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**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
AZALEA HILLS SUBDIVISION
AND
AZALEA HILLS OWNERS' ASSOCIATION, INC.**

North Carolina
Graham County

This instrument drafted by: Mack D. Tallant, Attorney at Law

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is entered into this 21 day of February, 2024, by GRAHAM COUNTY RURAL DEVELOPMENT AUTHORITY (hereinafter "Declarant").

WITNESSETH:

WHEREAS, it is in the best interest of the Declarant and to the benefit, interest and advantage of every party hereafter acquiring any of the described property that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulating the use and occupancy of the property be established; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities and the desirability and attractiveness of said property; and for the continued maintenance and operation of any common elements.

NOW THEREFORE, in consideration of the premises, the Declarant agrees with all parties hereafter acquiring any of the property hereinafter described, that it shall be and is hereby subject to the following restriction, covenants, conditions, easements, assessments and liens relating to the use and occupancy thereof, which shall be construed as covenants running with the land which shall be binding on all parties acquiring any right, title or interest in any of the properties and which shall inure to the benefit of each owner thereof.

**ARTICLE I
PROPERTIES SUBJECT TO THIS DECLARATION**

The property which shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the County of Graham, State of North Carolina, and is more particularly described as Lots #1 to #13 of Azalea Hills Subdivision as depicted on that plat of survey recorded at Plat Cabinet DB, Page 2844, Graham County Registry. The Declarant hereby subjects the heretofore-described property to this Declaration and the jurisdiction of the Association. The development shall be known and designated as "Azalea Hills".

**ARTICLE II
DEFINITIONS**

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

Section 1. "Association" shall mean and refer to Azalea Hills Owners' Association, Inc., its successors and assigns.

Section 2. "Board of Directors" shall mean and refer to the Board of Directors of Azalea Hills Owners' Association, Inc.

Section 3. "Common Area" shall mean all real and/or personal property which the Association and/or the Declarant owns for the non-exclusive common use and enjoyment of the owners of all Lots.

Section 4. "Declarant" shall mean and refer to the Graham County Rural Development Authority, their successors and assigns if such successors and assigns should acquire special declarant rights as defined in and in accordance with the North Carolina Planned Community Act, for the purpose of continuing the development of Azalea Hills Subdivision.

Section 5. Declarant Control Period. "Declarant Control Period" means the time period commencing on the date this Declaration is recorded with the Graham County Register of Deeds and ending on the earlier of:

- a. December 31, 2033;
- b. Three (3) months after the conveyance by the Declarant, in the ordinary course of business, to persons other than a successor Declarant, property representing twelve (12) of the thirteen (13) Lots in the subdivision.
- c. At any time by the express written direction of the Declarant, said written direction effective upon recording with the Graham County Register of Deeds.

Section 6. "Declaration" shall mean and refer to this document and all duly adopted amendments hereto.

Section 7. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, and also any tract of real property within the Properties designated for separate ownership or occupancy by an Owner.

Section 8. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, but excluding those having such interest merely as security for the performance of an obligation.

Section 9. "Properties" shall mean and refer to that certain real property heretofore described and being subject to this Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE III PROPERTY RIGHTS

Section 1. Access Easement. A perpetual, appurtenant and non-exclusive road right of way easement and a utility easement along said road right of way easement, along all the roads accessing the Properties and the subdivided lots, whether now in existence or hereafter constructed, is hereby reserved to Declarant, and granted to the various lot owners and their guests, agents and invitees, for the purposes of ingress and egress to and from said lot and the public roadway, and for the purpose of supplying residential utilities to the same. Said easements shall be forty-five (45) feet in width, twenty-two and one-half (22.5) feet each side of center of the roadway, unless otherwise specified in a deed of conveyance or plat of survey. Said easements include the right to repair, maintain, inspect, and improve such roadways and utilities.

