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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
TRINITY LAKE

THIS DECLARATION is made on the date hereinafter set forth by Trinity Lake Corporaticar, a North Carolina corporation, hereinafter referred to as "Declarant."

WITNESSETH:

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

ALL of that certain parcel of land shown on the plat entitled "Trinity Lake, Phase _" which appears of record in the office of the Register of Deeds of Guilford County, North Carolina, in Plat Book _____, Page _____; SAVE AND EXCEPT therefrom any portions thereof dedicated to public use on such plat.

WHEREAS, it is the intent of the Deciarant hereby to cause the above-described property to be subjected to this Declaration of Covenants, Conditions and Restrictions.

NOW, THEREFORE, Declarant hereby declares that all of the property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, such real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors andd assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

SECTION 1. "Association" shall mean and refer to Trinity Lake Homeowners Association, Inc., its successors and assigns.

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

SECTION 3. "Properties" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

SECTION 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is described as follows:

All of that land designated "Common Area" or "Open Space" as shown on the plat entitled "Trinity Lake, Phase _" which appears of record in the office of the Register of Deeds of Guilford County, North Carolina, in Plat Book, Page _____; provided, however, that any land designated as "Open Space" which is dedicated to public use on such plat and which is accepted for maintenance purposes by a public authority shall not be part of the Common Area.

Declarant reserves the right, in its sole discretion, to convey from time to time additional properties to the Association, which properties may include all or any portion of the Properties, including portions of any Additional Property annexed by Declarant pursuant to Article XI, Section 4 hereof and the Association shall accept any such conveyance of additional properties and thereafter such additional properties and all improvements located thereon shall be held and maintained by the Association as Common Area.

SECTION 5. "Member" shall mean and refer to every person or entity who holds membership with voting rights in the Association.

SECTION 6. "Declarant" shall mean and refer to Trinity Lake Corporation, as well as its successors and assigns, if Declarant shall make an express conveyance of its rights as developer hereunder to such successor or assign, all of which rights,

including Declarant's voting and architectural control rights, are assignable and may be apportioned on a lot-by-lot basis.

SECTION 7. "Lot" shall mean and refer to any separately numbered plot of land shown upon any now or subsequently recorded subdivision map of the Properties with the exception of Common Area.

ARTICLE II PROPERTY RIGHTS

SECTION 1. THE COMMON AREA. The Common Area now or hereafter conveyed to the Association by Declarant, at Declarant's sole election, may include, in addition to other real property, a lake approximately 13 acres in size. Improvements, which may include, but shall not be limited to, retention or detention ponds, rip rap or other drainage or erosion control devices, recreational amenities, entranceways and landscaping, may be located on the Common Area. The Association shall maintain any lake and any retention or detention ponds, rip rap and other drainage or erosion control devices located on the Common Area now or hereafter conveyed to the Association by Declarant that are required to be maintained by the governmental office(s) having jurisdiction for watershed protection as directed by such governmental office(s). In the event the Association is dissolved or otherwise defaults on its obligation to maintain any such drainage or erosion control device, Declarant, for each Lot owned within the Properties, hereby covenants, and each owner for 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 a pro rata share of the cost of the maintenance of such pond or erosion control device.

SECTION 2. RECREATIONAL AMENITIES. Declarant hereafter shall construct a club house, a swimming pool, two (2) tennis courts and related walkways, driveways, parking and other facilities on the Common Area described in Article I, Section 4 above. No other recreational improvements or amenities are contemplated at this time; provided, however, Declarant shall have the right, in its sole discretion, **BUT SHALL NOT BE OBLIGATED**, to construct and establish on any portion of the Common Area now or hereafter conveyed to the Association any recreational amenity Declarant, in its sole discretion, elects to construct or establish for the use and enjoyment of the owners of Lots in Trinity Lake. Such additional recreational amenities may include, without limitation, walking paths, one or more community docks, boat houses and boats. All recreational amenities constructed or established by Declarant shall become part of the Common Area to be maintained by the Association. For so long as Declarant shall own any portion of the Properties or shall have the right to annex Additional Property pursuant to Article XI,

Section 4 hereof, the Association shall maintain insurance with respect to all recreational amenities in accordance with the terms of the Association's Bylaws and all proceeds, if any, of such insurance arising from a casualty to such amenities shall be applied to the repair, replacement and reconstruction of the damaged or destroyed amenity.

For so long as Declarant shall own any portion of the Properties or shall have the right to annex additional properties pursuant to Article XI, Section 4 hereof, Declarant shall have exclusive use of such portions of the club house now or hereafter constructed on the Common Area as Declarant, in its sole discretion, shall designate, for its sales office. In addition, during such period of time, Declarant shall have the right to require the exclusive (or, at the discretion of Declarant, non-exclusive) use of all or certain portions of the Common Area, including the club house, the swimming pool, the tennis courts and any other recreational amenity now or hereafter constructed or established within the Common Area, for events promoting the sale of lots or homes in Trinity Lake. Declarant shall post notice of any such exclusive promotional event in the club house at least twenty-four hours prior to the event.

Pursuant to rules and regulations from time to time promulgated by the Association, upon request and after such notice as the rules and regulations may require, the Association, in the sole discretion of the Association's Board of Directors or its designee, may allow a Member of the Association exclusive use of all or certain portions of the Common Area, including the club house, the swimming pool, the tennis courts and any other recreational amenity now or hereafter constructed or established within the Common Area for private events for a period not to exceed twenty-four (24) hours. Such rules and regulations may require that fees and/or deposits be paid to the Association in connection with such exclusive private use. Any damage to the Common Area or any improvements located thereon during any such private event and any liability incurred by the Association as a result thereof not covered by insurance maintained by the Association (including any deductible) shall be the personal obligation of the Member or Members (joint and several) reserving the Common Area and if not paid within thirty (30) days of written demand therefor shall be a lien upon the Lot or Lots of such Member or Members in accordance with the terms of Article IV, Sections 1 and 8 hereof.

