

Prepared by and return after recording to:

275-7626

PL
Marc L. Isaacson
Isaacson & Isaacson
Post Office Box 1888
Greensboro, North Carolina 27402

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LAKESIDE SQUARE

1/14

THIS DECLARATION, made on the date hereinafter set forth by LAKE BRANDT PARTNERS, LLC, a North Carolina limited liability company, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Morehead Township, Guilford County, North Carolina, which is more particularly described as follows:

ALL of that certain parcel of land shown on the plat entitled "Lakeside Square" which appears of record in Plat Book 121, Page 053 in the Office of the Register of Deeds of Guilford County, North Carolina.

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NOW, THEREFORE, Declarant hereby declares that all of the properties described above, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, its successors and assigns, and shall inure to the benefit of each owner thereof, specifically including, but not limited to, the right to use the Common Area, as described herein, and private roadways in Lakeside Square.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Lakeside Square Owners Association, its successors and assigns.

Section 2. "Board of Directors" shall mean and refer to the Board of Directors of

North Carolina - Guilford County
The certificate (s) of

Patricia A Moran

A Notary (Notaries) Public is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time shown herein.

KATHERINE LEE PAYNE, REGISTER OF DEEDS

Jane Shuler
Assistant/Deputy Register of Deeds

RECORDED
KATHERINE LEE PAYNE, REGISTER OF DEEDS
GUILFORD COUNTY, NC

08/02/1996
1 MISC DOCUMENTS
14 MISC DOC ADDN PGS
1 PROBATE FEE

967565

\$5.00
\$28.00
\$2.00

the Association duly elected in accordance with the By-Laws of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners. The Common Area is shown and referred to as "Common Area" on the recorded plat, and also includes the area shown and referred to as "Permanent Wet Detention Pond" (the "Pond"). The numbered lots are not part of the Common Area. The Common Area is expressly not dedicated for use by the general public but is to be conveyed by the Declarant to the Association for the common use and enjoyment of the Owners of Lots in Lakeside Square, as more fully provided hereinafter in this Declaration. The Association will also maintain, repair and preserve the entrance which may consist of certain roadway and signage lighting, landscaping and signage located within the Common Area.

Section 4. "Declarant" shall mean and refer to Lake Brandt Partners, LLC, a North Carolina limited liability company, and its successors and assigns, if such successors and assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 5. "Lot" shall mean and refer to any numbered lot shown upon the recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Owner" shall mean and refer to the record Owner, (other than Declarant) whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Properties" shall mean and refer to that certain real property hereinabove described, and such annexations or additions thereto made by Declarant.

ARTICLE II PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner and Declarant 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 Association to charge reasonable admission and other fees for the use of any facility or facilities situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and right to use the facilities by an Owner for any period during which any easement against his Lot remains

unpaid and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members, provided, however, that if ingress or egress to any Lot is through the Common Area to be dedicated or transferred, then any conveyance or encumbrance of such part of the Common Area shall be subject to that Lot owner's easement. No such dedication or transfer shall be effective unless an instrument signed by at least sixty-six and two-thirds percent (66-2/3%) of each class of members, agreeing to such dedication or transfer, has been recorded; and

(d) the right of the Association to impose regulations for the use and enjoyment of the Common Area and Lots and improvements thereon, which regulations may further restrict the use of the Common Area and Lots.

No Owner shall have any right to, easement over, or interest in any property owned by Declarant unless such property shall have been specifically made subject to this Declaration by Declarant filing an amendment hereto to include such additional property.

Section 2. Delegation of Use. Declarant and any Owner may delegate, in accordance with its 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.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Declarant and every Owner of a Lot which is subject to assessments shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting memberships:

Class A. Class A Member(s) shall be (i) the Declarant, its successors or assigns, as to Lots retained by the Declarant upon the termination of Class B membership, and (ii) all Owners other than the Declarant. Class A Members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote or votes 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. An action taken by a Declarant as a Class A Member shall not be an action of Declarant which requires a vote of the Declarant for purposes of Section 3 of this Article.

