

P. Boles

Mail to: Von Cannon Box 8

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS made on the date hereinafter set forth by ADAMS EGLOFF AVANT PROPERTIES, LLC ("Adams") and SHUGART ENTERPRISES, LLC ("Shugart"), hereinafter jointly referred to as "Declarant":

WITNESSETH:

WHEREAS, Adams is the owner of certain property located in Southfork Township, County of Forsyth and State of North Carolina, is more particularly described in Exhibit A attached hereto;

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

ARTICLE I.

DEFINITIONS

Section 1. "Association" shall mean and refer to Wynbrook 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 part of the property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Property" 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 and refer to 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 THAT LAND designated "Common Area" as shown on the plat entitled "WYNBROOK PHASE ONE" which appears on record in the Office of the Register of Deeds of Forsyth County, North Carolina, in Plat Book 42, at Page 181-182

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property with the exception of the Common Area and dedicated streets.

Section 6. "Declarant" shall mean and refer to Adams or Shugart, their successors and assigns. If Shugart should fail to acquire from Adams ownership of all or part of the Property on or before January 1, 2001, Shugart shall no longer have any rights as Declarant under this Agreement.

Section 7. "Capital Improvements" shall include, in addition to other items, the replacing, repairing or maintaining of the roadways located within the Property.

Section 8. "Member" shall refer to each Owner who is a member of the Association as provided in Article III; provided, however, in the event two or more persons or entities collectively are an Owner of any Lot, such persons or entity shall collectively be deemed a Member and shall have a single vote for each Lot so owned.

ARTICLE II.

PROPERTY RIGHTS

Section 1. 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 charge reasonable admission and other fees to the use of any recreational facility situated upon the Common Area;

(b) The right of the Association to suspend the voting rights and right to use any recreational facilities subsequently constructed by the Association (but nothing herein shall obligate Declarant to construct any such recreational facilities) situated upon the Common Area by an Owner for any period during which 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 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 dedication or transfer shall be effective unless an instrument signed by at least two-thirds (2/3) of all Members agreeing to such dedication or transfer has been recorded;

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

(e) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities thereon; and to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchaser who reside on the Property.

Section 3. 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.

Section 4. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area shown on the aforementioned recorded maps to the Association, free and clear of all encumbrances and liens, prior to the conveyance of the first Lot, except utility, antenna and drainage easements and other easements to governmental authorities. Similarly, Declarant will convey to the Association common areas which are parts of this development as those portions are annexed in the future, and the property so conveyed will become part of the Common Area as shown on any future recorded plat.

ARTICLE III.

MEMBERSHIP AND VOTING RIGHTS

Section 1. Administration of Common Area by Association. To efficiently and effectively provide for the administration of the Common Area by the Owners, a non-profit North Carolina corporation known and designated as WYNBROOK HOMEOWNERS' ASSOCIATION, INC. (hereinafter called "Association") has been organized and shall administer the operation and management of the Common Area and undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and By-Laws. Each Owner shall automatically become a Member of the Association upon acquiring an ownership interest in title to any Lot; such membership shall terminate automatically upon the Owner being divested of such ownership interest in the title to such Lot, regardless of how such ownership may be divested. No person, firm or corporation holding any lien, mortgage, or other encumbrance upon any Lot shall be entitled by virtue of such lien, mortgage, or other encumbrance, to membership in the Association or to any of the rights or privileges of such ownership. In the administration of the operation and

management of the Common Area, the Association is hereby granted the authority and power to enforce the provisions of this Declaration; to levy and to collect assessments in the manner hereinafter provided; and to adopt, promulgate and enforce such rules and regulations governing the use of the Common Area as the Board of Directors may deem to be in its best interest.

The above notwithstanding, Declarant shall have three (3) votes for each Lot owned by Declarant or proposed to be developed by Declarant (but nothing herein shall be deemed to obligate Declarant to construct any such proposed additional Lots); provided, however, that Declarant (i) shall relinquish its voting rights with respect to undeveloped Lots and (ii) shall have only one (1) vote for each Lot actually owned by Declarant from time to time upon the date Declarant's right to appoint a majority of the Board of Directors terminates; and provided further, nothing herein shall be deemed to limit Declarant's voting rights with respect to any Lot(s) owned by Declarant.