SECTION 3. OWNERS EASEMENTS OF ENJOYMENT. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to permit or restrict the use of and to charge reasonable admission and other fees for the use of any recreational amenity situated upon the Common Area;

(b) the right of the Association to suspend the voting rights 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;

(c) the right of the Association to dedicate or transfer to any public agency, authority or utility non-exclusive easements on, over and upon all or any part of the Common Area for purposes of providing service to the Common Area or the Lots subject to such conditions as may be agreed to by the Association's Board of Directors; provided, however, no such dedication or transfer shall be effective unless an instrument executed on behalf of the Association by its duly authorized officers, agreeing to such dedication or transfer, has been recorded;

(d) the right of the Association, with the consent of the Members entitled to cast at least two-thirds (2/3) of the votes of each class of Members, to sell, convey, dedicate or transfer all or any part of the Common Area for such purposes and subject to such conditions as may be agreed to by the Members consenting to such sale, conveyance, dedication or transfer; provided, however no such sale, conveyance, dedication or transfer shall interfere with or obstruct utility service to, or ingress, egress and regress to or from, the Lots or any remaining Common Area or cause any Lot or any remaining Common Area to fail to comply with applicable laws, regulations or ordinances;

(e) the right of the Association to impose rules and regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area;

(f) the right of the Declarant to use the Common Area and the recreational amenities situated thereon to promote the sale of Lots in Trinity Lake as more particularly set forth in Section 2 above;

(g) the right of the Association to borrow money for the purpose of improving the Common Area and facilities thereon and, with the assent of the Members entitled to cast at least two-thirds (2/3) of the votes of each class of Members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred (any such mortgage shall be effective if it is executed on behalf of the Association by its duly authorized officers and recites that the requisite consent of Members has been obtained and documented in the Minute Book of the Association) provided, however, no mortgage, encumbrance or hypothecation or foreclosure of the lien thereby created, shall interfere with or obstruct utility service to, or ingress, egress and regress to or from, the Lots or any remaining Common Area or cause any Lot or any

remaining Common Area to fail to comply with applicable laws, regulations or ordinances; and

(h) the right of the Association, in the discretion of its Board of Directors, to exchange portions of Common Area with the Declarant for substantially equal areas of the Properties for the purpose of eliminating unintentional conveyances of Common Areas or unintentional encroachments of improvements onto portions of the Common Areas or for the purpose of enhancing the utility of the Common Areas to be retained by the Association.

SECTION 4. DELEGATION OF USE. Any Owner may delegate, in accordance with the By-Laws, his or her rights of enjoyment of the Common Area and facilities to family members, tenants or contract purchasers who reside on the Lot of such Owner.

SECTION 5. LEASES OF LOTS. Any Lease Agreement between an Owner and a lessee for the lease of such Owner's Lot shall provide that the terms of the Lease shall be subject in all respects to the provisions of this Declaration of Covenants, Conditions and Restrictions, the Articles of *Incorporation* and By-Laws of the Association and that any failure by the lessee to comply with the terms of such documents shall be a default under the terms of the lease. All leases of Lots shall be in writing. Other than the foregoing there is no restriction on the right of any Owner to lease his Lot.

SECTION 6. LOT RECONFIGURATION. Declarant hereby reserves the right to reconfigure, from time to time and without the consent of the Owners or the Members of the Association, the boundaries of any Lot or Lots owned by Declarant and to thereby create additional Lots, eliminate existing Lots or create additional Common Area. Any such reconfiguration of a Lot or Lots owned by persons or entities other than Declarant is also permissible, provided that the reconfiguration is approved in writing by Declarant, for so long as Declarant shall own any portion of the Properties or shall have the right to annex Additional Property pursuant to Article XI, Section 4 hereof, and thereafter, by the Association, in the sole discretion of its Board of Directors. Notwithstanding anything herein to the contrary, no Lot reconfiguration which results in a greater number of Lots than the number from time to time permitted by, or a Lot containing fewer square feet than the minimum number of square feet from time to time required by, the Guilford County Technical Review Committee or other appropriate governmental authority, shall be permitted. In order for a Lot reconfiguration to be effective, a revised plat of the affected Lot or Lots signed by the Owner or Owner's thereof and, if herein required, approved by Declarant or the Association, as the case may be, must be recorded in the Office of the Register of Deeds, Wake County, North Carolina. Upon the recordation of such a revised plat, each lot shown on the previously recorded plat or plats, the boundaries of which are revised by the revised plat,

shall cease to be a "Lot" as defined in this Declaration and each newly configured lot shown on the revised plat shall be a "Lot" as defined in this Declaration. In addition, upon the recordation of the revised plat, the easements reserved in favor of Declarant and the Association in Article IX, Section 1 of this Declaration which parallel the boundary lines of each Lot shall cease to exist with respect to any removed Lot line and shall be relocated to parallel any relocated Lot line.

SECTION 7. COMMUNITY WATER SYSTEM. Initially all Lots within Trinity Lake will be served by a community water system owned, operated and administered by Declarant. The community well or well(s) which supply the system and related facilities shall be located on property owned by Declarant and/or the Common Area. All wells or facilities, whether located on property owned or leased by Declarant or the Common Area, shall be the property, of Declarant. Declarant from time to time, may, within its sole discretion and at its own cost and expense, relocate any well and/or related facilities to other property owned or leased by Declarant and/or other portions of the Common Area. At such time as municipal water is available to the Properties, the community water system shall be abandoned and all Lots within Trinity Lake will be served by such public water system. Users of the community water system. shall be charged at the rate from time to time established by the North Carolina Utilities Commission, or other governmental agency having jurisdiction for the regulation of the system. If at any time the rates'for use of the system cease to be established by any governmental agency or authority, Declarant, from time to time, shall establish the rates to be charged for use of the system.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

SECTION 1. The voting Members of the Association shall be the Class A Members and the Class B Members defined below.