Class B. The Class B Member(s) shall be the Declarant and shall be entitled to

three (3) votes for each Lot owned as to which the Declarant is not a Class A Member. An action taken by Declarant as a Class B Member shall not be an action of Declarant which requires a vote of the Declarant for purposes of Section 3 of this Article. 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:

- (a) when seventy-five percent (75%) of the Lots have been conveyed to Owners;
- (b) upon seven (7) years after the date of the Declaration; or
- (c) upon the resignation of Declarant as a Class B Member.

With the recording of new phases of Lakeside Square, if any, and the annexation of additional lands subject to the jurisdiction of the Association, new Class A and Class B memberships shall be created, and any Class A memberships then held by the Declarant shall revert to Class B memberships to be held in common with the Class B memberships created by the annexation of the new phase(s) of Lakeside Square into the Properties; provided; however, that after the sale of the first Lot, and as long as there is a Class B membership, the annexation of additional properties, dedication of Common Areas (except such properties and Common Areas contained therein as are within the property described on Exhibit A attached hereto and incorporated herein by reference and previously approved by HUDVA in the general plan for Lakeside Square) and amendment of this Declaration requires the prior approval of HUDVA. Prior to the sale of the first Lot, notice must be given to HUDVA prior to the annexation of additional properties, dedication of Common Areas (except such properties and Common Areas contained therein as are within the property described on Exhibit A attached hereto and incorporated herein by reference and previously approved by HUDVA in the general plan for Lakeside Square) and amendment of this Declaration requires the prior approval of HUDVA.

Section 3. Unless otherwise specified, any action of Declarant shall require a majority vote of those parties who compose the Declarant.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation of Assessments. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to any to the Association; (1) annual assessments or charges, (2) special assessments for capital improvements, replacements and repairs, and (3) all charges or amounts paid by the Association on behalf of the Owner as provided hereafter, such assessments and charges to be established and collected as hereinafter provided.

The annual and special assessments as well as amounts paid by the Association on behalf of the Owner, together with interest at the rate of ten percent (10%) per annum, 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. Any such lien shall constitute a subordinate lien to any first mortgage or deed of trust upon the property. Each such assessment, or amount paid by the Association on behalf of the Owner, 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. The personal liability for delinquent assessments shall not pass to his successors in title unless expressly assumed by them, but any delinquent assessment shall constitute an encumbrance on the property despite passage of title.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the exterior maintenance of homes situated upon Lots, and to promote the 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 and supervision, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, street lighting, maintenance and landscaping of the Common Area, maintenance of dedicated streets and parking pads, if any, located on each of the Lots within the Properties (until, if ever, such streets shall have been accepted for maintenance by the appropriate governmental authority), maintenance of lighting, signage and landscaping at the entrance to the Properties.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Five Hundred Dollars (\$500.00) per Lot; notwithstanding the foregoing, there shall be no annual assessment for a period of six (6) months from the conveyance of an unimproved Lot purchased from Declarant by a licensed building contractor who commences construction or improvements thereon provided this reduced assessment for a particular Lot shall terminate immediately upon the earlier to occur of the expiration of the said six month period or the transfer of said Lot by the said building contract or to a Class A Member.

From January 1 of the calendar year immediately following the first conveyance of a Lot to an Owner:

- (a) For the first two (2) years following January 1 of the calendar year immediately following the conveyance of the first Lot, the annual assessment shall not be increased except to the extent necessary to cover the increased

costs of taxes, insurance and maintenance.

- (b) Thereafter the maximum annual assessment shall be established by the Board of Directors and may be increased by the Board of Directors without approval by the membership by an amount not to exceed ten (10%) of the maximum annual assessment of the previous year; and
- (c) The maximum annual assessment may be increased without limit by a vote of sixty-six and two-thirds percent (66-2/3%) of each class of 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.

