

002401

1 MISC DOCUMENTS 982615 \$12.00  
15 MISC DOC ADDN PGS \$45.00

1 PROBATE FEE \$2.00

RECORDED - 982615  
JEFF L. THIGPEN  
REGISTER OF DEEDS  
GUILFORD COUNTY, NC  
BOOK: 6353  
PAGE(S): 2401 TO 2417  
07/14/2005 16:13:05

Drawn by-Mail to: Samuel M. Booth, 156 Mayfield Road, Winston Salem, NC 27104

NORTH CAROLINA

**DECLARATION OF COVENANTS CONDITIONS,  
RESERVATIONS AND RESTRICTIONS FOR  
STERLINGSHIRE**

16  
TM  
GUILFORD COUNTY

**SHUGART MANAGEMENT, INC.** ("Shugart") is the Declarant and owner of the land described in Exhibit A attached hereto and incorporated herein by reference. Current anticipated use of the property is for single-family detached dwellings and common areas. The present conceptual plan is subject to change from time to time as development progresses and conditions change. The Declarant may annex additional land, not presently owned, which may be subjected to this Declaration in full or in part. The property described in Exhibit A attached is hereby subjected to this Declaration.

Each and every one of these covenants, conditions, reservations, and restrictions is for the benefit of each current and future owner of any part of the real property or interest therein to the extent subjected hereto, and shall bind the successors in interest being construed as running with the land.

**I. DEFINITIONS**

**1.1 Association:** The Association will be known as Sterlingshire HOA, Inc., its successors and assigns ("Association") which will own, maintain and administer the easements, open spaces and common areas brought under its jurisdiction; collect and disburse the assessments and charges herein created, and promote the recreation, health, and welfare of the members of the Association and Declarant has incorporated under the laws of the State of North Carolina Sterlingshire HOA, Inc. as a non-profit corporation for the purpose of exercising the foregoing functions, those set forth herein and in other Association documents and those set forth in Chapter 47F of the General Statutes of North Carolina.

**1.2 Owner:** The record owner, whether one or more persons or entities, of the fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation or leasing part of the Premises.

**1.3 Premises:** That real property described Exhibit A and such additions thereto which may be subsequently annexed, if any, that is subjected to this Declaration by the Declarant by Phase or

Supplemental Declaration(s).

1.4 **Common Area:** All real property and improvements thereon included within the Premises, which are conveyed to the Association by Declarant, by deed or easement as common area, but excluding that real property which is part of the fee simple title to any lot, as the same may be shown on any plat or amended plat of the Premises. The Common Area shall be used for the common purposes, benefit, and enjoyment of all Owners and the Declarant as stated herein or as may be set forth in a deed of conveyance from the Declarant.

1.5 **Limited Common Area:** A part of the common area that serves one or more lots, parcels or phases in a particular manner not in common with all the lots, if any.

1.6 **Phase:** Any part of the Premises or other property designated by Declarant as a Phase and for which Phase or Supplemental Declaration is recorded subjecting the same to this declaration as provided therein.

1.7 **Amenities:** Those certain improvements, if any, constructed by Declarant or the Association on a part of the common area for the use and enjoyment of the members and guests as stated herein or in accordance with the terms stated in the conveyance of the area by the Declarant.

1.8 **Single Family Dwelling:** A detached structure on a lot containing only one residential unit and in which only one family shall have as a residence.

1.9 **Lot:** Any numbered residential lot of the Premises shown upon the recorded subdivision plat and/or revised plat(s) or on plats showing phases or sections, if any, subjected to this Declaration.

1.10 **Declarant** shall mean and refer to Shugart Management, Inc., its successors and/or specific assigns of all or a part of Declarant's rights.

1.11 **Member:** The status of each Owner in the Association being the owner of a lot or lots in the premises.

