those contained herein, and to impose reasonable user fees for use of Common Elements facilities. Such regulations and use restrictions shall be binding upon all Lot Owners, occupants, guests, invitees and licensees until and unless overruled, cancelled or modified in a regular or special meeting of the Association by the vote of Voting Members representing a majority of the total Class "A" votes in the Association and by the Class "B" Member, so long as such membership shall exist.

Section 1. Signs. No sign of any kind shall be erected within the properties without the written consent of the Architectural Review Committee (ARC), except entry and directional signs installed by Declarant, one "for sale" sign not larger than five (5) square feet, and one sign not larger than two (2) square feet identifying the Lot Owner of the Lot. If permission is granted to any Person to erect a sign within the Properties, the ARC reserves the right to restrict the size, color, lettering and placement of such sign. The ARC and Declarant shall have the right to erect signs as they, in their discretion, deem appropriate. Notwithstanding the above, no signs, flags, banners or similar items advertising or providing directional information with respect to activities being conducted outside the Properties shall be permitted within the Properties.

Section 2. Parking and Prohibited Vehicles.

(a) Parking. Vehicles shall be parked only in garages, the driveways serving the Lot, or in designated parking areas subject to such reasonable rules and regulations as the Board of Directors may adopt. No garage shall be altered or used in a manner such that the capacity for parking of vehicles therein is reduced below that for which it was originally designed. The Declarant and/or the Association may designate certain on-street parking areas for visitors or guests subject to reasonable rules.

(b) Prohibited Vehicles. Commercial vehicles, tractors, mobile homes, recreational vehicles and boats of all types, and trailers, shall be parked only in enclosed garages or areas, if any, designated by the Board. Neither the Declarant or the Association shall be obligated to provide or designate parking areas for such vehicles. Stored vehicles and vehicles which are either obviously inoperable or do not have current operating licenses shall not be permitted on the Properties except within enclosed garages. A vehicle shall be considered "stored" if it is put up on blocks or covered with a tarpaulin and remains on blocks or so covered for fourteen consecutive days. Construction, service and delivery vehicles may be parked on the Properties during business hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Lot or the Common Areas. Any vehicle parked in violation of this Section or parking rules promulgated by the Board may be towed after notice and hearing to the offender.

Section 3. Occupants Bound. All provisions of the Declaration, By-Laws and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Lot Owners and which provide for sanctions against Lot Owners shall also apply to all occupants, guests and invitees of any Lot. Every Lot Owner shall cause all occupants of his or her Lot to comply with the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Elements caused by such occupants, notwithstanding the fact that such occupants of a Lot are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto.

Section 4. Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Properties, except that dogs, cats, or other usual and common household pets not to exceed a total of two may be permitted within the living portion of the House. No pets shall be kept outside. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs shall, at all times whenever they are outside a House, be confined on a leash by a responsible person.

Section 5. Quiet Enjoyment. No portion of the Properties shall be used for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any thing be kept upon the Properties 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.

No noxious, illegal, or offensive activity shall be carried on upon the Properties, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using the Properties. 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 Properties. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted within the Properties.

Section 6. Unsightly or Unkempt Conditions. Each Lot Owner shall prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on the Lot Owner's Lot. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Properties.

Section 7. Antennas. No exterior antennas, aerials, satellite dishes larger than 18 inches, or other apparatus for the transmission of television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Properties, including any Lot, without the prior written consent of the Board or its designee. The Declarant and/or the Association shall have the right to erect or install an aerial, satellite dish, master antenna, cable system, or other apparatus for the transmission of television, radio, satellite or other signals for the benefit of all or a portion of the Properties.

Section 8. Clotheslines, Garbage Cans, Tanks, Etc. No outside clotheslines shall be permitted on a Lot. All garbage cans, above-ground storage tanks, mechanical equipment, and other similar items on Lots shall be located or screened so as to be concealed from view of neighboring Lots, streets, and property located adjacent to the Lot. All rubbish, trash, and garbage shall be stored in appropriate containers approved pursuant to Article XI hereof and shall regularly be removed from the Properties and shall not be allowed to accumulate thereon.