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

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 of this Declaration shall be sent to all members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the 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 one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Rate of Annual Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a quarterly bases; provided, however, each Lot owned by a Declarant shall be assessed for both annual and/or special assessments at twenty-five percent (25%) of the assessment applicable to Lots owned by Class A Members for Lots upon which all improvements have not been completed by Declarant and fifty (50%) of the assessments applicable to Lots owned by Class A Members for Lots upon which all improvements have been completed by Declarant. Declarant shall pay all such assessments upon recordation of this Declaration. The reduced assessments ratio for a particular Lot owned by the Declarant shall terminate immediately upon the transfer of said Lot from the Declarant to a Class A Member; and thereafter, the full one hundred percent (100%) assessment for such Lot shall apply.

Section 7. Insurance, and the Effect of Nonpayment of Taxes or Public Capital Improvement Assessments. The Association shall be responsible for the payment of premiums for liability insurance, local taxes, maintenance and other facilities located on the Common Area, and payments of assessments for public and private capital improvements made to or for the benefit of the Common Area. Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or assessments for public improvements to the Common Area, which default shall continue for a period of six (6) months, each Owner of a Lot in the development shall become personally obligated to pay the taxing or assessing governmental authority a portion of such taxes or assessments in an amount determined by dividing the total taxes and/or assessments due the governmental authority by the total number of residential Lots in the development. If such sum is not paid by the Owner within thirty (30) days following receipt of the notice of the amount due, then such sum shall become a continuing lien on the residential site of the then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority 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 Lot of the Owner.

Section 8. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall be collected on a quarterly basis and shall commence as to each Lot on the first day of the month following the conveyance of that Lot by the Declarant. Assessments on Lots owned by Declarant shall be due and payable as provided in Section 6. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 9. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, and to enforce the lien against the property. Interest, costs and reasonable attorney's fees shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 10. Effect of Conveyance of Lien. Sale or transfer of any Lot shall not affect the assessment lien or lien provided for in the preceding section. No such sale or transfer shall relieve such Lot from liability for any assessments or from the lien thereof.

Section 11. Subordination of the 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. Sale or transfer of any Lot shall not affect the assessment lien or lien provided for in the preceding sections. However, the sale or transfer of any Lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of

foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust.

Section 12. Exempt Property. All property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 13. Detention Pond. The Association shall be responsible for maintaining the completed Permanent Wet Detention Pond as directed by the governmental office having jurisdiction for watershed protection. In the event that the Association should be dissolved or cease to exist, then, and in that event, all Owners at that time shall be jointly and severally liable and responsible for such required maintenance and all costs attendant thereto.

ARTICLE V

USE RESTRICTIONS

Section 1. Land Use and Building Type. Every Lot shall be used for residential purposes only, and no structures shall be erected or allowed to remain on any Lot except one single family dwelling not exceeding two stories and an attic (finished or unfinished) in height. The structure may have a basement (finished or unfinished). No Lot shall have a garage or carport.

Section 2. Prohibition Against Commercial Uses; Nuisances. No Lot shall be used for business, manufacturing or commercial purposes, nor shall any animals or fowls be kept or allowed to remain on any Lot for commercial purposes, and no animals other than household pets shall be kept or allowed to remain on any Lot for any purpose, nor shall anything be done on any Lot which is a nuisance or any annoyance to the community. No unlicensed motor vehicle, nor any motor vehicle which has been nonoperational for more than one week, shall be allowed to remain in the open on any part of the Properties.

Section 3. Lot Area and Street Frontage. No Lot may be subdivided by sale or otherwise so as to reduce the total area of the Lot as shown on the plat of Lakeside Square, except by written consent of the Declarant, which consent may be withheld in the sole discretion of the Declarant.

