

Prepared by and return to:
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FOR REGISTRATION JUDITH A GIBSON
REGISTER OF DEEDS
MECKLENBURG COUNTY, NC
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**SUPPLEMENTAL DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
GLENRIDGE SUBDIVISION
CREATING THE TOWNHOMES AT GLENRIDGE**

This Supplemental Declaration of Covenants, Conditions and Restrictions is made this 27th day of June, 2001, by WP INVESTMENT GROUP, LLC, a North Carolina Limited Liability Company, referred to in this instrument as "Declarant."

STATEMENT OF PURPOSE

Declarant is the developer of that certain subdivision located in Mecklenburg County, North Carolina, known as Glenridge ("Glenridge"), which is a subdivision created by the Declarant for single-family residents of varying kinds and to which the Declarant desires to add additional property for the purpose of creating Townhome residences. Declarant recorded that certain Declaration of Restrictive Covenants of Glenridge Subdivision ("Declaration") in Deed Book 10949, Page 585, *et seq.*, in the Office of the Register of Deeds of Mecklenburg County, North Carolina, on December 6, 1999, in which said Declaration the Declarant retained the right to amend and modify as set forth in Sections 1.2 and 5.2 of said Declaration by duly recorded documents in the aforesaid Office of the Register of Deeds from time to time, and the Declarant reserved the right therein to record Supplementary Declarations ("Supplemental Declaration") that "may contain such...modifications" and exceptions to "the restrictions...in this Declaration as may be necessary to reflect the different character of the Additional Property" and to complete the development of the property or any additional phases added thereto. Glenridge is governed by an association of homeowners known as the Glenridge Homeowners Association of N.C., Inc. (the "Association"), which is authorized to oversee and govern the owning, maintaining and administering certain of the common areas of Glenridge Subdivision and its additional Phases and administering and enforcing covenants and restrictions contained in all documents filed and/or recorded with regard to the Glenridge Subdivision and its additional Phases. The Declarant has designated the Association as the Master Association which shall be the ultimate controlling entity of all associations which may be created to control Common Areas in other Phases of Glenridge Subdivision, and to that end, the Declarant will utilize subordinate homeowners associations.

Declarant is the owner of that certain parcel of land located in Mecklenburg County, North Carolina, consisting of Lots #72 through #128, inclusive, which is known as GLENRIDGE, PHASE 1, MAP IV, recorded in Map Book, 34, Page 613, and as revised and recorded in Map Book 34, Page 875, and as further revised and recorded in Map Book 35, Page 203, Mecklenburg County Registry, which Maps are incorporated herein by reference (the "Existing Property"). Declarant desires to create on the Existing Property shown on said recorded Maps a residential community of single-family townhome residences to be named The Townhomes at Glenridge (the "Townhomes").

Declarant will convey the Existing Property subject to the following protective covenants, conditions, restrictions, reservations and charges as set forth herein and which shall run with the Lots and be binding on all parties having any right, title, or interest therein, their heirs, successors and assigns.

Declarant desires to achieve the most appropriate, attractive development and improvement as to each Lot, to protect the Lot Owners against improper use of the property, to preserve insofar as practicable the natural beauty of each Lot, to guard against the erection thereon of structures designed, proportioned or consisting of materials contrary to that required hereby, and to secure and maintain proper setbacks with certain free space between structures, and in general to provide for a high quality of improvements which will enhance the value of the Townhomes.

Declarant desires to create an organization, subordinate to the aforementioned Association, to which will be delegated and assigned the powers of owning, maintaining and administering certain of the Common Areas and Limited Common Areas of the Townhomes, administering and enforcing the covenants and restrictions contained herein, and collecting and disbursing the assessments and charges hereinafter created, in order to sufficiently preserve, protect and enhance the values and amenities in the Existing Property and in Glenridge, to assure the residents' enjoyment of the specific rights, privileges and easements in the Common Areas, and to provide for the maintenance and upkeep of certain of the Common Areas and amenities. To that end, the Declarant has or will cause to be incorporated under North Carolina law, **The Townhomes at Glenridge Homeowners Association, Inc.** (the "Townhomes Association"), as a nonprofit corporation for the purpose of exercising and performing the aforesaid functions, subject to reservations of control and veto which are hereinafter set forth, and which shall render the said Townhomes Association at all times as a subordinate association to the Glenridge Homeowners Association of N.C., Inc., which is henceforth declared to be the "Master Association" having authority and control over the Townhomes Association.

In consideration of the premises and for the purposes stated, Declarant hereby declares that Lots #72 through #128, inclusive, as shown on the map entitled **GLENRIDGE, PHASE 1, MAP IV**, recorded in Map Book, 34, Page 613, and as revised and recorded in Map Book 34, Page 875, and as further revised and recorded in Map Book 35, Page 203, Mecklenburg County Registry, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which shall be construed as covenants running with the land and shall be binding upon all parties having any right, title or interest in the described real property or any part thereof, and to their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I: DEFINITIONS

The following words when used in this Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

- 1.1 **“Additional Property”** shall mean additional real estate other than the Existing Property which may be or become subject to the terms of this Supplemental Declaration in accordance with the provisions of Section 2.2 of this Supplemental Declaration.
- 1.2 **“Alleys”** shall mean the types of Common Areas in the nature of access and service rights-of-way running along the rear and sides of the Lots on the aforesaid duly recorded Maps.
- 1.3 **“Association”** shall mean and refer to **Glenridge Homeowners Association of N.C., Inc.**, a nonprofit corporation organized and existing under the laws of the State of North Carolina and its successors and assigns, which may also hereinafter be referred to as the Master Association for the development of Glenridge Subdivision to which the Townhomes Association shall forever be subordinate.
- 1.4 **“Board of Directors”** and **“Board”** shall mean and refer to the Board of Directors of the Townhomes Association, which shall be elected and serve pursuant to the Bylaws.
- 1.5 **“Builder(s)”** shall mean and refer to any person or firm in the business of building and selling homes to individuals and selected by Declarant to buy Lots and construct homes for sale in the Development.
- 1.6 **“Bylaws”** shall mean the Bylaws for the Townhomes Association.
- 1.7 **“Common Areas”** shall mean all real property owned by the Townhomes Association in **GLENRIDGE, PHASE 1, MAP IV**, Map Book, 34, Page 613, and as revised and recorded in Map Book 34, Page 875, and as further revised and recorded in Map Book 35, Page 203, Mecklenburg County Registry, for the common use and enjoyment of members of the Townhomes Association lying within the boundaries of the Properties. Common Areas, with respect to the Properties subject to this Supplemental Declaration shall be shown on the plats of **The Townhomes at Glenridge** recorded in the Mecklenburg County Registry and designated thereon as **“Common Areas,” “Common Area,” “Common Open Space”** or **“Urban Open Space.”**
- 1.8 **“Declarant”** shall mean and refer to WP Investment Group, LLC, and its successors and assigns.
- 1.9 **“Declaration”** shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions of **Glenridge**, as recorded in Book 10949, Page 585, as the same may be amended from time to time as herein provided.

- 1.10 **“Development”** shall mean and refer to The Townhomes at Glenridge, a residential subdivision proposed to be developed on the Existing Property by Declarant.
- 1.11 **“Dwelling(s)”** shall mean and refer to the residential unit(s) on the Lot(s) and the attachments thereto.
- 1.12 **“Existing Property”** shall mean and refer to all that real property as described in the map entitled **GLENRIDGE, PHASE 1, MAP IV**, recorded in Map Book, 34, Page 613, and as revised and recorded in Map Book 34, Page 875, and as further revised and recorded in Map Book 35, Page 203, Mecklenburg County Registry.
- 1.13 **“FHA” and “VA”** shall mean and refer to the Federal Housing Administration, U.S. Department of Housing and Urban Development, and the Veteran’s Administration, respectively. If either or both of these federal agencies shall hereafter cease to exist or perform the same or similar functions they now serve, references hereto to FHA or VA shall be deemed to mean and refer to such agency or agencies as may succeed to the duties and services now performed by either or both of these departments.
- 1.14 **“Glenridge”** shall mean Glenridge Subdivision and all of its Phases.
- 1.15 **“Governing Documents”** shall mean and refer to the Declaration and this Supplemental Declaration, the Articles of Incorporation and Bylaws of the Association, and the Articles of Incorporation and Bylaws of the Townhomes Association.
- 1.16 **“Limited Common Area”** shall mean those lands that serve only a limited number of Lots and which may include, but specifically are not limited to, driveways and walkways serving townhome sites, parking spaces, buildings, other areas serving only specified Lots and other such similar areas as may be designated by the Declarant. Limited Common Area shall also include the party walls (excluding their surfaces), exterior surfaces of the dwellings (excluding those items of exterior maintenance which are specifically excluded in Section 6.1 hereof and shall be the sole responsibility of the Owner) and those areas located outside the dwelling and its attachments but located within the Lot boundaries.
- 1.17 **“Lot”** shall mean and refer to any numbered plot of land, with delineated boundary lines, to be used for residential purposes shown upon any recorded subdivision plat of the Properties subject to this Supplemental Declaration.

