

002436

RECORDED - 992289  
JEFF L. THIGPEN  
REGISTER OF DEEDS  
GUILFORD COUNTY, NC  
BOOK: 6373  
PAGE(S): 2436 TO 2440  
08/11/2005 13:55:31

	08/11/2005	GUILFORD CO. NC	
1	MISC DOCUMENTS	992289	\$12.00
3	MISC DOC ADDN PGS		\$9.00
1	PROBATE FEE		\$2.00

~~Prepared by and Mail to:~~ Steven E. Black, Forman Rossabi Black PA  
P.O. Box 41027, Greensboro, NC 27404

*du Black*

*4/AA*

NORTH CAROLINA  
GUILFORD COUNTY

AMENDMENT TO DECLARATION OF  
COVENANTS, CONDITIONS AND  
RESTRICTIONS FOR TARRANT TRACE

THIS AMENDMENT TO DECLARATION is made this the 21 day of July, 2005, by Tarrant Trace, LLC, the developer and Declarant for Tarrant Trace. Hereinafter Tarrant Trace, LLC is referred to as "Declarant."

WITNESSETH THAT

WHEREAS, Declarant, a North Carolina limited liability company caused the Declaration of Covenants, Conditions and Restrictions for the Tarrant Trace development to be recorded in Book 5254, Page 1563 of the Guilford County Register of Deeds; and

WHEREAS, as of the time of the recording of this Amendment, the property within the Association could be found within the following Plat Books and Pages of the Guilford County Register of Deeds:

- Plat Book 142 Page 37;
- Plat Book 143, Page 148;
- Plat Book 145, Page 80;
- Plat Book 146, Page 49;
- Plat Book 147, Page 69;
- Plat Book 149, Page 65;
- Plat Book 151, Page 31; and
- Plat Book 157, Page 116.

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WHEREAS, Article XI of the Declaration provides that:

Notwithstanding any provision to the contrary, the rights and easements created under this Declaration are subject to the right of Declarant to execute all documents and do all other acts and things affecting the premises, which in the Declarant's opinion, are required to implement any right of Declarant set forth in this Declaration (including the making of any dedications or conveyances to public use) provided any such document or act is not inconsistent with the then existing property rights of any owner.

WHEREAS, the North Carolina Planned Community Act provides that a Declarant has Special Declarant Rights which include any right to complete improvements indicated on plats and plans for the Community, and the right to exercise any development right.

WHEREAS, each Plat for the Tarrant Trace Community provides that the Tarrant Trace Homeowners Association will be responsible for all on-site water and sewer utilities.

WHEREAS, at the time of the recording of this amendment, the Declarant still owns Lots within the Association and is still developing the community.

WHEREAS, the Declarant desires to amend the Declaration pursuant to the authority set forth above.

NOW THEREFORE, the Declaration shall be amended as follows:

As a clerical correction, Article IV entitled "Easements" on Page 14 of the original Declaration is to be "Article IX" entitled "Easements." The same is hereby amended as a clerical correction.

In addition, the following shall be added to Article I:

"Section 10. "Disposal System" shall mean and refer to the wastewater collection system, with pumps, wastewater treatment works, and disposal facilities, along with any appurtenances thereto, if any."

Article III, Section 6 is deleted in its entirety and replaced with the following:

"Section 6. Amendment. Notwithstanding the provisions of Section 5 above, the Bylaws of the Association may be amended by a majority of the Board of Directors at a duly called meeting of the Directors. So long as the Declarant owns

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any Lot, the Bylaws may not be amended without the Declarant's prior written consent."

The following shall be added to Article IV, Section 2:

"(n) to provide funds for the maintenance, operation, repair and replacement of the Disposal System. The Disposal System shall receive the highest priority for expenditures by the Association except for Federal, State, and local taxes and insurance."

The following shall be added to Article IV, Section 4:

"Notwithstanding, in the event that the Annual Assessments and separate fund (as set forth in Article IV, Section 11 below) are not adequate for the construction, repair, and maintenance of the Disposal System, the Board of Directors may, at any point in time and in their sole discretion, impose a Special Assessment for the sole purpose of necessary construction, reconstruction, repair, replacement, maintenance, and operation of the Disposal System. There shall be no limit on the amount of such Special Assessment."

The following shall be added to Article IV, Section 6:

"Notwithstanding, no meeting or vote shall be required for Special Assessments imposed for the sole purpose of necessary construction, reconstruction, repair, replacement, maintenance, and operation of the Disposal System."

The following shall be added to Article IV:

"Section 11. Disposal System Fund. The Disposal System will be maintained out of the Annual Assessments. In order to assure that there shall be funds readily available to repair, maintain, or construct the Disposal System beyond the routine operation and maintenance expenses, a fund shall be established which shall be separate from the routine maintenance fund allocated for the facility and shall be part of the yearly budget."