Section 2. Utility Easement. All owners agree by the acceptance and recordation of their deeds to the conveyance and granting of such right of way and easements as may be necessary for the construction of electrical, telephone and other such residential utility lines and poles across their property and further to the granting and conveyance of a road right of way along the subdivision roads and access roads, whether now in existence or hereafter constructed, to the widths as may be required by the North Carolina Department of Transportation, in the event the North Carolina Department of Transportation should in the future agree to maintain said roads. However, unless and until such roads should be accepted by the North Carolina Department of Transportation, all roadways on Properties are deemed to be private roads and such roads will be repaired, maintained, and improved by the lot owners or an association of land owners. Each individual lot owner shall pay on a pro-rata basis with the other lot owners, for the maintenance, repair and improvement of said roads. All such expenses shall constitute liens upon the land owned by the lot owners until paid and Declarant or any owner of any lot or any association of lot owners shall have the right and authority to enforce by judicial proceeding the payment of such expenses. As used herein the term "roads" shall include bridges, ditches and road shoulders and cuts. Each individual lot owner shall be responsible for installing at the intersection of their driveway and the subdivision roadway, a culvert and other sufficient drainage to prevent damage to the subdivision roads.

Section 3. Conveyances of Common Areas. All Common Areas shall be deeded by Declarant to the Association prior to the expiration of the Declarant Control Period. Notwithstanding whether

the Declarant or the Association is the titled owner of Common Areas, the Association shall be responsible for all maintenance, repair, and replacement of Common Areas.

**ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS**

Section 1. Every owner of a Lot that is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment.

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

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one 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 determine, but in no event shall more than one vote be cast with respect to any Lot. Fractional voting with respect to any Lot is hereby prohibited.

Class B. The Declarant shall be a Class B member and shall be entitled to four (4) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the expiration of the Declarant Control Period.

Section 3. Association Governance by Board. A Board of Directors consisting of three (3) or five (5) members will govern the Association. Initially, during the Declarant Control Period, the Board will consist of three (3) members appointed by the Declarant, and following expiration of the Declarant Control Period, the Board will consist of five (5) members elected as provided in the Bylaws of the Association.

**ARTICLE V
COVENANT FOR MAINTENANCE 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 of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Annual Assessments or charges; (2) Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

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 person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. The owners of each Lot shall share all assessments relating to common elements equally, except that the Board of Directors may establish sections or other divisions of the Properties (said sections to consist of lots in the Properties) and may vary the amount of the lot assessments relevant to each section

based upon the cost of maintaining and repairing the sections of the subdivision roadway which are used to access the lots in such sections.

Section 2. Purpose of Assessments. The assessment levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and in particular for the acquisition, improvement and maintenance of subdivision roads and streets, walks and parking areas, such maintenance to include the cutting and removal of weeds and grass and the removal of trash and rubbish or any other maintenance or for the use and enjoyment, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the procurements and maintenance of insurance in accordance with this Declaration, the employment of attorneys 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, signs, paving, grading, landscaping and any other major expense for which the Association is responsible and such other needs as may arise.

Section 3. Reserves. The Association shall establish maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements portions of the Properties that the Association may be obligated to maintain. Such reserve fund is to be established out of regular assessments for common expense.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of and portion of the Properties for which the Association is responsible, provided that any such assessment shall have the assent of 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, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Special Provision for Notice and Quorum for Any Action Authorized Under Sections 2 and 4. Written Notice of any meeting called for the purpose of taking any action authorized under Section 2 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or 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. This process may be repeated and the quorum requirement likewise reduced until such time as a quorum is present. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments shall, except as proved for in Section 1 above or herein otherwise specifically provided, be fixed at a uniform rate for all Lots and shall be collected on an annual basis, provided, however, that the assessment for Lots owned by Declarant which are not occupied as a residence, may be a lesser amount as fixed

by the Board of Directors of the Association, but shall not be less than twenty-five percent (25%) of the regular assessments for other Lots.

Section 7. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Elements. Such annual assessments shall be paid ratably on an annual basis. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The Board of Directors shall establish the due dates. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth the assessments on a specified Lot have been paid. Any certificate so given shall be conclusive evidence of payment of the assessments stated therein.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date it shall bear interest from the due date at the rate eight percent (8%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property in the same manner in which Deeds of Trust may be foreclosed under Power of Sale pursuant to Chapter 45 of the N.C. General Statutes, or its successors, and in either event interest, costs and reasonable attorney's fees of any such action shall be added to the assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Elements or abandonment of his Lot. Should any deficiency remain after the foreclosure, the Association may also bring an action against the owner for said deficiency.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Liability for Damage to Common Elements. Any Owner who causes damage to a Common Element, whether said damage is done by them personally or by their agents, guests, or invitees, shall be liable for said damage. It shall be the duty of the Owner to repair said damage. If the such Owner does not repair such damage, then and in that event, the Association may repair said damage and bill the responsible Owner. If said bill is not paid within thirty (30) days then the Association shall have a lien in the amount of such past due bill, including interest at the legal rate, upon the lot or lots of such delinquent lot owner and shall have the right to enforce said lien as set out above in this Article.