Section 9. Subdivision of Lot and Use for Right-of-Way. No Lot shall be subdivided or its boundary lines changed except by the Declarant. Declarant may re-plat any Lot or Lots owned by Declarant. Declarant expressly reserves the right to use any Lot owned by Declarant for public or private right-of-way access to contiguous land.

Section 10. Firearms. The discharge of firearms within the Properties is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.

Section 11. Pools. No above-ground swimming pools shall be erected, constructed or installed on any Lot.

Section 12. Irrigation. Only underground sprinkler or irrigation systems approved by

the ARC are permitted. This Section 12 shall not apply to the Declarant, and it may not be amended without Declarant's written consent so long as Declarant has the right to add property in accordance with Article VIII, Section 1.

Section 13. Tents, Trailers, and Temporary Structures. Except as may be permitted by the Declarant or the ARC during initial construction within the Properties, no tent, utility shed, shack, mobile home, trailer, modular home, manufactured home, or a structure of a temporary nature shall be placed upon a Lot or any part of the Properties. Notwithstanding the above, party tents or similar temporary structures may be erected for special events with prior written approval of the Board, or by the Declarant.

Section 14. Drainage Systems. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves for itself and the Association a perpetual easement across the Properties for the purpose of altering drainage and water flow.

Section 15. Sight Distance at Intersections. All property located at street, intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

Section 16. Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Properties, except for power line easements granted prior to the recording of this Declaration, temporary lines as required during construction, and high voltage lines if required by law or for safety purposes.

Section 17. Air Conditioning Units. Except as may be permitted by the Board or its designee, no window air conditioning units may be installed in any House.

Section 18. Lighting. Except for reasonable seasonal decorative lights, which may be displayed between Thanksgiving and January 10 only, all exterior lights must be approved in accordance with Article XI of this Declaration.

Section 19. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of the Properties. Exterior sculpture, fountains, and similar items must be approved in accordance with Article XI of this Declaration.

Section 20. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any House unless it is an integral and harmonious part of the architectural design of a structure,

as determined in the sole discretion of the appropriate committee pursuant to Article XI hereof.

Section 21. Recreational Equipment. Any recreational equipment furnished by the Association or erected within the Properties shall be used at the risk of the user, and the Association shall not be help liable to any Person for any claim, damage, or injury occurring thereon or related to use thereof.

Section 22. Shrubs, Animals and Fences. No hedges, walls, dog runs, or animal pens, of any kind shall be permitted on any Lot. All landscaping must comply with the landscaping standards set forth in the Architectural Guidelines. No fences are permitted except upon the written approval of the ARC.

Section 23. Business Use. No garage sale, moving sale, rummage sale or similar activity and no trade or business may be conducted on a Lot, except that an Lot Owner or occupant residing in a House may conduct business activities within the House so long as (a) the existence or operation of the business activity is not apparent or detectable from outside the House, (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve persons coming onto the properties who do not reside in the Properties or door-to-door solicitation of residents of the Properties; and (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offense use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board. The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings. The leasing of a Lot shall not be considered a trade or business within the meaning of this section. This section shall not apply to any activity conducted by the Declarant or a builder approved by the Declarant with respect to its development and sale of the Properties or its use of any Lots which it owns within the Properties.

Section 24. On-Site Fuel Storage. No on-site storage of gasoline, heating or other fuels shall be permitted on any part of the Properties except that up to five gallons of fuel may be stored on each Lot for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

Section 25. Leasing of Lots. A Lot Owner may not lease a Lot accept in accordance with the provisions of Section 4 of Article II. Any such lease shall be subject to the terms and conditions of this Declaration, the By-Laws of the Association, and all rules and regulations adopted by the Board of Directors of the Association from time to time. No lessee shall exercise any voting rights of the Lot Owner granted hereunder. The lessee may not sublease the property. Each lease must contain a provision making violation of any provision of this Declaration, or the By-Laws of the Association, or of any rules and regulations adopted by the Board of Directors of the Association, a breach by the lessee under the lease granting the Lot Owner and the Association the right to terminate the lease and evict the lessee.

Section 26. Laws and Ordinances. Every Lot Owner and occupant of any Lot, their guests and invitees, shall comply with all laws, statutes, ordinances and rules of federal, state and municipal governments, and the Zoning Conditions applicable to the Properties and any violation thereof may be considered a violation of this Declaration.