The following shall be added to Article X, Section 1:

"The Disposal System and appurtenances thereto are part of the Common Area and shall hereafter be properly maintained and operated in conformity with law and the provisions of the permit for construction, operation, repair, and maintenance of the system and facilities. If a wastewater collection system and wastewater treatment and/or disposal facility provided by any city, town, village, county, water and sewer authorities, or other unit of government shall hereinafter become available to serve the Property, the Association shall take such action as is necessary to cause the existing and future wastewater of the Property to be accepted and discharged into said governmental system, and shall convey or

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transfer as much of the Disposal System and such necessary easements as the governmental unit may require as condition of accepting the Properties' wastewater."

The following shall be added to Article XII. Section 9:

"Section 9. Notwithstanding any other provisions of this Declaration, and recognizing that it would be contrary to the public interest and to the public health, safety and welfare for the Association to enter into a voluntary dissolution without having made adequate provisions for the continued proper maintenance repair and operation of it Disposal System. the Association shall not enter into a voluntary dissolution without first having transferred its said system and facilities to some person, corporation or other entity acceptable to and approved by the Environmental Management Commission.

Section 10. The Association shall not transfer, convey, assign or otherwise relinquish or release its responsibility for the operation and maintenance of its Disposal System until a permit has been reissued to the Association's successor."

This the 21 day of July 2005.

Tarrant Trace, LLC  
By: LandCraft Properties, Inc., Manager

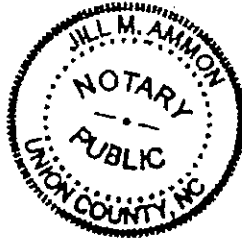
By: [Signature]  
EVP, Member/Manager (circle one)  
By: LandCraft Properties, Inc., Manager

NORTH CAROLINA  
GUILFORD COUNTY  
~~NECKLEH BURG~~

I, the undersigned, a Notary Public for <sup>Union</sup> said County and State, do hereby certify that ~~MATTHEW A MC DONALD, EVP of LANDCRAFT PROPERTIES, INC.~~ <sup>is itself the manager of</sup> Member/Manager (circle one) of Tarrant Trace, LLC, a limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and official seal this 21<sup>ST</sup> day of July, 2005.

My Commission Expires:  
April 28, 2010



[Signature]  
NOTARY PUBLIC

432627

mail: Landcraft Properties  
603 F Eastchester Dr.  
High Point, NC 27262

DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
TARRANT TRACE

RECORDED - 470647  
KATHERINE LEE PAYNE  
REGISTER OF DEEDS  
GUILFORD COUNTY, NC  
BOOK: 5254  
PAGE(S): 1563 TO 1586  
06/26/2001 16:44:13

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THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this 142 day of 37, 2001 by TARRANT TRACE, LLC, a North Carolina corporation (hereinafter referred to as "Declarant").

STATEMENT OF PURPOSE

Declarant is the owner of certain property in Guilford County, North Carolina, shown on recorded maps of TARRANT TRACE, which is more particularly described in Article II below, and desires to create thereon an exclusive residential community of single family attached residential units to be named TARRANT TRACE.

Declarant desires to ensure the attractiveness of TARRANT TRACE, and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of all properties within TARRANT TRACE and to provide for the maintenance and upkeep of the exterior of all residential units and the common areas in TARRANT TRACE. To this end the Declarant desires to subject the real property shown upon the attached Schedule A to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof.

Declarant further desires to create an organization to which will be delegated and assigned the powers of owning, maintaining and administering the common area and the exterior of the residential units in TARRANT TRACE, administering and enforcing the covenants and restrictions contained herein, and collecting and disbursing the assessments and charges hereinafter created in order to efficiently preserve, protect and enhance the values and amenities in TARRANT TRACE to ensure the residents' enjoyment of the specific rights, privileges and easements in the common amenities, and to provide for the maintenance and upkeep of the exterior of all residential units and the common area and amenities.

To that end the Declarant has or will cause to be incorporated under North Carolina law, TARRANT TRACE OWNERS' ASSOCIATION, INC., as a nonprofit corporation for the purpose of exercising and performing the aforesaid functions.

NOW, THEREFORE, Declarant, by this Declaration of Covenants, Conditions and Restrictions, does declare that all of the property described herein is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens set forth in this Declaration which shall run with the real property and be binding on all parties owning any right, title or interest in said real property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof

ARTICLE I

06/26/2001	GUILFORD CO. NC	
1 HISC DOCUMENTS	470647	\$6.00
22 HISC DOC ADDN PGS		\$44.00
1 PROBATE FEE		\$2.00

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## DEFINITIONS

Section 1. "Association" shall mean and refer to TARRANT TRACE OWNERS' ASSOCIATION, INC., a North Carolina nonprofit corporation, its successors and assigns.

Section 2. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners. "Common Area" shall include all private streets shown on said plats as now recorded or shall be hereinafter recorded in the County Public Registry and shall also include the permanent wet detention pond as shown on the Map. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is all of the area labeled as "Common Area" on the Map and on any maps of any additions to the Property.

Section 3. "Declarant" shall mean and refer to TARRANT TRACE, LLC, its successors and assigns, and also shall mean and refer to any person, firm or corporation which shall also be designated as a "Declarant" by TARRANT TRACE, LLC, hereafter when such designee becomes vested with title to two or more undeveloped Lots for the purpose of causing dwellings to be constructed thereon, and any such successor in title to TARRANT TRACE, LLC, shall be a Declarant during such period of time as said party is vested with title to two or more such Lots (whether undeveloped or developed and un conveyed), but no longer. Said designation as a Declarant shall automatically terminate if such party no longer owns at least two (2) Lots.