ARTICLE VI ARCHITECTURAL CONTROL

No house, dwelling, building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein

be made 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 the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board (until, and only until, the formation of the architectural committee the Board of Directors shall act in such capacity). Such approval shall not be unreasonably withheld and so long as such construction is in compliance with this Declaration, blends with the community and topography as set out above, and is in compliance with any architectural guidelines as may be adopted by the Board of Directors or architectural committee, such construction shall be approved. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. The Board of Directors may adopt reasonable rules and procedures related to the submission, form and content of the approval application.

**ARTICLE VII
ANNEXATION OF ADDITIONAL PROPERTIES**

Section 1. Except as set out in Section 2 below, annexation of additional property shall require approval of the Association. Any annexations of additional properties to the original development described in Article I hereof must be contiguous to the property described in Article I hereof or property previously annexed.

Section 2. Annexation of additional Properties shall be accomplished by recording in the County Registry a Declaration of Annexation, duly executed, describing the lands annexed and incorporation the provisions of this Declaration, either by reference or by fully setting out said provisions of this Declaration. The additional lands shall be deemed annexed to the Properties on the date of recordation of the Declaration of Annexation, and in the case of an annexation by the Declarant, no action or consent on the part of the Association or any other person or entity shall be necessary to accomplish the annexation.

Section 3. Prior to the conveyance of the first lot in any newly annexed area, the Declarant shall deliver to the Association one or more deeds or other such instrument conveying title to any Common Elements within the lands annexed.

**ARTICLE VIII
INSURANCE**

Section 1. The following provisions shall govern insurance coverage on the Property:

(a) Ownership of Policies. The Association, for the benefit of all the Association and the Owners, shall purchase all insurance policies upon any buildings or other such insurable improvements located on the Common Elements.

(b) Coverage. All such buildings and other such insurable improvements shall be insured in an amount equal to one hundred percent (100%) insurable replacement value as

determined annually by the Association with the assistance of the insurance company providing coverage. Such coverage shall provide protection against:

- i. Loss or damage by fire and other hazards covered by the standard coverage endorsement,
- ii. Such other risks as from time to time shall be customarily covered with respect to buildings on the land, if any.
- iii. Such policies shall contain clauses providing for waiver of subrogation.

(c) Liability. Public liability insurance shall be secured by the Association with reasonable limits of liability per occurrence as may be set by the Association, and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall also be obtained such other insurance coverage, as the Association shall determine from time to time to be desirable and necessary.

(d) Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association and charged to the Owners as an assessment according to the provisions of Article V above.

(e) Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustees under this Declaration and the sole duty of the Association as insurance trustees shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein or stated in the By-Laws and for the benefit of the Owners and their mortgagees in the following shares:

- i. Proceeds on account of damage to Common Elements and facilities held for the Association.
- ii. In the event a mortgagee endorsement has been issued for any Lot, the share of the Owner shall be held in trust for the mortgagee and the Owner as their interests may appear.

Section 2. Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Association, as insurance trustee shall be distributed to or for the benefit of the beneficial Owners:

- (a) Expense of the Trust. All expenses of the insurance trustees shall be first paid or provisions made therefore.
- (b) Reconstruction or Repair. The remaining proceeds shall be paid to defray the cost of repairs.

Section 3. Fidelity Insurance or Bond. The Board of Directors may require all persons responsible for or authorized to expend funds, or otherwise deal in the assets of the Association or those held in trust, to be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties in an amount equal to at least six (6) months' assessments plus reserves accumulated.

Section 4. This Article shall be construed and governed in accordance with North Carolina General Statute § 47F-3-113 of the North Carolina Planned Community Act

**ARTICLE IX
USE RESTRICTIONS AND BUILDING GUIDELINES**

Section 1. Use of Properties. No portion of the Properties (except for temporary offices of the Declarant and/or any model used by Declarant) shall be used except for residential purposes and for purposes incidental or accessory thereto. No short term rentals (being defined as less than three (3) consecutive months) shall be permitted.