Section 27. Single Family Occupancy. No Lot shall be occupied by more than a single-family. For purposes of this restriction, a single family shall be defined as any number of persons related by blood, adoption, or marriage living with not more than one person who is not so related as a single household unit, or no more than two persons who are not so related living together as a single household unit, and the household employees of either such household unit.

Section 28. Mailboxes. Standardized mailboxes shall be provided at a fee to initial Lot purchasers, and the continuing use thereof shall be mandatory throughout the Property. Mailboxes shall be affixed to the front entrance area of the house. Any mailbox improperly installed shall be removed at the Lot Owner's expense.

Section 29. Architectural Standards. No construction shall take place except in strict accordance with the provisions of Article XI hereof, the Architectural Guidelines developed pursuant thereto, and as approved by the ARC or the MC as appropriate.

Section 30. Landscaping Requirements. All landscaping shall be established and maintained in accordance with the requirements of the Architectural Guidelines, and as approved by the ARC or the MC as appropriate.

Article XIII **Easements**

Section 1. Easements for Utilities, Landscaping, Etc. There are hereby reserved unto Declarant, so long as the Declarant owns any property described on Exhibit "A" of this Declaration, the Association, and the designees of each (which may include, without limitation, Davie County, and the Town of Mocksville, North Carolina, and any utility) access, construction, and maintenance easements upon, across, over, and under all of the Properties to the extent reasonably necessary to install, construct, maintain, repair, or replace any utility of any kind, communications systems of any kind, security systems, roads, walkways, bicycle pathways, wetlands, drainage systems, street lights, and signage on property which it owns or within easements designated for such purposes on recorded plats of the Properties. Notwithstanding anything to the contrary herein, this easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any existing dwelling on a Lot, and any damage to a Lot resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of this easement shall not unreasonably interfere with the use of any Lot and, except in an emergency,

entry onto any Lot shall be made only after reasonable notice to the Lot Owner or occupant.

Section 2. Easements to Reserved by Declarant. The Declarant, its successors, assigns, licensees, and mortgagees, shall have and hereby reserves an easement over the Common Elements and streets for the purposes of enjoyment, use, access, and development of Additional Property adjacent to the Properties owned by the Declarant, whether or not such Additional Property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress of the Common Elements for construction of roads and for connecting and installing utilities on the Additional Property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Elements as a result of vehicular traffic, connected with development of the Additional Property. Declarant further agrees that if the easement is exercised for permanent access to the Additional Property and such Additional Property or any portion thereof is not made subject to this Declaration, the Declarant, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of maintenance of any access roadway serving the Additional Property. Such Agreement shall provide for sharing of costs based on the ratio which the number of residential dwellings on that portion of the Additional Property which is served by the easement and is not made subject to this Declaration bears to the total number of residential dwellings within the Properties and on such portion of the Additional Property. This reserved easement shall include the right of the Declarant, its successors, assigns, and licensees, to construct golf cart paths and facilities related to the use of the adjacent golf course.

Section 3. Right of Entry. The Association shall have the right, but not the obligation, to enter any Lot for emergency, security, and safety reasons to perform maintenance pursuant to Article IV hereof, and to inspect for the purpose of ensuring compliance with this Declaration, any Supplemental Declaration, By-Laws, and rules and regulations, which right may be exercised by the Association's Board of Directors, or officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Lot Owner. This right of entry shall include the right of the Association to enter a Lot to cure any condition which may increase the possibility of a fire or other hazard in the event an Lot Owner fails or refuses to cure the condition within a reasonable time after requested by the Board.

Section 4. Signs. The Association shall have easement rights to maintain all subdivision signs and landscaping and lighting surrounding same, now or hereafter erected within the Common Elements. The costs of all such maintenance, repair and replacement of such signs, landscaping and lighting shall be part of the Common Expenses of the Association, payable by the Owners. Further, during Class "B" Control Period, Declarant and any affiliated entity shall have (i) the right to erect within the Common Elements additional subdivision signs and landscaping and lighting surrounding the same to be maintained by the Association as herein provided and (ii) the right to erect within the Common Elements signs advertising the sale and promotion of Lots or any portion of the Additional Property.

