

BELOW IS A COMBINED SUMMARY OF THE CURRENT DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR STERLING POINT COURT AS REFLECTED IN THE FORSYTH COUNTY REGISTER OF DEEDS OFFICE, NORTH CAROLINA.

**Original: 09/03/1996 BOOK 1916, PAGE 3074
As Amended: 09/26/2005 BOOK 2603, PAGE 560**

Both Declaration of Covenants referenced herein can be found at the following link by searching for “Sterling Point” and looking for the above referenced Book and Page numbers: <http://www.forsythdeeds.com> The declarations filed with the Forsyth County Register of Deeds are the controlling legal documents, and the below is just a summary for purposes of more clearly conveying the combined and existing covenants, conditions, and restrictions for Sterling Point.

THIS AMENDMENT TO THE DECLARATIONS OF COVENANTS, CONDITIONS AND RESTRICTIONS for Sterling Point (“the amendment”) is made by the undersigned Lot owners of Sterling Point effective as of the 1st day of September, 2005.

RECITALS

WHEREAS, Shugart Enterprises, Inc., a North Carolina corporation, on or about September 3, 1996, caused a certain Declaration of Covenants, Conditions and Restrictions for Sterling Point to be recorded in Book 1916 (improperly referenced as 1996 in the 2005 filing), page 3074 in the Office of the Register of Deeds of Forsyth County, North Carolina (as amended and supplemented from time to time hereinafter referred to as the “Declaration”); and

WHEREAS, Article IX, Section 3 provides that the Declaration may be amended by an instrument signed by not less than sixty-six and two-thirds (66 2/3%) of the Lot owners; and

WHEREAS, not less than sixty-six and two-thirds (66 2/3%) of the Lot Owners have approved the amendment to the Declaration set forth herein at a special meeting duly called for the purpose of considering the same.

NOW, THEREFORE, be it resolved that the Declaration is hereby amended as follows:

ARTICLE I

Section 1. “Association” shall mean and refer to Sterling Point HOA, Inc., and, its successors and/or assigns.

Section 2. “Owner” shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties as defined herein, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. “Properties” shall mean and refer to that certain real property hereinbefore described on Exhibit “A”, and such additional land as by the Supplementary Declaration(s) may hereafter be brought within the jurisdiction of the Association.

Section 4. “Common Area” shall mean all real property or interest therein owned by the Association for the common use and enjoyment of the Owners. Included not to the exclusion of other items and areas is

Sterling Point Court, any common lighting, perimeter fencing, entrance signage, walls, gates, if any, and entrance landscaping and other common landscaping located within the buffer areas and on parts of some lots.

Section 5. “Common Expenses” shall mean and include:

- (a) All sums lawfully assessed by the Association against its members;
- (b) Expenses of administration, maintenance, repair or replacement of the Common Area;
- (c) Expenses described to be Common Expenses by this Declaration and/or by the Bylaws of the Association (hereinafter the “Bylaws”);
- (d) Hazard, liability or such other insurance premiums as the Declaration, the Bylaws or applicable laws or ordinances may require the Association to purchase;
- (e) Expenses agreed by the members to be Common Expenses of the Association; and
- (f) Ad valorem taxes and governmental assessments levied against the Common Areas, if any.

Section 6. “Lot” or “lot” shall mean and refer to any plot of land, other than the Common Area shown on a recorded subdivision map of the Properties and upon which a single unit structure has been or may be constructed.

Section 7. “Private Drive” shall mean Sterling Point Court as shown on the Plat of Sterling Point as a Private Access Easement and Public Utility Easement, recorded as aforementioned and any other private drive or easement so designated on any subsequently recorded map of the Properties. All such private drives are private drives for the sole benefit of the Owners, subject to governmental and utility rights therein. Sterling Point Court is a part of the common property and is dedicated as such.

Section 8. “Declarant” shall mean and refer to Shugart Enterprises, Inc., its successors and specific assigns, to which the rights of Declarant are specifically assigned by recorded document of assignment or by specific assignment within a deed of conveyance of such rights.