Section 2. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood. Loud noises and barking dogs between the hours of 9:00 P.M. and 7:00 A.M. are specifically declared to be offensive activity.

Section 3. 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 or maintained provided that they are not kept or maintained for commercial purposes.

Section 4. Dwelling Specifications. No dwelling shall be constructed or permitted to remain on any lot having an area of the main structure, heated and finished, exclusive of open porches and decks, of less than one thousand (1,000) square feet. No building shall be erected, altered, placed or permitted to remain on any lot other than one (1) single-family dwelling and a private garage (which may be attached to or detached from the dwelling) for not more than three (3) cars, and (with the approval of the architectural committee) an accessory building or structure for storage or other appropriate use. Mobile homes and manufactured homes are expressly prohibited, however modular homes may be allowed with the approval of the architectural committee.

Section 5. Temporary Structures. No temporary structure, tent, shack, camper, motor home, etc., may be used as a residence, living space or dwelling.

Section 6. Fences and Signs. No signs, or fence or fencing-type barrier of any kind shall be placed, erected, allowed or maintained lot without the approval of the architectural committee

Section 7. Accessory Building and Other Outdoor Structures. No accessory building of any nature whatsoever shall be placed on any lot without the approval of the architectural committee, with said committee to have the sole discretion relating to the location and type of accessory building that may be permitted on any lot. Under no circumstances shall metal storage buildings be

permitted. All accessory buildings must conform to the same architectural style as the residence located on the same lot.

Section 8. Sewage System. No common sewer system exists in the subdivision and Declarant shall be under no obligation to provide a common sewer system. Lot owners shall be responsible for obtaining the approval of the Graham County Health Department and/or other appropriate county agencies regarding the design and construction of their Lot septic system.

Section 9. Building Completion. Any building construction must be completed within eighteen (18) months from beginning of construction (said beginning date being the date upon which ground is broken for the foundation of said dwelling) or the approval of the plans and specifications by the architectural committee, whichever occurs first, except in such cases as where said completion may be impossible due to fire or other natural calamity.

Section 10. Setback Requirement. No building or other such permanent structure shall be built or placed within ten (10) feet of any boundary line or within the road right of way easements for the subdivision roadways.

Section 11. Subdivision of Lots. No subdivision of any Lot shall be allowed without the express consent of the Association. However, this restriction shall not prohibit lot owners, by mutual agreement, modifying their common boundary line(s), provided no additional lot is created by such modification.

Section 12. Parking. Each lot shall contain sufficient off-street parking space for at least two full-sized automobiles. No automobiles or other vehicles, boats or trailers shall be parked on any subdivision road or street, or within the subdivision road right of way easements.

Section 13. Building Exteriors. The exterior of all buildings constructed on lots shall be of such a color and of such a design so as to blend in with and compliment the natural surroundings. All concrete block work visible from the exterior must be covered by stucco, brick, rock or wood.

Section 14. Concealment of garbage cans, mechanical equipment, etc. All garbage placed outside shall be placed in cans or bins with secure tops.

Section 15. Appearance. All lots shall be kept in a clean and orderly fashion, including keeping each lot grassed (where appropriate) and landscaped (including mowing/weedeating at least once every two weeks during the applicable season). All dwellings and building shall be kept in good repair and the exterior of said dwellings and buildings maintained in a clean, neat and well cared for condition so as to not created an eyesore or nuisance to the neighboring property owners.

Section 16. Minimum Roof Pitch. The roof of any structure on any Lot much include a roof pitch of no less than 4/12.

Section 17. Gutters. Any residential dwelling constructed on any Lot must include gutters that direct rain water away from the structure foundation.

Section 18. Other Prohibited Activities.

- (a) Communication towers are expressly prohibited.
- (b) No hazardous or toxic materials may be kept, stored or placed on any lot.
- (c) No trash, rubbish, debris, garbage or salvaged materials shall be allowed to accumulate on any lot.
- (d) No unlicensed, untagged, discarded or salvaged motor vehicles, boats, campers, or RVs, or any part thereof, shall be placed, left or allowed to remain on any lot.
- (e) No unusable or salvaged household appliances or parts thereof, or tires, scrap metal, or salvaged building materials, or any other such refuse, shall be permitted on any lot.

Section 19. Easements to Lands Outside of the Properties. Except with the express written permission of the Declarant, no easement, whether road, utility, or otherwise, shall be granted, by the Association or any Owner, to the benefit of any lands outside of the Properties as defined herein. Further, except with the express written permission of the Declarant, no lot nor any portion thereof, nor any Common Element or portion thereof, may be conveyed, leased, transferred, etc., for the purpose of providing road or utility access to any lands outside of the Properties as defined herein.

Section 20. Soil Conservation Requirement. All Owners shall take all necessary action to prevent or minimize soil erosion both during and after construction, including but not limited to the installation of silt fencing and the sowing of grass. All Owners shall comply with any Soil Erosion and Sedimentation Control Plans that may be required, and shall obtain any such plans as may be required by law before beginning any land clearing. At all times and particularly during construction periods, all owners shall take necessary precautions so as not to disturb or damage existing subdivision roadways, roadbeds, ditches, catch basins, rip-rap areas, or culverts, and shall install all necessary ditches, catch basins, rip-rap areas, or culverts, and permanent grass seeding on the lot and driveway areas to prevent soil erosion. The Association shall have the right to enter any lot upon which such erosion prevention action has been neglected and take such action as may be required to prevent erosion. Owners of such lots shall be responsible for compensating the Association for the costs of such action and any such compensation unpaid when due shall be a lien on the lot and enforceable as set out in Article 5 above.

Section 21. Right to Enter Lot and Lien. The Association shall have the express right to enter any lot for the purpose of maintaining said lot in a clean and orderly fashion, including the sowing and cutting of grass and other landscaping and including removing prohibited materials which have accumulated on any lot. The Association shall further have the right to assess the owner of said lot the cost of maintaining his lot in a clean and orderly fashion, should the undersigned Association have to enter said lot for such purpose. Any such assessment unpaid when due shall be a lien on the lot and enforceable as set out in Article 5 above.

**ARTICLE X
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 by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with 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. This Declaration may be amended as follows:

- (a) By Declarant: During the Declarant Control Period, the Declarant may amend this Declaration or the Bylaws by a written recorded instrument recorded with the Graham County Register of Deed without the approval of any owner or Mortgagee.
- (b) By Association: After expiration of the Declarant Control Period, this Declaration may be amended at any time by (i) affirmative vote or written agreement signed by lot owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated and (ii) if the Declarant owns one or more Lots in the subdivision, written approval of the amendment by Declarant.

Section 4. If any amendment to these covenants, conditions and restrictions is adopted, each such amendment shall be delivered to the Board of Directors of this Association. Thereupon, the Board of Directors shall, within thirty (30) days, do the following:

- (a) Reasonably assure itself that the Owners of the required number of Lots have approved or executed the amendment. (For this purpose, the Board may rely on its roster of members and shall not be required to cause any title to any Lot to be examined.)
- (b) Attach to the amendment a certification as to its validity, which certification shall be executed by the Association in the same manner that deeds are executed.
- (c) Cause the amendment to be recorded in the Graham County Registry of Deeds.

Section 5. Management and Contract Rights of Association. Association may enter into a contract with a Management company manager for the purposes of providing all elements of the operation, care, supervision, maintenance and management of the property.

IN WITNESS WHEREOF, the Declarant has executed this instrument, and the Association, by authority of its Board of Directors has caused this instrument to be executed, this 21 day of February, 2024.

GRAHAM COUNTY RURAL DEVELOPMENT AUTHORITY

By: [Signature]
Brian Johnson, Chairman of Board of Directors

Attested to by: [Signature]
Connie Orr, Secretary of Board of Directors

STATE OF North Carolina

COUNTY OF Graham

I certify that the following person(s) appeared before me this day, each acknowledging to me that he/she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Brian Johnson, Chairman of the Board of Directors for Graham County Rural Development Authority and Connie Orr, Secretary of the Board of Directors for Graham County Rural Development Authority, on behalf of and as a duly authorized and directed act of said Graham County Rural Development Authority.

Date: 2/21/2024

(Official Signature)



[Signature]
(Official Signature of Notary)

Timothy R. Eller, Notary Public
(Notary's printed or typed name)

My Commission Expires: 11-30-2026