

2005023019 00152  
 FORSYTH CO, NC FEE \$17.00  
 PRESENTED & RECORDED:  
 04-14-2005 02:30 PM  
 DICKIE C WOOD  
 REGISTER OF DEEDS  
 By: SHANNON BOSTIC-GRIFFITH DPTY  
 BK: RE 2556  
 PG: 3940-3941

**ENVELOPE**

Drafted By: Wade G. Jurney, Sr.

Mail after recording to: JURNEY CONSTRUCTION COMPANY, INC.  
1515 Union Cross Road, Kernersville, NC 27284

NORTH CAROLINA	)	<b>FIRST AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE VILLAGE AT SPRINGHOUSE</b>
	)	
FORSYTH COUNTY	)	

**WHEREAS, JURNEY CONSTRUCTION COMPANY, INC.,** is the owner of all the lots in the development known as THE VILLAGE AT SPRINGHOUSE, (hereinafter "Declarant") caused the Declaration of Covenants, Conditions and Restrictions for The Village at Springhouse to be recorded in the Office of the Forsyth County Register of Deeds in Book 2555, Pages 1051-1055, Forsyth County Registry, (hereinafter "Declaration"), which applies to all lots in The Village at Springhouse as recorded in Plat Book 48, Page 108; and

**WHEREAS,** Declarant has the right pursuant to Paragraph 20 of the original Declaration of Covenants, Conditions and Restrictions for The Village at Springhouse to amend said Declaration, and

**WHEREAS,** Declarant does hereby desire to amend said Declaration.

**NOW, THEREFORE,** Declarant modifies paragraph 17 of the Declaration of Covenants, Conditions and Restrictions for The Village at Springhouse as follows:

17. **BUFFER YARD:** The rear portion of lots 1-17 is within the buffer yard as shown on the recorded map. The Owners of these lots agree not to cut or remove any trees or shrubs and further agree to maintain the buffer yard in accordance with the local zoning ordinance.

Except as expressly amended herein, the restrictive covenants contained in the Declaration of Covenants, Conditions, and Restrictions for The Village at Springhouse, as aforesaid, shall remain in full force and effect without change or modification.

IN TESTIMONY WHEREOF, JURNEY CONSTRUCTION COMPANY, INC. has cause the foregoing document to be executed in its corporate name and by a duly authorized officer by authority of its Board of Directors, this the 13th of April, 2005.

JURNEY CONSTRUCTION COMPANY, INC.

By *[Signature]*  
Its \_\_\_\_\_ President

**NORTH CAROLINA – FORSYTH COUNTY**

I, Mary Ellen Barger, a Notary Public of Forsyth County, North Carolina, certify that Wade Journey Personally came before me this day and acknowledged that he is \_\_\_\_\_ President of JURNEY CONTRUCTION COMPANY, INC., a corporation, and the he, as \_\_\_\_\_ President, being authorized to do so, executed the foregoing instrument on behalf of the corporation. Witness my hand and official seal, this the 13th of April, 2005.



*Mary Ellen Barger*  
Notary Public  
My Commission Expires: 2-16-09

**NORTH CAROLINA – FORSYTH COUNTY**

The foregoing (or annexed) certificate \_\_\_\_\_ of Mary Ellen Barger,  
Notary Public, Forsyth County, NC \_\_\_\_\_ Is (are) certified to be correct.  
This the 14 day of April \_\_\_\_\_ 20 05.  
Probate and filing fee \$ \_\_\_\_\_ paid.

DICKIE C. WOOD, REGISTER OF DEEDS

Register of Deed, Forsyth County  
By *[Signature]*

2005021430 00084


 FORSYTH CO, NC FEE \$53.00  
 PRESENTED & RECORDED:  
 04-07-2005 11:08 AM  
 DICKIE C WOOD  
 REGISTER OF DEEDS  
 By: SHANNON BOSTIC-GRIFFITH DPTY  
 BK: RE 2555  
 PG: 1059-1072

Drafted by: William L. Nelson *Box 38*

Mail to: Journey Construction Company, Inc., 1515 Union Cross Road, Kernersville, NC 27284

STATE OF NORTH CAROLINA )  
 )  
COUNTY OF FORSYTH )

**DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS  
FOR THE VILLAGE AT SPRING HOUSE**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE VILLAGE AT SPRING HOUSE is made and published this *31<sup>st</sup>* day of *March*, 2005, by and between Journey Construction Company, Inc., a North Carolina corporation (hereinafter collectively called "Declarant"), and any and all persons, firms or corporations hereafter acquiring any of the within described property.