Section 9. “Members” shall be every Owner of a lot as set forth in ARTICLE III of this Declaration.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner’s Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) The right of the Declarant, in its sole discretion, and at no cost of installation to any Owner, to use any of the Common Area for the installation of utility lines of all types, drainage ditches or swales, lighting, to grade and pave roadways or easements of access, and to do all things and acts necessary to develop the properties to its final development, together with the right to grant easements to the proper utility and/or governmental authority for such use, all without the joinder of the Association.

- (b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facilities, if any, situated upon the Common Area.
- (c) The right of the Association to suspend the voting rights and right to use of the recreational facilities, if any, of an Owner for any period during which any assessment against his Lot remains unpaid;
- (d) The right of the Association, through its President and Secretary, to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed by the Members. No such dedication or transfer shall be effective unless approved by two-thirds percent (66 2/3%) of the members present in person or by proxy of a duly called and noticed meeting where one of the stated purposes of the meeting will be a vote or the granting of such dedication or transfer. At such meeting, a quorum for this purpose shall be no less than fifty-one percent (51%) of the Members. Provided, in the event the required quorum for this purpose is not present, a subsequent meeting may be called and noticed and at such meeting a quorum shall constitute twenty-five percent (25%) of the Members, and two-thirds (66 2/3) of the Members present in person or by proxy at such meeting may approve such dedication or transfer. Such subsequent meeting shall not be held later than sixty (60) days beyond the originally called meeting.
- (e) The right of the Association through the Board of Directors to impose rules and regulations for the use and enjoyment of the Common Area and Lots and the external appearance of the improvements thereon, which regulations may from time to time further restrict the use of the Common Area and Lots, and to impose fines and/or methods of enforcement of compliance.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-laws, his rights of enjoyment of the Common Area and facilities to the Members of his family, his tenants or contract purchasers who reside on the property subject to the rules and regulations adopted from time to time through the Board of Directors.

Section 3. Title to Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area to the Association, free and clear of all encumbrances and liens except utility easements and the easements, restrictions, covenants and conditions set forth herein. Further, if ad valorem taxes for the current year have been separately assessed against the Common Area, the same shall be prorated between the Declarant and the Association as the transfer date; otherwise such taxes shall be paid by Declarant.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot.

Section 2. The Association shall have one class of voting membership. Members shall be all Owners and shall be entitled to one vote for each Lot owned. When more than one person holds the interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1.

(a) **Creation of the Lien and Personal Obligation for Assessments.** Each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided, and (3) direct assessments as hereinafter defined. The annual, special and direct assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Property against which each such assessment is made and when filed of record in the Office of the Clerk of Superior Court of Forsyth County, North Carolina, shall be a lien upon the land to all who acquire an interest therein. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Property at the time when the assessment fell due and any heir or devisee shall be deemed to have consented to make such payments. The personal obligation for delinquent assessments shall not pass to the successors in title unless expressly assumed by them.

(b) **Direct Assessments.** Each Owner shall have the obligation to maintain and keep in good repair and replace the improvements on his Lot, including the roof, gutters, windows, doors, shutters and exterior walls of the dwelling unit thereon, and any other exterior improvement such as garden walls, carports or garages and landscaping, including the routine watering of grass and shrubs (the Association will be responsible for the routine mowing of grass and trimming of shrubs), and other maintenance and replacement to present a good exterior appearance. If any Owner shall fail to comply with the provisions of this subsection, and in the opinion of the Architectural Control Committee of the Association as established under ARTICLE V of this Declaration, such failure impairs the aesthetic harmony of Sterling Point, the Association may make demand upon such Owner to comply. In the event such Owner shall, after notice has been given, fail to take necessary steps to comply, the Association may proceed to remedy such Owner's default, but does not have obligation to do so. Any expenses incurred by the Association for such purposes, including labor, materials, court costs and professional fees shall become a lien upon the Lot of such Owner and the personal obligation of the Owner, collectible as other assessments as provided for herein. Amounts incurred in the foregoing manner shall be deemed "Direct Assessments" and shall be in addition to any other assessments herein provided for and shall be due immediately upon demand. Interest shall accrue at the rate of ten percent (10%) per annum on any unpaid assessment not paid within ten (10) days from date of demand for payment.