Section 4. "Development" shall mean and refer to TARRANT TRACE, a single-family attached residential unit development proposed to be developed on the Properties by the Declarant.

Section 5. "Lot" shall mean and refer to any plot of land, with delineated boundary lines, appearing on the Map with the exception of the Common Area and public roads and streets.

Section 6. "Map" shall mean and refer to the map of the Property as recorded in Plat Book 142 at Page 37 in the Guilford County, North Carolina, Public Registry, and the maps of any additions to the Property which may be recorded by Declarant in the Guilford County, North Carolina, Public Registry hereafter.

Section 7. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 8. "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 the Declarant if it owns any Lots, and including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 9. "Property" or "Properties" shall mean and refer to the "Existing Property" as

described in Article II, Section 1, and additional real estate dedicated in additional Phases as described in Section I and Section 2 in Article II hereof, and such other property as may hereafter be made subject to this Declaration and brought within the jurisdiction of the Association.

ARTICLE II  
PROPERTY SUBJECT TO THIS DECLARATION  
AND WITHIN THE JURISDICTION OF  
THE TARRANT TRACE OWNERS' ASSOCIATION, INC.

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, and within the jurisdiction of the Association, is located in Guilford County, North Carolina, and is that certain property shown on the Map recorded in Plat Book 142 at Page 37 in the Guilford County Public Registry (the "Existing Property").

Section 2. Additional Properties.

(a) Additional property (the "Additional Property") adjoining or near the Existing Property or any additions to the Existing property (including any property located within the boundaries of that certain approximately 23.10-acre tract more particularly described on Schedule A attached hereto and incorporated herein by reference), may be brought within the scheme of this Declaration in one or more additional Phases and within the jurisdiction of the Association in future stages of development, without the consent of the Association or its members, provided that such annexations occur within fifteen (15) years after the date of the filing of this instrument. Declarant shall not be obligated to subject any Additional Property to this Declaration.

(b) The additions authorized under subsection (a) above shall be made by filing Supplementary Declarations of Covenants, Conditions and Restrictions with respect to the Additional Properties in the Guilford County, North Carolina, Public Registry which shall extend the scheme of this Declaration and the jurisdiction of the Association to such Properties and thereby subject such additions to the benefits, agreements, restrictions and obligations set forth herein, including, but not limited to, assessments as herein determined. At the time of the filing of each such Supplementary Declaration, there shall be recorded in the Guilford County, North Carolina, Public Registry a Map which shows the boundary line of each Lot annexed pursuant to such Supplementary Declaration and which delineates all Common Area annexed pursuant to such Supplementary Declaration.

(c) The obligation for Owners of Lots in any portion of the Additional Properties to pay the assessments described in Article IV hereof shall commence as to such Lots on the date a particular Lot is conveyed to an Owner from Declarant. The Owners of such Lots shall have the same voting rights as the Owners of Lots in the Existing Property, and such voting

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rights shall commence as of the date of the filing of Supplementary Declarations described in Section 2(b) of this Article II.

**ARTICLE III  
MEMBERSHIP, VOTING RIGHTS AND CONTROL  
OF THE ASSOCIATION**

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

Section 2. Availability of Documents. The Association shall maintain current copies of the Declaration, the Bylaws and other rules concerning the Development as well as its own books, records and financial statements available for inspection by all Owners, mortgagees and insurers and guarantors of mortgages that are secured by Lots. All such documents shall be available upon reasonable notice and during normal business hours. In addition, any mortgagee may, at its own expense, have an audited statement prepared with respect to the finances of the Association.

Section 3. Maintenance. Certain features that are deemed common amenities, being of benefit to all Lots, shall be maintained exclusively by the Association. Said common amenities shall include, without limitation, sidewalks, common walks, entry, irrigation, landscaping and street lighting; and wet detention ponds as directed by the governmental office having jurisdiction for watershed protection.

The Association shall not be responsible for the maintenance of any Lots or the improvements within the boundaries thereof The Owner shall be responsible for same.

Section 4. Reserve Fund. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of all common amenities which the Association is obligated to maintain. Such reserve fund shall be maintained out of the annual assessments described in Article IV hereof.

Section 5. Voting Rights and Classes of Lots. The voting rights of the Membership shall be appurtenant to the ownership of Lots. There shall be two classes of Lots with respect to voting rights:

(a) Class A Lots. Class A Lots shall be all Lots except Class B Lots as defined below. Each Class A Lot shall entitle the Owner(s) of said Lot to one (1) vote. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to said 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 Class A Lot.

(b) Class B Lots. Class B Lots shall be all Lots owned by Declarant which



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have not been conveyed to purchasers who are not affiliated with the Declarant. The Declarant shall be entitled to three (3) votes for each Class B Lot owned by it. The Class B Lots shall be converted to Class A Lots on the happening of either of the following events, whichever occurs earlier: (i) when the total votes outstanding in the Class A Lots equals the total votes outstanding in the Class B Lots, or (ii) on December 31, 2005.