1.12 **Architectural Review Committee ("ARC"):** A committee appointed by Declarant or its successors or specific assigns until final development and sale of the premises, as it may be expanded, and thereafter by the Board of Directors, for the purpose of reviewing, approving, suggesting changes to, and rejecting plans and specifications for external improvements, deletions and additions to any residence, improvements on any lot within the jurisdiction of the Association, in order to control external design, appearance, construction and location of dwellings, and other improvements to be constructed, erected, placed, installed, remodeled or rebuilt upon said lots, including landscaping and the subsequent repair and maintenance thereof following conveyance of the lot by Declarant or by Shugart Enterprises, LLC. The Board of Directors may delegate day to day enforcement of the rules and regulations of the Association with final appeal to the Board of Directors of Association. (herein Board or Board of Directors) to this committee or to another committee.

002402

002403

## II. COMMON AREA OWNERSHIP AND MAINTENANCE

**2.1: Owner's easement of enjoyment:** Every Owner in good standing shall have a right of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot.

**2.2 Delegation of Use:** Any Owner may delegate his rights of enjoyment of the Common Area to the members of his family, his lessees, contract purchasers who reside on the Premises, or his guests (the Association rules and regulations adopted from time to time may limit the number of guests and in some instances may require the owner to accompany the guests).

**2.3 Common Area Restrictions:** Common Area shall be used, improved and devoted to the welfare and benefit of the Owners and for the general benefit and enhancement of the Premises and the use thereof may be subject to rules and regulations.

**2.4 Rules and Regulations:** The Declarant may establish initial rules and regulations and thereafter the Association will have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Area and lots. Such rules and regulations shall be maintained in a place reasonably convenient to the Members affected and available to them for inspection during normal business hours by appointment.

**2.5 Common Area Offensive Use and Damage:** No immoral, improper, offensive or unlawful use shall be made of the Common Area or the amenities owned or leased by the Association, if any. All dwelling ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. Each Owner shall be liable to the Association for damage to the Common Area caused by the owner, his family, tenants, guests, agents, contractors, employees or invitees in accordance with Section 47F-3-107 of the General Statutes of North Carolina.

**2.6 Regulation of Use of Common Area:** The Association shall have the power to limit the number of guests, to regulate hours or use and to curtail any use or uses of the Common Area it deems necessary or desirable for either the protection of the facilities, if any, or the best interest of Members together with the right to suspend use for a reasonable time and to invoke fines for violation of the published rules and regulations.

**2.7 Common Area Construction or Alteration:** No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Area except with the express written consent of the Association. The Declarant reserves and retains the right to use and/or improve the common area, grade for drainage and install utilities of all types over and on all common area and to impose easements and grant easements to utility companies until the full development of the land it now owns or may acquire and annex together with the right to adjust the boundaries of the common area by recording corrective plats to correct surveying errors, construction problems or mistakes in layout of improvements without the consent or approval of the Association or its members.

**2.8 Common Area Facilities Admission Fees:** The Association may charge reasonable deposits for a member's allowed reserved private use of a common facility, if any, admission and other fees

404200

for the use of any Common Area in accordance with its policy and rules and regulations adopted from time to time for all or a part of the common area.

**2.9 Suspensions and Fines:** The Association shall have the power to suspend the right to the use of any Common Area, excluding access to a lot of a Member or any person to whom that Member has delegated his right of enjoyment for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations as amended and expanded from time to time to meet current problems and conditions. The Association shall also have the authority to impose fines for failure to comply with this Declaration or the rules and regulations as established from time to time. The Member shall be entitled to notice and opportunity for hearing before the Board of Directors or a panel appointed by the Board prior to suspension or levy of fine.

**2.10 Conveyance of the Common Area by Declarant:** The Declarant, its successors and assigns, will determine the common area and will convey the same to the Association by recorded easement or deed, and the Association shall accept all Common Area as conveyed by Declarant. Such conveyance shall be subject to all the restrictions and limitations of this Declaration and limitations stated herein or as stated or modified in the conveyance of the common area.

**2.11 Common Area Dedication and Transfer:** The Association shall have the right to dedicate, transfer or encumber all or any part of the Common Area in accordance with Section 47F-3-112, of the General Statutes of North Carolina as the same may be amended, provided the Declarant has retained the right to grant easements and use the common area until the full development of all the land it owns with dwellings or may acquire in the furtherance of the development of the Premises.