Section 5. Encroachments. If any improvements on a Lot shall encroach upon any Common Elements, or upon any other Lot as a result of the initial improvements constructed by Declarant, or for any reason not caused by the purposeful or negligent act of the Lot Owner or agents of such Lot Owner, then an easement appurtenant to such Lot shall exist for the continuance of such encroachment and for the maintenance of any such improvement so encroaching upon the Common Elements or other Lot for so long as such encroachment shall naturally exist, including the replacement of any necessary improvements; and, in the event that any portion of the Common Elements shall encroach upon any Lot, then an easement shall exist for the continuance of such encroachment of the Common Elements into any such Lot for so long as such encroachment shall naturally exist, including the replacement of any necessary improvements.

Section 5. Walks, Drives, Parking Areas, and Utilities. All of the Property, excluding Lots and Limited Common Elements, shall be subject to a perpetual non-exclusive easement or easements in favor of all Owners of Lots for their use and the use of their immediate families, guests, invitees, tenants or lessees for all proper and normal purposes, and for ingress and egress and regress and 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, or its predecessors in title, and for the use of the Owners, their families, guests and tenants; and the Association shall have the power and authority to grant and establish in, over, upon, and across the Common Elements, except for Limited Common Elements, conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the property.

Section 7. Emergencies. Every Lot and House structure shall be subject to an easement for entry by the Association for the purpose of correcting any situation or circumstance which arises upon any Lot or within any House that endangers any building or portion of the Common Element.

Section 8. Public Easements. An easement is hereby established over all Common Elements for the benefit of applicable governmental agencies for the setting, removing, and reading of water meters, maintaining and replacing water, drainage and drainage facilities, fire fighting, law enforcement, garbage collection, and the delivering of mail.

Section 9. Golf Cart Easements. The Declarant reserves the right to re-locate from time to time the golf cart paths within the Property.

Article XIV
Declarant's Rights

This Declaration and the covenants, conditions and restrictions contained herein are intended to promote and maintain a common scheme of development, as that scheme may change during the course of development. This Declaration, and any amendment hereto, whether

made unilaterally by the Declarant or by the Association, shall become a part of this common scheme of development and be enforceable uniformly by and against all Lots hereunder.

Any or all of the special rights and obligations of the Declarant set forth in this Declaration of the By-Laws may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein or in the By-Laws, as applicable, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the public registry for Davie County, North Carolina.

Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Lots shall continue, it shall be expressly permissible for Declarant to maintain and carry on upon portions of the Common Elements such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction Houses or sale of such Lots, including, but not limited to, business offices, signs, model units, and sales offices, and the Declarant shall have an easement for access to and use of such facilities. The right to maintain and carry on such facilities and activities shall include specifically, without limitation, the right to use Lots owned by the Declarant as models and sales offices, respectively.

So long as Declarant continues to have rights under this Article, no Person shall record any declaration of covenants, conditions and restrictions, or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant and recorded in the public registry.

This Article may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Article shall terminate upon the earlier of (a) twenty years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

Article XV
Rights Reserved for Institutional Lenders

Section 1. Entities Constituting Institutional Lenders. "Institutional Lender" as the term is used herein shall mean and refer to banks, savings and loan associations, insurance companies or other firms or entities customarily affording loans secured by first liens on residences and eligible insurers and governmental guarantors.

Section 2. Obligation of Association to Institutional Lenders. So long as any Institutional Lender shall hold any first lien upon any Lot and shall have given written notice to the

Association, or shall be the owner of any Lot, such Institutional Lender shall have the following rights:

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

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

(c) To receive notice of any condemnation or casualty loss affecting the Common Elements or any portion thereof.

(d) To be notified of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(e) To be given notice of any delinquency in the payment of any assessment or charge (which delinquency remains uncured for a period of sixty (60) days by any Lot Owner owning a Lot encumbered by a mortgage held by the Institutional Lender, such notice to be given in writing, and to be sent to the principal office of such Institutional Lender, or to the place which it may designate in writing.