Section 2. Board of Directors of Association. The Association will be governed by a Board of Directors. The Board of Directors shall be elected as provided in the By-Laws. Notwithstanding the foregoing, the Declarant has the right to designate and select a majority of the Board of Directors of the Association until no later than the earlier of the following events:

(a) 120 days after 75% of the Lots, including lots comprising latter phases of development, have been conveyed to purchasers;

(b) two (2) years after the Declarant has ceased to offer Lots for sale in the ordinary course of business; or

(c) ten (10) years following the conveyance of the first Lot.

Subject to the Declarant's control of the Board of Directors, each Member of the Association shall be entitled to a single vote on all matters coming before the Members. For purposes of determining the percentage of Lots which have been sold and conveyed for the purposes set forth in subparagraph (a) of this Section 2, the total number of Lots which have been sold and conveyed shall be divided by the total number of proposed Lots.

ARTICLE IV.

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation for Assessments. The Declarant, for each Lot owned by Declarant 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 an initial annual assessment of \$120.00 per year.

The annual assessments, together with interest, costs and reasonable attorney fees shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is

made. Each such assessment, together with interest, costs and reasonable attorney fees shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fees were due. The personal obligation for delinquent assessments shall not pass to the successor in title unless expressly assumed by him.

Section 2. Purposes 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 Property and in particular for the acquisition, improvement and maintenance of the Property, services and facilities devoted to this purpose and related to the exterior maintenance of the homes situated upon the Property or for the use and enjoyment of the Common Area, including but not limited to the cost of repairs, replacements, additions, costs of labor, equipment, materials, management, supervision, payment of taxes assessed against the Common Area, payment of assessments for public capital improvements to or for the benefit of the Common Area, procurement and maintenance of insurance related to the Common Area and its facilities and use in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

(b) 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 Property, 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 unto 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 an Owner shall cease to be a Member 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 funds 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 Property.

Section 3. Annual Assessment Increases. Should the Board of Directors at any time determine that the assessments levied are insufficient to pay the costs of operation and management of the Common Area or in the event of emergencies, the Board of Directors shall have the authority to levy such increased level of assessments as it may deem necessary.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Board of Directors may levy, in any calendar year, a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto,

provided that any such assessment shall have the consent of two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose. Additionally, the Board of Directors may direct a special assessment against a specific Lot(s) and the Owner(s) in the event, and solely to the extent, the Association expends monies to perform an obligation of such Owner(s) hereunder which such Owner(s) shall have failed to timely perform.

Section 5. Date of Annual Assessments. 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 send written notice of each assessment to every Owner subject thereto. 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 6. Effect of Non-Payment of Assessment; Remedies. Any assessment not paid within thirty (30) days after the due date shall bear interest from the date due at the rate of ten (10%) percent per annum. The Association may bring an action at law against the Owner(s) personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs and reasonable attorney fees 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 non-use of the Common Area or abandonment of his Lot. As to a purchaser, a properly executed certificate of the Association delivered to such purchaser or his agent, as to the status of assessment on a Lot, is binding upon the Association as of the date of its issuance.

Section 7. Subordination of Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first lien mortgage or first lien deed of trust. Sale or transfer of any Lot shall not affect the assessment lien(s) provided for in the preceding section. However, the sale or transfer of any Lot which is subject to any first lien mortgage or first lien deed of trust pursuant to 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 lien mortgage or first lien deed of trust.

Section 8. 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, notwithstanding the foregoing, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 9. Maintenance Obligations of Owner. Each Owner is required to maintain and repair the interior of the improvements located on his Lot and its appurtenances associated therewith in good order, condition and repair and in a clean, sanitary and sightly condition.

ARTICLE V.

USE RESTRICTIONS

Section 1. Land Use and Building Type. No Lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single-family dwelling, and such outbuildings as are usually accessory to a single family residence dwelling.

Section 2. Construction. Construction of any dwelling must be completed within twelve months of the date such construction initially commences.

Section 3. Setbacks. Any dwelling constructed on a Lot must comply with current zoning requirements for setbacks.

Section 4. Nuisance. No noxious or offensive activity shall be conducted upon any Lot nor shall anything be done thereon or retained thereon including pet or animal waste which may be or may become an annoyance or nuisance to the Property.

Section 5. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept and maintained provided that they are confined to the Owner's Lot or maintained on a leash and/or provided that they are not kept or maintained for commercial purposes, or create a nuisance.

Section 6. Outside Antennas. No outside radio or television antennas (including a satellite dish) shall be erected on any Lot or improvements located thereon unless and until permission for the same has been granted by the Declarant or its Architectural Control Committee. Any such satellite dish must not exceed twenty (20) inches in diameter and shall be located in such a manner so as not to be visible from the street.