**WITNESSETH:**

WHEREAS, Declarant is the owner of certain real property located in Forsyth County, North Carolina, and being more particularly described on the attached Exhibit A, which is incorporated herein by reference

Declarant intends to form a homeowners association to improve and maintain the common area owned by the association; and

WHEREAS, it is in the best interest of the Declarant, as well as to the benefit, interest and advantage of each and every person or other entity hereafter acquiring any of the said lots that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulating the use and occupancy of the same be established, fixed and set forth and declared to be covenants running with the land; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities and the desirability and attractiveness of the real property in the development and for the continued maintenance and operation of the entranceway, regular or decorative street lighting or other common areas as may be provided therein;

NOW, THEREFORE, in consideration of the premises, the Declarant agrees with any and all persons, firms, corporations or other entities hereafter acquiring any of the property, which is a part of the development, that the same shall be and is hereby subject to the following restrictions, covenants, conditions, easements, assessments and liens (all hereinafter collectively referred to as "Restrictions") relating to the use and occupancy thereof, said Restrictions to be construed as covenants running with the land which shall be binding on all parties having or

acquiring any right, title or interest in the said property or any part thereof and which shall inure to the benefit of each owner thereof.

Every person or other party hereafter acquiring any of the said property made subject to this Declaration, by acceptance of a deed or contract for deed or other conveyance of any interest in or to said property, whether or not it shall be so expressed in any such deed, contract for deed or other conveyance, and regardless of whether the same shall be signed by such person and whether or not such person shall otherwise consent in writing, shall take such property interest subject to this Declaration and to the terms and conditions hereof and shall be deemed to have assented to same.

#### **ARTICLE I: DEFINITIONS**

The following words when used in this Declaration or any supplemental declaration hereto (unless the context shall prohibit) shall have the following meaning:

Section 1. "Amenities" shall mean the facilities constructed, erected, installed or set aside on the Common Area for the use, benefit and enjoyment of members.

Section 2. "Association" shall mean and refer to The Village at Spring House Homeowners Association, Inc., a nonprofit corporation organized and existing under the laws of the State of North Carolina, its successors and assigns.

Section 3. "Committee" shall mean and refer to the Architectural Review Committee of the The Village at Spring House Homeowners Association, Inc.

Section 4. "Common Area(s)" shall mean all real property and easement interests owned by the Association for the common use and enjoyment of all members or designated classes of members of the Association, which may include but is not limited to, entranceway, open space and regular or decorative street lighting located within the Common Area. (It is understood that this list of amenities is only for descriptive purposes.

Section 5. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for The Village at Spring House and which is to be recorded in the Forsyth County Registry.

Section 6. "Declarant" shall mean and refer to Journey Construction Company, Inc., a North Carolina corporation, and its respective successors and/or assigns.

Section 7. "Lot" or "Lots" shall mean and refer to any plot of land within The Village at Springhouse whether or not improvements are constructed thereon which constitutes or will constitute after the construction of improvements a single dwelling site as shown on a plat or plats for The Village at Spring House, or amendments thereto, recorded in the Forsyth County Registry. "Lot" shall also mean other single dwelling site(s) as may hereafter be annexed and brought within the jurisdiction of the Association.

Section 8. "Member" shall mean and refer to any person or other entity who holds membership in the Association.

Section 9. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee interest in any Lot in the development, excluding however, those parties having such interest merely as a security interest for the performance of an obligation.

Section 10. "Person" shall mean and refer to a natural person, as well as a corporation, partnership, firm, association, trust or other legal entity. The use of the masculine pronoun shall include the neuter and feminine, and the use of the singular shall include the plural where the context so requires.

Section 11. "Property" shall mean the property shown on the attached Exhibit A.

## **ARTICLE II: PROPERTIES SUBJECT TO THIS DECLARATION**

The property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Forsyth County, North Carolina, and is more-particularly described as The Village at Spring House subdivision as described herein. Declarant reserves the right to subject other real property to the Restrictions set forth here as provided below.

Without further assent or permit, Declarant hereby reserves the right, exercisable from time to time, to subject other real property to the Restrictions set forth herein in order to extend the scheme of this Declaration to other property to be developed and thereby to bring such additional properties within the jurisdiction of the Association.

The additions herein authorized shall be made by the filing of record of one or more supplementary declarations in respect to the properties to be then subject to this Declaration and which shall extend the jurisdiction of the Association to such property and thereby subject such addition to assessment for its just share of the Association's expense. Any such supplemental declaration or any such other declaration shall not revoke or otherwise amend the provisions of this Declaration as this Declaration pertains to the properties subject hereto and any such supplemental declaration shall be substantially similar in form and content to this Declaration.

## **ARTICLE III: ASSOCIATION MEMBERSHIP AND VOTING RIGHTS**

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association shall be a member of the Association, subject to and bound by the Association's Articles of Incorporation, Bylaws, rules and regulations. The foregoing is not intended to include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation. Ownership of record of such Lot shall be the sole qualification for membership. When any Lot is owned of record in tenancy by the entireties, joint tenancy, or tenancy in common or by some other legal form of multiple ownership, the membership (including the voting power arising therefrom) shall be exercised only as stipulated in Section 2 herein below.