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

Article XVI **General Provisions**

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and shall be enforceable by the Association or the Lot Owner of any property subject to this Declaration, their respective legal

representatives, heirs, successors, and assigns, for a term of thirty years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten years, unless an instrument in writing, signed by a majority of the then Lot Owners, has been recorded within the year preceding the beginning of each successive period of ten years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

Section 2. Amendment. For so long as the Declarant maintains a Class "B" membership in the Association, the Declarant may amend this Declaration for any reason.

In addition, except as otherwise specifically set forth above or elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Voting Members representing seventy-five percent of the total Class "A" votes in the Association, including seventy-five percent of the Class "A" votes held by Members other than the Declarant, and the consent of the Class "B" Member, so long as such membership exists. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the public registry of Davie County, North Carolina.

If an Lot Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Lot Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Lot Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

No amendment may exempt any individual Lots from the requirements of this Declaration or in any other way defeat the common scheme of development for The Reserve at Lake Louise which is set forth in this Declaration.

Section 3. 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 4. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one years after the death of William A. Burnette and his now living descendants.

Section 5. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five percent of the Voting

Members. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided in Article X hereof, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is made by the Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 6. Cumulative Effect; Conflict. In the event of a conflict between the provisions of this Declaration and the provisions of North Carolina law, in particular the provisions of the Planned Community Act, then to the extent that the provisions of North Carolina law cannot be waived by agreement, the North Carolina law shall control and the conflicting provision of this Declaration shall be deemed amended accordingly.

Section 7. Use of the Words "The Reserve at Lake Louise. No Person shall use the words "The Reserve at Lake Louise" or any derivative thereof in any printed or promotional matter without the prior written consent of the Declarant. However, Lot Owners may use the terms "The Reserve at Lake Louise" in printed or promotional matter where such term is used solely to specify that particular property is located within The Reserve at Lake Louise and the Association shall be entitled to use the words "The Reserve at Lake Louise" in its name.

Section 8. Compliance, Enforcement. Every Lot Owner and occupant of any Lot shall comply with all lawful provisions of this Declaration, the By-Laws and rules and regulations of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, in a proper case, by any aggrieved Lot Owner or Lot Owners. In addition, the Association may avail itself of any and all remedies provided in this Declaration or by the By-Laws.

Section 9. Notice of Sale or Transfer of Title. If any Lot Owner desires to sell or otherwise transfer title to his or her Lot, such Lot Owner shall give the Board of Directors at least seven days prior written notice of the name and address of the purchaser of transferee, the date of such transfer of title, and such other information as the Board of Directors may reasonably require. Until such written notice is received by the Board of Directors, the transferor shall continue to be jointly and severally responsible for all obligations of the Lot Owner of the Lot hereunder, including payment of assessments, notwithstanding the transfer of title to the Lot.

Section 10. Shareholders Agreement/Irrevocable Proxy. To the extent necessary to permit the exercise of all rights and powers set forth herein, this Declaration shall be deemed to constitute a Shareholders Agreement. In addition, all Members constitute and appoint the President, as chairman of the Board of Directors, as their duly authorized attorney-in-fact, with full power of substitution, to provide any necessary approval of the exercise by the Declarant of the rights or powers set forth in this Declaration. This proxy may be exercised by affirmative

vote on any resolution authorizing such action submitted at a duly called meeting of the Association or by the execution of a consent to action in place of a meeting. This proxy is coupled with an interest and is irrevocable.

Section 6. Amplification. The provisions of the Declaration are amplified by the Articles of Incorporation and Bylaws of the Association, but no such amplification shall alter or amend any of the rights or obligations of the Owners set forth in this Declaration. Declarant intends that the provisions of this Declaration on the one hand, and the Articles of Incorporation and Bylaws of the Association on the other, be interpreted, construed and applied to avoid inconsistencies or conflicting results. If such conflict necessarily results, however, Declarant intends that the provisions of this Declaration control anything contained in the Articles of Incorporation or the Bylaws of the Association.

IN WITNESS WHEREOF, the Declarant have caused this Declaration of Covenants, Conditions and Restrictions for The Reserve at Lake Louise to be executed by its duly authorized general partner this 11 day of July, 2006.