Section 7. Vehicle Parking. No campers, trailers, boats and trailers, recreational vehicles, large trucks or commercial vehicles shall be parked in any area within the Property unless such area is designated by the Association for the parking of said vehicles or said vehicles are parked inside a garage with garage door(s) being closed except during times of placement or removal of said vehicles. This prohibition is meant to include all vehicles except automobiles and standard non-commercial pickup trucks and is intended to enhance the appearance and well being of the Property. In addition all permitted vehicles parked on the Property outside of garages must be in operable condition which includes inflated tires and current license.

Section 8. Temporary Outbuildings. No mobile home, trailer, camper, tent or temporary house, temporary garage or other temporary outbuilding shall be placed or erected on any Lot, provided however, that the Committee may grant permission for temporary structures for storage of

materials during construction. No such structure as may be approved shall be used at any time as a residence.

Section 9. Miscellaneous Limitations. The following constitutes additional limitations or prohibitions with regard to the use of the Property:

(a) Any and all fencing shall not be installed unless and until the design and location of said fencing is approved by the Declarant or the Architectural Control Committee;

(b) No exterior clothes line shall be installed or used;

(c) No exterior signs shall be installed except for "For Sale Signs" which shall not be larger than four (4) square feet;

(d) All trash receptacles shall, in their form and placement, be subject to all sanitary rules;

(e) All exterior lights shall be shielded and no light shall be directed onto adjacent lots;

(f) There shall be no above ground swimming pools;

(g) All mailboxes must be installed by a duly licensed contractor and must be of the same design and material as used in throughout the subdivision, as directed by the Declarant or the Architectural Control Committee. All such mailboxes must be maintained by the Owner at its sole cost and expense.

Section 10. 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 Common Area. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a Book of Resolutions, which shall be maintained in a place convenient to the Owners and available to them for inspection during normal business hours.

ARTICLE VI.

ARCHITECTURAL CONTROL

Section 1. Purpose. In order to provide and maintain certain standards as to harmony of external design and location in relation to surrounding structures and topography, the Declarant may, in the future, establish an Architectural Control Committee ("ARC") and empower the ARC with certain rights of architectural review and control.

Section 2. Architectural Control. Unless expressly authorized in writing by the Declarant or the ARC, no dwelling, building, fence, wall, driveway, or other structure, nor any hedge, tree, floral or other landscaping planting, nor any exterior addition, replacement or alteration to any existing structure, nor any clearing or site work shall be commenced, erected or maintained by the Owner, upon any Lot until plans and specifications thereof (the "Plans") showing the shape, dimension, materials, slope, basic exterior finishes (including roofs, decks and outside lighting) and colors, location on site, driveway, parking, gutter drains, landscaping, floor plan and elevations therefor shall have been submitted in duplicate and approved in writing, as to harmony of external design and location in relation to any surrounding structures and topography, by the Declarant or ARC, in their sole discretion. The Plans shall be submitted in compliance with the Guidelines. This approval shall apply to all initial construction, additions and subsequent construction. The Declarant or ARC shall have the absolute and exclusive right to refuse to approve any such Plans which are not suitable or desirable in the opinion of the Declarant or ARC for any reason, including purely aesthetic reasons, which, in the sole and uncontrolled discretion of the Declarant or ARC, shall be deemed sufficient; provided, however, if the Declarant or ARC denies a request, the Declarant or ARC shall articulate its reasons for the denial. Approval by the Declarant or ARC of any Plans shall not constitute approval by the Declarant or ARC, or a waiver of its right to deny approval, of similar Plans as to any other Lot.

Section 3. Architectural Review Committee.

(a) Membership. The ARC shall consist of three (3) or more persons appointed by the Board of Directors of the Association; provided, however, so long as either Declarant owns any unimproved Lots, Declarant shall have the exclusive right to appoint all of the members of the ARC.

(b) Procedure. At least thirty (30) days prior to the proposed commencement of any construction, the Plans shall be submitted to the Declarant or ARC. Receipt of the Plans shall be acknowledged, in writing, by the Declarant or ARC. The Declarant or ARC's approval, disapproval or waiver as required in this Declaration, shall be in writing. All decisions of the Declarant or ARC shall be by a majority vote. In the event the Declarant or ARC fails to approve, disapprove or respond within thirty (30) days after the Plans have been received by it, the Plans shall be deemed to have been approved. Furthermore, in the event any construction is commenced on any Lot without approval by the Declarant or ARC of the Plans with respect thereto and no notice is provided to such Owner within ninety (90) days of obvious construction efforts beyond mere site preparation work or no action or suit is initiated against the Owner of such Lot by the Developer or by the Association within one hundred eighty (180) days after that construction has commenced or the foundation work has been completed, approval by the Declarant or ARC will be deemed to have occurred. For purposes hereof, commencement of construction shall include grading of a Lot or installation of a building foundation.

(c) Prospective Purchasers. If a prospective purchaser desires to submit Plans to the ARC for approval, disapproval or waiver prior to purchase of a Lot from Developer or an Owner,

that person or entity shall follow the procedure set out in this Declaration and the ARC shall act on the submission in the same manner as if submitted by an Owner.

(d) Bonding Requirements. The ARC may, in its sole discretion, require an Owner to post a bond in any amount up to Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) prior to the commencement of any construction by such Owner as security for compliance with such reasonable requirements as the ARC may require for compliance with the covenants and conditions set forth in this Declaration relating to construction.

(e) Conformity to this Article. The Declarant or ARC or its representatives shall have the right to enter upon any Lot during preparation, construction, erection or, installation of any improvements to determine that work is being performed in conformity, with the Plans.

(f) Variance. The Declarant or ARC may authorize variances from compliance with its guidelines and procedures, if any, when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require. Such variances may only be granted, however, when unique circumstances dictate. No variance shall (i) be effective unless in writing, (ii) be contrary to the restrictions set forth in the body of this Declaration, or (iii) estop the Declarant or ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

(g) Limitation of Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither the Declarant nor ARC shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board of Directors, the ARC or any member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction or modifications to any Living Unit.

Section 4. Enforcement. Any construction, alteration, or other work done in violation of this Article shall be deemed to be nonconforming. Upon written request from the Association or the Declarant, the applicable Owner shall, at his own cost and expense, remove such construction, alteration, or other work and shall restore the Lot to substantially the same condition as existed prior to the construction, alteration, or other work. Should an Owner fail to remove and restore as required hereunder, the Association shall have the right to enter the Lot, remove the violation, and restore the Lot to substantially the same condition as existed prior to the construction, alteration or other work. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefitted Lot and collected as a Special Assessment.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the Declarant or ARC.

ARTICLE VII.

EASEMENTS

Section 1. Easements. The Declarant reserves and retains an easement across the Common Area as shown on the recorded plat(s) for the installation of utility lines, sewer lines, drainage lines and ditches for the benefit of the Property or any land adjacent thereto. The right to use such easement(s) may be granted by the Declarant to utility companies for specific use without the Declarant disposing of its right to use or to grant additional parties easement(s) for one or more reserved uses. The Declarant reserves the right to dispose of or release the easement(s) if not theretofore specifically granted, by the execution of a written release to be recorded in the office of the Register of Deeds of Forsyth County, North Carolina. The Declarant further reserves a ten-foot wide easement across the Common Areas adjacent to all street(s) (as shown on the recorded plat(s)) to cut, slope and fill for the purpose of meeting Department of Transportation requirements for acceptance. Such easement shall not exist after addition of a street to the North Carolina Highway System for maintenance.

An easement is hereby established for the benefit of the City of Winston-Salem and Forsyth County (and any other person or firm providing services to the Property 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.

Section 2. Easement for Unintentional and Non-Negligent Encroachments. In the event that a part of a dwelling unit or appurtenances shall encroach upon any Common Area or an adjacent Lot for any reason not caused by the purposeful or negligent act of the Owner, or agents of such Owner, then an easement appurtenant to such dwelling unit shall exist for the continuance of such encroachment upon the Common Area or upon an adjacent Lot for so long as such encroachment shall naturally exist; in addition, said easement for encroachments shall apply to masonry veneer exterior siding, retaining walls and other appurtenances used in the original construction of said dwelling units; and, in the event that any portion of the Common Area shall encroach upon any dwelling unit or Lot, then an easement shall exist for the continuance of such encroachment of the Common Area upon dwelling unit or Lot for so long as such encroachment shall naturally exist.

ARTICLE VIII.

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 this Declaration. Failure by the Association or 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 court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendments. The covenants and restrictions of this Declaration shall run with and bind the Property, 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. This Declaration may be amended during the first twenty (20) years by an instrument signed by not less than ninety percent (90%) of the Lot Owners and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners, provided that no amendment shall alter any obligations to pay ad valorem taxes or assessments for public improvements as herein provided, or affect any lien for the payment thereof established herein. Any amendment must be properly recorded.