- 1.18 **“Map”** shall mean and refer to the map or maps of the Existing Property which are to be recorded in the Mecklenburg County Public Registry, and the map(s) of any additions to the Existing Property which may be recorded hereafter by the Declarant in the Mecklenburg County Public Registry.
- 1.19 **“Membership”** shall mean and refer to any Owner of a Lot.
- 1.20 **“Monthly Assessments”** shall mean the assessments established pursuant to paragraphs 5.2 and 5.5 of this Supplemental Declaration.
- 1.21 **“Owner”** shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including Declarant, which is a part of **The Townhomes at Glenridge**, but excluding those having such interest merely as security for the performance of an obligation.
- 1.22 **“Person”** shall mean a natural person, as well as a corporation, partnership, limited liability company, firm, association, trust or other legal entity. The use of the masculine pronoun shall include the neuter and feminine and the use of the singular shall include the plural where the context so requires.
- 1.23 **“Property”** or **“Properties”** shall mean the Existing Property described in Article II, Section 1 hereof, and such additions thereto as may from time to time be designated by Declarant in accordance with Article II hereof, whether or not such additions are contiguous with or adjoining the boundary line of the Existing Property. **“Property”** or **“Properties”** may sometimes be referred to herein as **“The Townhomes at Glenridge.”**
- 1.24 **“Special Assessments”** shall mean the assessments established pursuant to paragraph 5.7 of this Supplemental Declaration.
- 1.25 **“Subdivision”** shall mean **Glenridge** and all of its Phases.
- 1.26 **“Supplemental Declaration”** shall mean and refer to any Supplemental Declaration of Covenants, Conditions, and Restrictions which are specific to certain sections, phases or Maps of **Glenridge** or **The Townhomes at Glenridge** as defined herein.
- 1.27 **“Townhomes Association”** shall mean **The Townhomes at Glenridge Homeowners Association, Inc.**, a nonprofit corporation organized and existing under the laws of the State of North Carolina, and its successors and assigns, which shall be subordinate to the **Glenridge Homeowners Association of N.C., Inc.**, and which said Townhomes Association may also be referred to as the “sub-association.”

ARTICLE II: PROPERTY SUBJECT TO THIS SUPPLEMENTAL DECLARATION

- 2.1 The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Supplemental Declaration, and is, or shall be, within the jurisdiction of the Townhomes Association, is located in Mecklenburg County, North Carolina, and is more particularly described on the Map of **GLENRIDGE, PHASE 1, MAP IV**, recorded in Map Book, 34, Page 613, and as revised and recorded in Map Book 34, Page 875, and as further revised and recorded in Map Book 35, Page 203, Mecklenburg County Registry. Only the Existing Property is hereby made subject to this Supplemental Declaration; provided, however, Declarant shall have the right to subject additional real property to these restrictions as provided in Section 2.2
- 2.2 Without further assent or permit, Declarant shall have the right from time to time to subject additional real property to the terms and scheme of this Supplemental Declaration said property to be developed as part of **The Townhomes at Glenridge** and thereby bringing such additional properties within the jurisdiction of the Association by filing a Supplemental Declaration in the office of the Register of Deeds for Mecklenburg County, North Carolina, containing a description of the additional property and a statement by the Declarant of its intent to extend the operation and effect of this Supplemental Declaration to the additional property.
- 2.3 Any addition of real property (or easements or rights-of-way to such real property) shall be made by filing of record one or more Supplemental Declarations in respect to the property in the Mecklenburg County, North Carolina, Public Registry to be then made subject to this Supplemental Declaration, and the jurisdiction of the Townhomes Association shall thereby then extend to such property and subject such addition to the Assessments provided in this instrument for a just and proportionate share of the Townhomes Association's expenses.
- 2.4 Any Supplemental Declaration may contain amendments, additions and modifications to the covenants, conditions and restrictions contained herein as may be necessary in the sole discretion and judgment of Declarant to reflect the different design, development and/or character of the Additional Property.

ARTICLE III: PROPERTY RIGHTS

3.1 Ownership of Common Areas.

- (a) Declarant shall convey the appropriate Common Areas, including, but not limited to, the Common Area upon which is located the swimming pool and its related improvements, to the Townhomes Association after completion by Declarant of improvements thereon, if any, and upon such time as Declarant determines that the Townhomes Association is able to maintain same. Notwithstanding the recordation of any Map or any other action by Declarant or the Townhomes Association, all Common Areas shall remain private property and shall not be considered as dedicated to the use and enjoyment of the public; however, all Common Areas shall be and remain fully accessible and utilizable by all residents of Glenridge Subdivision, including, but not limited to, the swimming pool Common Area.
- (b) Until Declarant conveys the Common Areas to the Townhomes Association and at all times thereafter, the Townhomes Association shall be subordinate to, and in all respects a sub-association of, the Association, which shall be deemed a Master Association for the purposes of controlling the Common Areas of all Phases of Glenridge, including the Townhomes Phase as exists at the time of the recording of this Supplemental Declaration and at any and all times thereafter.
- (c) Any conveyance of the Common Areas to the Townhomes Association shall be expressly subject to the provisions of this Section, and the utilization, control and governing of the Common Areas by the Townhomes Association shall be subject to the absolute right of the Glenridge Homeowners Association of N.C., Inc. Board of Directors to veto any action taken by the Townhomes Association or its Board; however, said veto power shall not be exercised unreasonably.

- 3.2 Owner's Easements of Enjoyment.** Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot subject to the provision of this Supplemental Declaration. Each Owner's nonexclusive right and easement of enjoyment in and to the Common Areas is subordinate to the right of the Townhomes Association to dedicate and convey Common Areas pursuant to Sections (e) and (f) of this paragraph. Each Owner's easement of enjoyment is subject to the following:

- (a) The right of the Townhomes Association to promulgate and enforce reasonable regulations governing the use of the Common Areas to assure the safety and rights of all Owners;
- (b) The right of the Townhomes Association to charge reasonable admission and other fees for the use of any facility situated upon the Common Areas;
- (c) The right of the Townhomes Association to limit the use of the Common Areas;
- (d) The right of the Townhomes Association to suspend the voting rights of an Owner for any period during which any Assessment against his Lot remains unpaid or for any infraction of the Townhomes Association's published rules and regulations, if any;
- (e) The right of the Townhomes Association to dedicate or transfer all or any part of the Common Areas and Limited Common Area which it owns to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Townhomes Association members. No such dedication or transfer shall be effective after the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership unless the members entitled to at least two-thirds (2/3) of the vote appurtenant to Class A Lots and Class B Lots agree to such dedication or transfer and signify their agreement by a signed and recorded written document, provided that this paragraph shall not preclude the Board of Directors of the Townhomes Association from, unilaterally and without consulting the Membership, granting easements for the installation and maintenance of electrical, telephone, communications, cablevision, water and sewerage utilities and drainage facilities upon, over, under and across the Common Areas without the assent of the Membership;
- (f) The right of the Declarant, Association or the Townhomes Association Board to grant any of the foregoing utility, drainage and other easements across the Common Areas, including the Limited Common Area; and
- (g) The right of the Townhomes Association Board to dedicate or transfer all or any part of the Common Areas to third parties provided the Townhomes Association acquires in return other property which will be held thereafter as Common Areas of equal or greater value;