Section 6. Amendment. Notwithstanding the provisions of Section 5 above, so long as the Declarant owns any Lot, the Bylaws to the Association may not be amended without its written consent.

Section 7. Board of Directors. The Association shall be governed by a Board of Directors in accordance with the Bylaws. Until the Class B Members are converted to Class A Members, Declarant is entitled to appoint all Board of Directors members, and the Association need not hold a meeting to elect directors until conversion of the Class B Members.

**ARTICLE IV  
COVENANT FOR MAINTENANCE ASSESSMENTS**

Section 1. Creation of the Lien and Personal Obligation for Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments or charges, damage assessments and special assessments for capital improvements, established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs and reasonable attorneys' fees, shall be a charge and a continuing lien upon the Lot against which each such assessment or charge is made. Each such assessment or charge, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to an Owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Annual Assessments. The annual assessments levied by the Association shall be used as follows:

- (a) to maintain any landscaping within the boundaries of the Common Area;
- (b) to maintain and replace, as necessary, picnic tables and play equipment located within the Common Area;
- (c) to keep the Common Area clean and free from debris and to maintain same in a clean and orderly condition;
- (d) to pay all ad valorem taxes, if any, levied against the Common Area and

any other property owned by the Association;

(e) to maintain an entrance sign, landscaping and lighting fixtures at the entrance to the Property within the sign, fence and landscape easement area shown on the Map;

(f) to pay the premiums on all hazard and liability insurance carried by the Association;

(g) to pay all legal, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the Bylaws;

(h) to pay all costs for repair and/or maintenance of the permanent wet detention pond; which will include but not be limited to the cost of repairs, replacements and additions, and the cost of labor, equipment, materials and management, and supervision;

(i) to maintain and improve, as necessary, the exterior of the dwellings;

(j) to maintain and repair the parking areas situated on the common area;

(k) to pay all costs and assessments for public and private improvements made to or for the benefit of the common area;

(l) to pay all costs associated with the maintenance of all property owned or maintained by the Association;

(m) to maintain a contingency reserve fund as determined from time to time by the Board of Directors of the Association.

Section 3. Maximum Annual Assessment. Until January 1 of the calendar year following the conveyance of the first Lot by the Declarant to another Owner, the maximum annual assessment for each Lot shall be Twelve Hundred Dollars (\$1,200.00), except that pursuant to Section Five of this Article, the maximum annual assessment for Lots owned by Declarant which are not occupied as a residence shall be \$300.00 per Lot.

(a) The maximum annual assessments established above may be increased, effective January 1 of each calendar year following the conveyance of the first Lot by the Declarant to another Owner, without a vote of the membership by an amount not to exceed the greater of (i) fifteen percent (15%) per year over the previous year or (ii) the percentage increase, if any, in the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for all cities over the immediately preceding twelve (12) month period which ended on the previous October 1. If the annual assessment is not increased by the maximum amount permitted under the terms of this provision, the difference between any actual increase which is made and the maximum increase permitted for that year shall be computed and the assessment may be increased by that amount in a future year at the election of all members of the Board of Directors

without a vote of the membership, in addition to the maximum increase permitted under the terms of the preceding sentence.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, said maximum annual assessments may be increased without limitation if such increase is approved by Members entitled to no less than sixty-seven percent (67%) of all of the votes (appurtenant to each class of Lots) to which all Members are entitled. Such voting may be represented in person or by proxy at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessments at amounts not in excess of the maximum. If the Board of Directors shall levy less than the maximum annual assessment for any calendar year and thereafter, during such calendar year, determine that the important and essential functions of the Association cannot be funded by such lesser Assessment, the Board may, by majority vote, levy a Supplemental Assessment. In no event shall the sum of the initial and Supplemental Assessments for that year exceed the applicable maximum annual assessment.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, from time to time, a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon a common amenity, and in connection with exterior maintenance (as described in Article 5, Section 1, including fixtures and personal property related thereto, provided that any such assessment requires the same assent of the Members as provided in Section 3(b) of this Article.

Section 5. Assessment Rate. Except as otherwise specifically provided herein, both annual and special assessments must be fixed at a uniform rate for all Lots and shall be collected on a monthly basis. Provided, however, that the assessment for Lots owned by Declarant which are not occupied as a residence, shall at all times be twenty-five percent (25%) of the regular assessments for other Lots

Section 6. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At such meeting, the presence of Members or of proxies entitled to cast fifty-one percent (51%) of all the votes of each Class of membership shall constitute a quorum. If the required quorum is not present, subsequent meetings may be called, subject to the same notice requirement, until the required quorum is present. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting,

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to each building on the date on which the first unit in such building is conveyed to an Owner from Declarant. The first annual assessment

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shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance. In no event shall a mortgagee of a Lot be required to collect any unpaid assessments owed by the Owner of such Lot.