SECTION 2. The Association shall have two classes of voting membership:

Class A The Class A Members shall be every person or entity who or which is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, except Declarant during the period Declarant is a Class B Member as defined below. The foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation. Such membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Class A Members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in

any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B The Class B Members shall be the Declarant and Declarant shall be entitled to three (3) votes for each lot it owns shown on the Plan for "Trinity Lake" approved by the Guilford County Technical Review Committee or other appropriate governmental authority, as that Plan is from time to time amended and approved. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(i) when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; however, the Class B membership shall be reinstated if thereafter, and before the time stated in subparagraph (b) below, the Plan for "Trinity Lake" is amended to add additional lots sufficient to give the Class B membership a total number of votes (with the Class B membership entitled to three (3) votes for each lot owned) to exceed those of the Class A membership and the amended Plans are approved by the Guilford County Technical Review Committee or other appropriate governmental authority; or,

(ii) ten (10) years from the date this Declaration is recorded in the Office of the Register of Deeds, Guilford County, North Carolina.

ARTICLE IV

COVENANT FOR MAINTENANCE AND ASSESSMENTS

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner for 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: (a) to the Association: (i) annual assessments or charges; (ii) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided; and (b) to the appropriate governmental taxing authority: (i) a pro rata share of ad valorem taxes levied against the Common Area; and (ii) a pro rata share of assessments for public improvements to or for the benefit of the Common Area if the Association shall default in the payment of either or both for a period of six (6) months. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon

the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Owner of such property at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

SECTION 2. PURPOSE OF ASSESSMENTS.

(a) The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including but not limited to, the costs of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against the Common Area; the maintenance of water and sewer mains in and upon the Common Area; the maintenance of open spaces and streets which have not been accepted for dedication by a public authority, roadway medians and islands (including medians and islands located in dedicated rights-of-way within the Properties), drives and parking areas within the Common Area; the procurement and maintenance of insurance in accordance with the Bylaws; the maintenance of dams and ponds, including retention or detention ponds, or other bodies of water, if any, located within the Common Area; the maintenance of entranceways, landscaping and lighting of Common Area, road medians and islands and entranceways; the cost of operating, maintaining and repairing any street lights erected by the Association or the Declarant in the rights-of-way of streets (whether public or private) or in any other easement provided therefor within the Properties; the payment of charges for garbage collection and municipal water and sewer services furnished to the Common Area; the employment of attorneys and other agents to represent the Association when necessary; the provision of adequate reserves for the replacement of capital improvements including, without limiting the generality of the foregoing, paving, and any other major expense for which the Association is responsible; and such other needs as may arise.

(b) The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Area and those other portions of the Properties which the Association may be obligated to maintain. Such reserve fund is to be established out of regular assessments for common expense.

(c) All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Properties, or to the proper undertaking of all acts and duties imposed upon it by

virtue of this Declaration, the Articles of Incorporation and the By-Laws of the Association. As monies for any assessment are paid to the Association by any owner, the same may be commingled with monies paid to the Association by the other Owners. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Lot. When any owner shall cease to be a member of the Association by reason of his divestment of ownership of his Lot, by whatever means, the Association shall not be required to account to such Owner for any share of the fund or assets of the Association, or which may have been paid to the Association by such owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the properties.

SECTION 3. MAXIMUM ANNUAL ASSESSMENT. Until December 31 of the year of the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Four Hundred and NO/100 Dollars (\$400.00) per Lot, and may be collected in monthly installments of Thirty-three and 33/100 Dollars (\$33.33).

(a) The maximum annual assessment for the calendar year immediately following the year in which *conveyance* of the first Lot to an Owner is made and for each calendar year thereafter shall be established by the Board of Directors and may be increased by the Board of Directors without approval by the membership by an amount not to exceed ten percent (10%) of the maximum annual assessment of the previous year.

(b) The maximum annual assessment for the calendar year immediately following the year in which conveyance of the first Lot to an owner is made and for each calendar year thereafter may be increased without limit by a vote of the Members entitled to cast at least two-thirds (2/3) of the votes of each class of Members who are voting, in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum, subject to the provisions of Section 6 of this Article.

SECTION 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of the Members entitled to cast at least two

thirds (2/3) of the votes of each class of Members who are voting, in person or by proxy, at a meeting duly called for this purpose. All special assessments shall be fixed at a uniform rate for all Lots and may be collected on a monthly, quarterly or semi-annual basis.

SECTION 5. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 3 AND 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 of this Article shall be sent to all Members not less than " fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) Of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 6. RATE OF ANNUAL ASSESSMENT. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly, quarterly or semi-annual basis.

SECTION 7. DATE AND COMMENCEMENT OF ANNUAL ASSESSMENTS: DUE DATES. The annual assessments provided for herein shall commence as to a Lot on the first day of the first month after the earlier of: (i) one year from the date such Lot is conveyed by Declarant to an Owner; or (ii) two (2) months from the date of the issuance of a certificate of occupancy for the residence constructed on that Lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each annual assessment period, the Board of Directors shall establish an annual budget and fix the amount of the annual assessments in advance for the following year. In the event the Board of Directors shall fail to fix the amount of annual assessments described above, the assessment fixed for the immediately preceding year shall continue in effect until a new assessment amount is fixed. Upon adoption by the Board of the budget and annual assessments amount, the Board shall deliver copies of same to every Owner subject thereto; provided, however, that failure to deliver a copy of the budget and annual assessments amount shall not affect the liability of owners for assessments. 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.

SECTION 8. EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES" OF THE ASSOCIATION. Any assessment not paid within thirty (30)

A days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien created herein against the property in the same manner as prescribed by the laws of the State of North Carolina for the foreclosures of Deeds of Trust, and interest, costs and reasonable attorney's fees for representation of the Association in such action ~~OR~~ foreclosures shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the Common Area or abandonment of his Lot nor shall damage to or destruction of any improvements on any Lot by fire or other casualty result in any abatement or diminution of the assessments provided for herein.