- (h) The right of individual Owners to the exclusive use of assigned parking spaces as provided in this Article;
- (i) The right of the Townhomes Association Board, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Areas and facilities and in aid thereof to mortgage said property, and the rights of such mortgagee in said Properties shall be subordinate to the rights of the Lot Owners hereunder;
- (j) The right of the Townhomes Association Board to enter any Lot in order to perform any maintenance, alteration, or repair required herein to be performed by the Townhomes Association Board, and the Owner of such Lot shall permit the Townhomes Association Board or its representative to enter for such purpose at reasonable times and with reasonable advance notice; and
- (k) The right of the Townhomes Association Board or its representative to enter any Lot in the case of any emergency threatening such Lot or any other Lot for the purpose of remedying or abating the cause of such emergency. Such right of entry shall be immediate.
- (l) The right of the Townhomes Association Board to enter any Lot for inspection to assure compliance with this Supplemental Declaration and the law.
- (m) The right of the Declarant and/or any Owner of any Lot in Glenridge to utilize the swimming pool in accordance with the reasonable provisions for utilization thereof as may be adopted from time to time by the Association or as established from time to time by the Declarant. All Owners of Lots in Glenridge, their guests or their lessees shall have the absolute right to utilize the said swimming pool pursuant to the foregoing and provided the usage thereof is in compliance with the rules and regulations established by the Association in cooperation with the Townhomes Association.
- (n) The right of the Owners of the Lots in Glenridge to fully and reasonably utilize all of the Common Areas connected to, or surrounding, the swimming pool just as, and to the full extent as, the Townhomes Association members may utilize the said Common Areas.
- (o) No Owner of a Lot of Glenridge or the Townhomes at Glenridge shall be denied membership to the swimming pool. In no event

shall any Owner be required to join the swimming pool or participate in its upkeep and maintenance other than through Monthly or Special Assessments by the Association.

- 3.3 **Delegation and Use.** The right and easement of enjoyment granted to every Owner in Section 3.2 of this Article may be exercised by members of Owner's family and guests thereof. An Owner may delegate to his tenants his rights of enjoyment in and to the Common Areas and such facilities thereon as may be provided, in accordance with the Townhomes Association's Bylaws and rules and regulations.
- 3.4 **Parking Rights.** Ownership of each Lot shall entitle the Owner or Owners thereof to park no more than two (2) motor vehicles, together with the right of ingress and egress in and upon said parking areas. The two (2) motor vehicle parking spaces for Lots having garages shall be in addition to the garage and shall be on the appurtenant driveway.
- 3.5 **TV Antennas and Cablevision.** The Townhomes Association may provide one or more central television antennas for the convenience of the Members and may supply cable television service, and the cost of these may be included in Monthly or Special Assessments. The Townhomes Association may prohibit other cable television service than its own.

ARTICLE IV: MEMBERSHIP & VOTING RIGHTS

- 4.1 **Membership.** Every Lot shall be subject to Assessment for dues payable as assessed from time to time by the Townhomes Association. Every Owner of a Lot shall be a member of the Townhomes Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. The Declarant, for so long as it owns a Lot, shall not be subject to the payment or required to pay any Assessment of any nature whatsoever on any Lot which it owns; however, Declarant shall be in all other respects a full voting member of the Townhomes Association as set forth herein.
- 4.2 **Voting and Voting Rights.** The Townhomes Association shall have two classes of voting membership:
- (a) **Class A.** Class A members shall be all Owners with the exception of Declarant and Builder(s) and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest (other than a leasehold or security interest) in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

(b) **Class B.** The Class B members shall be Declarant and Builder(s). The Declarant and Builder(s) shall be entitled to three (3) votes for each Lot owned. The Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs first:

(i) When the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership; provided that the Class B Lots shall be reinstated with all rights, privileges and responsibilities, if after conversion of the Class B Lots to Class A Lots hereunder, additional land containing Lots is annexed to the existing property pursuant to Section 2.2 hereof; or

(ii) Seven (7) years from the date of this Supplemental Declaration.

(iii) Notwithstanding Sections 4.2(a) and (b) hereof, so long as there shall be any Class B Lots in the Development and unless the Declarant surrenders the rights set forth in this paragraph (iii) by an express amendment to the Supplemental Declaration executed and recorded by Declarant: (a) the Bylaws of the Townhomes Association may not be modified or amended without the Declarant's prior written consent, and (b) the Declarant shall have the right to appoint or remove any Member(s) of the Board of Directors of the Townhomes Association or any officer(s) of the Townhomes Association.

4.3 **Other Obligations.** Other provisions applicable to the rights and obligations of the Members of the Townhomes Association are set forth in the Governing Documents.

4.4 **Board of Directors.** The Townhomes Association shall be governed by a Board of Directors in accordance with its Bylaws.

4.5 **Suspension of Rights.** During any period in which a member shall be in default in the payment of any Monthly, Special or other periodic Assessment levied by the Townhomes Association, the voting rights of such member may be suspended by the Board until such Assessment is paid. In the event of violation by a member of any rules and regulations established by the Board, such member's voting rights may be suspended by the Board after a hearing. Such hearing shall be held by the Board or a committee of three (3) members thereof after giving the member ten (10) days prior written notice specifying such alleged violation and setting the

time, place and date of the hearing. Determination of the violation shall be made by a majority vote of the Board or the committee thereof. During any period in which a member shall be in default in the payment of any Monthly, Special or other periodic Assessment levied by the Townhomes Association or in violation of the Governing Documents or any rules or regulations established by the Board, such member shall be subject to a fine imposed by the Board which shall be the personal obligation of the person who is the Owner of such Lot at the time when the fine was levied.

The provisions as set forth in the preceding paragraph of this Section 4.5 are further subject to the provisions of N.C.G.S. Section 47F-3-107 and 47F-3-107.1.

- 4.6 **Management Contracts.** The Townhomes Association Board is authorized and empowered to engage the services of any person, firm or corporation to act as managing agent of the Townhomes Association at a compensation level to be established by the Board and to perform all of the powers and duties of the Townhomes Association. Provided, however, that the term of any such agreement with a managing agent shall not exceed one (1) year and shall only be renewed by agreement of the parties for successive one (1) year terms. Any such contract shall be terminable by the Townhomes Association Board with or without cause upon ninety (90) days prior written notice to the manager without payment of a termination fee.

ARTICLE V: COVENANT FOR MAINTENANCE ASSESSMENTS

- 5.1 **Purpose of Monthly Assessments.** The Monthly Assessments levied by the Townhomes Association Board shall be used as follows:
- (a) To maintain all roads constructed within the Development to the standard of maintenance which would be required by the Town of Cornelius, North Carolina, the County of Mecklenburg, and/or N.C. Department of Transportation, and/or the appropriate governmental authority, before it will accept such roads for maintenance, and until such acceptance takes place;
 - (b) To maintain all Alleys or alleyways constructed within the Development to the standard of maintenance which would be required by the Town of Cornelius, North Carolina, the County of Mecklenburg and/or N.C. Department of Transportation, and/or the appropriate governmental authority, for general usage by the public;

- (c) To maintain all lighting of Common Areas, Limited Common Areas, Alleys and streets, with the exception of lighting provided by a governmental agency or body, if any;
- (d) To maintain the Common Areas, including pathways, in an easily passable condition, free from fallen trees, undergrowth, and other obstructions; and to keep all dead, diseased or decaying trees, shrubs and bushes removed from such areas and to replace such with new trees, shrubs and bushes;
- (e) To timely and fully comply with all directives and requests for payments made by the Glenridge Homeowners Association;
- (f) To keep any parks and/or picnic areas in the Common Areas clean and free from debris and to maintain all picnic tables and other amenities in a clean and orderly condition, and to maintain the landscaping therein, including any necessary removal and replacement of landscaping;
- (g) To maintain all parking areas (for motor vehicles or otherwise) located in the Common Areas free from debris and in good repair;
- (h) To comply with all agreements with (whether of the Declarant or the Townhomes Association), or statutes, ordinances rules or regulations of, the Town of Cornelius (or any agency thereof), Mecklenburg County (or any agency thereof), or the State of North Carolina (or any agency thereof), respecting the use of any Common Areas;
- (i) To provide such security as may be deemed reasonably necessary for the protection of the Common Areas from theft, vandalism, fire and damage from animals;
- (j) To timely pay, upon demand of the Association its share of the costs to maintain the entrance area to the Development in a clean and orderly condition and to maintain the landscaping thereof (including irrigation system, lighting, signage, groundcover, shrubs and flowers) to the standard established at completion of the entrance area;
- (k) To maintain all other landscaping in the Common Areas to the standard established at completion of such landscaping;
- (l) To pay all, or its designated share of the, ad valorem taxes levied against the Common Areas and any property owned by the Townhomes Association;