During any period in which a member shall be in default in the payment of any annual, special or other periodic assessment levied by the Association, the voting rights and right to the use of the Common Areas or any other facilities which the Association may provide may be suspended by the Board of Directors of the Association until such assessment is paid. In the event of violation by a Member of any rules or regulations established by the Board of Directors of the Association, such Member's voting and use rights may be suspended by the Board of Directors of the Association after a hearing at which the general requirements of due process shall be observed. Such hearing shall only be held by the Board of Directors of the Association (or a committee thereof) after giving the member ten (10) days prior written notice specifying each alleged violation and setting the time, place and date of the hearing. Determination of violation shall be made by a majority vote of the Board of Directors of the Association or a committee thereof.

No membership fee shall be charged, nor shall Members be required to pay at any time any amount to carry on the business of the Association except to pay when due the charges, assessments and special assessments levied upon each Member's Lot as specified in the Declaration or as the Members of the Association may from time to time hereafter adopt.

Section 2. Voting and Voting Rights.

(a) The voting rights of the membership shall be appurtenant to the ownership of Lots. The ownership of each Lot by a person other than Declarant shall entitle its owner to one vote. The Association shall have two classes of voting membership:

(1) Class A. Class A members shall be all Owners, other than Declarant, as provided hereinafter. However, Declarant shall be a Class A member to the extent provided in paragraph (2) hereinafter. Class A members shall be entitled to one vote for each Lot owned.

(2) Class B. The Class B Member shall be the Declarant, its successors and assigns, and it shall be entitled to three (3) votes for each Lot in which it holds a fee or undivided fee interest. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier: four (4) months after the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership or on January 1, 2012.

(b) When two or more persons hold an interest, other than a leasehold or security interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised by one of such persons as proxy and nominee for all persons holding an interest in a Lot and in no event shall more than one (1) vote be cast with respect to any Lot (except with respect to Lots owned by Declarant), nor shall any fractional vote be cast.

(c) Any Member who is delinquent in the payment of any charges duly levied by the Association against a Lot owned by such Member shall not be entitled to vote until all such charges, together with such reasonable penalties as the Board of Directors of the Association may impose, have been paid.

(d) Members shall vote in person or by proxy executed in writing by the Member. No proxy shall be valid after eleven (11) months from the date of its execution or upon conveyance by the Member of his Lot. A corporate Member's vote shall be cast by the President of the member corporation or by any other officer or proxy appointed by the President or designated by the Board of Directors of such corporation, which designation must, if requested by the Association, be in writing.

(e) Voting on all matters except the election of directors shall be by voice vote or by show of hands unless a majority of the Members present at the meeting shall, prior to voting on any matter, demand a ballot vote on that particular matter. Where directors or officers are to be elected by the members, the solicitation of proxies for such elections may be conducted by mail.

**ARTICLE IV: COMMON AREA PROPERTY RIGHTS**

Section 1. Use of Common Area. Every Owner (by virtue of membership in the Association) shall have a nonexclusive right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title for every Lot subject to the provisions of this Declaration, the Charter and the Bylaws of the Association, the encumbrances referred to in Section 3 hereof and the following:

(a) The right of the Association to limit the use of the Common Areas to Owners, their families and guests.

(b) The right of the Association to suspend the voting and enjoyment rights of an Owner for any period during which any assessment against his Lot remains unpaid or for any infraction of the Association's published rules and regulations.

(c) The right of the Association to mortgage, to dedicate or to transfer any part of or any property right associated with the Common Areas to any person, firm, corporation, public agency, authority, utility or other entity for such purposes and subject to such conditions as may be agreed to by the Members of this

Association as applicable in accordance with the terms and provisions of this Declaration. No such mortgage, dedication or transfer shall be effective unless approved by Members entitled to cast a majority of the votes of the Class A membership and a majority of the votes of the Class B membership, if any, and unless written notice of the proposed action is sent to every Member not less than thirty (30) days nor more than sixty (60) days in advance of the vote. The instrument effecting such dedication, transfer or conveyance shall be sufficient if it is executed by appropriate officers of the Association and contains a recital of the approval of the Members.

(d) Notwithstanding the provisions of paragraph (c) above, the Declarant and/or the Board of Directors of the Association may deed, transfer or dedicate the private streets or roads designated on the recorded plat of The Village at Spring House, if any, to the public in order to obtain maintenance and repair of said roads or streets by the appropriate governmental agency and said deed, transfer or dedication shall not require any vote or approval by the Members.

(e) The right of the Association to formulate, publish and enforce rules and regulations as provided in Article VI and to formulate, publish and enforce rules and regulations governing the use and activities permitted on or designated as Common Areas.