(THE REST OF THIS PAGE LEFT BLANK INTENTIONALLY)

THE DECLARANT

THE BURNFAM LIMITED PARTNERSHIP

BY *William A. Burnette*
WILLIAM A. BURNETTE, General Partner

STATE OF NORTH CAROLINA
COUNTY OF DAVIE

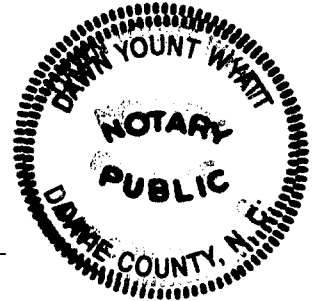
I certify that the following person personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated herein and in the capacity indicated: *William A. Burnette, general partner of The Burnfam Limited Partnership.*

This 11 day of July, 2006.
Dawn Yount Wyatt
Official Signature of Notary

(Official Seal)

Dawn Yount Wyatt
Notary's printed or typed name, Notary Public

My commission expires: 4-15-09



X:\MyFiles\Hank Van Hoy\Real Estate\Burnette, William A. - Lake Louise, The Reserve at Lake Louise, Covenants, first draft, June 20, 06, mv 12029.57.wpd

EXHIBIT "A"

BEGINNING AT A POINT in the center line of Cornatzer Road (SR1606) said point being a corner of Charles D. Miller (Deed Book 180 Page 830) said point being further located North 57° 31' 13" West 38.21 Ft from an iron pin in the line of Charles D. Miller and Burnfam Limited Partnership **THENCE FROM THE BEGINNING** with the center line of Cornatzer Road following courses and distances: North 07° 08' 01" West 57.59 Ft to a point thence North 08° 08' 56" West 99.69 Ft to a point thence North 09° 55' 11" West 100.90 Ft to a point thence North 11° 31' 01" West 66.90 Ft to a point thence North 14° 30' 41" West 59.74 Ft to a point thence North 20° 41' 52" West 57.28 Ft to an iron pin in the center line of said road thence North 30° 00' 17" East 111.26 Ft to an iron pin thence North 30° 00' 42" East 150.96 Ft to an iron pin the corner of Hickory Hill II Subdivision Plat Book 5 Page 26 thence South 62° 51' 51" East 157.42 Ft to an iron pin thence South 62° 44' 27" East 360.81 Ft to an iron pin thence South 62° 45' 00" East 189.85 Ft to an iron pin thence South 62° 47' 11" East 154.91 Ft to an iron pin the corner of Lot 15 Hickory Hill II Subdivision thence South 62° 41' 43" East 239.98 Ft to an iron pin common corner of Lots 15 and 16 of Hickory Hill II Subdivision thence South 62° 45' 23" East 190.00 Ft to an iron pin corner of Lot 16 thence South 62° 45' 23" East 46.51 Ft to a point on the bank of Lake Louise thence the following courses and distances: South 00° 57' 00" East 74.30 Ft to a point thence South 23° 48' 00" West 158.76 Ft to a point thence South 40° 53' 00" East 467.67 Ft to a point thence North 44° 43' 00" East 201.06 Ft to a point thence North 69° 33' 00" East 190.50 Ft to a point thence South 68° 48' 00" East 200.09 Ft to a point thence south 40° 28' 00" East 393.28 Ft to a point thence North 06° 57' 00" East 242.08 Ft to a point thence North 47° 35' 00" East 320.59 Ft to a point thence North 45° 22' 00" West 363.20 Ft to a point thence North 00° 42' 00" East 257.22 Ft to a point thence North 20° 44' 00" East 393.08 Ft to a point thence North 58° 36' 00" East 331.23 Ft to a point thence South 11° 26' 31" East 1650.63 Ft to a point thence South 30° 55' 12" West 1087.34 to a point in the line of Hickory Hill Subdivision Plat Book 4 Page 105 through 107 thence North 59° 39' 00" West 1310.93 Ft to an iron pin thence South 63° 10' 21" West 187.96 Ft to an iron pin thence North 37° 00' 22" East 109.03 Ft to an iron pin common corner of William R. Wikel Deed Book 169 Page 664 and Delmar L Penley (Deed Book 434 Page 309) thence North 37° 08' 26" West 657.70 Ft to an iron pin corner of Charles D. Miller (Deed Book 180 Page 830 Deed Book 180 Page 828) thence with the Miller line North 36° 59' 10" West 262.94 Ft to an iron pin Miller Line thence North 57° 31' 13" West passing through an iron pin at 579.57 Ft and continuing for a total distance of 617.78 ft **TO THE POINT AND PLACE OF BEGINNING** containing 75 acres as shown on a survey prepared by Tutterow Surveying Company Dated October 17, 2003 Drawing Number 2500-4E which survey is incorporated herein by reference.