### III. PERMITTED AND PROHIBITED USES

**3.1 Lots:** Upon each lot as shown on the plat as the same may be replatted by Declarant there shall be constructed only one detached single family dwelling and such other improvements as may be approved. The uses shall be in accordance with this Declaration and with the applicable state, city or county laws or ordinances affecting the Development as the same may be amended or changed from time to time.

**3.2 Parking:** All Owners by acceptance of a deed for a lot agree not to park their vehicles on the access ways or streets in the Development at any time or allow any occupant of a dwelling to do so unless the parking is temporary, not an obstruction to the flow of traffic and except as is authorized by the Association. The Association may designate parking areas, duration of stay and adopt regulations concerning parking to address situations as they occur.

**3.3 Outbuildings:** Following the conveyance of a lot by the Declarant outbuildings will be considered exterior additions or alterations and shall not be placed on the premises until approved by the ARC. Any permitted outbuilding shall be of similar material, quality, general appearance and workmanship as the residence on the lot and shall be constructed and placed as approved by the ARC.

**3.4 Driveways.** All driveways shall be paved with concrete, brick, or asphalt unless otherwise approved by the ARC in writing.

**3.5 Nuisance:** No owner will do or permit to be done any act upon the Premises, which may be, is, or may become a nuisance. Any question of whether an activity constitutes a nuisance shall be determined in the discretion of the Board of Directors of the Association or the committee to which such matters has been delegated with the right of hearing or appeal to the Board of Directors. Some acts or events that will be considered a nuisance, not to the exclusion of others, are: Loudspeakers or other sound producing devices played at a late hour; at an excessive volume; household pets allowed to roam; failure to remove and dispose of droppings of the pet; excessive barking or other annoying animal noise of a household pet.

**3.6 Signs:** No sign of any character shall be displayed or place upon any part of a lot or common area except Declarant's signs; signs erected or approved by Declarant or the Association committee charged with the control thereof; small signs identifying the owner of the lot and/or house number; or one "For Sale" sign, referring only to the lot on which displayed not to exceed four square feet in size.

**3.7 Pets - Animals:** No poultry, cattle, farm animals, or livestock of any kind shall be kept on the Premises and no enclosure therefor shall be erected or maintained on the Premises. No animals of any kind may be kept, bred or maintained on a lot for any commercial purposes. Dogs, cats, and pet birds may be kept within the dwelling in reasonable numbers as pets for the pleasure and use of the occupants but not for any commercial use or purpose. Birds shall be confined in cages. Pets shall not be permitted to run loose and must be confined within the dwelling, by owner held leash or approved fence. The ARC must approve any enclosure, visible or invisible, outside the walls of a dwelling. Such request may be denied and if approved the approval may be conditional and may be terminated for failure to follow the conditions or a nuisance results. Provided, further, that such permitted pets must not constitute a danger or nuisance to other Owners or the Premises as determined in the sole discretion of the Board of Directors of the Association with notice and right to hearing prior to fine or other enforcement action by the Board of Directors including the right to direct that the animal be removed from the premises following notice and opportunity for hearing before the Board.

**3.8 Clothes Lines:** Clothes lines or drying yards shall not be permitted unless temporary and any temporary clothes lines shall be so located as not to be visible from any road adjacent to the lot and must be approved by Declarant or the committee in charge of such matters as determined or designated by the Board of Directors.

**3.9 Trash receptacles:** Trash receptacles shall be in complete conformity with sanitary rules and regulations adopted by the Association and shall not be visible from the road. If the governmental authority or trash collection company requires the trash receptacles to be placed on the road for collection then the receptacles may be placed where required for collection on the day before collection and removed the day of collection.