- (m) To pay the premiums, or its share thereof as requested from time to time by the Association, on all hazard and liability insurance carried by the Association or the Townhomes Association on the Common Areas and/or the building or facility improvements pursuant to the Governing Documents;
- (n) To pay all legal, accounting and other professional fees incurred by the Townhomes Association in carrying out its duties as set forth herein or in the Governing Documents;
- (o) To maintain a contingency reserve equal to five percent (5%) of the sum of the amounts described in preceding subsections of this Section 5.1 in order to fund unanticipated expenses of the Townhomes Association;
- (p) To maintain Best Management Practice (“BMP”) for stormwater discharge as designated by duly recorded Map(s) and as required by statutes, ordinances, rules or regulations of the Town of Cornelius (or any agency thereof), Mecklenburg County (or any agency thereof), or the State of North Carolina (or any agency thereof);
- (q) To provide any service which is not readily available from any governmental authority related to the reasonable use, occupancy and enjoyment of the properties and which the Townhomes Association shall decide to provide. Some of the purposes for which assessments may be levied shall include payment for utilities necessary to accomplish the foregoing purposes; and
- (r) To maintain the grounds and the exterior of the residences situated on the Lots as hereinafter provided.

5.2 Budgeting and Allocating Common Expenses. At least 60 days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated expenses for the operation of the Townhomes Association and the operation and maintenance of the Common Areas for the coming year. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots, and the amount to be generated through the levy of Monthly Assessments, authorized in Section 5.5, and Special Assessments against the Lots, as authorized in Section 5.6.

The Townhomes Association Board is hereby authorized to levy Monthly Assessments equally against all Lots subject to Assessments to

fund the Common Expenses. In determining the Monthly Assessment rate per Lot, the Board may consider any Assessment income expected to be generated from any additional Lots reasonably anticipated to become subject to Assessment during the fiscal year. As aforesaid, the Declarant shall not be required to pay Monthly Assessments or Special Assessments of any nature whatsoever for so long as the Declarant owns any Lot and in the Townhomes at Glenridge.

The Declarant may, but shall not be obligated to, reduce the Monthly Assessment for any fiscal year by payment of a subsidy (in addition to any amount paid by Declarant under Section 5.3), which may, in the Declarant's discretion, either be a contribution, an advance against future Assessments due from the Declarant, or a loan. Any such subsidy shall be disclosed in the income portion of the budget. The payment of such subsidy in any year shall not obligate the Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Townhomes Association and the Declarant.

Pursuant to N.C.G.S. Section 47F-3-103(c), within 30 days after adoption of any proposed budget, the Board shall provide to each Owner a copy of the budget and a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The Board shall set a date for a meeting of the Owners to consider ratification of the budget, such meeting to be held not less than 10 days nor more than 60 days after mailing of the budget and notice. There shall be no requirement that a quorum be present at the meeting. The budget shall be deemed ratified, unless at said meeting the Membership rejects the budget by a two-thirds (2/3) vote. If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year then the budget most recently in effect shall continue in effect until a new budget is determined.

The Board may revise the budget and adjust the Monthly Assessment from time to time, subject to the notice requirements and the right of the Members to disapprove the revised budget as set forth above.

5.3 Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot (other than the Declarant) by acceptance of a Deed therefor, whether or not it shall be so expressed in said Deed, is deemed to covenant and agree to pay to the Townhomes Association:

- (a) Monthly Assessments ("Monthly Assessments") as established in Section 5.2 (and authorized in Section 5.5) for the purposes specified in Section 5.1

- (b) Special Assessments (“Special Assessments”) as may be established in Section 5.6 for the purposes specified in Section 5.1 as may be approved by the members, to be established and collected as provided herein.

In order to secure payment of the Monthly and Special Assessments, any such Assessment or charge remaining unpaid for a period of thirty (30) days or longer, together with interest, costs of collection and reasonable attorneys’ fees, shall be a charge and continuing lien upon the Lot against which each such Assessment or charge is made when a claim of lien is filed of record in the manner as described in N.C.G.S. Section 47F-3-116(a) and N.C.G.S. Section 47F-3-116 is otherwise incorporated fully herein by reference with regard to liens for Assessments and as to the type of charges enforceable as Assessments. Each such Assessment or charge, together with interest, fines, late charges, costs of collection and reasonable attorneys’ fees shall also be the personal obligation of the person who is the Owner of such Lot at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to an Owner’s successor in title unless expressly assumed by them. Such assumption shall not relieve an Owner of his obligations.

- 5.4 **Exempt Property.** The Assessments, charges and liens created under this Article shall neither apply to the Common Areas, nor to any Lot the title to which is vested in the Declarant, any first mortgagee subsequent to foreclosure or in the Secretary of Housing and Urban Development or the Administrator of Veterans Affairs or any other state or federal governmental agency which acquired title by reason of such agency’s guarantee or insurance of a foreclosed mortgage loan; provided, however, that upon the resale of such property by such first mortgagee or such governmental agency, the Assessment shall again accrue on such Lot. Any Lot which Declarant may hereinafter designate for common use as part of the Common Areas shall also be exempt by a local public authority, and all land granted to or used by a utility company shall be exempt from the Assessments created herein.

- 5.5 **Maximum Monthly Assessments.** For the calendar year beginning January 1, 2001, the Annual Assessment shall be as reasonably established by the Board for each Class A Lot and Class B Lot in the Development. Monthly Assessments may only be increased in accordance with the following:

- (a) From and after January 1, 2002, the Monthly Assessment for Class A and Class B Lots may be increased each year not more than ten percent (10%) above the Monthly Assessment for the previous year without a vote of the Membership.

- (b) From and after January 1, 2002, the Monthly Assessment for Class A and Class B Lots may be increased above ten percent (10%) and without limitation, if such increase is approved by Members entitled to no less than two-thirds (2/3) of all of the votes of Class A and Class B Members combined. Such voting may be represented in person or by proxy at a meeting duly called for this purpose.
- (c) The Board may not fix the Monthly Assessment at an amount which is unreasonable.

The Monthly Assessments shall be paid as provided in Section 5.8.

- 5.6 **Special Assessments.** In addition to the Monthly Assessments authorized above, the Townhomes Association Board may levy, in any assessment year, a Special Assessment applicable to that year only, as directed by the Association, 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 Areas, including fixtures and personal property related thereto, and the roadways serving the Properties, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of Class A and Class B Members combined.
- 5.7 **Notice and Quorum for Any Action Authorized Under Sections 5.5 and 5.6.** Written notice of any meeting called for the purpose of taking any action authorized under Sections 5.5 or 5.6 shall be sent to all Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. There shall be no requirement that a quorum be present at the meeting.
- 5.8 **Date of Commencement of Monthly Assessments and Alley Assessments; Due Dates; Certificate of Payment.**
 - (a) **Monthly Assessments.** The Monthly Assessments shall commence as to all Lots on the first day of the first month following the date such property is submitted to the provisions of this Supplemental Declaration by the recording hereof in the Office of the Register of Deeds of Mecklenburg County. From the date on which the Monthly Assessments commence on a Lot until the date on which the Lot is sold by the Declarant or Builder to the purchaser of a home, the Declarant or Builder shall be liable for Monthly Assessments at a rate which is one-third (1/3) of the rate otherwise payable. The first Monthly Assessment shall be adjusted according to the number of days remaining in the calendar year when filed. The Monthly Assessment shall be payable monthly on

the first day of each month or on such other payment date as shall be established by the Board. The Board shall fix the amount of the Monthly Assessment against each Lot as provided in Section 5.2. Written notice of the Monthly Assessment shall be sent to every Owner.

- (b) Certificate of Payment. The Townhomes Association shall promptly, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Townhomes Association setting forth whether the assessments on a specified Lot have been paid to date. A properly executed certificate of the Townhomes Association as to the status of Assessments on a Lot is binding upon the Townhomes Association as of the date of its issuance.

- 5.9 Effect of Non-Payment of Assessment; Remedies of the Townhomes Association.** Notwithstanding Section 5.8 hereof, the Declarant may, at its election, postpone in whole or in part the date on which the Assessment shall commence, provided that the Declarant maintains the Common Areas for which no Assessment is being collected during the period of such postponement. Any Assessment not paid within fifteen (15) days after the due date shall be assessed a late charge as determined by the Board and bear interest from the due date at an annual rate of twelve percent (12%) but in no event above the then maximum legal rate, and to the extent allowed by law. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the Board of Directors of the Townhomes Association to defray the costs arising because of late payment. The Townhomes Association Board, or its agent or representative, may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot to which the Assessment related, and interest, costs and reasonable attorneys' fees for such action or foreclosure shall be added to the amount of such Assessment to the extent allowed by law. No Owner may waive or otherwise escape liability for the Assessment provided for herein by non-use of the Common Areas, abandonment of his Lot or for any other reason.

The provisions as set forth in the preceding paragraph of this Section Five are further subject to the provisions of N.C.G.S. Sections 47F-3-107 and 47F-3-107.1.

- 5.10 Subordination of the Lien to First Mortgages.** The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust on a Lot or any mortgage or deed of trust to the Declarant. Sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to a mortgage foreclosure or under a power of sale or any proceeding in lieu of

foreclosure thereof, shall extinguish the lien of such Assessment as to payments which became due prior to such sale or transfer, provided, however, that the Board may, in its sole discretion, determine such unpaid Assessments to be a Monthly or Special Assessment, as applicable, collectable pro rata from all Owners including the foreclosure sale purchaser. Such pro rata portions are payable by all Owners notwithstanding the fact that such pro rata portions may cause the Monthly Assessment to be in excess of the maximum permitted in Section 5.5 of this Article. No sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof, but the lien provided for herein shall continue to be subordinate to the lien of any mortgage or deed of trust as above provided.

- 5.11 **Additional Associations.** Nothing contained herein shall prohibit or affect Declarant's rights to establish one or more additional associations to govern additional section(s), Phase(s) or Map(s) of Glenridge. In the event any separate association is established, the Annual Assessment, Special Assessment, and/or any other applicable Assessment appropriate to the owners of the Lots within that section, Phase or Map shall be in addition to any Annual Assessment and/or Special Assessment established pursuant to this Supplemental Declaration, unless otherwise specified in a supplemental declaration as provided herein. Any Annual Assessment, Special Assessment, and/or any other applicable Assessment for any additional association(s) established pursuant to this paragraph shall be remitted as the Board authorizes and directs said collection of Assessments.

ARTICLE VI: EXTERIOR MAINTENANCE AND PARTY WALLS

- 6.1 **Exterior Maintenance of Limited Common Areas.** In addition to maintenance of the Common Areas, the Townhomes Association shall provide exterior maintenance upon each Lot which is subject to Assessment hereunder, including, but not limited to, the following: provide periodic pest control; termite control treatments; paint and/or stain the exterior of the townhouses; repair, replace, maintain and care for roofs, gutters, exterior building surfaces, trees and shrubbery (excluding those planted by an Owner within the enclosed exterior areas of each residence); lawn, grass, walks and driveways within the Lots, mailboxes, fences installed by Declarant or the Townhomes Association, exterior post lights (excluding electricity therefor), and other exterior improvements. Such exterior maintenance shall not include the replacement or repair of window glass, hardware, exterior lighting on the Lots, maintenance or upkeep of rear yards within enclosed fenced areas maintained by the applicable Owner, or the cleaning of patios, walkways, or stoops on the Lots. The Townhomes Association shall further not be required to carry out any maintenance which is specifically designated as the responsibility

of the applicable Townhome Lot Owner pursuant to another provision of the Supplemental Declaration. In order to carry out the Townhomes Association's duties set forth herein, it is reserved to the Townhomes Association Board the right to unobstructed access upon each Lot at all reasonable times to perform maintenance as provided in this Article and each Lot Owner does herewith grant his consent to such unrestricted access.

Further, the Owner of any Lot may, at his election, plant and maintain flowers or shrubbery within the enclosed exterior area of his residence, provided that such planting and maintenance by the Owner does not hinder the Townhomes Association in performing its maintenance of the exterior of the house and the remaining yard spaces. No such maintenance by a Lot Owner shall reduce the assessment payable by him to the Townhomes Association. The Owner shall not plant any vegetation or place anything in the front yard except with the prior written approval of the Townhomes Association.

(As a matter of information to future Members of the Townhomes Association, the Declarants wish to make it known that due to differing amounts of exposure to the elements and other factors, some dwellings may require more maintenance than others and that it is in the best interests of the entire Townhomes Association that all units be properly maintained and that the Townhomes Association shall be required to provide such maintenance provided for herein and make a uniform charge without regard to the actual cost of maintenance of each dwelling.)

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject. The determination of the need, quality, extent and cost of maintenance and repair shall be made by the Board of Directors of the Townhomes Association, which determination shall be reasonable and made upon consistent nonarbitrary principles adopted by the Board. The Townhomes Association may, in the Board's discretion, delay commencement of the maintenance and repairs required by casualty or willful or negligent acts, until the cost thereof is paid by the applicable Lot Owner(s) to the Townhomes Association.

The Townhomes Association Board is hereby granted an easement right of access to go upon any Lot for performance of repairs or maintenance, the responsibility of which is the Townhomes Association's hereunder.

6.2 Party Walls.

- (a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Existing Property and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence of willful acts or omissions shall apply thereto. No alterations may be made to any party wall other than alterations to the interior surfaces.
- (b) 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.
- (c) 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 Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, subject however, to the right of any such Owner to call for a larger contribution from the others under any rule of laws regarding liability for negligent or willful acts or omissions.
- (d) 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.
- (e) 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. If any Townhome Lot Owner desires to sell his townhome, he may, in order to assure a prospective purchaser that no adjoining Townhome Lot Owner has a right of contribution as provided above, request that the adjoining Townhome Lot Owner provide a certification that no right of contribution exists. It shall be the duty of each adjoining Townhome Lot Owner to make such certification immediately upon request and without charge, provided, however, that where the adjoining Townhome Lot Owner claims a right of contribution, the certification may contain a recital of the amount claimed. In the event an adjoining Townhome Lot Owner refuses or neglects to provide such certification, it shall be deemed a waiver to proceed against such Townhome Lot Owner or his successor to contributions which may have accrued to that date.

ARTICLE VII: INSURANCE

7.1 **General Requirements.** Insurance coverage on the Property shall be governed by the following provisions:

- (a) **Ownership of Policies.** All insurance policies upon the Properties shall be purchased by the Townhomes Association for the benefit of the Townhomes Association, the Owners and their mortgagees as their interest may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Owners. Owners may, at their option, obtain insurance coverage at their own expense upon their own personal property and for their personal liability and living expense and such other coverage as they may desire.
- (b) **Coverage.** All buildings and improvements upon the land and all personal property of the Townhomes Association included in the Common Areas and facilities shall be insured in an amount equal to one hundred percent (100%) insurable replacement value as determined annually by the Townhomes Association with the assistance of the insurance company providing coverage. Such coverage shall provide protection against:
 - (i) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement;
 - (ii) Such other risks as from time to time shall be customarily covered with respect to buildings on the land; and
 - (iii) Such policies shall contain clauses providing for waiver of subrogation.
- (c) **Liability.** The Townhomes Association shall be required to obtain and maintain to the extent obtainable, public liability insurance in such limits as the Board may, from time to time, determine to be customary for projects similar in construction, location and use to the Development, covering each member of the Board, the Managing Agent, if any, and each Owner with respect to his liability arising out of the ownership, maintenance or repair of the Common Areas; provided, however, that in no event shall the amounts of such public liability insurance ever be less than One Million Dollars (\$1,000,000.00) per occurrence against liability for bodily injury, including death resulting therefrom, and damage to property, including loss of use thereof, occurring upon, in or about, or arising from or relating to, the property or any portion thereof.