Section 2. Delegation of Use. The right and easement of enjoyment granted to every Owner in Section 1 of this Article may be exercised by members of the Owner's family and an Owner may delegate his rights of enjoyment in the Common Areas to his tenants or contract purchasers who occupy the residence of the Owner within the Property.

Section 3. Title to the Common Area. The Declarant hereby covenants that it will convey fee simple title to the Common Area shown on the aforementioned recorded plat to the Association, free and clear of all encumbrances and liens, except utility and drainage easements and easements to governmental authorities. Similarly, Declarant will convey to the Association Common Areas, which are parts of this development as those portions are annexed in the future.

#### **ARTICLE V: COVENANTS FOR MAINTENANCE ASSESSMENTS AND ADMINISTRATIVE FEES**

Section 1. An Administrative Fee of \$50.00 shall be paid to the Association by the buyer of a lot at the time of closing. The Fee shall be used to offset administrative cost of the Association and to maintain the common areas owned by the Association as directed by the Association's Board of Directors.

Section 2. Annual Assessment for Maintenance Fund. For each Lot owned within The Village at Spring House, the Owner covenants and agrees and each subsequent Owner of any such Lot covenants and agrees, that by acceptance of a deed therefore whether or not it is so expressed in such deed, they will pay to the Association the assessments and charges provided for in this Declaration including: annual assessments or charges and special assessments as approved by the Association to be established and collected as hereinafter provided.

The annual assessment provided for herein for the Association shall be payable in advance on an annual basis by every Owner of each Lot unless the Association decides by a majority vote to have the assessment payable monthly. The annual assessment shall be due on January 1 of each year except for the first year of ownership by an Owner. At the closing of the purchase of a Lot by an Owner, the assessment shall begin to accrue and the Owner shall pay to the Association the Owner's pro rata share of the annual assessment for the remainder of the year. The annual assessment for the year 2005 shall be \$50.00. The Declarant is exempt from paying annual association dues on the vacant lots it owns.

**Section 3. Purpose of Assessments.** The assessments levied by the Association shall be used to provide funds for such purposes and common expenses as are for the benefit of the Owners of Lots within the areas overseen and administered by the Association which purposes may include maintenance, replacement, repair, insurance, landscaping and beautification of the Common Areas and any easements which are for the general use and enjoyment of the Association, including but not limited to, the entranceway, lighting, open spaces and which expenses shall specifically include the installation, repair, maintenance, replacement and payment of electric bills for regular or decorative street lighting whether or not such lighting is installed in the Common Area.

Funds may also be used to provide other services to promote the health, safety and welfare of the residents of the community and in particular for the acquisition, improvement and maintenance of the properties, services and facilities related to the use and enjoyment of the Common Areas, including but not limited to: the cost of repair, replacement and additions thereto; the cost of labor, equipment, materials, management and supervision thereof, the payment of taxes assessed against all Common Areas; the procurement and maintenance of insurance; the employment of attorneys, accountants and other professionals to represent the Association when necessary or useful; the employment of security personnel to provide any service which is not readily available from any governmental authority; and such other needs as may arise. Any additional uses and purposes for assessments may be adopted by an amendment to this Declaration as provided in Article X herein.

**Section 4. Creation of the Lien and Personal Obligation of Assessment.** In accordance with the terms and provisions hereof, and in order to secure payment at and after the due date, as each assessment becomes due, there shall arise a continuing lien and charge against each Lot, the amount of which shall include costs and reasonable attorneys' fees to the extent permissible by law. Each such assessment, together with such interest, cost and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due.

**Section 5. Exempt Property.** The assessments, charges and liens created under this Article V shall not apply to the Common Areas, nor shall they apply to any Lot the title to which is vested either in any first mortgagee subsequent to foreclosure or in the Secretary of Housing and Urban Development or the Administrator of Veterans' Affairs or any other state or federal governmental agency which acquires title by reason of such agency's guarantee or insurance of a foreclosed mortgage loan; provided, however, that upon the resale of such Lot by such first mortgagee or such governmental agency, the assessment herein provided shall again commence and accrue and shall be fully applicable to such Lot upon the conveyance to any subsequent Owner. Any Lot which Declarant, if applicable, may hereafter designate for common use as part of the Common Areas shall be exempt from the assessments and charges created herein. In addition, other than land and improvements devoted to dwelling use, all property dedicated to and accepted by a local public authority shall be exempt from the assessments, charges and liens created hereby.

**Section 6. Annual Maintenance Assessments and Maximums.**

(a) The annual maintenance assessment imposed by the Association shall be set each year by the Association as set forth herein.

(b) In establishing the annual assessment for any year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts, and reserves for future needs.