**3.10 Trucks, Tractors, Trailers, Boats, ATVs, Go-carts, Motor homes, Campers Unlicensed vehicles:** Following conveyance of a lot by the Declarant to an owner no trailers, boats, all terrain vehicles, go-carts, campers, motor homes or unlicensed vehicles of any nature shall be kept on or stored on any part of the premises except within an enclosed garage or other enclosure approved by the ARC or committee charged with regulation unless the appropriate committee so authorizes in

writing. Such vehicles shall not be operated on the premises except to load to exit the premises and to unload to return to the storage area. No trucks, other than pick-up trucks, farm machinery of any nature, including tractors and riding mowers, shall be parked on any lot except in an enclosed garage or approved enclosure. Provided trucks parked temporarily as is necessary for moving the Owner's personal property to and from the Premises and to perform repairs and renovations are permitted. The Association for its members may provide an area on the common property for parking of certain types of vehicles, which may be for common use, or a fee charged for use thereof. No such area is currently planned, however, if provided, use to members may be on a first come first serve basis or lottery to its capacity and will be used in accordance with the policy rules and regulations adopted.

**3.11 Exterior Maintenance:** The exterior maintenance repair and replacement of improvements on Lots including landscaping, shall be the duty and responsibility of the Owner of such Lot, except where specifically provided otherwise herein, and shall not be the responsibility of the Association unless specifically assumed by it. If in the opinion of the Board any Owner shall fail to discharge his or its repair, maintenance, replacement or upkeep responsibilities, including the routine mowing of grass, pruning of shrubs and watering thereof, in a reasonable and prudent manner to a standard harmonious with that of other development on the Premises. The Association, at the discretion of the Board of Directors, and following thirty (30) days written notice to correct or a reasonable time if correction requires longer to correct, to the Owner may enter upon the Lot or Dwelling Unit and make or cause to be made maintenance work, repairs or replacements as may be deemed reasonably required by the Association. The Association or its agents shall have a license and easement granted automatically by any Owner of a Dwelling for the purpose of accomplishing the foregoing. The costs incurred by the Association in rendering such services plus a service charge of up to fifteen percent (15%) of such costs shall be added to and become a part of the assessments to which such Lot is subject, which shall be immediately due and payable and may be enforced as other assessments. This is a right of the Association and not an obligation. The Association in the discretion of the Board may pursue other action of enforcement. The owner will have notice and the opportunity of a hearing prior to the Association performing such correction which opportunity of hearing may occur during the notice period.

**3.12 Leases:** Any lease agreement between an Owner and a lessee for the lease of Owner's dwelling shall provide in the terms of the lease that the leased premises is subject to the provisions of this Declaration of Covenants, Conditions, Reservations, and Restrictions, the Articles of Incorporation, Bylaws and rules and regulations of the Association and that any failure by the lessee to comply with the terms of such documents shall be a default under the terms of the lease. All leases shall be in writing and the Association may require a copy be provided to the association. Failure of a lessee to comply shall result in action by the Association against the owner. Failure to comply will allow the Association to suspend the rights of the Owner and thereby the right of the lessee to the use of the Association's common area, excluding access to the dwelling. The Association may impose fines and take other action for failure to comply, which will also require notice, and opportunity for hearing before enforcement.

**3.13 Commercial activity:** Following conveyance of a lot by Declarant no commercial or business activity of any type shall be conducted thereon except for a private office within the dwelling provided the office is not the principal place of business for any company or business, provided that no business with the general public is conducted from the office other than by phone and provided

002410

not pass to the successors in title by deed unless expressly assumed by them, however lien filed prior to the recording of the deed shall be in full force and effect upon the lot.

**8.2 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 pruning or mowing and watering of grass and shrubs, and other maintenance and replacement to present a good exterior appearance. If any Owner shall fail to comply then the Board of Directors may proceed as set forth in paragraph 3.11, hereof. Amounts incurred in the foregoing manner shall be deemed "Direct Assessments" and shall be due on demand in addition to any other assessments herein provided for.

**8.3 Purpose of General Assessment:** The assessments levied by the Association shall be used exclusively to promote recreation, health, security, safety and welfare of the residents in the Premises to the extent the members desire and in particular for the maintenance and replacement of landscaping located upon the common, excluding limited common, 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, desired security, lighting, management and supervision, payment of governmental taxes and assessments, if any, assessed or levied against the Common Area, the procurement and maintenance of liability and other types of insurance deemed necessary or desirable, including director's insurance and fidelity bonds related to the Association and to the Common Area, its facilities and use in accordance with this Declaration, the employment of managers, attorneys and accountants to represent the Association when necessary, and such other common needs as may arise.