Such insurance shall include endorsements covering cross-liability claims of one insured against another, including the liability of the Owners as a single group to a single Owner. The Board shall review such limits annually. Until the first meeting of the Board following the initial meeting of the Owners, such public liability insurance shall be in amounts of not less than One Million Dollars per occurrence for claims for bodily injury and property damage. The Townhomes Association shall be required to obtain and maintain to the extent obtainable hazard insurance on the Common Areas.

The provisions as set forth in the preceding paragraph of this Section 7.1 are further subject to the provisions of N.C.G.S. Section 47F-3-113.

- (d) **Premiums.** Premiums for insurance policies purchased by the Townhomes Association shall be paid by the Townhomes Association and shall be included as part of the Monthly Assessment described in Article V above.
- (e) **Proceeds.** All insurance policies purchased by the Townhomes Association shall be for the benefit of the Townhomes Association and the Owners and their mortgagees, as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Townhomes Association as insurance trustees under this Declaration. The sole duty of the Townhomes Association as insurance trustees shall be to receive such proceeds as are paid and to hold the same in trust for the purpose stated herein or stated in the Bylaws and for the benefit of the Owners and their mortgagees in the following shares:
 - (i) Proceeds on account of damage to Common Areas and facilities held for the Townhomes Association.
 - (ii) Proceeds on account of damage to Lots shall be held in undivided shares for the Owners of damaged Lots in proportion to the cost of repairing the damage suffered by each Owner, which cost shall be determined by the Townhomes Association.
 - (iii) In the event a mortgagee endorsement has been issued for any Lot, the share of the Owner shall be held in trust for the mortgagee and the Owner as their interests may appear.

7.2 Distribution of Insurance Proceeds. Proceeds of insurance received by

the Townhomes Association as insurance trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

- (a) Expense of the Trust. All expenses of the insurance trustees shall be first paid or provisions made therefor.
- (b) Reconstruction or Repair. The remaining proceeds shall be paid to defray the cost of repairs. Any proceeds remaining after defraying such cost shall be distributed to the beneficial Owners as above provided.

7.3 Fidelity Insurance or Bond. All persons responsible for or authorized to expend funds or otherwise deal in the assets of the Townhomes Association or those held in trust, shall first be bonded by a fidelity insurer to indemnify the Townhomes Association for any loss or default in the performance of their duties in an amount equal to six (6) months' assessments, plus reserves accumulated.

ARTICLE VIII: ARCHITECTURAL CONTROL

8.1 Architectural Control Committee. For purposes of this Article VIII, the Architectural Control Committee (the "Committee") is hereby established to assure compliance with the following provisions, and said Committee shall consist of at least three (3) members appointed by the Board.

8.2 Definitions. For purposes of this Supplemental Declaration, the following terms shall have the following meanings unless the context clearly requires a different meaning:

- (a) "accessory building" means every detached garage, carport, tool shed, storage or utility building, wellhouse, guest quarters, cabana or other similar building constructed on a Lot which is not a dwelling;
- (b) "buildings" mean accessory buildings and dwellings;
- (c) "dwelling" means a building constructed for single-family residential use but not excluding guest quarters or other similar quarters; and
- (d) "improvements" or "structures" mean buildings, dwellings and all walls, fences, decks, mailboxes, doghouses, satellite dishes, patios, planters, terraces, swimming pools including wading or inflatable, basketball goals, play area swing sets, tennis courts or anything else constructed or placed on or under the surface of a Lot.

8.3 General Guidelines. Listed hereinafter are guidelines which are not intended to be absolute and complete guidelines, but address certain critical areas which will be carefully considered by the Committee in the approval or disapproval of an Owner's plans and specifications:

- (a) No structures (except fences or walls approved by the Committee) may be erected above grade except within those setbacks as more particularly reflected on the recorded Maps. For purposes of this covenant, eaves and stoops shall not be considered as a part of a building, provided, however, this shall not be construed to be deemed to permit the encroachment of any improvement onto another Lot.
- (b) Any dwelling constructed on a Lot subject to the restrictions shall contain not less than 1,200 square feet of heated floor area exclusive of porches, decks, patios, terraces, attached garages, and accessory buildings.
- (c) The Committee has the right to decide in its sole and absolute discretion the design specifications and the precise site and location of any structure placed upon any Lot; provided, however, that the Owner shall be given the opportunity to recommend a specific site for such structure.
- (d) Townhome design shall be constructed strictly as specified and required by Declarant.
- (e) All structures constructed or placed on any Lot shall be built of substantially new materials and no used structures shall be relocated or placed on any such Lot.
- (f) All driveways, and turning and parking areas shall be concrete surfaced, and such surfacing must be completed prior to the occupancy of any dwelling on a Lot.
- (g) Landscaping for each structure shall be as specified by the Declarant.

8.4 Approval of Changes in Structure. After completion of approved construction and issuance of a Certificate of Occupancy by the applicable governmental authority, no exterior change shall be made to any structure on a Lot without the approval of the Committee. Prior to making any changes of any nature whatsoever to any structure on a Lot [such changes to include without limitation any addition to the existing structure, any construction or addition of an accessory building or any change (including

changes in color) in the exterior wall covering], the Owner shall submit to the committee all plans and specifications covering such proposed change. The Committee shall have the absolute and exclusive right in its sole discretion to refuse to approve the proposed plans and shall notify the Owner of its approval or disapproval within thirty (30) days of receipt of the plans from the Owner.

ARTICLE IX: USE RESTRICTIONS

- 9.1 **Use of Common Areas.** No planting or gardening by individual Owners shall be done upon any Common Areas including any Limited Common Area (hereinafter "Common Areas"). Except for the right of easement of use and enjoyment in and to the Common Areas herein given to each Owner, Owners are hereby prohibited and restricted from using any of the Common Areas except as may be allowed and prescribed by the Townhomes Association's Board or as expressly provided for herein. It is Declarant's intent that this paragraph inure to the mutual benefit of all Owners within the properties, and each Owner shall have a nonexclusive easement right to use and enjoy the Common Areas which shall be appurtenant to and shall pass with the title to his Lot, subject to the following:
- (a) The right of the Townhomes Association to promulgate and enforce reasonable regulations governing the use of the Common Areas to ensure the availability of the right to use the Common Areas to the Owners and the safety of all Owners on the Common Areas;
 - (b) The right of the Townhomes Association to suspend the voting rights of an Owner in the Townhomes Association and the right of the Townhomes Association to suspend the right to use certain or all of the Common Areas by an Owner for any period during which any Assessment against his Lot remains unpaid, and for a period no to exceed sixty (60) days for any infraction of its published rules and regulations;
 - (c) The right of the Declarant or the Townhomes Association to grant utility, drainage or other easements across the Common Areas; and
 - (d) The right of the Declarant or the Townhomes Association to permit use of any recreational facility situated on the Common Area by persons other than Owners, their families, lessees and guests upon payment of use fees established by the Declarant or the Townhomes Association.

- 9.2 **Land Use.** All Lots shall be used for residential purposes only, and for no other purpose. Only one family may occupy the single dwelling on a Lot as a principal residence at any one time. Declarant may maintain a sales office, models and a construction office on any Lot until all Lots have been sold.
- 9.3 **Nuisance.** No noxious or offensive activity shall be carried on upon any Lot or the Common Areas, nor shall anything be done thereon which may be or become an unreasonable annoyance, inconvenience or nuisance to the residents of the Development, or unreasonably interferes with the quiet enjoyment of occupants of Lots. No Owner shall permit anything to be done or kept on his Lot which would result in the cancellation of insurance on any other residence or any part of the Common Area or which would be in violation of any law.
- 9.4 **Pets.** No animals shall be raised, bred or kept on any Lot or the Common Areas, except that one (1) dog or one (1) cat may be kept in the dwelling on the Lot. No animal shall be allowed if such animal constitutes an unreasonable annoyance, inconvenience or nuisance. If the Board receives any complaint that an animal constitutes an unreasonable annoyance, inconvenience or nuisance, the Board shall afford the Owner of such animal an opportunity for Hearing, and if the Board finds that such animal constitutes an unreasonable annoyance, inconvenience or nuisance, the Board may require that such animal be removed from the Properties. The Board may adopt Rules and Regulations concerning animals which are more restrictive than the provisions of this Supplemental Declaration. All animals must be kept on a leash when outside the Lot, and Owners are responsible for cleaning up any droppings that a pet leaves within the Common Areas or the Subdivision, including easements, roadways, Alleys, sidewalks and landscaped areas.
- 9.5 **Temporary Structures.** Except as maybe otherwise provided in this Supplemental Declaration, no building of a temporary nature shall be erected or allowed to remain on any Lot, and no trailer, shack, tent, barn, detached garage, or any other building of a similar nature shall be used as a dwelling on any Lot, either temporarily or permanently.
- 9.6 **Pools.** No pools of any nature whatsoever shall be erected, installed or placed on a Lot, including wading or inflatable pools.
- 9.7 **Access to Lots.** The Townhomes Association Board, its agents or employees, shall have access to each Lot from time to time during reasonable working hours, upon reasonable notice, as may be necessary to confirm compliance with these restrictions and the law, and for the maintenance, inspection, repair or replacement of any portion of the Common Areas, or facilities situated upon such Lot which serve another

Owner's Lot. The Townhomes Association or its agent shall also have access to each Lot at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Areas or another Lot.

- 9.8 **Clothes Drying.** No clothesline may be erected on any Lot. No drying or airing of any clothing or bedding shall be permitted outdoors on any Lot or in any other unenclosed area (including porches and patios) within the Properties.
- 9.9 **Signs.** No sign may be placed by the Owner on his Lot in such manner that it will be visible from outside the Lot. The prohibitions herein shall not apply to Declarant or Builder(s) or their agents who may erect on their Lots such signs as they deem desirable to promote the sale of Lots. Only the Declarant or its approved Builder(s) may erect signs on the Common Areas or the Limited Common Area.
- 9.10 **Plumbing; Central Water and Sewer.** All plumbing, dishwashers, toilets and sewage disposal systems shall be connected to a sewage system approved by the appropriate governmental authority. The applicable governmental authority must certify that such system may be used prior to the use and occupancy of any dwelling on the Lot.
- 9.11 **Fuel Tanks and Garbage Containers.** All fuel storage tanks shall be buried below the surface of the Lot or located and screened by fencing or shrubbery as approved by the Committee. All outdoor receptacles for ashes, trash, rubbish or garbage shall either be screened or placed in the rear yard so as not to be visible from any street.
- 9.12 **Maintenance.** Except as may be maintained by the Townhomes Association pursuant to Article VI hereof, each Owner shall keep his Lot in an orderly condition and shall keep the improvements thereon in a suitable state or repair, promptly repairing any damage thereto by fire or other casualty. Each Owner shall further maintain the yard and landscaping on his Lot in a clean and neat condition and shall keep his yard picked up and clean so as not to be unsightly. All Owners shall keep their Lots, whether occupied or unoccupied, free of all tall grass, undergrowth, dead, diseased or decaying trees, weeds, trash, rubbish and debris and shall keep all Lots in a neat and attractive condition. All improvements erected on Lots shall be maintained in a clean, neat and orderly condition and in a good state of maintenance and repair.
- 9.13 **Vehicles and Parking.** Each Owner shall be provides space for parking (2) motor vehicles on his Lot, plus an enclosed garage space, prior to occupancy of any dwelling constructed on such Lot in accordance with reasonable standards established by the Committee. No commercial

vehicles over three-fourths (3/4) ton capacity, boat, motor home, bus (including school bus), travel trailer or other recreational vehicle may be stored overnight on any Lot unless the same be within the enclosed garage. This restriction shall not apply to sales trailers, construction trailers, or other vehicles which may be used by Declarant and its agents and contractors in the conduct of its business prior to completion of sales. No unlicensed vehicles may be kept or stored on a Lot.

- 9.14 **Antennas.** No radio, communication or television aerial or antenna or T.V. satellite dish [except those which do not exceed 24 inches in diameter and are located as approved in accordance with the procedure set forth in Section 3.5, and in no event, ever on the front or street facing elevation(s) of any dwelling], or any other external electronic equipment or devices may be installed or maintained on any exterior of any structure erected on a Lot unless the location, size and design has been previously approved by the Committee.
- 9.15 **Exercise and Recreational Equipment.** All swing sets, treehouses, play houses, basketball goals and similar equipment must be located as specified by the Committee, and must be approved by the Committee as to design, construction, materials, etc. Skateboard ramps are specifically not permitted.
- 9.16 **Reconstruction.** Any building on any Lot which is destroyed in whole or in part by fire, windstorm, flood or other Act of God must be rebuilt, or all debris from such building removed and the Lot restored to the condition it was in prior to commencement of construction of such building, with reasonable promptness; provided, however, that any such reconstruction must be completed within six (6) months from the date of such destruction or if no reconstruction is to occur, then all such debris must be removed and the Lot restored to its prior condition within three (3) months of such destruction.
- 9.17 **Subdivision.** No Lot shall be subdivided or its boundary lines changed without the prior written consent of the Declarant, provided, however, that the Declarant hereby expressly reserves to itself, its successors and assigns, the right to replat any two (2) or more Lots shown on the Maps of the Properties, and to otherwise change boundary lines as it may deem necessary.
- 9.18 **Interval Ownership.** No Owner may deed, sell, convey or otherwise transfer his Lot under any time-sharing or interval ownership arrangement and may not lease his Lot for less than six (6) months which must run consecutively.

- 9.19 **Hazardous Activities.** Nothing shall be done or kept on any Lot or in the Common Areas which will increase the rate of insurance of the Common Areas or any other Lot without the prior written consent of the Board of Directors of the Townhomes Association. No Owner shall permit anything to be done or kept in his Lot or in the Common Areas which would result in the cancellation of insurance on any part of the Common Areas, or which would be in violation of any law.
- 9.20 **Regulations.** Reasonable regulations governing the use of the Common Area and external appearance of all structures erected on the Lots may be made and amended from time to time by the Board of Directors of the Townhomes Association; provided, however, that all such regulations and amendments thereto shall be approved by a majority vote of the Members before the same shall become effective. Copies of such regulations and amendments thereto shall be furnished to each Member by the Townhomes Association Board upon request.
- 9.21 **Compliance.** In the event that the Owner of any Lot fails to comply with any of the restrictions set forth in this Article, the Governing Documents or such rules and regulations as may be subsequently promulgated by the Board, the Townhomes Association or Declarant, shall have the right (among other remedies which may be available), but not the obligation, to enter any Lot and undertake any necessary action in order to cure such Owner's default. All expense and cost incurred by the Declarant or Townhomes Association in curing such default shall be charged to the defaulting Owner, shall be payable by such Owner to the Declarant or Townhomes Association immediately upon demand and shall constitute a lien on the applicable Lot until paid.
- 9.22 **Alleys.** All alleys designated on any recorded Map(s) as "Alley" shall be used primarily for access to the Lots served thereby and for the installation and maintenance of utilities. Maintenance of Alleys shall be the responsibility of the Townhomes Association. All such Alleys shall function as and be maintained in the same manner as Limited Common Area, whether or not such designation shall appear on the recorded Map(s). All Alleys shall be open for general usage by the residents of Glenridge, but not by the public. The Alleys are open for use by the vehicles and personnel of any governmental entity or agency. Declarant and/or the Townhomes Association Board shall have the continuing right and easement to designate any such Alley or Alleys as having "one-way" vehicular traffic. No parking will be allowed in the Alleys.

ARTICLE X: EASEMENTS

- 10.1 **General.** Declarant reserves easements for the installation and maintenance of driveways, walkways, parking areas, water lines,

telephone, communications and electric power lines, gas lines, cable television lines, sanitary sewer and storm drainage facilities, pumping and lift stations, silt fences, drainage ditches and for other utility installations over the Properties as provided in Article III, Section 3.2(f) of this Supplemental Declaration. Each Owner, by his acceptance of a deed to a Lot, and the Townhomes Association by its acceptance of a deed to the Common Areas, acknowledges such reservation and the right to Declarant to transfer such easements to the Townhomes Association or to such utility companies as Declarant may choose. The easements reserved by Declarant include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or take any similar action reasonably necessary to provide economical utility installation and to maintain the overall appearance of the Development.

Certain of the easements referred to herein and reserved by Declarant may, but need not, be shown on the Maps. Declarant further reserves the right to locate wells, pumping stations, lift stations and tanks within any Common Areas or any residential Lot designated for such use on any Map or upon any Lot adjacent to such designated Lot with the permission of the Owner of such adjacent Lot.

Within any such easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation of sewage disposal facilities and utilities, or which may change the direction of flow or drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements. In addition, Declarant, and/or the Townhomes Association, shall have the continuing right and easement to maintain all water lines located on the Lots, including the right to go into dwellings and disturb the structure and floors thereof in order to maintain those lines located within or under said dwelling.

Each Lot now or hereafter subjected to this Supplemental Declaration shall be subject to all easements shown or set forth on the recorded plat or plats of survey upon which such Lot is shown. No structure of any type shall be erected or placed upon any part of a Lot or the Common Areas which shall interfere with rights and use of any and all easements shown on said recorded plat.

- 10.2 **Control of Signs.** Declarant, its selected Builders and its designers shall have the right to place permanent and temporary directional and advertising signs for Glenridge on the Common Areas and unsold Lots and within street rights-of-way until one hundred percent (100%) of the Lots have been sold.

- 10.3 **Emergency.** There is hereby reserved without further assent or permit and to the extent allowed by law a general easement to all firemen, ambulance personnel, policemen and security guards employed by Declarant and all similar persons to enter upon the Properties or any portion thereof, in the performance of their respective duties.
- 10.4 **Municipal Easement.** A general easement of access is granted to all utility providers, municipalities and governments into, over and through each Lot for the purpose of maintaining, repairing and servicing the utility lines located on said Lot and for providing municipal services to which said Lot is entitled.
- 10.5 **Alley Easements.** The Declarant hereby grants and conveys to all Lot owners and the Townhomes Association, its successors and assigns, a permanent, nonexclusive easement and right-of-way over the easement twenty-five (25) feet in width (hereinafter "Alleys"). Alleys which are located along the rear of, or adjacent to, certain Lots as designated on a duly recorded Map(s). Said Alleys shall be primarily (but not necessarily limited to) for access to the adjoining Lots served thereby; such Alleys shall be maintained in the same manner as any of the Common Areas. Maintenance of Alleys shall be the responsibility of the Townhomes Association. Declarant and/or the Townhomes Association shall have the continuing right and easement to designate any such Alley or Alleys as having "one-way" vehicular traffic.

ARTICLE XI: GENERAL PROVISIONS

- 11.1 **Covenants Running with the Land.** All provisions of this Supplemental Declaration shall be construed to be covenants running with the land, and with every part thereof and interest therein, and every Owner or any other person or legal entity claiming an interest in any Lot and his heirs, executors, administrators, successors and assigns, shall be bound by all of the provisions of this Supplemental Declaration.
- 11.2 **Duration.** The covenants, conditions and restrictions of this Supplemental Declaration shall be binding for a term as set forth in the Declaration as recorded, after which time they shall be automatically extended for successive and additional periods of ten (10) years each.
- 11.3 **Amendment.** This Supplemental Declaration may be amended, changed or terminated at any time by an instrument signed by not less than sixty-seven percent (67%) of the Owners subject to the following conditions:
- (a) Notwithstanding anything in this Section 11.3 to the contrary, Declarant may, at Declarant's option, amend this Supplemental Declaration without obtaining the consent or approval of any other

person or entity if such amendment is necessary to cause this Supplemental Declaration to comply with the requirements of the FHA, VA, the Federal National Mortgage Association or other similar agency.

- (b) No amendment shall become effective until the instrument evidencing such change has been filed of record in the Mecklenburg County Public Registry.

- 11.4 **FHA/VA Approval.** In the event the Declarant, its successors or assigns, has arranged for and provided purchaser of Lots with FHA insured or VA mortgage loans, then as long as any Class B Lot exists, as provided in Article I hereof, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties (other than as provided in Article II of this Supplemental Declaration of Covenants, Conditions and Restrictions), deeding, mortgaging or dedication of Common Areas to persons other than the Townhomes Association or amendment of this Supplemental Declaration.
- 11.5 **Enforcement.** If any Owner shall violate or attempt to violate any of these restrictions, failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, maintainable by the Board on behalf of the Townhomes Association, or, in proper case, by an aggrieved Owner. Any failure by the Townhomes Association or any other Owner to enforce any of the foregoing restrictions or other provisions shall in no event be deemed a waiver of their right to do so thereafter. Invalidation of any covenant, condition or restriction or other provision of this Supplemental Declaration shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.
- 11.6 **Headings.** Headings are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular paragraphs to which they refer.
- 11.7 **Unintentional Violation of Restrictions.** In the event of unintentional violation of any of the foregoing restrictions with respect to any Lot, the Declarant or its successors reserve the right (but shall be under no obligation or duty), by and with the mutual written consent of the then Owner or Owners of such Lot, to change, amend or release any of the foregoing restrictions as the same may apply to that particular Lot.
- 11.8 **Severability.** The provisions of this Supplemental Declaration are severable and the invalidity of one or more provisions hereof shall not be

deemed to impair or affect in any manner the validity, enforceability or effect of the remainder hereof.

11.9 Conflict. In the event of a conflict between the provisions of this Supplemental Declaration and any other supplemental declaration or the Declaration and any further supplements thereto, it shall be deemed that this Supplemental Declaration shall be subordinate to, subject to and inferior to the aforesaid Declaration and its supplements now on record or hereafter created.

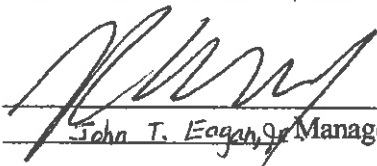
11.10 Supremacy of Master Association. It is recognized that the Existing Property which is added hereby to Glenridge Subdivision is a part of the larger Glenridge community. In addition to all the rights and obligations which have been conferred or imposed upon the Townhomes Association pursuant to the Governing Documents, the Townhomes Association shall be, to the exclusion of any other subordinate association, entitled to exercise all rights conferred upon it, including all the obligations imposed upon it in this Supplemental Declaration or any other supplemental declaration. The Townhomes Association shall be inferior in all respects to the Association, and the Association shall have superior rights and powers which have been previously or herein conferred upon the Association pursuant to its initial Declaration, Bylaws and any other declarations, including this Supplemental Declaration. The Association be and is hereby granted irrevocably the absolute right, but not the duty or obligation, to amend, change or veto any decision or action of the Townhomes Association, which said right shall not be capriciously exercised by the Association.

11.11 Representation Upon Master Association Board of Directors. One (1) member to serve upon the Master Association Board of Directors shall be selected by the Townhomes Association Board of Directors and said Association Board member shall be a full and empowered member of said Association Board of Directors in all respects. The Declarant acknowledges that the existing Association Board of Directors shall have five (5) members and the Townhomes Association Board member of the Association Board of Directors shall therefore constitute one-fifth (1/5) of the membership of the Association Board of Directors. The Declarant agrees and covenants that it will not increase the size of the Board in any manner so as to dilute the voting power of the Townhomes Association Board member on the Association Board of Directors.

11.12 Reservation of Declarant Rights. Notwithstanding any provision herein set forth, the Declarant shall and does hereby continue its reservation of all its rights as set forth in the Declaration, and nothing contained herein shall limit those said rights.

IN WITNESS WHEREOF, the undersigned have caused this Supplemental Declaration to be executed effective the day and year first above written.

WP INVESTMENT GROUP, LLC

By: 
John T. Eagan, Jr. Manager

STATE OF NORTH CAROLINA
Forsyth COUNTY

I, a Notary Public of the County and State aforesaid, certify that John T. Eagan, Jr. personally came before me this day and acknowledged that he is Manager of WP INVESTMENT GROUP, LLC, and that by authority duly given and as the act of the limited liability company, the foregoing instrument was signed in its name by him as its Manager.

Witness my hand and official seal, this 27th day of June, 2001.

My Commission Expires:
12-12-03


Notary Public