1052
1018

FILED
DAVIE COUNTY NC
M. BRENTSHOAF
REGISTER OF DEEDS
FILED Jun 26, 2017
AT 10:49 am
BOOK 01052
START PAGE 1018
END PAGE 1020
INSTRUMENT # 03425
EXCISE TAX (None)

Prepared by Tamara A. Fleming, Attorney at Law.
Return to: MVH Box
NORTH CAROLINA

AMENDMENT AND WAIVER OF RESTRICTIVE COVENANTS

DAVIE COUNTY

This Amendment and Waiver of Restrictive Covenants granted this 26th day of June, 2017, by ADM3 Properties, LLC, a NC Limited Liability Company,

Whereas, ADM3 Properties, LLC, has been assigned in DB 1013, PG 243, the Declarant's Rights as defined in the Declaration of Covenants, Conditions, and Restrictions for The Reserve at Lake Louise in DB 670, PG 534, Davie County Registry. That ADM3 Properties, LLC, has the right to amend the restrictions as authorized in Article XVI, Section 2.

ADM3 Properties, LLC, as the holder of the Declarant's Rights does hereby amend and waive as to Lot No. 18 of the Reserve at Lake Louise as shown in Plat Book 8, Pages 371-373, Davie County Registry, the restriction of the setback requirement as to the "three foot dirt perimeter" and to allow the encroachment of the building into the limited common elements as set forth on the "As-Built" survey attached hereto as Exhibit A.

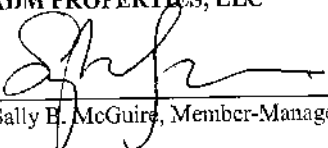
Except as modified herein, the original restrictions in DB 670, PG 534, Davie County Registry, shall remain in full force and effect.

In witness whereof, the authorized member manager of ADM3 Properties, LLC, has executed this Amendment and Waiver of Restrictive Covenants the day and year first above written.

1052
1019

³
ADM PROPERTIES, LLC

By:


Sally B. McGuire, Member-Manager

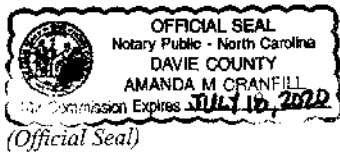
STATE OF NORTH CAROLINA

COUNTY OF DAVIE

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated herein and in the capacity indicated:

Sally B. McGuire, Member-Manager of ADM³ PROPERTIES, LLC

This 26 day of June, 2017.