SECTION 9. EFFECT OF DEFAULT IN PAYMENT OF AD VALOREM TAXES OR ASSESSMENTS FOR PUBLIC IMPROVEMENTS BY ASSOCIATION. Upon default by the Association *in* the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or assessments for public improvements to the Common Area, which default shall continue for a period of six (6) months, each Owner of a Lot in the development shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by dividing the total taxes and/or assess ments due the governmental authority by the total number of Lots in the development. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

SECTION 10. SUBORDINATION OF THE LIEN TO MORTGAGES. The liens provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien or liens provided for in the preceding section. However, the sale or transfer of any Lot which is subject to any such first mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which become due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or deed of trust.

SECTION 11. EXEMPT PROPERTY. All property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the

assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE V ARCHITECTURAL CONTROL

SECTION 1. IMPROVEMENTS. No improvements, alteration, repair, change in paint color, excavation, change in grade, planting, landscaping or other work which in any way alters the exterior of any Lot or the improvements located thereon from their natural or improved state existing on the date such Lot was first conveyed in fee by the Declarant to an Owner other than Declarant shall be commenced, erected or maintained upon any Lot and no building, fence, wall, residence or other structure shall be commenced, erected, maintained, improved, altered or removed, until 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 Declarant, for so long as Declarant shall own any Lot or shall have the right to annex any Additional Property pursuant to Article XI, Section 4 hereof, and thereafter by the Board of Directors of the Association or by an architectural committee composed of two (2) or more representatives appointed by the Board (the "Architectural Control Committee"). Declarant may at any time hereafter elect to assign to the Association any or all of its architectural review rights or obligations hereunder, all of which rights and obligations are assignable and may be apportioned on a lot-by-lot basis. Any such assignment by Declarant shall be in writing and shall be recorded in the Office of the Register of Deeds of Guilford County, North Carolina. From and after the effective date of such assignment, the Association shall assume all such assigned architectural review rights and obligations. Notwithstanding the foregoing, landscaping improvements consisting of plant materials native to the area and commonly used in residential landscaping which do not interfere with the sight lines of motorists at intersections of the streets and/or driveways located within the Properties shall not require approval by the Board of Directors or the Architectural Control Committee. Further, nothing herein contained shall prevent or interfere with the right of Declarant to improve and develop the Properties, including the Lots, as Declarant chooses, so long as said development follows the general plan of development of the Properties previously approved by the Guilford County Technical Review Committee or other appropriate local governmental authority.

SECTION 2. PROCEDURES.

(a) Any person desiring to make any improvement, alteration or change described in Section 1 above shall submit the plans and specifications therefor, showing the nature, kind, shape, height,

materials and location of the same, to Declarant, the Board of Directors of the Association or the Architectural Control Committee, as the case may be, which shall evaluate such plans and specification in light of the purposes of this Article.

(b) Upon approval by the Declarant, the Board of Directors or the Architectural Control Committee, as the case may be, of any plans and specifications submitted pursuant to this Declaration, a copy of such plans and specification, as approved, shall be deposited for permanent record with the Association and a copy of such plans and specification bearing such approval, in writing, shall be returned to the applicant submitting the same. Approval for use in connection with any Lot of any plans and specification shall not be deemed a waiver of the right of Declarant, the Board of Directors or the Architectural Control Committee, as the case may be, in its discretion, to disapprove similar plans and specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use in connection with any other Lot. Approval of any such plans and specification relating to any Lot, however, shall be final as to that Lot and such approval may not be reviewed or - rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specification, as approved, and any conditions attached to any such approval.

(c) Neither Declarant, nor any member of the Association's Board of Directors or Architectural Control committee, shall be responsible or liable in any way for any defects in any plans or specification approved by them, nor for any structural defects in any work done according to such plans and specifications. Further, neither Declarant, nor any member of the Association's Board of Directors or Architectural Control Committee, shall be liable in damages to anyone by reason of mistake in judgment, negligence, misfeasance, malfeasance or nonfeasance arising out of or **in connection with the approval or disapproval or failure** to approve or disapprove any such plans or specification or the exercise of any other power or right provided for in this Declaration. Every Person who submits plans or specifications for approval agrees, by submission of such plans and specifications, and every owner of any Lot agrees, that he or she will not *bring* any action or suit against Declarant, or any member of the Association's Board of Directors or Architectural Control Committee, to recover any such damage.

ARTICLE VI

COMMENCEMENT AND COMPLETION OF CONSTRUCTION

SECTION 1. COMMENCEMENT OF CONSTRUCTION; DECLARANT'S OPTION TO REPURCHASE. Each owner is hereby deemed to covenant and agree with Declarant that the construction of a residence on such Owner's Lot shall commence within **six** (6) months of the date the