(c) Notwithstanding anything in this Article V to the contrary, the Declarant shall pay no dues and assessments established by the Association against each vacant Lot it owns.

**Section 7. Special Assessments.** In addition to the annual assessment imposed by the Association set forth above, the Association may levy, in any assessment year, a special assessment applicable to that year only.

**Section 8. Date of Commencement of Annual Assessment Due Dates; Certificate of Payment.**

(a) The annual assessments provided for herein for the Association shall be payable on January 1 of each year. The assessment shall begin to accrue as to all Lots at the time of closing and conveyance of a Lot to an Owner other than the Declarant. At least fifteen (15) days before January 1 of each year, the Board of Directors of the Association shall establish the amount of the annual assessment imposed by the Association against each Lot and in the event the Board of Directors of the Association elects not to fix such assessment rate as herein provided, the amount of the prior year's annual assessment shall be the fixed amount. Written notice of any changed assessment rate shall be sent to every Owner by the Association.

(b) The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments (whether annual or special or imposed by the Association) on a specified Lot have been paid to date.

Section 9. Effect of Nonpayment of Assessment; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum legal rate and to the extent allowed by law. The Association or its agents or representatives may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot to which the assessment relates and interest, costs and reasonable attorneys' fees for such action or foreclosure shall be added to the amount of such assessment to the extent allowed by law. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of any of the Common Areas or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first lien deed of trust (sometimes hereinafter called "mortgage" or "first mortgage" and the holder thereof being sometimes hereinafter referred to as a "first mortgagee") on any Lot if, but only if, all such assessments with respect to such Lot having a due date on or prior to the date such mortgage is filed of record have been paid. The lien and permanent charge hereby subordinated is only a lien and charge as relates to assessments authorized hereunder having a due date subsequent to the date such mortgage is filed of record and prior to the satisfaction, cancellation or foreclosure of such mortgage or the sale or transfer of the mortgaged property pursuant to any proceeding in lieu of foreclosure or the sale or transfer of the mortgaged property pursuant to a sale under power contained in such mortgage. Sale or transfer of any Lot shall not affect any assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage pursuant to a foreclosure thereof or under a power of sale or any proceeding in lieu of foreclosure thereof shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer, but the Association shall have a lien upon the proceeds from foreclosure or of sale, junior only to the said foreclosed first mortgage and the equity of redemption of the mortgagor or trustor. No sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof, except as provided in Section 4 of this Article V.

Section 11. Collection of Assessments. The Association shall promptly collect all assessments due from Owners pursuant to the terms and provisions hereof.

#### **ARTICLE VI: RULES, RESTRICTIONS, REGULATIONS AND BUFFER YARD REQUIREMENTS**

Section 1. Rules and Regulations for Common Areas. The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Areas. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors shall be recorded in a Book of Resolutions, which shall be maintained in a place convenient to the Owners and available to them for inspection during normal business hours.

**Section 2. Use Restrictions.**

(a) No drainage ditches or swales constructed within the rights of way of streets bordering any Lot may be filled or altered in such a manner that impedes the flow of water within the right of way and/or which impedes the flow of water to a catch basin, drainage easement or stream and/or which results in water flowing from any Lot onto the adjacent street pavement.

(b) The rear portion of lots 1-17 and 35-38, inclusive, is within the buffer yard as shown on the recorded map. The Owners of these lots agree not to cut or remove any trees or shrubs and further agree to maintain the buffer yard in accordance with the local zoning ordinance.

(c) The Declarant reserves and retains an easement extending five (5) feet to each side of all property lines shown on the recorded plat for the installation of utility lines, sewer lines, drainage lines and ditches for the benefit of the Lots or any land adjacent thereto owned by the Declarant. The right to use such easement(s) may be granted by the Declarant to utility companies for a specific use without it disposing of its right to use or to grant additional parties an easement for one or more reserved uses. The Declarant reserves the right to dispose of or to release the easement(s) if not theretofore specifically granted, by the execution of a written release to be recorded in the Office of the Register of Deeds of Forsyth County, North Carolina.