Section 8. Damage Assessment. In the event the Association finds that an Owner has damaged any of the common amenities, the Association may levy an assessment on such Owner's Lot for the purpose of paying for the cost of any construction, reconstruction, repair or replacement of any damaged component of the common amenities, including the sidewalks and street lighting fixtures serving the Development, and the amount of said assessment shall be a lien with respect to said Lot.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the lesser of (i) eighteen percent (18%) per annum, or (ii) the then current maximum rate of interest allowed by law of the State of North Carolina. 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 Association. The Association may bring an action at law against the delinquent Owner or foreclose the lien against the Lot, and interest, late payment charges, related costs and reasonable attorneys' fees and court costs of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by not using the Common Area or abandoning his Lot. Failure to pay an assessment when due on a particular Lot shall not constitute an event of default under any mortgage or deed of trust encumbering such Lot.

Section 10. Subordination of the Lien to 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 mortgage foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer; provided, however, that the Board of Directors may, in its sole discretion, determine such unpaid assessments to be an annual or a 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 annual assessment to be in excess of the maximum permitted under Section 3. No sale or transfer shall relieve the purchaser of such Lot from liability for any assessments 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.

ARTICLE V  
EXTERIOR MAINTENANCE AND PARTY WALLS

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Section 1. Exterior Maintenance. In addition to maintenance of the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint and/or stain the exterior of the townhouses, repair, replace and care for roofs, exterior building surfaces, trees and shrubs (excluding those planted by an Owner), grass, walks, mailboxes, fences installed by Declarant or the Association, exterior post lights (excluding electricity therefor), and other exterior improvements. Such exterior maintenance shall not include glass surfaces. Further, the Owner of any Lot may, at his election, plant flowers in the front and rear beds, if any, established by Declarant in developing the Lot, provided that such maintenance by the Owner does not hinder the 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 Association. The Owner shall not plant any vegetation in the front yard except with the prior written approval of the Association. If an owner shall erect a fence that encloses a portion of his Lot, the Association shall not be liable for any repair or maintenance within the fenced in area or for the fence structure.

(As a matter of information to future Members of the Association, the Declarant wishes 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 interest of the entire Association that all units be properly maintained and that the 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, or 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 Association 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 Association's hereunder.

Section 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 Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. 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.

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(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, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(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.

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

**ARTICLE VI .  
ARCHITECTURAL CONTROL**

No building, fence, signs, wall, antenna or other structure shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein (including but not limited to, color or painting or the exterior and type of exterior finish, any existing or builder-installed construction material, plant material or ground cover) be made, except in exceptional cases, when in such case, three copies of the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board (said committee being hereinafter referred to as the "Architectural Control Committee"). Absent such approval, the proposed improvement may not be commenced. No fence, deck or patio may be erected or constructed so as to extend more than eleven (11) feet from the predominant rear building line of the dwelling located on the Lot. "Predominant Rear Building Line" shall be defined as the original ground floor rear building line (excluding storage rooms). If more than one Rear Building Line exists (due to building offsets) the line with the maximum lineal footage will be considered the "Predominant Rear Building Line." No fence, deck or patio may be constructed or erected in the side yard of Lots located at the ends of buildings. All approved improvements shall be

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constructed only on the Lot for which approval has been granted. If a homeowner fences in an area of property, the Association will no longer be responsible for maintenance of the landscape or property inside the fenced area. In any event, chain link or other metal fencing is expressly prohibited, except that a 2" x 4" mesh may be used with split rail fencing to contain animals within the yard of a Lot.

Notwithstanding the above, the Board of Directors of the Association shall have the authority to waive this restriction in exceptional cases where the construction of fences, decks or patios more than eleven (11) feet from the Predominant Rear Building Line, but still within the Lot lines, do not adversely affect any of the conditions or restrictions contained in this Declaration.

In the event an Owner of any Lot in the Properties shall make unauthorized changes to the premises and the improvements situated thereon in a manner unsatisfactory to the said Board of Directors or the Architectural Control Committee, said Board of Directors or the Architectural Control Committee shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance and any other costs or attorney's fees incurred in the enforcement of the rights under these provisions shall be added to and become a part of the assessments to which such Lot is subject. Any approval by the said Board of Directors or the Architectural Control Committee shall be in accordance with the requirements set forth hereafter.

**ARTICLE VII  
INSURANCE**

Section 1. Insurance. 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 respective Owners for their own benefit and that of their mortgagees as their interests may appear. 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 Association included in the Common Area and facilities shall be insured in an amount equal to one hundred percent (100%) insurable replacement value as determined annually by the 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

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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. Public liability insurance shall be secured by the Association with limits of liability of no less than One Million Dollars (\$1,000,000.00) per occurrence. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be desirable and necessary.

(d) Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association and shall be included as part of the annual assessment described in Article IV above.

(e) Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees, as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustees under this Declaration. The sole duty of the 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 Area and facilities held for the 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 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.

Section 2. Distribution of Insurance Proceeds. Proceeds of insurance policies received by the 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.



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(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.

Section Three. Fidelity Insurance or Bond. All persons responsible for or authorized to expend funds or otherwise deal in the assets of the Association or those held in trust, shall first be bonded by a fidelity insurer to indemnify the 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 USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each Lot and the Common Area. Such rules and regulations may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration.