**8.4 Maximum Annual Assessments.** Until the first meeting of the members and the adoption of a budget, the maximum annual assessment: for a Class A Member shall be Three Hundred Dollars (\$300.00) per lot; for a Class B Member the assessment for any vacant Lot or a Lot containing an unoccupied, unsold home or model home shall be twenty-five percent (25%) of the regular assessment for Class A Members.

**8.5 Uniform Rate of Assessment.** Both annual and special assessments must be fixed at a uniform rate as provided for the Class A and B members in the percentages stated above. The assessments may be collected on a quarterly or annual basis in advance as the Board of Directors may direct, or the membership may approve, except as herein provided. Without regard to the foregoing, where there is a change in ownership, and no lien has been filed for past due assessments, annual and special assessments, in such event, shall become collectible on such change of ownership lots in twelve monthly installments from the date the assessment was levied so that a new owner acquiring title will be obligated for the assessment for the pro rata remainder of the month title is acquired in and for the remainder of the assessment year (assessment year being the twelve months following the date of levy). Should an owner default the Board of Directors may file notice of claim of lien for the entire annual, special, or direct assessment past due and remaining due for the assessment year, including court costs and reasonable attorney fees.. The assessment year for regular assessments shall initially be the calendar year and thereafter shall be the twelve (12) months following the approval of the budget by the members or the levy for a change in the assessment amount. No Owner may waive nor otherwise escape liability for any the assessment provided for

114200

herein due to non-use or inability to use or abandonment of his lot.

**8.6 Enforcement of Collection.** Filing of lien and enforcement thereof for the collection of all assessments provided for in this Declaration shall be in accordance with the Planned Community Act, Section 47F-3-116, of the General Statutes of North Carolina as the same may be amended from time to time. The assessment shall be and remain the personal obligation of the owner of the lot at the time the assessment was levied and suit may be filed, claim made therefore in bankruptcy or collected in any other manner provided by law for debts due, including costs and reasonable attorney fees associated therewith in addition to the rights against the lot. The Association may pursue either or both remedies without bar to the other remedies. Any amount collected from any action would be a credit against the total due. Any amount not collected shall be a common expense of the Association.

**8.7 Date of Commencement of Assessment, Due Dates.** The annual and special assessments provided for herein may be collected on a quarterly or annual basis as determined by the Members and shall commence as to all Lots subjected to this Declaration in advance on the first day of the month following the conveyance of the first Lot in Premises or an added Phase. The first annual assessment as established by the Declarant shall be adjusted according to the number of months remaining in the calendar year and ensuing thereafter until the first annual meeting of the members. Subsequently within thirty (30) days following the adoption of a proposed budget by the Board of Directors a summary of the proposed budget reflecting an increase, decrease or no change in the amount of the annual assessment against each Class of Membership, will be forwarded to the property address of each member or to the last known address furnished in writing to the Association from a member for notices to be sent. The budget will be adopted or amended by the members at the annual or special meeting called for such purpose among other purposes.

**8.8 Subordination of the Lien to Deeds of Trust.** The liens provided for herein shall be subordinate to the lien of any first deed of trust or mortgage filed prior to a lien for assessments by the Association and will be extinguished upon foreclosure of the mortgage or deed of trust, but the personal obligation of the Owner of the lot when the assessment fell due shall survive. No such foreclosure sale shall relieve such Lot from liability for any assessments, monthly or otherwise, which is due or may be collected from the date of foreclosure conveyance forward and the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any subsequent first deed of trust filed prior to a lien for assessments being filed by the Association.

**IX. ARCHITECTURAL CONTROL.**

**9.1 Purpose.** The Declarant desires to establish an Architectural Review Committee ("ARC") in order to provide and maintain certain standards as to harmony of external design and location in relation to surrounding structures and topography.