**Section 3. Nuisances and Unsightly Materials.** Each Owner shall refrain from any act or use of his Lot which could reasonably cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. No noxious, offensive or illegal activity shall be carried on upon any Lot. No Lot shall be used in whole or in part for storage of rubbish of any character whatsoever; nor shall any substance, thing or material be kept upon any Lot which will emit foul or noxious odors, or that will cause any noise that will or might disturb the peace and quiet of the occupants of surrounding property. No trash, rubbish, stored materials, wrecked or inoperable vehicles or similar unsightly items shall be allowed to remain on any Lot outside an enclosed, covered structure. However, the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish and other debris for pickup by garbage and trash removal service units. In the event any Owner of any Lot fails or refuses to keep such property free from any of the foregoing unsightly items, weeds or underbrush, the Association may, at its option, ten (10) days after posting a notice thereon or mailing a notice to said Owner at his property address requesting Owner to comply with the requirements of this Section, enter and remove all such unsightly items and growth at said Owner's expense and Owner shall be personally liable to the Association for the costs of removal, and the costs, until paid, shall be a permanent charge and lien upon such Lot enforceable to the same extent and collectible as provided for in Article V, entitled "Covenants for Maintenance Assessments". By acquiring property subject to these restrictions, each and every Owner agrees to pay such costs promptly upon demand by the Association, its agents, assigns, or representatives. No such entry as provided in this Section shall be deemed a trespass. The provisions of this Section shall not apply to Lots upon which houses are under construction. None of the prohibitions contained in this section 5 shall apply to Declarant or builder during the construction of the improvements on a Lot.

**Section 4. Governmental Regulations.** Each Owner shall observe all governmental building codes, health regulations, zoning restrictions and other regulations applicable to his Lot. In the event of any conflict between any provision of any such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provision shall apply.

## ARTICLE VII: EASEMENTS

Section 1. Walks, Drives, Parking Areas and Utilities. All of the properties, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television antenna lines and other public utilities as shall be established prior to subjecting the properties to this Declaration by the Declarant or its predecessors in title. The Association shall have the power and authority to grant and to establish in, over, upon and across the Common Areas conveyed to it such further easements as are requisite for the convenient use and enjoyment of the properties.

Section 2. Utilities and Drainage. All utility lines of every type, including but not limited to water, electricity, natural gas, telephone, sewage and television cables, running from the main trunk line or service locations must be underground. The Declarant reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement and right on, across, over and under the ground to erect, maintain, replace and use water, sewer, electric and telephone systems, wires, cables, and conduits for the purpose of bringing public services to the Lots and Common Areas, said easement to be within (i) twenty (20) feet of each lot line fronting on a street, (ii) five (5) feet along the side lines of each lot, (iii) twenty (20) feet along the rear line of each lot, (iv) the rights of way of any street or road shown on any recorded plat(s) of the Property, and (v) such other areas as are shown on any recorded plats of the Property; provided further, that the Declarant or Association may cut, at its own expense, drain ways for surface water wherever and whenever such action is required by applicable health or sanitation authorities in order to maintain reasonable standards of health, safety and appearance. In the event of any additions to the Property, as provided in Article III, by the Declarant or others with the consent of the Declarant, the easements created hereby shall exist on the Lots in such additions to the Property. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, take or add any soil or to take any other similar action reasonably necessary to provide economical and safe utility installation or to maintain reasonable standards of health, safety and appearance.

Section 3. Emergency. There is hereby reserved without further assent or permit, a general easement to all policemen and security guards employed by Declarant or the Association, firemen, ambulance personnel and all similar persons to enter upon the Property, or any property or portion thereof which is now or hereafter made subject to this Declaration, in the performance of their respective duties.

## ARTICLE VIII: INSURANCE

Section 1. Fidelity Insurance Coverage. The Association may provide for fidelity coverage against dishonest acts on the part of the officers, directors, management, contractor, employees or volunteers responsible for handling funds belonging to or administered by the Association at the discretion of the Board of Directors of the Association. The fidelity bond or insurance must name the Association as the named insured and shall be written in an amount set by the Association. In connection with such coverage, an appropriate endorsement to the policy to cover any person or persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. If requested by an Owner or first mortgagee, such policies shall additionally provide that the policies cannot be canceled by either the insured or the insurance company until after ten (10) days prior written notice to all who have requested such notice.

Section 2. Other Insurance. The Board of Directors of the Association may purchase and maintain in force as a common expense, liability insurance, debris removal insurance, plate or other glass insurance, fidelity bonds and other insurance or bonds that it deems necessary. The Board of Directors of the Association shall purchase and maintain workmen's compensation insurance to the extent that the same shall be required by law respecting employees of the Association.

## **ARTICLE IX: RIGHTS OF INSTITUTIONAL LENDERS**

**Section 1. Amendments.** The prior written approval of each institutional holder of a first deed of trust on Lots will be required for any material amendment to the Declaration or to the Bylaws of the Association which affects the rights of such holders.

**Section 2. Professional Management.** Declarant reserves the right to select professional management of the Association. The Declarant shall not be required to engage professional management, but may, if they so desire. Following the transfer of voting control to the Owners pursuant to Article III, the Owners may vote either to engage professional management for the Association or to self-manage the Association. Any contract for professional management shall provide that the Association may terminate said contract on the giving of not less than thirty (30) days notice.