Section 2. Antennae, Satellite Dishes and Disks. No antennae, satellite dishes or disks, ham radio antennae or antenna towers for receiving or transmitting radio, television or other electronic transmission shall be permitted to be placed or used upon any Lot, except for small television receiving disks, not exceeding eighteen inches (18") in diameter, attached to or ground mounted immediately adjacent to the rear or side of the residential dwelling or attached garage on a Lot.

Section 3. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood.

Section 4. Dwelling Size. The total square footage of the main structure located on a Lot, exclusive of one-story open porches and garages, shall not be less than 900 square feet.

Section 5. Nuisances. No activity deemed noxious or offensive by the Architectural Control Committee shall be carried on upon any Lot or within the Common Area, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood as determined by said Architectural Control Committee. Examples of such offensive activities shall include, but to be limited to, the origination or emission of any loud or disturbing noise or vibrations, the maintenance of an auto repair site, the maintenance of unsightly outdoor storage of personal property (including toys, motorcycles or other motor vehicles, tricycles, bicycles, wood piles or other miscellaneous items) on porches, patios, terraces or yards, or similar unsightly activity not in keeping with the aesthetic character and high level of appearance of the community. The Architectural Control Committee, with the approval of the Board of Directors, may establish reasonable rules and

regulations for enforcing the provisions of this Section Five.

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Section 6. Parking of Vehicles and Use of Property. No house trailer, boat, boat trailer, camper, tent, shed, or any other such vehicle, trailer, vessel or temporary structure shall be permitted to be parked or placed within the Properties except within area(s) which may be specifically designated for such purposes by the Association; provided, however, temporary buildings and other structures shall be permitted during the construction period of houses or as a temporary real estate sales office of Developer for the sale of lots. No garage, outbuilding, or other appurtenant structure shall be used for residential purposes, either temporarily or permanently, nor shall any portion of the property (except as expressly stated in the preceding sentence) be used except for residential purposes and for purposes incidental or necessary thereto.

Section 7. Signs. With the exception of signs erected by Declarant or its assigns pursuant to Article XI hereof, no sign of any kind whatsoever shall be erected upon or displayed or otherwise exposed to view on any Lot or any improvement thereon without the prior written consent of the Board of Directors of the Association.

Section 8. Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot; provided, however, dogs, cats or other household pets may be kept, provided they are not kept, bred or maintained for any commercial purposes, and provided facilities for such pets, and pets themselves do not create a nuisance as determined by the Board of Directors or its designated committee, in which case the nuisance will immediately be abated upon request of said Board of Directors or its designated committee.

Section 9. Control of Dogs. Every person owning or having possession, charge, care, custody or control of any dog shall keep such dog exclusively upon his own premises; provided, however, that such dog may be off the premises if it be under the control of a competent person and restrained by a chain, leash or other means of adequate physical control.

Section 10. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish, and all trash, garbage or other waste shall be stored in sanitary containers in accordance with the rules and regulations of any health or public safety authority having jurisdiction over the property. All incinerators or other equipment shall be kept in clean and sanitary condition. No trash, garbage or other waste may be placed within the Common Area, except in containers approved by the Board of Directors.

Section 11. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon any Lot or within the Common Area. No derrick or other structure designated for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot or within the Common Area.

**ARTICLE IV  
EASEMENTS**

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All of the Properties, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone, and electric power line and other public utilities as shall be established by the Declarant or by its predecessors in title, prior to the subjecting of the Properties to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under, and across the Common Areas conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Properties. In addition, there is hereby reserved in and to the Declarant and its agents and employees an easement and right of ingress, egress, and regress across all Common Area, now or hereafter owned by the Association, for the purpose of construction of improvements within the Properties, including the right of temporary storage of construction materials on said Common Area.

So long as Declarant owns any property described on Exhibit "A," Declarant reserves blanket easements and the right to grant such specific easements over all Lots and Common Area, as may be necessary in conjunction with the orderly development of the property described on Exhibit "A" or any adjacent property (including without limitation the planning, construction, marketing, leasing, management and maintenance of improvements) for access, construction and maintenance of public or private utilities and storm drainage (whether subsurface or surface). No such easements may be located within the area beneath any building located thereon.

All Lots shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots by the Declarant to the extent that such initial improvements actually encroach including, but not limited to, such items as overhanging eaves and walls.

Declarant reserves access easements over all Lots for construction, either for that Lot or any adjacent property and easements for the installation of public or private utilities and storm drainage (whether subsurface or surface).

There are reserved cross-easements in favor of Owners of Lots that comprise a building for access to and from each other Lot comprising the building and the common area adjacent to the Lots comprising the building, including, but not limited to the transportation of roll-out garbage containers; however, this does not include access to approved decks, patios or areas with approved fences.