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Property with the consent of two-thirds (2/3) of the Members. Notwithstanding the foregoing, additional land may be annexed by the Declarant or its assigns without the consent of the members within ten (10) years of the date of this Declaration provided that the FHA and VA shall have determined that the annexation is in accord with the general plan heretofore approved by them, if applicable. An amendment to this Declaration of Covenants Conditions and Restrictions shall be filed in the Forsyth County Registry upon annexation of new property.

Section 5. FHA/VA Approval. As long as Declarant shall have the right to appoint a majority of the Board of Directors, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration:

- (a) Annexation of additional properties;
- (b) Dedication of the Common Areas; and
- (c) Amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 6. Common Surplus. "Common Surplus" shall mean all funds and other assets of the Association (including the excess of receipts of the Association, including but not limited to assessments, rents, profits and revenues from whatever source over the amount of the Association's common expenses), shall be owned by the Owners pro rata; provided, however, that the Common Surplus shall be held by the Association in the manner, and subject to the terms, provisions and conditions of this Declaration, imposing certain limitations and restrictions upon the use and distribution thereof. Any attribution or distribution of Common Surplus which may be made from time to time shall be made to the then Owners pro rata.

IN TESTIMONY WHEREOF, the Declarant has caused these presents to be signed this the ___ day of July, 2000.

ADAMS EGLOFF AVANT PROPERTIES, LLC,
a North Carolina limited liability company (SEAL)

By: [Signature] (SEAL)
Its: Managing Member

SHUGART ENTERPRISES, LLC, a North Carolina
limited liability company (SEAL)

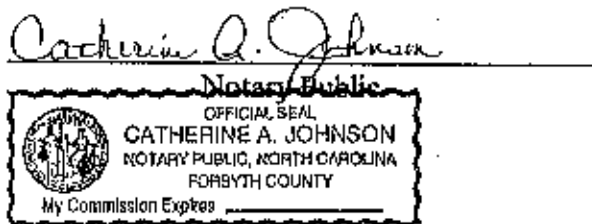
By: [Signature] (SEAL)
Its: Managing Member

STATE OF NORTH CAROLINA)
)
COUNTY OF Forsyth)

I, Catherine A. Johnson a Notary Public of the County and State aforesaid, certify that Kerry L. Avant personally appeared before me this day and acknowledged that he is the Managing Member of ADAMS EGLOFF AVANT PROPERTIES, LLC, a North Carolina limited liability company, and that by authority duly given and as the act of the company, the foregoing instrument was signed in its name.

WITNESS my hand and notarial seal or stamp, this the 21st day of July, 2000.

My Commission Expires: 1/24/03

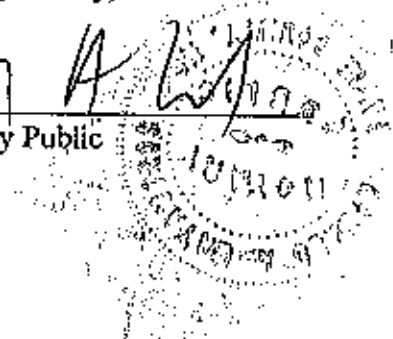


STATE OF NORTH CAROLINA)
)
COUNTY OF FORSYTH)

I, Ronald A. Matamoros ^{Dan} a Notary Public of the County and State aforesaid, certify that Mouen F. Shugart, Jr personally appeared before me this day and acknowledged that he is the Managing Member of SHUGART ENTERPRISES, LLC, a North Carolina limited liability company, and that by authority duly given and as the act of the company, the foregoing instrument was signed in its name.

WITNESS my hand and notarial seal or stamp, this the 21 day of July, 2000.

Ronald A. Matamoros
Notary Public



My Commission Expires:

9/27/2004

STATE OF NC - FORSYTH CO The foregoing certificate of:
Catherine A. Johnson and
Ronald A. Matamoros NP(+))
I am certified to be correct at the date of recording shown on the first page thereof.
Dickie C. Wood, Register of Deeds by: P. Bales Deputy/Asst

EXHIBIT A

54 - 55
1 - 14
86 - 89

ALL THAT LAND designated as Lots 105 through 108 and that land designated as "Common Area" as shown on the plat entitled "WYNBROOK PHASE ONE" which appears on record in the Office of the Register of Deeds of Forsyth County, North Carolina, in Plat Book A-7, at Page 120-121