**Section 3. Inspection and Notice.** Upon written request, any institutional holder of a first lien on a lot will be entitled to:

- (a) inspect the books and records of the Association during normal business hours; and
- (b) receive an annual financial statement of the Association within ninety (90) days following the end of any fiscal year; and
- (c) written notice of all meetings of the Association and shall be permitted to designate a representative to attend all such meetings; and
- (d) written notice of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and
- (e) written notice of any proposed action that requires the consent of a specified percentage of mortgage holders; and
- (f) written notice of any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Lot on which it holds the mortgage.

**Section 4. Condemnation or Default.** If any Lot or portion thereof or the Common Area or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the institutional holder of any first mortgage on a Lot will be entitled to timely written notice of any such proceeding or proposed acquisition.

The holder of a first mortgage on any Lot shall be given prompt written notice of any default in the mortgagor's obligations hereunder which are not cured within thirty (30) days of said default, provided that the holder shall have given written notice to the Association that it is a holder as to the Lot of such mortgagor and shall have requested the notice of default as herein set forth.

## **ARTICLE X: GENERAL PROVISIONS**

**Section 1. Duration.** The foregoing restrictions shall be construed to be covenants running with the land and shall be binding and effective for thirty (30) years from the date of recording, at which time they shall be automatically extended for successive periods of ten (10) years each unless it is agreed by the vote of a majority in interest of the then Owners of the above-described property to change, amend or revoke the restrictions in whole or in part. Every purchaser, owner or subsequent grantee of any interest in any property now or hereafter made subject to this Declaration, by acceptance of a deed or other conveyance therefore, thereby agrees that the covenants and restrictions of this Declaration may be extended as provided in this Article.

**Section 2. Amendment.** This Declaration may be amended unilaterally at any time and from time to time by Declarant or its successors and/or assigns accordingly: (i) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (ii) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; (iii) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots subject to this Declaration; or (iv) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Owner's Lot unless any such Lot Owner shall consent thereto in writing.

In addition to the above, this Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of at least sixty percent (60%) of the Owners thereafter, and with the consent of the Declarant, so long as it owns a Lot, in the Property.

Every purchaser or subsequent grantee of any interest in any property now or hereafter made subject to this Declaration by acceptance of a deed or other conveyance therefore, hereby agrees that the covenants and restrictions of this Declaration may be amended as provided in this Article. Amendments as used in this Article X shall not mean the addition of properties as provided in Article II.

**Section 3. Procedure for Certification and Recordation of Amendment.** Any instrument amending these covenants, conditions, and restrictions (other than a permitted unilateral amendment by the Declarant, or an amendment by the Board of Directors to correct an error or inconsistency in drafting, typing or reproduction) shall be delivered, following approval by the owners, to the Board of Directors of this Association. Thereupon, the Board of Directors shall, within thirty (30) days after delivery, do the following:

- (a) Reasonably assure itself that the amendment has been approved by the Owners of the required number of Lots as provided in Section 2 of this Article. (For this purpose, the Board may rely on its roster of members and shall not be required to cause any title to any Lot to be examined);
- (b) Attach to the amendment a certification as to its validity, which certification shall be executed by the Association in the same manner that deeds are executed;
- (c) Immediately, and within the thirty (30) day period aforesaid, cause the amendment to be executed by the Association's officers in the same manner that deeds are executed, and recorded in the Forsyth County Registry.

All amendments shall be effective from the date of recordation in the Forsyth County Registry, unless a later effective date is specified therein. When any instrument purporting to amend the covenants, conditions and restrictions has been certified by the Board of Directors, recorded and indexed as provided by this Section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to the Owners of all Lots in this development.

**Section 4. Enforcement.** If any person, firm or corporation shall violate or attempt to violate any of these Restrictions, it shall be lawful for the Association or for any other person, firm or corporation owning any property to bring an action against the violating party at law or in equity for any claim which these restrictions may create in such other Owner or interested party either to prevent said person, firm or corporation from so doing such acts or to recover damages for such violation. The violating party shall be responsible for all costs and attorneys' fees incurred by the Association or such other Owner in such action. Any failure by the Association or any Owner to enforce any of said covenants and restrictions or other provisions shall in no event be deemed a waiver of the right to do so thereafter. Invalidation of any one or

more of these Restrictions by judgment or court order shall neither affect any of the provisions not expressly held to be void nor the provisions so voided in circumstances or application other than those expressly invalidated, and all such remaining provisions shall remain in full force and effect together with the provisions ruled upon as they apply to circumstances other than those expressly invalidated.

**Section 5. Delegation and Assignability.** Declarant shall at all times and from time to time have the right to delegate any and all functions herein reserved to Declarant. Further, notwithstanding any other provision contained herein to the contrary, Declarant shall have the right at all times and from time to time to fully transfer, convey and assign all or any part of its right, title and interest (whether real or personal) in and to Common Areas; provided, however, that any transferee, grantee or assignee shall be deemed to have assumed the same, in the event of any such sale, transfer or conveyance.