## ARTICLE X PROPERTY RIGHTS

Section 1. Ownership of Common Area. Prior to the conveyance of the first Lot by Declarant to a non-affiliated Owner, Declarant shall convey the Common Area to the Association free and clear of all liens and encumbrances other than the lien of ad valorem property taxes and all valid and enforceable easements and restrictions of record. Notwithstanding the recordation of any Map or any other action by Declarant or the Association, all Common Area shall remain private property and shall not be considered as dedicated to the

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use and enjoyment of the public; provided, however, that Declarant or the Association may offer roads and streets previously a part of the Common Area for dedication to the appropriate governmental authorities and if such roads or streets are accepted for dedication by such governmental authorities, then such roads or streets shall then be considered dedicated to the use and enjoyment of the public.

Section 2. Owners' Rights to Use and Enjoy Common Area. Each Owner shall have the right to use and enjoy the Common Area which shall be appurtenant to and shall pass with the title to his Lot, subject to the following:

(a) the right of the Association to promulgate and enforce reasonable regulations governing the use of the Common Area to ensure the safety and rights of all Owners;

(b) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(c) the right of the Association to suspend the voting rights in the Association and right to use the Common Area by an Owner 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;

(d) the right of the Declarant or the Association to grant utility, drainage and other easements of the type and for the purposes set forth in Article IV across the Common Area; and

(e) the right of the Association to mortgage all or any part of the Common Area or to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such mortgage, dedication or transfer shall be effective unless such mortgage, dedication or transfer is approved by at least two-thirds (2/3) of each class of Members.

(f) the right of individual owners to the exclusive use of parking spaces as provided in this Article;

(g) the right of the Association to enter any Lot in order to perform any maintenance, alteration, or repair required herein to be performed by the Association and the Owner of such lot shall permit the Association or its representative to enter for such purpose at reasonable times and with reasonable advance notice;

(h) the right of the Association 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.

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Section 3. Owner's Easements for Ingress and Egress. Every Lot shall be conveyed with a perpetual, nonexclusive right to use any roadway which may be constructed by the Declarant and dedicated to the public and accepted for maintenance by the State Highway Department, for the purpose of providing access to and from each Lot.

Section 4. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws of the Association, his right of enjoyment to the Common Area and facilities to the members of his family, his guests, his tenants, or contract purchasers who reside on his Lot.

Section 5. Parking Rights. Ownership of each Lot shall entitle the Owner or Owners thereof to the use of not more than two (2) automobile parking spaces, which shall be as near and convenient to said Lot as reasonably possible, together with the right of ingress and egress in and upon said parking areas. The Association may assign vehicle parking spaces for each dwelling. The two automobile parking spaces for Lots having garages shall be the garage and the appurtenant driveway. Certain Lots share driveway access as shown on the Map, and such Lot Owners shall take steps reasonably necessary to avoid blocking access for vehicles and pedestrians on such shared driveways.

Section 6. Unintentional Encroachments. In the event that any improvements on a Lot shall encroach upon any Common Area or upon any other Lot for any reason not caused by the purposeful or negligent act of the Owner or agent of such Owner, then an easement appurtenant to such Lot shall exist for the continuance of such encroachment upon the Common Area or other Lot for so long as such encroachment shall naturally exist; and, in the event that any portion of the Common Area shall encroach upon any Lot, then an easement shall exist for the continuance of such encroachment of the Common Area into any such Lot for so long as such encroachment shall naturally exist.

## ARTICLE XI DECLARANT'S RIGHTS

The right is reserved by Declarant, or its agents, to place and maintain on the Properties all model homes, sales offices, advertising signs and banners and lighting in connection therewith and other promotional facilities at such locations and in such forms as shall be determined by Declarant. There is also reserved unto Declarant, its agents and prospective purchasers and tenants, the right of ingress, egress and transient parking in and through the Properties for such sales purposes. Declarant also reserves the right to maintain on the Properties without charge (a) a general construction office for Declarant's contractors and (b) appropriate parking facilities for the employees of Declarant's agents and contractors. Declarant's aforesaid reserved rights shall exist at any time Declarant is engaged in the construction, sale or leasing of residences on any portion of the Properties or on any land adjacent to the Properties and no charge shall be made with respect thereto. Notwithstanding any provision herein to the contrary, the rights and easements created under this Declaration are subject to the right of Declarant to execute all documents and do all other acts and things affecting the premises, which in the Declarant's opinion, are required to implement any right of Declarant set forth in this Declaration (including the making of any dedications or

conveyances to public use) provided any such document or act is not inconsistent with the then existing property rights of any Owner.

ARTICLE XII  
GENERAL PROVISIONS

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Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Amendment. This Declaration may be amended prior to January 1, 2025 only by an instrument signed by the Owners of not less than ninety percent (90%) of the Lots and by the Declarant, so long as any such Declarant still owns any Lots. After January 1, 2025, this Declaration may be amended by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots.

Section 4. FHA/VA Approval. Notwithstanding anything to the contrary contained in this Declaration, as long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans' Administration: (i) annexation of additional properties other than those defined as "Additional Properties" herein, (h) dedication of common area for public use, (iii) amendment of this Declaration, (iv) mergers and consolidations, and (v) dissolution of the Association.

Section 5. Waiver of Unintentional Violations. Declarant reserves the right, but shall not be obligated, to waive in writing any violation of the designated and approved building location line or either side lot line, provided that such violation does not exceed ten percent (10%) of the applicable requirements and the violation thereof was unintentional.

Section 6. Default by Association. Upon default by the Owner's Association in the payment to the jurisdiction entitled thereto for 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 shall become personally obligated to pay to the jurisdiction a portion of the taxes or assessments in an amount determined by dividing the total taxes and/or assessments due to the jurisdiction by the total number of lots in the development. If the sum is not paid by the owner within thirty (30) days following receipt of notice of the amount due, the sum shall become a continuing lien on the property of the owner,

his heirs, devisees, personal representatives, and assigns. The taxing or assessing jurisdiction may either bring an action at law against the owner personally obligated to pay the same, or may elect to foreclose the lien against the property of the owner.

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Section 7. Amendments to Declaration of Covenants, Conditions and Restrictions. Amendments to this Declaration of Covenants, Conditions, and Restrictions relating to the maintenance and ownership of the permanent wet detention ponds shall not be permitted without review and approval by governmental office having jurisdiction for watershed protection.

Section 8. Planned Community Act. Except as otherwise provided herein, all applicable required terms of the North Carolina Planned Community Act ("the Act") set forth in NCGS Chapter 47F are incorporated herein by reference. To the extent any conflict exists between the terms hereof and a required provision of the Act, the required provisions of the Act shall govern and control such conflict.

TARRANT TRACE, LLC.  
CONSENT OF MORTGAGEE

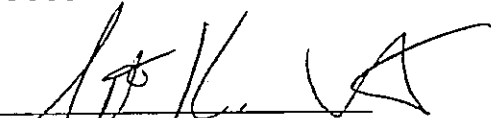
001583

WASHINGTON MUTUAL BANK, FA, a federal association, successor to Bank United, a federal savings bank, being the Beneficiary under those certain Deed of Trust dated the 15<sup>th</sup> day of August, 2000, from Declarant to SCOTT K. ERNEST, Trustee, conveying the property described in said Deed of Trust, recorded on the 15<sup>th</sup> day of August, 2000, in Book 5064 at Page 1549, in the Guilford County Public registry, does hereby consent to the recordation of this Declaration of Covenants, Conditions and Restrictions and the imposing of the provisions hereof on said real property, and said Beneficiary does hereby consent and agree that from and after this date, the provisions of this Declaration, including all exhibits hereto and any Supplemental Declarations hereafter recorded in accordance therewith, shall be superior to the lien of said Deed of Trust on said real property. The execution of this Consent of Mortgagee by the Beneficiary shall not be deemed or construed to have the effect of creating between said Beneficiary and Declarant the relationship of partnership or of joint venture, nor shall said consent be deemed to impose upon said Beneficiary any of the liabilities, duties, or obligations of the Declarants under the foregoing Declaration. Said Beneficiary executes this Consent of Mortgagee solely for the purposes set forth herein. The said Trustee also joins in and executes this Consent as Trustee of said Deed of Trust for the said purposes hereinabove set forth.

IN WITNESS WHEREOF, the undersigned have caused this Consent to be duly executed and sealed as of the 10<sup>th</sup> day of May, 2001.

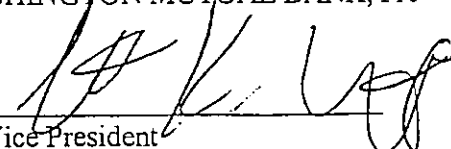
TRUSTEE:

SCOTT K. ERNEST

  
\_\_\_\_\_  
Scott K. Ernest  
Vice President

BENEFICIARY:

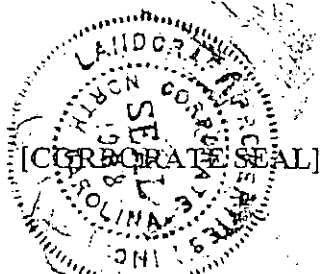
WASHINGTON MUTUAL BANK, FA

By:   
\_\_\_\_\_  
Vice President



IN WITNESS WHEREOF, the Declarant and Builder have caused this instrument to be executed , its officers thereunto duly authorized and their corporate seals to be hereunto affixed, all the day and year first above written.

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ATTEST:  
David Powell Jullock  
Asst Secretary

DECLARANT:

TARRANT TRACE, LLC a North Carolina Limited Liability Company

By: LandCraft Properties, Inc. as manager

By: [Signature]  
E.V. President

STATE OF NORTH CAROLINA

COUNTY OF Mecklenburg  
June

This 4th day of 2001, personally came before me Scott A. Stover who, being by me duly sworn, says that he is Gen. Mgr President of LANDCRAFT PROPERTIES, INC., a North Carolina Corporation and Manager of TARRANT TRACE, LLC, a North Carolina Limited Liability Company, that the seal affixed to the foregoing instrument in writing is the corporate seal of said Corporation, and that said writing was signed and sealed by him, on behalf of said Corporation, by its authority duly given acting as manager of said limited liability company.

And the said Scott A. Stover acknowledged the said writing to be the act and deed of said Corporation acting as manger of said limited liability company.

Lena C. Fitzaway  
Notary Public

My commission expires: January 8, 2006