Deed conveying such Lot from Declarant to any Owner other than Declarant is recorded in the office of the Register of Deeds, Guilford County, North Carolina (the "Lot Closing Date"). Construction of a residence on a Lot shall be deemed to have commenced on the earlier of (the "Construction Commencement Date") : (i) the date construction of a residence is actually commenced on such Lot; or (ii) the date a construction loan deed of trust encumbering the Lot is recorded in the Office of the Register of Deeds, Guilford County, North Carolina, in connection with the financing of such construction. In the event that construction of a residence is not commenced on a Lot within six (6) months of the Lot Closing Date, Declarant shall have the right and option, but not the obligation, to repurchase such Lot for a purchase price equal to the purchase price paid by the Owner(s) to whom Declarant conveyed the Lot less all closing costs, including commissions and reasonable attorney's fees, if any, incurred by Declarant in connection with the sale of the Lot to such Owner(s) and the repurchase of the Lot. Declarant may exercise its option to repurchase the Lot by giving the then current Owner written notice of Declarant's election to exercise its repurchase option within the period commencing on the date which is six (6) months after the Lot Closing Date and ending on the date which is twelve (12) months after the Lot Closing Date. The closing of the reconveyance of the Lot to Declarant shall occur within sixty (60) days after the date notice is given by Declarant of its election to exercise the option herein provided. At closing, the Owner(s) of the Lot shall execute and deliver to Declarant a general warranty deed, with the necessary documentary stamps attached thereto, conveying to Declarant a good and marketable title in fee simple to the Lot, free and clear of all liens and encumbrances except for the lien of ad valorem taxes for the current year, which will be prorated between the parties on a calendar year basis to the date of closing, and subject only to such easements and restrictions applicable to the Lot at the time of its conveyance by Declarant. In the event Declarant elects not to or otherwise fails to exercise the option to repurchase herein reserved within the period of time hereinabove provided, Declarant's option to repurchase the Lot shall expire and be of no further force or effect. Should Declarant exercise its right to repurchase a Lot, the provisions of this Section shall apply again to any subsequent transfer of the Lot by Declarant. Declarant shall have the right to specifically enforce its rights under this Section.

SECTION 2. COMPLETION OF CONSTRUCTION. Each Owner hereby covenants and agrees with Declarant that following commencement of construction of a residence on such Owner's Lot, such Owner shall diligently pursue the completion of the residence and complete construction of the residence within twelve (12) months of the Construction Commencement Date; provided, however, in the event of a casualty, such period of time shall be extended for a period of time commensurate with the delay caused by such

casualty. Declarant shall have the right to specifically enforce its rights under this Section.

ARTICLE VII

MAINTENANCE

SECTION 1. EXTERIOR MAINTENANCE. Except as otherwise expressly provided in the Declaration, the Association shall maintain the Common Area. Each owner shall be responsible for the exterior maintenance of his or her improved Lot and the dwelling located thereon, as follows: painting, replacement and care of roofs, gutters, downspouts, exterior building surfaces, lawn, trees, shrubs, driveways, walks and other exterior improvements. In the event that the Owner neglects or fails to maintain his or her improved Lot and/or the exterior of his or her dwelling in a manner consistent with other improved Lots and dwellings **in** Trinity Lake or fails to maintain his or her Lot (whether improved or unimproved) in a safe condition and free of debris, the Association may provide such exterior maintenance. Provided, however, that the Association shall first give written notice to the Owner of the specific items of exterior maintenance or repair the Association intends to perform and the owner shall have twenty (20) days from the date of mailing - of said notice within which to perform such exterior maintenance himself or herself. The determination as to whether an owner has neglected or failed to maintain his or her Lot and/or dwelling in a manner consistent with other Lots and dwellings in-Trinity Lake shall be made by the Board of Directors of the Association, in its sole discretion. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right to unobstructed access over and upon each Lot at all reasonable times to perform maintenance as provided in this Article. In the event the Association performs such exterior maintenance, repair or replacement, the cost of such maintenance, replacement or repairs shall_ be added to and become a part of the assessment to which such Lot is subject.

SECTION 2. SHORELINE MAINTENANCE. If any portion of the rear boundary of a Lot is within fifty (50) feet of the natural water line of the Lake located on the property Declarant may annex pursuant to the provisions of Article XI, Section 4 hereof, the Owner of such Lot shall maintain the Common Area lying between the rear boundary of the Lot and the natural water line of the Lake in a manner consistent with guidelines from time to time adopted by the Association's Board of Directors.

ARTICLE VIII

RESTRICTIONS

SECTION 1. LAND USE AND PERMITTED STRUCTURES. No Lot shall be used except for single-family residential, street or park purposes, provided, however, to the extent allowed by applicable zoning laws, private offices may be maintained in residences located on any of the Lots so long as such use is incidental to the primary residential use of the residence. Notwithstanding the foregoing, Declarant and any builder of homes in Trinity Lake shall have the right to use any Lot, whether improved or unimproved, owned by Declarant or any such approved builder for the purpose of carrying on business related to the development, improvement and sale of property in Trinity Lake. No building or other structure shall be erected, altered, placed, or permitted to remain on any Lot other than one detached single family dwelling not to exceed two and one-half stories in height,,a

_private, for not more than three cars and one (1) accessory _ building erected **On** a permanent foundation which is incidental to the ,residential use of the Lot.

SECTION 2. DWELLING SPECIFICATIONS. No dwelling shall be erected or allowed to remain on a Lot if the heated living area of the main structure, exclusive of open.porches, decks and garages, shall be less than two thousand (2,000) square feet.

SECTION 3. BUILDING SETBACKS. All improvements constructed on any Lot shall be situated on such Lot in accordance with the building and setback lines approved for such Lot in writing by the person or entity having architectural control pursuant to the provisions of Article V, Section 1 hereof at the time such improvements are constructed. In addition, no building shall be located on any Lot nearer to the front or rear Lot line, or to any side street or Lot line, than shall be permitted under applicable local ordinances in effect at the time such building is to be constructed or as permitted by the Guilford County Board of Adjustment or other appropriate governmental authority pursuant to a variance of such ordinances.

SECTION 7. NUISANCE. No noxious or offensive activity shall be conducted upon any'Lot nor shall anything be done thereon which maybe or may become an annoyance or nuisance to

; the neighborhood including' without limitation, the storing or parking of inoperative motor vehicles or the maintenance of or repair to motor vehicles except within completely enclosed garages constructed in conformity with these covenants and applicable laws and ordinances.