Section 2. Purpose of Assessment. The assessments levied by the Association shall be used exclusively to promote recreation, health, security, safety and welfare of the residents in the Properties and in particular for the maintenance and replacement of the perimeter fence, gates, if any, street and landscaping located upon the Common Area and the acquisition, improvement and maintenance of property, services and facilities devoted to this purpose for the maintenance, use and enjoyment of the Common Area, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, utilities, security, lighting, management and supervision, the payment of taxes, if any, assessed against the Common Area, the procurement and maintenance of insurance related to the Common Area, its facilities and use in accordance with this Declaration and the By-Laws, the employment of managers, attorneys and accountants to represent the Association when necessary, and such other common needs as may arise.

Section 3. Maximum Annual Assessments.

- (a) The maximum annual assessment shall be established by the Board of Directors without approval by the membership by an amount not to exceed the greater of ten percent (10%) of the maximum annual assessment of the previous year, or the percentage increase over the previous year as shown on the U.S. Bureau of Labor Statistics Consumer Price Index for Urban Wage Earners or, if such index shall cease to be published, by the index most nearly comparable thereto.
- (b) The maximum annual assessment may be increased without limit by a vote of two-thirds (66 2/3%) of the Members who are voting in person or by proxy, at a meeting duly called for this purpose.

At any time, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

- (c) In establishing the annual assessments for any twelve month period, the Board of Directors shall consider all current debts and expenses of the Association, accrued debts and reserves for future needs, but it may not fix the annual assessment in an amount in excess of the sum derived by application of the increase allowed in Section 3(a) hereof without the consent of Members required by Section 3(b) hereof.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds percent (66 2/3%) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots subject to assessment and may be collected on a monthly, quarterly or annual basis in advance as the Board of Directors may direct, except as herein provided. Without regard as to the collection time the assessment shall become a lien on the lots in twelve installments so that an Owner acquiring title will be obligated for the assessment for the remainder of the year. Should an Owner default, the Board of Directors may accelerate the assessment for the entire year and bring action for the collection of the same for the entire year.

Section 6. Notice and Quorum for any Action Authorized under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all Members not less than twenty (20) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members and/or of proxies entitled to cast fifty-one percent (51%) of all the votes of the membership entitled to vote shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be twenty-five percent (25%) of the required quorum at the preceding meeting. No such subsequent meeting shall be held for more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessment: Due Dates. The annual assessments provided for herein shall be collected on a monthly, quarterly or annual basis as determined by the Board of Directors and shall commence as to all Lots on the first day of the month following the conveyance of the first Lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each annual assessment period, the Board of Directors may fix the amount of the annual assessment against each Lot, and if there is a change from the

prior year, send written notice of each assessment to every Owner subject thereto. Failure to timely forward or failure of receipt shall not invalidate or reduce the assessment fixed. The Board of Directors may at any time increase the annual assessment (the only requirement being that twelve (12) calendar months have passed since the last increase), but not in excess of the ten percent (10%) maximum annual increase limit, if they determine in their discretion that funds are not adequate for current or anticipated expense. The due dates shall be established by the Board of Directors. The lien of the assessments shall attach on the first day of each month, however; should default occur, the Board of Directors may accelerate the lien for the year and file and collect for the annual sum due.

Section 8. Effects of Nonpayment of Assessments: Remedies of the Association. Any assessments not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum, and the Board of Directors may impose a late payment fee not in excess of ten percent (10%) of the sum due. Such late payment fee shall be set forth in the notice or bill for payment or be set forth in a subsequent letter requesting payment. The Association may bring an action at law against the Owners personally obligated to pay the same and/or foreclose the lien against the Property, and interest, costs, fees and reasonable attorney's fees for such action and/or foreclosure shall be added to the amount of such assessment. No Owner may waive nor otherwise escape liability for any of the assessments provided for herein by inability to use, or non-use of the Common Area or abandonment of his Lot. Election to sue a defaulting Owner shall not bar subsequent filing of lien and foreclosure. The Association may pursue either or both remedies without bar to other remedies. A prospective purchaser or lender may request a written certificate from the Association as to the status of assessments on any Lot, they or it is concerned with and as to such purchaser, lender or subsequent purchaser from them, such statement of the Association shall be binding on the Association as of the date of its issuance. The Association may charge a fee for such certificate if it advises the requesting party of the charge before or at the time of the delivery of the certificate.

Section 9. Subordination of Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust filed prior to a lien for assessment. Sale or transfer of any Lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding, conveyance or assignment in lieu of foreclosure thereof, shall extinguish the lien of such assessment as to the payment thereof which became due prior to such sale or transfer, but the personal obligation of the Owner of the Property when the assessment fell due shall survive. No such sale or transfer shall relieve such Lot from liability for any assessments, monthly or otherwise, which thereafter become due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust filed prior to a lien for assessments being filed.

ARTICLE V

ARCHITECTURAL CONTROL

Section 1. Architectural Control.

- (a) **Purpose.** An Architectural Control Committee is hereby established in order to provide and maintain certain standards as to the harmony of exterior design and location in relation to surrounding structures and topography.
- (b) **Architectural Control.** Following the conveyance of a Lot from the Declarant in fee simple in its natural or improved state, unless expressly authorized in writing by the Architectural Control Committee ("Committee") no building, fence, wall, driveway or other structure nor any exterior addition or alteration (including color, addition or deletion of trim, roofing type or color) to any existing structure, nor any change or addition to the

landscaping on any Lot, any clearing or site work shall be commenced, erected or maintained upon the designated property, or any other alteration, addition, replacement or reconstruction of a destroyed or damaged improvement, which in anyway varies the external appearance of the improvements, including the landscaping, on any Lot until plans and specifications therefor showing the shape, dimensions, materials, basic exterior finish and colors, location on site, landscaping, driveway, parking, floor plan and elevations therefor (all of which is hereinafter referred to as the "Plans"), shall have been submitted in duplicate to and approved in writing, as to the harmony of external design and location in relation to any surrounding structures and topography, by the Committee. The Committee shall have the absolute and exclusive right to refuse to approve any such Plans and specifications which are not suitable or desirable in the opinion of the Committee for any reason, including purely aesthetic reasons which in the sole and uncontrolled discretion of the Committee shall be deemed sufficient; provided that the Committee's decision to deny an application may be appealed to the Board of Directors for review which the Board may confirm, amend or modify the decision of the Committee. The Committee shall articulate its reasons for denial. Approval of some item at one location shall not be construed as approval at any other location nor set a binding precedent for approval at any other location.

- (c) **The Architectural Control Committee.** The Architectural Control Committee shall be appointed by the Board of Directors. In no event shall representatives, such as Executors or Trustees be entitled to be members of the Committee.
- (d) **[1996 provision deleted in its entirety in 2005 revision]**
- (e) **Architectural Control Committee: Plans Review Procedure.** At least thirty (30) days prior to the commencement of any construction or alteration of external appearance on any lot, the Plans shall be submitted in writing to the Committee. The Committee's approval, disapproval or waiver as required in these covenants shall be in writing. The decision of a majority of the Committee, in case of any disagreement among Committee members, as to approval, disapproval or waiver of the Committee, shall be controlling. The Committee shall make its decision within the thirty (30) days from the date the Plans are submitted to it. If the Committee fails to act within such thirty (30) day period, the Plans shall be deemed accepted. The Member submitting the Plans shall obtain a written dated receipt from the Committee member submitted to or a return receipt from submission by Certified U.S. Mail. If additional materials or information is requested by the Committee, the time for approval shall be extended for up to thirty (30) additional days after the materials or information requested are delivered to the Committee.

Section 2. Restrictions on Use and Rights of the Association and Owners.

(a) **Permissible Users.** No Lot shall be used except for residential purposes, and no building of any type shall be erected, altered, placed, or permitted to remain on any Lot other than one single-family dwelling, including an attached garage. Moreover, no Lot shall be used for access to any adjoining Lot or other Property, unless the Board of Directors of the Association authorizes such access in writing, and such authorization is recorded in the Office of the Register of Deeds of Forsyth County, North Carolina. When construction of any building, structure, improvements or addition has once begun, work thereon shall be pursued diligently and continuously, and completion shall occur as required by a reasonable construction schedule established by the Committee. No living unit, nor other structure shall be built

which contains cement or cinder blocks which are visible from the outside of the living unit, nor may any detached storage units or structures be erected, placed or used without the consent of the Committee.

(b) **Division of Lots.** No Lot shall be further subdivided.

(c) **Temporary Structures.** No structures of a temporary character shall be placed upon any portion of the properties at any time; provided, however, that this prohibition shall not apply to shelters or huts used by contractors during the construction of a living unit, or improvements or additions thereto, on any Lot. Temporary shelters, tents, recreational vehicles, trailers (whether attached or unattached to the realty), and detached storage buildings may not, at any time, be placed on any portion of a Lot or Property. By way of definition, temporary residence is a residence which is occupied more than two (2) days of a thirty (30) day period.

(d) **Other Prohibitions or Requirements.**

(i) Any living unit shall comply with all applicable building, plumbing, electrical and other codes.

(ii) Downspouts and gutters must be so constructed so as not to promote the erosion of the soil of any lot.

(iii) Parking on private drives and on any other common land shall be subject to rules and regulations adopted from time to time by the Board of Directors of Directors of the Association.

(iv) No external antennas for transmission or reception shall be placed upon any property, provided small reception dishes not exceeding twenty (20) inches in diameter may be placed upon a lot with the written approval of the Committee. Such installation shall not be visible from the street side of the lot.

(v) Erection of clothes lines, the maintenance of any exterior garbage cans, the storage of boats, campers and trailers shall not be permitted. Each Owner shall provide receptacles for garbage, and all garbage receptacles, tools and equipment for use on the Lot of any Owner or otherwise shall be placed in an area in accordance with reasonable standards established by the Committee to shield same from general visibility from roads and other lots in their discretion, which may require that the same be stored in a part of the dwelling.

(e) **Debris.** No leaves, trash, garbage or other similar debris shall be burned except as permitted by the appropriate governmental authority. No garbage, trash, construction debris or other unsightly or offensive materials shall be placed upon any portion of the properties, except as is temporary and incidental to the bona fide improvement of any portion of the Properties.

(f) **No Offensive Activity.** No plants, animals, or device or thing of any sort whose normal activities or existence is in any way noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of other Lots by any owner, tenants, and guests thereof, may be maintained. No noxious or offensive activity shall be carried on upon any portion of the Properties, nor shall anything be done tending to cause embarrassment, discomfort, annoyance or nuisance to any owner, tenant or guest thereof, in any portion of the Properties.

(g) **Animals and Pets.** Except as otherwise permitted herein, or in any supplementary declaration hereto, no animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose or permitted to become a nuisance to the neighborhood. Dogs, cats and other household pets shall be confined and maintained inside the dwelling. When removed from the interior of the dwelling the same shall be at all times in the arms of the owner or attached to a leash

held by the owner. The Board of Directors, after notice to correct, may direct removal from the property if any pet becomes an annoyance or nuisance in the sole discretion of the Board of Directors.

(n) **Discharge of Firearms, Fireworks.** Hunting and trapping of wild animals, fowl and game and the discharge of firearms, fireworks and/or bows and arrows within the Properties is prohibited.

(o) **Signage.** No sign of any kind shall be displayed to the public view on any Lot except one (1) sign with dimensions of not more than two (2) feet by three (3) feet advertising any lot for sale or rent. All such signs should be located at least six (6) feet from the back of any curb. All other signs on any a Lot must be approved in writing by the Committee.

(r) **Commercial Vehicles.** No Commercial or recreational vehicle, construction, or like equipment, or mobile or stationary trailers of any kind shall be kept or permitted to remain on any Lot of the Properties, unless approved by the Architectural Control Committee and stored in an enclosure away from view, which definition "Away from View" shall be in the sole discretion of the Committee.

ARTICLE VI

MAINTENANCE, ORDINARY REPAIRS AND ALTERATIONS

Section 1. By the Association. The Association shall maintain, repair and replace all parts of the Common Areas and Facilities, maintain the landscaping upon the lots providing routine grass cutting, mulching and shrub maintenance, provide for common lighting, the perimeter fencing and gates, if any, except as may be otherwise stated herein.

Section 2. By the Owners. Each Owner shall maintain, repair and/or replace all other improvements located on the Owner's Lot and those associated with the Owner's Lot and all pipes, wires, conduits and machinery associated with and servicing only the Owner's Lot wherever located. The owner shall water plants and shrubs during dry periods to avoid costly replacement at the cost of the owner after notice to such owner.

Section 3. By the Owner and Association. All damages to the Common Area and facilities intentionally or negligently caused or resulting by an Owner, his or her family, tenants, guests, invites, agents, servants, employees or contractors, shall be repaired promptly at the expense of such Owner, except to the extent such damage or loss is covered by insurance proceeds received by the Association, if any.

Section 4. Restrictions on Owners. No Owner shall perform or cause to be performed any maintenance, repair or replacement work upon a Lot which disturbs the rights of other Owners. If any Owner shall cause any work so performed, which in the sole opinion of the Board of Directors violates the terms of this paragraph, it shall be immediately corrected and such Owner shall refrain from recommencing or continuing any such work without written consent of the Board. An Owner shall not repair, alter, replace, add to or move any of the Common Areas and Facilities or landscaping at any location without prior written consent of the Board. An Owner shall not change color of paint or otherwise decorate, add to or change the outside appearance of any building, including doors and windows and storm doors or any appurtenance thereto without the written consent of the Architectural Control Committee as set forth in ARTICLE V.

Section 5. Duty to Report. Each Owner shall promptly report in writing to the Board or its agent any known defect or need for repairs to or replacement of any Common Areas or Facilities for which the Association is responsible.

Section 6. Default of Owner. If the Owner defaults in any obligations under this Article and such default is not cured within ten (10) days from written demand by the Association or a longer period specified in the Notice, then the Association may, but is not obligated to, perform the necessary maintenance, repair and/or replacement, or remove an unauthorized repair, alteration or addition and the costs thereof shall be assessed against the Owner and Lot of Owner and may, in addition to the actual cost, add an administrative fee of up to

fifteen percent (15%) of such costs as an additional cost and direct assessment to the Owner and is due on demand. Such assessment shall be the obligation of the Owner and a lien on the Lot and be collectable as other assessments are.

Section 7. Alterations to Common Areas and Facilities. The Association through the Board of Directors is authorized to make minor improvements to and alterations to the improvements located in and on the Common Areas and Facilities, as a Common expense; however, no major or structural improvements to or alterations of the Common Areas or Facilities, or improvements or alterations costing in excess of \$5,000.00 shall be made by the Board of Directors of the Association without first obtaining approval of at least fifty-one percent (51%) of the Owners. This section does not apply to required repair, maintenance and replacement of Common Areas and Facilities.

Section 8. Approval of Payment Vouchers. All vouchers for payment of expenses incurred by the Association in the maintenance, repair, alteration and replacement of the Common Areas and Facilities and lot landscape maintenance and replacement shall be approved in writing jointly by the President and Treasurer of the Association. In the absence or disability of the President, the Vice President may perform the duties herein of the President, and the Assistant Treasurer may perform the duties of the Treasurer herein in the absence or disability of the Treasurer. Notwithstanding the foregoing, the Board may authorize any officer, member, committee or independent manager to approve or disapprove all vouchers for payment of routine expenses incident to the maintenance, repair, alteration or replacement of the Common Areas or Facilities, so long as the resolution granting such authority specifically limits the maximum amount which may be authorized on each occasion, and so long as the subject resolution described the items which maybe so authorized.

ARTICLE VII

EASEMENTS

Section 1. Utilities Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the record plat. Within these easements no structures, planting or other material shall be placed or permitted to remain which may interfere with the utilities or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels. If corrections are necessary over a Lot that has been conveyed and improved, the party performing the correction shall repair and replace any damage to the landscaping and improvements in a reasonable manner.

Section 2. Easements Reserved to the Association. The Association is granted an easement to go upon any lot to maintain, repair and replace the perimeter fence, entrance way, common signage and/or landscaping and to determine if the obligations of the owner under this declaration and the rules and regulations adopted from time to time by the Board of Directors are being complied with and to do necessary maintenance and replacement as required by this Declaration.

ARTICLE VIII

COVENANTS OF OWNER TO KEEP UNITS INSURED AGAINST LOSS, TO REBUILD AND TO KEEP IN GOOD REPAIR

The Declarant covenants with the Association, on behalf of itself and on behalf of each subsequent Owner of a Lot within the properties, and each Owner of any Lot within the properties, by acceptance of a deed therefor, whether or not it shall be so expressed in said deed, or by exercise fo any act of ownership, is deemed to covenant:

- (1) To keep each dwelling upon a Lot insured against loss by fire with what is commonly called "extended coverage" in an amount equal to at least ninety percent (90%) of the replacement value of

the dwelling unit. Proof of insurance coverage must be provided to the Association's Board of Directors or Manager of the Association at least annually;

- (2) Subject to the provisions and covenants contained in any mortgage or mortgages, deed of trust or deeds of trust creating a lien against any Lot, to apply the full amount of any insurance proceeds to the rebuilding or repair of any dwelling;
- (3) To rebuild or restore the dwelling in the event of damage thereto; and
- (4) To keep the dwelling and appurtenances, excluding common ground, in good repair as provided by the Bylaws of the Association, this Declaration and Rules and Regulations adopted from time to time by the Board of Directors.

In the event of non-payment of any premium for insurance required under this ARTICLE VIII, the Association is authorized to pay such premium, and sums so paid shall be due on demand and become a lien upon the insured Lot and a personal obligation of the Owner which shall be enforceable in the same manner and to the same extent as provided for enforcement of liens for assessments hereunder. This is a right to do so and not an obligation of the Association.

ARTICLE IX

GENERAL PROVISIONS

Section 1. Enforcement. The Association, through its Board of Directors, or any Owner, shall have the rights to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Prior to any action being taken by an owner for enforcement, such owner shall request the Board of Directors to take action. Failure of the Board to act, if required or in the opinion of the Board no action is necessary or it decides to advise the owner to proceed, the owner may proceed with enforcement.

Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Amendment by Members. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of five (5) years. This Declaration may be amended by an instrument signed by not less than sixty-six and two-thirds percent (66 2/3%) of the Lot Owners, provided, that no amendment shall alter any obligation to pay ad valorem taxes or assessments, as herein provided, or effect any lien for the payment thereof established herein. Any amendment is to be properly recorded in Forsyth County Register of Deeds Office.

Article X

RIGHTS OF FIRST MORTGAGEES

Section 1. Notification of Default by Mortgagor. Any first mortgagee of any Lot shall be entitled, upon written request to the Association, to written notification by the Association of any default by the Owner -

mortgagor of such Lot in the performance of such Owner – mortgagor’s obligations under the Declaration when such default is not cured within thirty (30) days from its occurrence.

ARTICLE XI

GENERAL

Section 1. At any place herein where it is required that a certain percentage of members approve the adoption of an amendment, an approval or consent of any other matter, such percentage requirement may be obtained after any required meeting, provided the motion for approval was not defeated, by obtaining the signatures of members sufficient to meet the required percentage.

Section 2. Declarant reserves and retains the absolute right for a period of forty-five (45) days from the recording of this Declaration to delete, amend, modify, change or expand the terms and conditions hereof and any documents associated herewith after which date this right shall terminate; however, other rights of Declarant reserved herein shall remain. Such documents will be recorded in the Office of the Register of Deeds of Forsyth County, North Carolina, within forty-five (45) days from the date of the recording of this Declaration. All purchasers of Lots, their heirs, successors and assigns shall be bound by the subsequent recordings, if any.

The attestations, signatures, and notary acknowledgements etc. from the original filings are intentionally left off of this summary document. As noted above, the declarations filed with the Forsyth County Register of Deeds are the controlling legal documents for Sterling Point, and the above is just a summary of those declarations for informational purposes.