**9.2 Architectural Control.** Unless expressly authorized in writing by the ARC no building, fence, wall, driveway or other structure nor any exterior addition deletion or alteration to any existing structure on any lot, other than replacement identical to the original construction, 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 on any lot until



002412

plans and specifications therefor showing the shape, dimensions, square footage, materials, basic exterior finish and colors, location on site, driveway, parking, landscaping 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 harmony of external design, size and location in relation to any surrounding structures and topography, by the ARC. The ARC shall have the right to refuse to approve or approve with conditions, any such Plans and specifications which are not suitable or desirable in the opinion of the ARC for any reason, including purely aesthetic reasons, which in the discretion of the ARC shall be deemed sufficient; provided that the ARC's decision to deny an application may be appealed to the Board of Directors for review which Board may confirm, amend or modify the decision of the ARC. The ARC shall articulate its reasons for denial and may send a representative to any hearing. 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 as conditions differ and prior experience may dictate a reason for denial. Any construction approved shall be completed within eleven months from commencement of construction or work. This requirement shall not apply to structures and improvements placed upon any lot or the common property by the Declarant, Shugart Enterprises, LLC or a specific assign of the Declarant's rights in full or in part.

**9.3 The ARC.** The Architectural Review Committee shall be composed of three (3) persons appointed by the Declarant. At the time when all Lots subjected to this Declaration have been conveyed in fee simple and improved by the construction of a dwelling house thereon, the ARC will be appointed by the Board of Directors of the Association and may be expanded to five members in the discretion of the Board of Directors. Representatives, such as Executors or Trustees will not be entitled to be members of the Committee.

**9.4 Plans Review Procedure.** Prior to the commencement of any construction or alteration of external appearance on any lot, the Plans shall be submitted in writing to the ARC. The ARC's approval, disapproval or waiver as required in these covenants shall be in writing. A quorum of the ARC shall be a majority of the total members of the ARC. The decision of a majority of the Committee present, at which a quorum is present, shall be the decision of the ARC. The decision may be rendered without a meeting if a majority of all members sign. The ARC shall make its decision within thirty (30) days from the date the Plans are submitted to it. If the ARC 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 dated return receipt from submission by Certified US Mail. Time shall run from receipt and not the date of mailing. If the ARC requests additional materials or information, the time for approval shall be extended for thirty (30) additional days after the materials or information requested are delivered to the Committee for which a dated receipt is obtained.

## **X. SPECIAL DECLARANT'S RIGHTS.**

**10.1** Any right reserved or retained by the Declarant in this Declaration, any supplemental declaration, the by-laws or the articles of incorporation(s) shall not be subject to amendment, deletion or change by the Association or its members without Declarant's written permission until such right terminates or until the full development of the Premises together with any land the Declarant may subsequently acquire for annexation into the Association. One or more of the specific rights may be surrendered at different times by such written notice(s) to the Board of

00241  
Directors.

10.2 Declarant reserves the right to annex additional land now owned or which may be acquired which adjoins or is in the general area of the land described in Exhibit A, which Declarant may acquire at a future date. Declarant reserves the right to use any lot it owns, now platted or platted in the future, for a street (public or private) to access the adjacent land now owned or subsequently acquired.

10.3 Declarant reserves and retains the right to amend this Declaration and all other Association documents in order to meet any requirement to make lots eligible for loans which may be guaranteed or insured by the Department of Housing and Urban Development, Veterans Administration, Federal Housing Loan Mortgage Corporation, Federal National Mortgage Association or other governmental, lending or insuring agency or companies which may have regulations, policies or requirements in conflict with this Declaration or other Association documentation. Such amendment(s) will be recorded by the Declarant and will not require the joinder of the Association or any member.

Provided, withstanding any language herein or in any of the other Association documents, so long as there is a Class B member annexation of additional properties, mergers, consolidations, mortgaging of common area, dissolution, amendment of the Articles of Incorporation and this Declaration shall require HUD/VA or FHA approval depending on the approvals for loan guaranty purposes.

10.4 Declarant reserves the right to appoint the majority of the members of the Board of Directors of this Association, as it may be expanded, until each lot is fully developed and improved with a dwelling. Declarant may surrender such right at anytime henceforth in part or in full upon written notice to the Board of Directors of the Association.