SECTION 8. SIGNS. Except for signs erected by Declarant or the Association within the Common Area and signs erected by Declarant or builders of homes in Trinity Lake approved by Declarant on Lots owned or leased by Declarant or any one of such

approved builders advertising the sale and promotion of Lots in Trinity Lake, no sign shall be placed or allowed to remain on any Lot except for ONE (1) "For Sale" sign, or one other temporary sign to advertise a yard sale or other temporary activity on the Lot and such other temporary sign shall not be permitted to remain on any Lot for more than SEVENTY TWO (72) consecutive hours. The provisions of this Section shall not apply to notices required to be posted on a Lot in connection with any judicial or power of sale foreclosure or any the execution of a lien affecting such Lot.

SECTION 9. OUTSIDE ANTENNAS. No outside radio or television antennas or discs and no free standing transmission or receiving towers or satellite dishes or disks shall be erected on the Common Area or on any Lot or dwelling within Trinity Lake without the prior written permission of the Architectural Review Committee, which permission may be withheld by the Committee in its sole discretion.

SECTION 10. SUBDIVISION OF LOTS, STREETS, FENCES AND WALLS. Except with the express written consent of Declarant for so long as Declarant shall own any Lot in Trinity Lake or shall have the right to annex any Additional Property pursuant to the provisions of Section 4, Article XI hereof, and thereafter except with the express written consent of the Board of Directors of the Association or its Architectural Control Committee, (I) no Lot shall be subdivided into a lot smaller than or different from the Lot shown on the recorded plat and (ii) no street shall be laid out or opened across or through any Lot. No fence, wall or other enclosure shall be erected or allowed to remain on any Lot unless the height, materials and location of the same have been approved by Architectural Control Committee as provided in Article V of this Declaration. Chain link fences are prohibited, provided, however, Declarant and the Association shall have the right to erect chain link fences and any other type of fences and enclosures within the Common Area to enclose retention ponds and for other purposes without the approval of the Architectural Control Committee, such fences and other enclosures to become a part of the Common Area to be maintained by the Association.

SECTION 11. METAL STORAGE BUILDINGS, MOBILE HOMES, MANUFACTURED HOMES, TEMPORARY STRUCTURES, ETC. No metal storage building of a temporary or permanent character shall be permitted on any Lot. No mobile home, manufactured home, trailer, or other like structure shall be located on any Lot. No structure of a temporary character, recreational or other vehicle, trailer, tent, shack, garage, barn or other out building shall be used on any Lot at any time as a residence either temporarily or permanently. Notwithstanding anything herein to the contrary, Declarant and any builder of homes in Trinity Lake approved by Declarant, their agents, employees and contractors, may maintain trailers and other temporary structures to facilitate the construction of improvements within Trinity Lake.

SECTION 12. ANIMALS. No animals, livestock or poultry of any kind shall be raised or kept on any Lot, except that dogs, cats or other household pets may be kept on Lots provided that said animals are kept in compliance with applicable local ordinances and are not kept for commercial purposes and further provided that they are kept and maintained in compliance with (I) all laws and ordinances of the State of North Carolina, Guilford County relating thereto; and (ii) such rules and regulations pertaining thereto as the Board of Directors of the Association may adopt from time to time.

SECTION 13. LAKES AND PONDS. The use of any lake or pond which is a part of the Common Area is subject to rules and regulations from time to time promulgated by the Association, which rules and regulations, in the sole discretion of the Board of Directors of the Association, may prohibit or limit the use of boats, fishing and swimming. In addition, such rules and regulations may provide for access to any such lake or pond only through designated portions of the Common Area.

SECTION 14. OBSTRUCTIONS TO VIEW AT INTERSECTIONS. No part of any structure nor the lower branches of trees or other vegetation shall be permitted to obstruct the view of street intersections.

SECTION 15. MAIL RECEPTACLES AND PROPERTY IDENTIFICATION MARKERS. The Declarant, for so long as Declarant shall own any Lot or shall have the right to annex any Additional Property pursuant to Article XI, Section 4(b) hereof, and thereafter by the Board of Directors of the Association or by the Architectural Control Committee, shall have the right to approve the location, color, size, design, lettering and all other particulars of receptacles for the receipt of mail, newspaper or similarly delivered materials, and of name signs for such receptacles, as well as property identification markers.

SECTION 16. TRAILERS, TRUCKS, SCHOOL BUSES, BOATS, BOAT TRAILERS. No house trailers or mobile homes, school buses, trucks or commercial vehicles over one (1) ton capacity, boats or boat trailers shall be kept, stored or parked overnight either on any street or on any Lot, except within enclosed garages or screened from the streets and adjoining Lots. The foregoing will not be interpreted or construed or applied to prevent the temporary nonrecurrent parking of any vehicle, boat or trailer for a period not to exceed 48 hours upon any Lot.

SECTION 17. GARBAGE AND REFUSE DISPOSAL. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers designed for that purpose. All equipment for the storage or disposal of such waste material shall be kept in a clean and sanitary condition.

< SECTION 18. CHANGING ELEVATIONS. No Owner shall excavate or extract earth from any Lot for any business or commercial purpose. No elevation changes shall be, permitted on any Lot which materially affect surface grade of surrounding Lots, unless approved in writing by Declarant, for so long as Declarant shall own any Lot or shall have the right to annex any Additional Property pursuant to Article XI, Section 4(b) hereof, and thereafter by the Board of Directors of the Association or by the Architectural Control Committee.

SECTION 19. WAIVER OF MINOR VIOLATIONS. Declarant, for so long as Declarant shall own any Lot or shall have the right to annex any Additional Property pursuant to Article XI, Section 4(b) hereof, and thereafter the Board of Directors of the Association or by the Architectural Control Committee, shall have the right to waive minor violations of, and allow minor variances from, the restrictions contained in Section 2 of this Article, where the same resulted unintentionally or without gross carelessness on the part of any Owner (including, without limitation, Declarant) and/or is not materially harmful to the Properties. Any such waiver granted shall be in writing, and any matter so waived shall no longer be deemed a violation of these covenants.