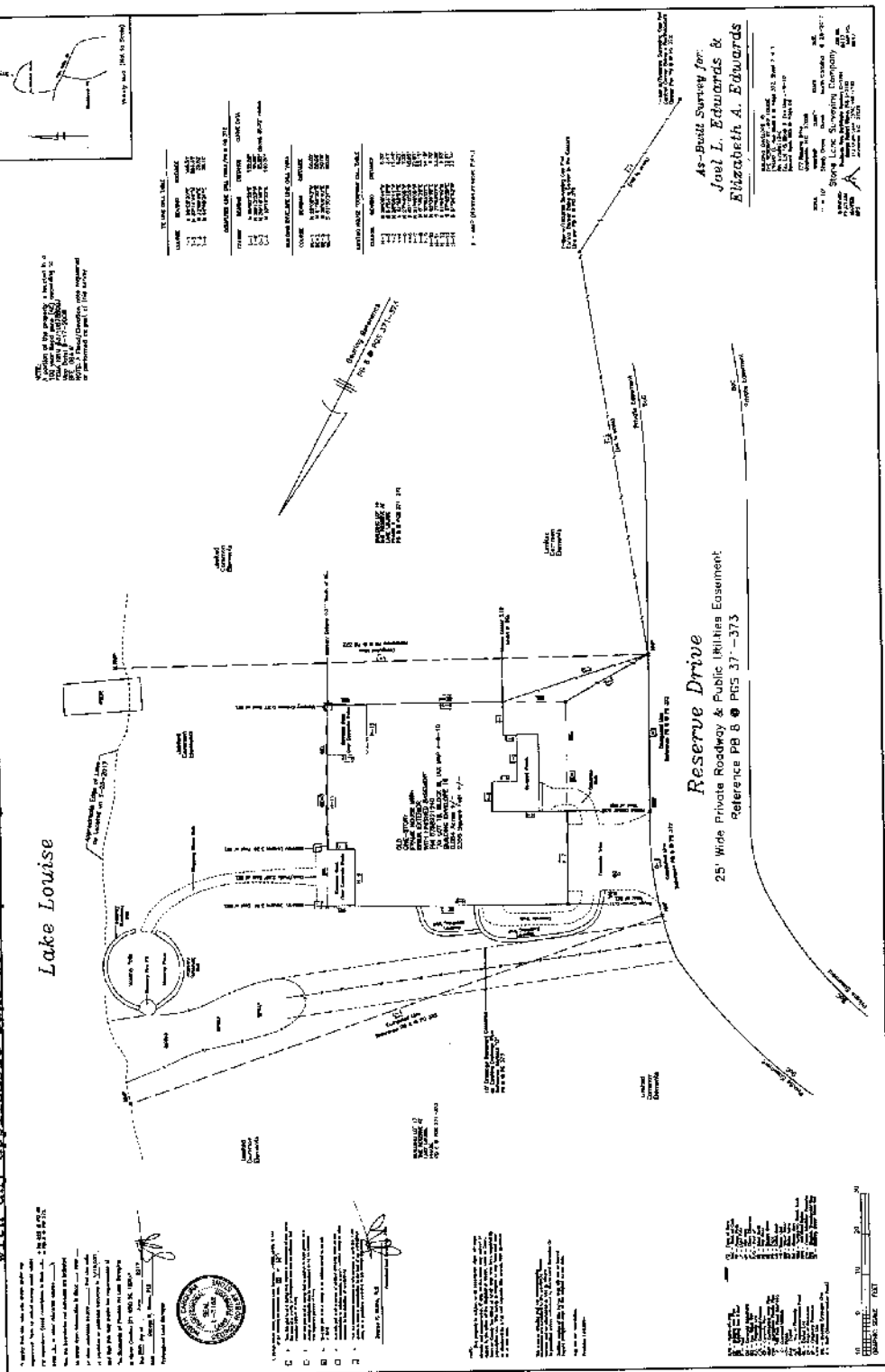
Amanda M. Cranfill
Official Signature of Notary

AMANDA M. CRANFILL
Notary's Printed Name

My commission expires: JULY 16, 2020

Exhibit A

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



NOTICE: A portion of the survey, as shown on this map, is located within the boundary of the City of Lake Louise. The survey was conducted in accordance with the provisions of part (2) of the survey.

Lake Louise

Reserve Drive
25' Wide Private Roadway & Public Utilities Easement
Reference PB 8 @ PGS 37 - 373

As-Built Survey for:
Joel L. Edwards &
Elizabeth A. Edwards

Surveyed and Plotted by:
Joel L. Edwards
Elizabeth A. Edwards
Surveyed and Plotted on:
10/15/2010
Scale: 1" = 20'-0"

LINE	MARK	BEARING	LENGTH	ADJUSTED BEARING	ADJUSTED LENGTH
1
2
3
4
5
6
7
8
9
10

LINE	MARK	BEARING	LENGTH	ADJUSTED BEARING	ADJUSTED LENGTH
11
12
13
14
15
16
17
18
19
20



Surveyed and Plotted by:
Joel L. Edwards
Elizabeth A. Edwards
Surveyed and Plotted on:
10/15/2010
Scale: 1" = 20'-0"

LINE	MARK	BEARING	LENGTH	ADJUSTED BEARING	ADJUSTED LENGTH
21
22
23
24
25
26
27
28
29
30