10.5 Until the initial sale of the last lot owned by the Declarant, excluding the transfer of vacant lots between Shugart Management, Inc. and Shugart Enterprises, LLC, any restrictions, covenants, reservations or conditions set forth herein may be extended, removed, modified or changed by securing the written consent of the Declarant, which written consent, if given, shall be duly executed, acknowledged and recorded in the Office of the Register of Deeds where the property affected lays, and which consent may be given or withheld within the uncontrolled discretion of the Declarant.

10.6 Declarant retains the right until final development of all lots with dwellings to add to or take away common area by adding it to a lot or lots or by incorporating a part of a lot(s) owned by Declarant into the common area, however lots in excess of the number allowed by governmental authorities will not be allowed.

10.7 Any right reserved by the Declarant shall include its successors and specific assigns to which such rights, in part or in full, have been assigned and accepted by the assignee.

## XI. GENERAL.

11.1 Approvals Following Meeting. At any place herein or in the Association documents where it

is required that a certain percentage of members approve or consent to any matter, such percentage requirement may be obtained after any required meeting at which a quorum was present, provided the motion for approval was not defeated at the meeting, by obtaining the signatures of members sufficient to meet the required percentage of membership vote.

**11.2 Conflicts. Planned Community Act.** This Declaration is not intended to be in conflict with Chapter 47F, of the General Statutes of North Carolina, as it may be amended, and if any of the terms and conditions hereof are not in compliance with such Act, then the Act shall control in such instances and this Declaration is expanded to incorporate matters set forth in the Act that are not covered hereby.

**11.3 Notices.** Any notice required to be sent to a Member under the provision of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, post paid, to the last known address of the Member. Notice to any one of the Owners, if title to a lot is held by more than one, shall constitute notice to all Owners of such lot.

**11.4 Enforcement.** In addition to all other enforcement provisions and remedies at law or in equity, enforcement of this Declaration shall be an appropriate civil proceeding by an owner, the Declarant or the Association against any person or persons violating or attempting to violate the terms of the Declaration, either to restrain violation or to recover damages, or both, and against the lot owned by such persons to enforce any lien created by the Declaration. Failure to enforce any terms of this Declaration shall not be deemed a waiver of the right to do so thereafter.

**11.5 Default by 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 areas, which default shall continue for a period of six (6) months, each owner of a lot in the development, subjected to this declaration, shall become personally obligated to pay to the jurisdiction a portion of the taxes and assessments in an amount determined by dividing the total taxes and/or assessments due to the jurisdiction by the total number the lots in the development subjected to this Declaration. If the sum due from each such owner is not paid within thirty (30) days following receipt of notice of the amount due, the sum shall become a continuing lien on the property of the non paying owner, its successors, 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 foreclosed the lien against the property of the owner.

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

**11.7 Association Documents.** In the event of conflict in the Association's documents then the documents shall control in following order: First, this Declaration as it may be amended; Second, the Articles of Incorporation; Third, the By Laws; and Fourth the rules and regulations.

In Testimony Whereof, the duly authorized officer of Shugart Management, Inc. has

002415

executed this instrument for and on behalf of the corporation.

SHUGART MANGEMENT, INC.



By:

*Grover Shugart, Jr.*  
\_\_\_\_\_  
President

NORTH CAROLINA - FORSYTH COUNTY

I, a Notary Public of the County of Forsyth and State aforesaid, certify that Grover Shugart, Jr. personally appeared before me this day and acknowledged that he is \_\_\_\_\_ President of SHUGART MANAGEMENT, INC., a North Carolina Corporation, and that by authority duly given the foregoing instrument was signed in its name by him as its \_\_\_\_\_ President, for and on behalf of the corporation.

WITNESS my hand and official stamp or seal, this 7<sup>th</sup> day of July, 2005.

My commission expires: 3/10/2010 Connie A Ader  
\_\_\_\_\_  
Notary Public  
CONNIE A. ADER



00241b

EXHIBIT A

TO DECLARATION FOR  
STERLINGSHIRE

THE PREMISES

Being Known and Designated as Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, and 28, as shown on the Plat of **STERLINGSHIRE**, as recorded in Plat Book 160 page 109, in the Office of the Register of Deeds of Guilford County, North Carolina, to which reference is hereby made for a more particular description.

14200



JEFF L. THIGPEN, REGISTER OF DEEDS  
GUILFORD COUNTY  
201 SOUTH EUGENE STREET  
GREENSBORO, NC 27402

\* \* \* \* \*

State of North Carolina, County of Guilford

The foregoing certificate of Connie A. Adair

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.

JEFF L. THIGPEN, REGISTER OF DEEDS

By Meredith A. Apple  
Deputy - Assistant Register of Deeds

\* \* \* \* \*

This certification sheet is a vital part of your recorded document.  
Please retain with original document and submit when re-recording.

JUL 07 2008



**2008049593**

GUILFORD CO, NC FEE \$17.00  
PRESENTED & RECORDED:

07-07-2008 10:59:50 AM

JEFF L. THIGPEN  
REGISTER OF DEEDS  
BY: ROBBIN M MILUKEN  
DEPUTY-HP

**BK: R 6912**

**PG: 401-402**

Mail to and Drawn by Samuel M. Booth, 156 Mayfield Road, Winston Salem, NC 27104

**NORTH CAROLINA**  
**GUILFORD COUNTY**

**DECLARATION OF COVENANTS, CONDITIONS  
RESERVATIONS AND RESTRICTIONS FOR  
STERLINGSHIRE, PHASE III**

This Annexation Declaration made by **SHUGART MANAGEMENT, INC.** ("Shugart")  
Declarant.

Whereas Shugart is the owner in the Lots described in EXHIBIT A attached  
hereto, and

Whereas Shugart has heretofore imposed a Declaration of Covenants, Conditions  
Reservations and Restrictions upon Sterlingshire as recorded in Book 6353 page  
2401,(Declaration) in the Office of the Register of Deeds of Guilford County, North  
Carolina, and

Whereas Article X, Section 10.2 of the Declaration provides for the annexation of  
additional land into the Premises.

Now Therefore Shugart hereby declares that all of the Lots described in Exhibit A,  
attached hereto and the Common Area shown on the plat are hereby annexed and shall  
be held, sold and conveyed subject to the Declaration of Covenants, Conditions and  
Restrictions for Sterlingshire as recorded in **Book 6353 page 2401**, in the Office of the  
Register of Deeds of Guilford County, North Carolina and as the same may be amended  
and supplemented to the same extent as if the Lots described in Exhibit A, attached  
hereto had been originally subjected to such Declaration.

Shugart or its assignee reserves the right to impose additional easements upon the  
Common Area in the further development of the land and reserve the right to adjust the  
boundaries of the common area by taking away common area or adding common area in  
the further development of the land, to correct surveying errors, to correct construction  
errors and to do so if they find it necessary or desirable without the consent of the

Association or any member thereof.

Shugart Management, Inc. (Seal)

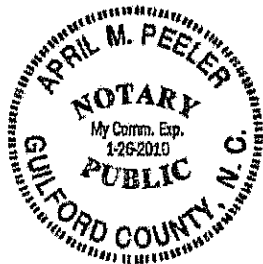
By: *Grover Shugart, Jr.*  
Grover Shugart, Jr., President

**NORTH CAROLINA - FORSYTH COUNTY**

I, a Notary Public of the County of Guilford and State aforesaid, certify that Grover Shugart, Jr. who, being by me duly sworn says that he is the President of SHUGART MANAGEMENT, INC., a North Carolina corporation, and that the foregoing instrument was duly and voluntarily executed by him for an on behalf of said corporation. WITNESS my hand and official stamp or seal, this 20 day of June, 2008.

My commission expires: 1-26-2010

*April M. Peeler*  
Print name: April M. Peeler Notary Public



**EXHIBIT A:**

Being Known and Designated as Lots 29, 30, 31, 32, 33, 34, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, and 62, as shown on the Plat of STERLINGSHIRE, PHASE III, and the common areas associated therewith, as recorded in Plat Book 174 page 88, in the Office of the Register of Deeds of Guilford County, North Carolina, to which reference is hereby made for a more particular description.