ARTICLE IX

EASEMENTS

SECTION 1. UTILITY AND DRAINAGE EASEMENTS. Easements for installation and maintenance of utilities (including cable television service) and drainage facilities are reserved as indicated on recorded plats. In addition, Declarant reserves, for itself and on behalf of the Association, additional easements and rights-of-way for the installation and maintenance of utilities (including cable television service) and drainage facilities over the rear TEN (10) feet of any Lot and over each side FIVE (5) feet of any Lot. Within these easements no structures, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the drainage easements, or which may obstruct or retard the flow of water through drainage channels in the easements. An easement is hereby established for the benefit of the appropriate governmental entity (and any other person or firm providing services to the Properties under agreement with or at the direction of the Association) over all Common Area as may be reasonably necessary for the setting, removal and reading of water meters, and the maintenance and replacement of water, sewer and drainage facilities and for the fighting of fires and collection of garbage. The Association shall have the power and the authority to grant and establish upon, over and across the Common Area such additional easements as are necessary or

desirable for the providing of service or utilities to the Common Area or Lots.

SECTION 2. SIGN EASEMENTS. Declarant and the Association shall each have the right to erect within the Common Area subdivision signs and landscaping and lighting surrounding same. In addition, easements for the maintenance of subdivision signs and landscaping and lighting surrounding same are reserved as indicated on recorded plats. Declarant hereby reserves unto itself and grants, gives and conveys to the Association a perpetual, non-exclusive easement over the portions of Lots designated as "sign easements" on the plats of the Properties, now or hereafter recorded, to place, maintain, repair and replace subdivision signs and the lighting fixtures and landscaping surrounding same. The Association shall be responsible for maintaining, repairing and replacing any such signs, landscaping and lighting and the costs of such maintenance, repair and replacement shall be part of the common expenses of the Association, payable by the Owners as set out in Article IV hereof. In addition, Declarant, for so long as Declarant owns any lot shown on the Plan for "Trinity Lake" approved by the Guilford County Technical Review Committee, or other appropriate governmental authority, as that Plan is from time to time amended and approved, shall have the right to erect and *maintain* within the Common Area and on those portions of any Lot designated "sign easement" signs advertising and promoting the sale of lots and dwellings in Trinity Lake. As to the easements reserved and granted above with respect to those portions of Lots designated "sign easement," Declarant hereby reserves unto itself and gives, grants and conveys to the Association the right of ingress, egress and regress over other portions of such Lots as shall be reasonably necessary to effectuate the purposes stated above. The easements hereby granted shall run with the land in perpetuity and be binding upon and inure to the benefit of all persons and entities now owning or subsequently acquiring all or a part of the Property.

SECTION 3. EASEMENTS RESERVED BY DECLARANT. Declarant hereby reserves such easements on, across and over the Common Area as shall be reasonably necessary for (i) the exercise by Declarant of any right herein reserved, including, without limitation, Declarant's right to construct recreational amenities and other improvements on the Common Area as provided in section 4 of Article I and Section 1 of Article II hereof, Declarant's right to construct, maintain and operate a community well system as provided in Section 7 of Article II hereof, and Declarant's right, should Declarant elect, to annex Additional Property pursuant to Section 4 of Article XI hereof, and (ii) the development by Declarant, its successors or assigns, of the Additional Property, should Declarant elect not to annex the Additional Property, including, without limitation, easements for ingress, egress and regress over private roads and streets now or hereafter erected on the Properties and easements for the utility

lines, fixtures and/or their connections for the purpose of providing water, light, power, telephone, sewage and sanitary service to the Additional Property.

SECTION 4. ADDITIONAL DRAINAGE EASEMENTS. In order to implement effective and adequate erosion control, the Association shall have the right to enter upon any portion of the Properties before and after improvements have been constructed thereon for the purpose of performing any grading or constructing and maintaining erosion prevention devices; provided, however, no such activities shall interfere with any permanent improvements constructed on the Properties.

SECTION 5. STREET LIGHTING. Easements for the installation, maintenance, repair and replacement of street lights are reserved for the benefit of Declarant and the Association over those portions of the Common Area and the Lots extending ten (10) feet on either side of the right-of-way of any street (whether public or private). The Association shall be responsible for the maintenance, repair, and replacement of any such street lights (unless such maintenance, repair and replacement is to be provided by a utility company as hereinafter set forth) and all costs associated with such maintenance, repair and replacement shall be part of the common expenses of the Association, payable by the Owners as set forth in Article IV hereof. Declarant, as well as the Association, shall have the right, in the sole discretion of each, to a contract with a utility company for the installation of street lighting which may require an initial payment and/or a continuing monthly payment to the utility company by the Association, all of which payments shall be part of the common expenses of the Association.

ARTICLE X

RIGHTS RESERVED UNTO INSTITUTIONAL LENDERS

SECTION 1. ENTITIES CONSTITUTING INSTITUTIONAL LENDERS. "Institutional Lender" as the term is used herein shall mean and refer to banks, savings and loan associations, insurance companies or other firms or entities customarily affording loans secured by first liens on residences, and eligible insurers and governmental guarantors.

SECTION 2. OBLIGATION OF ASSOCIATION TO INSTITUTIONAL LENDERS. So long as any Institutional Lender shall hold any first lien upon any Lot, or shall be the Owner of any Lot, such Institutional Lender shall have the following rights:

(a) To inspect the books and records of the Association during normal business hours and to be furnished with at least one (1) copy of the annual financial statement and report of the Association prepared by a certified public accountant designated by the Board of Directors of the Association, such financial

statement or report to be furnished by April 15 of each calendar year.

(b) To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering any proposed amendment to this Declaration of Covenants, Conditions and Restrictions or the Articles of Incorporation or By-Laws of the Association or of any proposed abandonment or termination of the Association OR the effectuation of any decision to terminate professional management of the Association and assume self-management by the Association.

(c). To receive notice of any condemnation or casualty loss affecting the Common Areas or any portion thereof.