**Section 6. Hazard or Liability Insurance.** No person other than the Owner of a lot, or the mortgagee where permitted by the mortgage, shall have the right to place hazard or liability insurance for that lot. The Declarant or Association shall not require that a particular company or agent insure a lot and shall not require that insurance policies be reviewed and approved by the Declarant or Association. Proceeds of insurance claims shall not be required to be paid to anyone other than the Owner of the lot and/or the mortgagee.

**Section 7. Liability for Damage to Common Areas or Lots.** Liability for damage to Common Areas or lots caused by Owners, their families, guests or invitees shall be only that for which they would be legally responsible for under North Carolina law.

**Section 8. Conflicts.** In the event of any irreconcilable conflict between the Declaration and the Bylaws of the Association, the provisions of this Declaration shall control. In the event of any irreconcilable conflict between this Declaration or the Bylaws of the Association and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.

**Section 9. Headings and Binding Effect.** Headings are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying the particular sections to which they refer. The covenants, agreements and rights set forth herein shall be binding upon and inure to the benefit of the respective heirs, executors, successors and assigns of the Declarant and all persons claiming by, through and or under Declarant.

**Section 10. Unintentional Violation of Restrictions.** In the event of an unintentional or minor violation of any of the foregoing restrictions with respect to any Lot, the Declarant as to Lots it may own or may have owned, reserves the right (by and with the mutual written consent of the Owner or Owners if Declarant is no longer the owner of the Lot) to change, amend, or release any of the foregoing restrictions as the same may apply to that particular Lot.

#### **ARTICLE XI: DISSOLUTION OR INSOLVENCY OF THE ASSOCIATION**

**Section 1. Insolvency.** In the event that the Association becomes insolvent or for any reason whatsoever loses the ownership of any of the private streets, if any, or Common Areas, the Owners of Lots having an interest in such Common Areas and private streets may, at their election as determined by majority vote of those affected, form a nonprofit corporation as provided in the Articles and Bylaws of the Association and assign to it the duty and authority to assess on a per Lot basis all Lots having an interest in such Common Areas and private streets whereupon such corporation shall maintain such Common Areas and private streets in the same manner that the Association is empowered to do by this instrument with the same right of lien for assessments provided for herein.

**Section 2. Default by the Association.** Upon default by the Association in the payment to the Jurisdiction entitled thereto of any assessments for public improvements or ad valorem taxes levied against the Common Area, which default shall continue for a period of six (6) months, each Owner of a Lot in The Village at Spring House shall become personally obligated to pay to the jurisdiction a portion the taxes or

assessments in an amount determined by dividing the total taxes and/or assessments due to the jurisdiction by the total number of lots in The Village at Spring House. If the sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, the sum shall become a continuing lien on the property of the Owner, his heirs, devisees, personal representatives, and assigns. The taxing or assessing jurisdiction may either bring an action at law against the Owner personally obligated to pay the same or may elect to foreclose the lien against the property of the Owner.

IN WITNESS WHEREOF, the Declarant, by its duly authorized and appointed undersigned representative, has caused this Declaration of Covenants, Conditions and Restrictions to be duly executed this 31<sup>st</sup> day of March, 2005.

JURNEY CONSTRUCTION COMPANY, INC.

By: [Signature]  
Name: Wade Jurney  
Title: President

\*\*\*\*\*  
STATE OF NORTH CAROLINA  
COUNTY OF Forsyth

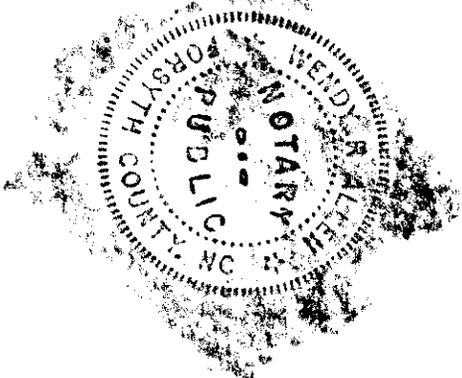
I, Wendy R. Allen, a Notary Public of the County and State aforesaid, certify that Wade Jurney, President of JURNEY CONSTRUCTION COMPANY, INC., a North Carolina corporation, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal/stamp this 31<sup>st</sup> day of March, 2005.

[Signature]  
Notary Public

My Commission Expires: 4-25-07

Notarial Seal/Stamp:



The foregoing certificate(s) of: Wendy R. Allen NP(s)  
is certified to be correct at the date of recordation shown on the first page thereof,  
Dickie C. Wood, Register of Deeds by: [Signature] Deputy/Asst.

Exhibit A

all papers shown on Plat Book 48  
page 108 entitled The Valley of Spring  
House, recorded in the Register of Deeds  
of Forsyth County, NC.