Section 4. Dwelling Size. No dwelling shall be erected or allowed to remain on

any Lot unless such dwelling shall contain at least 1,040 square feet of heated, finished living area, in the case of a one-story residence, or 2,200 square feet (with at least 1,100 square feet of that 2,200 square feet being located on the first floor) of heated, finished living area in the case of a one and one-half story or two-story residence. All computations of square footage as above required shall exclude basements (whether daylight or underground) and open porches. No floor or level of any residence, which floor or level is wholly or partially below the natural grade of the above-required square footage.

Section 5. Approval of Residence Design and Site Plan.

(a) No site preparation or initial construction, erection or installation of any improvements, including, but not limited to, dwellings, outbuildings, fences, walls, signs, mailboxes, postlamps and other structures, or excavation, or changes in grades, or landscaping shall be undertaken upon any Lot unless the complete plans and specifications therefor, showing the nature, kind, shape, height (including the floor-to-floor heights, finished floor elevation and all exterior elevations), and materials (including all finish materials) of the proposed improvements, together with a site plan having a scale of not less than 1 inch of 40 feet, and showing setbacks, easements, location of the proposed improvements of the Lot and all walks and driveways, shall have been submitted to the Declarant and expressly approved in writing. No subsequent alteration or modification of any existing improvements or construction, erection or installation of additional improvements including any athletic or playground equipment (including but not limited to basketball goals), may be undertaken or allowed to remain without the review and express written approval of the Declarant.

(b) In the event that the Declarant fails to approve or disapprove any improvement designated in subparagraph (a) within thirty (30) days after plans and specifications therefor have been submitted and received, approval will not be required, and the requirements of this Section 5 will be deemed to have been fully satisfied; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Declarant if they contain erroneous data or fail to present full and adequate information upon which the Declarant can arrive at a decision.

(c) The Declarant shall have the right, at its election, to enter upon any of the Lots during preparation, construction, erection or installation of any improvements to determine that such work is being performed in conformity with the approved plans and specifications.

(d) Nothing contained in this Section 5 shall in any way prevent or interfere with the right of the Declarant to construct the original improvements desired by Declarant on any Lot.

(e) No approval of plans, location or specifications and no publication of architectural standards or recommendations shall be construed as representing or implying that any such plans, specifications or standards will, if followed, result in a properly

000198

constructed residence. Such approvals and standards shall in no event be construed as representing, warranting or guaranteeing that any residence or improvement thereto will be built in a good workmanlike manner or that the plans and specifications with respect thereto shall result in a residence of any particular quality. The Declarant shall not be responsible or liable for any defects in any plans and specifications submitted, revised or approved under the restrictive covenants nor shall Declarant have any responsibility for defects in construction pursuant to any such plans and specifications. Each Owner shall have sole responsibility for compliance with the plans and specifications as approved by the Declarant and agrees to hold the Declarant harmless for any failure thereof caused by the Owner's architect or builder.

Section 6. Location of Building. No building shall be erected or allowed to remain on any Lot which does not comply with the applicable land use ordinance designation of the Properties.

Section 7. Easements.

(a) Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat and Declarant reserves an easement for the right at any time in the future to grant rights of way for the installation and maintenance of public utilities across, on, or under any Lot at a distance of not more than ten feet from the rear and side lines of any Lot, but such rights of way must be used so as to interfere as little as possible with the use of said property by its Owners; and

(b) An easement for inspection and maintenance of the Pond is reserved as shown on the recorded plat.

Section 8. Temporary Structures. No structure of a temporary character shall be erected or allowed to remain on any Lot and no basement, tent, shack, garage, mobile home, barn or other outbuilding erected on any Lot shall be used as a residence tier permanently or temporarily. Neither shall any trailer, recreational vehicle, motor home, building materials (except during construction of the structure) or non-operative motor vehicle be stored on the Lot, either permanently or temporarily, prior to completion and occupancy of the residence.

Section 9. Streets, Fences, Walls and Signs. No street shall be laid out or opened across or through any Lot, nor shall any fence or wall be erected or allowed to remain on said property, except with the written consent of the Declarant and no banners, flags or signs shall be erected or allowed to remain on said property except those approved by the Declarant and a "For Sale" sign or "For Rent" sign not exceeding three feet in width and two feet in height shall be allowed. Notwithstanding the foregoing, walls, fences, signage, and landscaping may be erected, placed and may remain as part of the Common Area and the Pond except that chain link fences are prohibited on any Lot and any part of the Common Area, without the written consent of the Declarant.

000199

Section 10. Sanitary Sewer. No dwelling shall be erected or allowed to remain on any Lot that is not connected with the sanitary sewer system serving Lakeside Square.

Section 11. Application of Restrictions. The foregoing covenants and restrictions shall apply only to the Properties and nothing contained herein shall preclude Declarant from altering the size or direction of frontage of any other property, or the location of any streets or roads other than such portions of such streets or roads as abut said property, or from establishing business districts or from establishing or allowing to be established hospital, schools, hotels, or other institutions which in its opinion will be for the benefit of the community in which the Properties are located.

Section 12. Waiver of and Consent to Violations. The Declarant may waive any violation of these use restrictions as contained in this Article V by appropriate instrument in writing, provided, that if the violation occurs on any Lot or Lots which abuts a Lot or Lots which have been conveyed to an Owner or Owners, the written waiver of such violation by such Owner or Owners shall also be obtained. The provisions of the foregoing sentence shall not apply to Sections 3, 5, 6(b), 9, 13, 14 and 15 of this Article V, as to which only the written consent of the Declarant shall be required for waiver of a violation.

Section 13. Garages or Carports. No residence on any Lot shall have garages or carports. Owners, their families and guests, shall not park on the sides of dedicated street rights of way, if any, in the Properties.

Section 14. Utility Lines and Radio and Television Antennas. Electrical service, telephone, cable television, and any other such utility lines shall be placed underground and no outside electrical lines shall be placed overhead. No exposed or exterior radio or television transmission or receiving antennas shall be erected, placed or maintained on any part of the Properties which shall exceed the height of the trees upon said Lots or that can be seen from any roadway or adjoining Lot.

Section 15. Commercial Vehicles. No commercial or recreational vehicles, boats or sailing vessels and any trailers or carriers for such, construction, or like equipment or mobile or stationary trailers of any kind shall be kept or permitted to remain on any Lot in the Properties, except if approved by the Declarant and stored in an enclosure away from view.

ARTICLE VI

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for

property damage due to negligence, or willful acts or omissions shall apply thereto.

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

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owner(s) thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements and of repairing any damage resulting from such exposure.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose an additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Enforcement. The Declarant, the Association, or any Owner, shall have the right to enforce, by any proceeding a law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Declarant, the Association or by any Owner to enforce any covenant or restrictions 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 or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Term and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) years from the date this


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Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless a majority of the Owners consent in writing to their termination. In addition, prior to the sale of any Lot by the Declarant, this Declaration may be amended or revoked by Declarant in its sole discretion; provided, however, that prior to such amendment or modification, Declarant must give notice to HUD/VA of the proposed amendment or modification. Upon the sale of the first Lot, this Declaration may be amended by an instrument signed by the Declarant, and not less than seventy-five percent (75%) of the Lot Owners, provided that such amendment shall not alter any obligation to pay ad valorem taxes or assessments for public improvements, as herein provided, or affect any lien for the payment thereof established herein. In addition, upon the sale of the first Lot, an amendment of this Declaration requires the prior approval of HUD/VA as long as there is a Class B membership. Any modification or amendment must be properly recorded in the Guilford County Registry. Notwithstanding anything contained herein, no amendment relating to the maintenance or ownership of the Pond shall be made without the prior written approval of the governmental office having jurisdiction for watershed protection.

Section 4. Annexation. Additional properties located within the property set forth and described on Exhibit A attached hereto and incorporated herein by reference and any other properties may be annexed to the Properties by Declarant without the assent of the other Owners by recording in the Guilford County, North Carolina Registry an amendment to this Declaration, duly executed by the Declarant, describing the lands annexed and incorporated in the provisions of this Declaration by reference. Such lands shall be deemed annexed to the Properties on the date of recordation of the amendment to this Declaration, and no other action or consent shall be necessary, except for such HUD/VA approval as is required by Section 2 of Article III of this Declaration. Subsequent to the recordation of such amendment by the Declarant, the Declarant shall deliver to the Association one or more deeds conveying any property that is to be designated as Common Area within the lands annexed.

IN WITNESS WHEREOF, the undersigned, being the Declarant, herein, has caused this instrument to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, this the 2 day of August, 1996.

LAKE BRANDT PARTNERS, LLC (SEAL)

By:  (SEAL)
Manager

STATE OF NORTH CAROLINA

COUNTY OF GUILFORD

1. Patricia L. Meard, a Notary Public for said County and State do

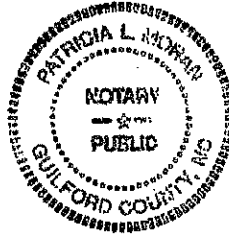
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hereby certify that Keith P Phillips, Manager of Lake Brandt Partners, LLC,
a limited liability company, personally appeared before me this day and acknowledged the
due execution of the foregoing instrument on behalf of the company

Sworn to and subscribed before me, this 2 day of August, 1996.

Patricia L. Moran
NOTARY PUBLIC

My commission expires: 9-14-97



000203

EXHIBIT A
LEGAL DESCRIPTION

BEGINNING at an existing iron nail along the northwest lot line of Brandt Village (Plat Book 80, Page 112, Guilford County Registry), North 86 degrees 39 minutes 47 seconds West 186.91 feet to an existing iron pipe; continuing thence North 87 degrees 00 minutes 45 seconds West 23.38 feet to an existing iron pipe; thence North 75 degrees 51 minutes 06 seconds West 200.08 feet passing through two Duke Power easements (Deed Book 780, Page 288 and Deed Book 784, Page 609) to an existing iron pipe; thence North 75 degrees 40 minutes 38 seconds West 154.82 feet to an existing iron pipe the same being a corner with Lake Brandt Road and the northwest corner of Century Forest Subdivision (Plat Book 30, Page 82, Guilford County Registry); continuing thence North 34 degrees 02 minutes 01 East 370.79 feet passing through a 50' gas easement (Deed Book 1414, Page 406, Guilford County Registry), to an existing iron pipe the same being the southwest corner of the Gary H. Trull Subdivision (Plat Book 79, Page 11, Guilford County Registry); thence continuing North 89 degrees 06 minutes 24 seconds East 315.79 feet to an existing iron pipe, the same being the northwest corner of Autumn Chase (Plat Book 85, Page 7, Guilford County Registry); thence South 01 degrees 29 minutes 23 seconds East 312.44 feet to an existing iron pipe; thence South 89 degrees 28 minutes 43 seconds East 22.76 feet to an existing iron pipe; thence South 00 degrees 06 minutes 33 seconds West 98.97 feet, passing through a 50' gas easement (Deed Book 1414, Page 406, Guilford County Registry), the same being the point and place of BEGINNING. All according to a survey by Morgan Surveying and Design, dated January 10, 1996, to which reference is hereby made.

000206

The following changes in the By-laws of Lakeside Square Homeowners Association were approved at the June 2008 meeting. These changes are effective June 18, 2008.

ARTICLE IV AMENDMENT

ARTICLE IV

Section 8 Temporary Structures

Seventy-five percent of the qualified members voted to change the By-laws to allow awnings or permanent coverings to be attached to the back of the units over the patios. They must be approved by the Board before any installation is done. The owners are responsible to repair any damage to the building that results from the attachment of the awnings or permanent coverings such as from wind etc.