(d) To be notified of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(e) To have the right to approve of any alienation, release, transfer, hypothecation or other encumbrance of the Common Areas, other than those specific rights vested in the Association under Article II hereof.

(f) To be given notice of any delinquency in the payment of any assessment or charge (which delinquency remains uncured for a period of sixty (60) days) by any Owner owning a Lot encumbered by a mortgage held by the Institutional Lender, such notice to be given in writing and to be sent to the principal office of such Institutional Lender, or to the place which it may designate in writing.

SECTION 3. REQUIREMENTS OF INSTITUTIONAL LENDER. Whenever any Institutional Lender desires to avail itself of the provisions of this Article, it shall furnish written notice thereof to the Association by CERTIFIED MAIL at the address shown in the Articles of Incorporation identifying the Lot or Lots upon which any such Institutional Lender holds any first lien or identifying any Lot or Lots owned by such Institutional Lender and such notice shall designate the place to which notices, reports or information are to be given by the Association to such Institutional Lender.

ARTICLE XI

GENERAL PROVISIONS

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 the Declaration, the Articles of Incorporation or By-Laws of the Association. 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. The Association shall have the right to request that law enforcement, public safety and animal control officers come on the properties to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.

SECTION 2. SEVERABILITY. Invalidation of any one of the covenants or restrictions by judgment or court order shall in no wise affect any other provision which shall remain in full force and effect.

SECTION 3. AMENDMENT. The covenants and restrictions of this Declaration shall run and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless terminated or amended as hereinafter provided. This Declaration may be terminated or amended during the first twenty year period with the consent of the Owners entitled to cast at least ninety percent (90%) of the votes of the Association and thereafter with the consent of the Owners entitled to cast at least seventy-five percent (75%) of the votes of the Association; provided, however, this Declaration may not be terminated without Declarant's consent for so long as Declarant owns any Lot or may annex Additional Property pursuant to the provisions hereinafter set forth, no amendment purporting to revoke or curtail any right herein conferred to Declarant shall be effective unless executed by Declarant, and no amendment relating to the maintenance or ownership of any permanent detention or retention pond shall be effective unless reviewed and approved by the governmental office having jurisdiction for watershed protection. Any amendment must: (1) be executed on behalf of the Association by its duly authorized officers; (2) contain an attestation by the officers executing the amendment on behalf of the Association that the requisite owner approval has been obtained and is evidenced by written acknowledgment(s) signed by the owners approving the amendment and made a part of the Minute Book of the Association; and (3) be properly recorded in the Office of the Register of Deeds, Guilford County, North Carolina. For the purpose of this section, additions to existing property by Declarant pursuant to Section 4 of this Article shall not constitute an "amendment." In the event this Declaration is terminated in accordance with the provisions hereinabove provided, Declarant, for each Lot owned within the Properties, hereby *covenants*, and each Owner for 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 a pro rata share of the cost of the maintenance of all permanent retention or detention ponds.

SECTION 4. ANNEXATION.

(a) Except as provided in Subsection (b) of this Section 4, additional residential properties and Common Area may be annexed to the Properties only with the consent of the Members entitled to cast two-thirds (2/3) of the votes of each class.

(b) Additional land within the area described in the metes and bounds *description* attached hereto as Schedule "A" and incorporated herein by reference, together with any other property located adjacent to the Properties (collectively, the "Additional Property") may be annexed by the Declarant without the consent of Members within ten (10) years of the date of this instrument. For the purpose of determining whether property is adjacent to the Properties, the rights of way of public roads and utilities, as well as rivers and streams, shall be deemed not to separate otherwise adjacent property. Declarant shall have no obligation of any kind to annex any or all of the Additional Property and, should Declarant elect to annex all or any portion of the Additional Property, Declarant shall have no obligation of any kind to annex the Additional Property in any particular sequential order. Should Declarant elect to annex all or any portion of the Additional Property and accordingly to subject such property to the terms and conditions of this Declaration, Declarant reserves the right, with regard to all or any part of the Additional Property annexed by Declarant, to make such complementary additions and/or modifications of the covenants and restrictions *contained* in this Declaration (including, without limitation, those contained in Section 2 of Article VIII hereof) as Declarant may deem necessary or desirable; provided, however, such additions and/or modifications shall not modify this Declaration with respect to the properties previously subjected thereto. With regard to any portion of the Additional Property not annexed by Declarant, Declarant makes no representations with regard to the use of such property or the exterior appearance, design, size or intended purpose of any improvements now or hereafter erected on such property.


SECTION 5. AMPLIFICATION. The Provisions of this Declaration are amplified by the Articles of Incorporation and Bylaws of the Association; but no such amplification shall alter or amend any of the rights or obligations of the Owners set forth in this Declaration. Declarant intends that the provisions of this Declaration on the one hand, and the Articles of Incorporation and Bylaws of the Association on the other be interpreted, construed, and applied to avoid inconsistencies or conflicting results. If such conflict necessarily results, however, Declarant intends that the provisions of this Declaration control anything contained in the Articles of Incorporation or Bylaws of the Association.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this Declaration of Covenants, Conditions and Restrictions for Trinity Lake to be executed in its name and its corporate seal hereto affixed as of the 1st day of _____ 1996.

Trinity Lake Corporation, a North Carolina corporation /

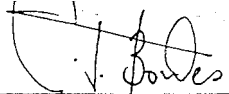
(corporate seal)

Attest:



Secretary

By:



President

NORTH CAROLINA

Watauga COUNTY

I, the undersigned Notary Public, do hereby certify that _____ personally appeared before me this day and acknowledged that he is the _____ President of Trinity Lake Corporation, a North Carolina corporation, and that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that by authority duly given, said writing was signed and sealed by him in behalf of said corporation, and acknowledged said writing to be the act and deed of the corporation.

WITNESS my hand and official seal this 1st day of October, 1996.

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Notary Public

My Commission. Expires: