



**MODIFIED AND RESTATED
DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
COVENTRY PHASE I,
COVENTRY PHASE II,
COVENTRY PHASE III (a.k.a. COVENTRY COMMONS)
and COVENTRY PHASE IV**

**STATE OF NORTH CAROLINA
COUNTY OF FORSYTH**

KNOW ALL MEN BY THESE PRESENTS, that this MODIFIED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR COVENTRY PHASE I, COVENTRY PHASE II, COVENTRY PHASE III (a.k.a COVENTRY COMMONS), and COVENTRY PHASE IV (hereinafter the "Modified and Restated Declaration"), is made and entered into on this 7th day of November, A.D., 2002 by Coventry Ventures, LLC, and Coventry Associates, LLC, North Carolina Limited Liability Companies, with their offices and principle places of business in Winston-Salem, Forsyth County, North Carolina, (hereinafter referred to collectively as "Declarant"), and Coventry Homeowner Association, Inc., (hereinafter referred to as "Association"), a nonprofit corporation organized under the laws of the State of North Carolina, which is successor by merger between Coventry Homeowner Association, Inc., a North Carolina corporation, and Coventry Property Owners Association, Inc., Coventry Commons Property Owners Association, Inc., and Coventry, Phase IV Property Owners Association, Inc., all unincorporated associations organized under the laws of the State of North Carolina.

WITNESSETH:

WHEREAS, Declarant is or was the owner of the residential real property (hereinafter the "Community"), described in Article One of this Declaration and was the declarant in certain Restrictive Covenants recorded in the Office of the Forsyth County, North Carolina Register of Deeds in Book 1870, Page 1156, Book 1873, Page 871, Book 1970, Page 2370, and Book 2125, Page 927, (hereinafter referred to as the "Prior Restrictions"), and whereas Association's predecessors by merger were created by the Prior Restrictions to manage the affairs and common interests of the owners of property in the Community as the residences were sold and the Community developed, and now the Declarant and Association desire to create this Modified and Restated Declaration and replace the Prior Restrictions so as to provide for the common governance of all Phases and Sections of the Community, together with streets, roads, footways, open spaces, entrances, drainage facilities, access easements, site lightning and signage and any other common facilities (the "facilities") for the benefit of the Community; and,

WHEREAS, Declarant and Association desire to replace the Prior Restrictions and to subject the Community to the protective and restrictive covenants hereinafter set forth for the purpose of insuring the best use, the most appropriate development, and the improvement of said property, and to protect owners of lots against such improper use of surrounding lots in order to protect the value of their property; to preserve, so far as practical, the natural beauty of said property; to guard against poorly designed and proportioned structures, to guard against structures being built of improper or unsuitable material; to obtain harmonious color scheme; to insure the highest and best development of said property; to encourage and secure the construction of attractive homes thereon, with appropriate locations thereof on said building site; to secure and maintain proper setbacks from the Street, and adequate free space between structures; and in general to provide adequately for the highest of quality and aesthetics regarding the improvements of said property and thereby to enhance the value of the lots therein.

WHEREAS, Declarant and Association desire to provide for the preservation of the values and amenities in the Community and for the maintenance of the facilities and, to this end, desire to subject the real property described in Article One to the covenants, conditions, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is, and are, for the benefit of said real property and each owner thereof; and,

WHEREAS, Declarant and Association have deemed it desirable, for the efficient preservation of the values and amenities in the Community, to merge the agencies created in the Prior Restrictions, to which should were delegated and assigned the powers of maintaining and administering the community properties and facilities and administering and enforcing the covenants, conditions and restrictions and collecting and disbursing the assessments and charges hereinafter created.

WHEREAS, Declarant has caused to be incorporated, under the laws of the State of North Carolina, a nonprofit corporation named the COVENTRY HOMEOWNER ASSOCIATION, INC., for the purpose of serving as successor by merger to the associations created in the Prior Restrictions and exercising the functions aforesaid;

NOW, THEREFORE, the Declarant and Association declare that, upon the recordation of this the real property described in Article One, is and shall be held, transferred, sold, conveyed and occupied subject to the terms and provisions of the covenants, conditions, restrictions, charges and liens (sometimes referred to herein as "covenants and restrictions" and/or the "Modified and Restated Declaration") as hereinafter set forth.

ARTICLE ONE
PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Existing Property. The real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration (the "Existing Property") is located in Winston-Salem, County of Forsyth, North Carolina, and is more particularly described as follows:

See Exhibit "A" attached hereto and incorporated herein by reference.

Section 2. Additions to Declaration. Additional real property herein referred to as "additional units," may become subject to this Declaration by recordation of any supplemental declarations by Association (or by any other individuals, firm or entities who submit such additional units to this Declaration with the written consent of the Association), wherein any such additional units are specifically made subject to and governed by all or a portion of this

Declaration and such other covenants, conditions, restrictions, rights and obligations as the Association in its sole discretion shall deem appropriate. In the event of any such subsequent supplemental declarations, the rights of all original and additional Members of the Association shall be uniform.

ARTICLE TWO
DEFINITIONS

Section 1. The following words when used in this Declaration or any amended or supplemental Declaration (unless the context shall require otherwise) shall have the following meanings:

(a) "Assessment" or "assessments" or "common charges" shall mean and refer to the assessments and charges levied against the Owners of Lots in The Properties, as hereinafter defined, pursuant to Article Seven of the Declaration and such By-Laws as may be created and amended from time to time; and the words 'assessments' or 'assessment' shall be and mean the same thing as Common Charge(s).

(b) "Association" shall mean and refer to Coventry Homeowner Association, Inc., and "By-Laws" shall mean and refer to the By-Laws of the Association as adopted and amended from time to time.

(c) "Board" shall mean and refer to the Board of Directors of the Association.

(d) "Common Expense" shall mean and refer to:

(i) Expense of administration, maintenance, repair or replacement of the Common Properties and any improvements thereon.

(ii) Expense declared Common Expense by the provisions of this Declaration or the By-Laws.

(iii) Expense agreed upon as Common Expense by the Association and

lawfully assessed against Owners of Lots in accordance with the By-Laws or this Declaration.

(iv) Any valid charge against the Association or against the Common Properties as a whole.

(e) "Common Properties" shall mean and refer to those areas of land shown on any recorded subdivision plat of the Community labeled as "Common Properties" or shown as streets or roads and as such intended to be devoted to the common use and enjoyment of the Owners of the Lots, subject to special rights, if any, granted Owners of particular Lots, which are part of the Community.

(f) The "Declarant" shall refer collectively to Coventry Ventures, LLC and Coventry Associates, LLC, and to any person or entity specifically assigned the rights and interests of Declarant by the Declarant hereafter. Successor Declarant shall include any corporation, partnership, or individual so designated by the Declarant which owns lot(s) to be built upon or held for the primary purpose of resale, with any such Successor Declarant being treated the same as the Declarant.

(g) "Living Area" shall mean and refer to that heated and/or air-conditioned area within a Living Unit which shall not include garages, carports, porches, patios, storage areas, breezeways, terraces, basements or basement playrooms, decks, or areas not considered by the Board to be living area.

(h) "Living Unit" shall mean and refer to any building or portion of a building, situated upon any Lot, which is a part of The Properties, designed and intended for use and occupancy as a single-family residence.

(i) "Lot" shall mean and refer to any plot of land, for the purpose of containing one single family residential building, within The Properties shown upon any recorded subdivision map of The Properties, or any portion thereof; with the exception of Common Properties as heretofore defined.

(j) "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article Five, Section 1, of the Declaration.

(k) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon The Properties, but notwithstanding any applicable theory of any lien or mortgage law, shall not mean or refer to any mortgage or trust beneficiary unless and until such mortgage or trust beneficiary has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. This owner (record owner) shall have only one (1) vote as a member.

(l) "The Properties" shall mean and refer to all the Existing Property and any additional units made subject to the Declaration by any Supplemental Declaration under the provisions of Article One of this Declaration.

(m) "Limited Common Properties" shall mean and refer to those areas of land, including, without limitation, any joint driveways or alleyways and improvements (including, without limitation, any common entrances to a Dwelling Unit where two or more dwellings share the same entrance to said dwellings) shown on or designated as Limited Common Properties on any recorded subdivision map of The Properties, and intended for the use of the owners of the particular Lots or Dwelling Units to the exclusion of other owners. Any property so designated as "Limited Common Property" shall be for the exclusive use of the specified Owners of the Dwelling Units or the lots so designated on the recorded plats.

(n) "Limited Common Expense" shall mean and refer to expenses of administration, maintenance, repair, or replacement of Limited Common Properties or Limited Common Areas which shall be assessed against only those Lots or Dwelling Units having the exclusive or special rights in the use of or enjoyment of those Limited Common Properties. That is, the expense of administration, maintenance, repair, or replacement of such Limited Common Properties is the sole responsibility of those Lots and Dwelling Units that are served or serviced by said Limited Common Properties. Such shall be designated for each and every lot that is so served by any such Limited Common Property.

ARTICLE THREE
GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with the land, and shall inure to the benefit of, and be enforceable by, the Association, its and their respective legal representatives, heirs, successors, and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods often (10) years, unless an instrument signed by the then Owners of two-thirds of the Lots has been recorded (for such purpose, Lots owned by the Declarant shall be included).

Section 2. Notices. Any notice required to be sent to any Member or Owner, under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing. Notice to any one of the Owners, if title to a lot is held by more than one, shall constitute notice to all Owners of a Lot.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be, in addition to certain specific remedies stated herein, by an appropriate civil proceeding against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, or both, and against the land to enforce any lien created by these covenants. Failure by the Association or any Owner to enforce any covenant or restriction herein contained shall not be deemed a waiver of the right to do so thereafter.

Section 4. Severability. Invalidation of any one of these 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 5. Governing Law. All Federal, State, and Local Laws shall apply within the Community, and shall be upheld with the same authority as elsewhere within applicable Federal, State, and Local Jurisdictions.

Section 6. Applicability of the North Carolina Planned Community Act. The North

Carolina Planned Community Act, as set out in Chapter 47F of the General Statutes of North Carolina, as amended from time to time, shall apply to the Community and is incorporated herein by reference, except as it may conflict with the terms of this Modified and Restated Declaration, in which case the terms of this Modified and Restated Declaration shall control.

Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provision that shall remain in full force and effect.

ARTICLE FOUR
ARCHITECTURAL CONTROL AND RESTRICTIONS ON USE AND RIGHTS
OF THE ASSOCIATION AND OWNER

Section 1. Architectural Control.

(a) Purposes. The Declarant and Association desire to provide for the preservation of the values in the Community with respect to any improvements to be constructed on any Lot constituting a portion of The Properties, and to that end, desire to establish an Architectural Committee (hereinafter referred to as Committee) in order to provide for and maintain certain standards as to harmony of external design and location in relation to surrounding structures and topography.

b) Architectural Control. Unless expressly authorized in writing by the Architectural Control Committee (the "Committee") with regard to any considered lot improvement, no exterior changes, such as, but not limited to, the creation or modification of any building, fence, wall, driveway, mailbox, handicap ramp, or other structure addition, nor any landscape plan (which landscaping plan shall be required), nor any exterior addition or alteration to any existing structure, nor any clearing or site work, shall be commenced, nor may any repainting or other change of color or exterior appearance be effected, until plans and specifications therefore showing the shape, dimensions, materials, basic exterior finishes and colors; location on site, driveway/driveway material, sidewalk/sidewalk material, parking, floor plan and elevations therefore (all of which is hereinafter referred to as the "Plans"), shall have been submitted in duplicate to and approved **in** writing, as to harmony of external design and appearance and location in relation to any surrounding structures, proposed structures, aesthetic objectives, and

topography, by the Committee. This applies to all initial construction as well as additions and any subsequent construction. This also includes landscape plans, both initial and subsequent, as per any Lot and/or exterior of any structure on a given Lot. Such plantings should be in harmony with surrounding Lots and structures and should not extend beyond owner's Lot or cause undue hardship to adjoining property or property owners. Water disposal is the responsibility of each property owner such that no diversion of water is caused to an adjoining property. The Committee shall have the absolute and exclusive right to refuse to approve any such plans and specifications which are not suitable or desirable in the opinion of the Committee for any substantive reason, including purely aesthetic reasons, which in the sole discretion of the Committee shall be deemed sufficient.

(c) Architectural Control Committee (Committee).

(i) Membership. The Committee shall be composed of three (3) persons, who need not be Members of the Association, appointed by the Board. A majority of the Committee may designate a representative to act for it. In the event of death, resignation, or removal by the Board of any member of the Committee, the Board shall have full authority to designate a successor. Unless otherwise approved by the Association, neither the members of the Committee nor any designated representative shall be entitled to any compensation for services performed pursuant to this covenant. The Association shall keep, or cause to be kept, a list of the names of the persons who form the Committee and a list of the names of any designated representatives of the Committee, and such a list shall be available to any Owner. One alternate member may optionally be appointed to fill in for any regular member who might not be available or able to serve.

(ii) Procedure. At least thirty (30) days prior to the commencement of any construction, the Plans shall be submitted to the Committee, receipt of plans to be acknowledged by signature. The Committee's approval, disapproval or waiver as required in these covenants shall be in writing, and the decision of a majority of the Committee, in case of any disagreement among the Committee Members, as to the approval, disapproval or waiver by the Committee, shall be controlling. In the event the Committee or its designated representative, fails to approve, disapprove or respond within forty-five (45) days after Plans have been received by it, whether before or after construction has

commenced, approval by the Committee will not be required and the related covenants and conditions of this Declaration shall be deemed to have been fully complied with regarding plan approval. Furthermore, in the event any construction is commenced on any Lot without submission to the Committee of the Plans with respect thereto and no action or suit is instituted against the Owner of such Lot by the Association, or by any Owner of any other Lot constituting a portion of The Properties, within one hundred eighty (180) days after the foundation of any such building being constructed on any such Lot is completed, then and in any such event approval by the Committee will not be required and the related covenants and conditions of this Declaration shall be deemed to have been fully complied with regarding plan approval.

(iii) Application of this Article. This Article Four shall apply to all current units or additional units (additional Lots) subsequently made subject to this Declaration and the terms and provisions of any such supplemental Declaration.

Section 2. Restriction on Use and Rights of the Association and Owners.

(a) Permissible Uses. No Lot shall be used except for residential purposes, and no building of any type shall be erected, altered, placed, or permitted to remain on any Lot other than one single-family dwelling to include a required garage for at least two automobiles (unless the Architectural Control Committee agrees otherwise in writing for special circumstances), and off street parking for at least an additional two automobiles and any other appurtenances customary to a single-family dwelling which shall comply with any applicable zoning regulations. Moreover, no Lot shall be used for access to any adjoining Lot or other property unless approved in advance by the Architectural Control Committee (Committee). When construction of any building, structure, improvement, or addition, has once begun, work thereon shall be prosecuted diligently and continuously until the full completion thereof.

(b) Division of Lots. No Lot shall be further divided, except that any two Owners may divide a Lot between them if such Lot is adjacent to the Lots owned by each Owner and provided further that only one single-family dwelling may be constructed on the Lot as subdivided and combined. That is, if two Lot owners purchase a third Lot to divide between them, still only two residences may be constructed on the total of three lots.

(c) Utilities and Easements. All utility lines of every type, including but not limited to water, electricity, telephones, sewage and television cables, must be underground, The Declarant has reserved unto itself, its successors and assigns, and hereby assigns to Association, a perpetual alienable and releasable easement and right on, over and under the ground of all properties in the Community to erect, maintain and use electric and telephone systems, wires, cables, and conduits for the purpose of bringing public services to The Properties, on, in, or over ten (10) feet of each Lot line fronting on a street, ten (10) feet along the side Lot lines of each Lot, and fifteen (15) feet along the rear line of each Lot, and such other areas as are shown on any recorded plats of The Properties; provided further that the Association may cut, at its own expense, drainways for surface water wherever and whenever such action is deemed necessary by the Board or required by applicable health or sanitation authorities in order to maintain reasonable standards of health, safety and appearance. In the event of any additions to The Properties, as provided in Article One, by the Declarant, or others, with the consent of the Association, the easements created hereby shall exist on the Lots and such additions to The Properties. These easements and rights expressly include the right to cut any trees, bushes, or shrubbery, take or add any soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation or to maintain reasonable standards of health, safety and appearance.

(d) Minimum Square Footage. In no event unless approved by the Committee otherwise, shall any Living Unit contain less than:

(1) **1800 (2800 in the portion of the Community designated as Coventry Commons)** square feet of Living Area if it is a single floor plan Living Unit;

(2) **2200 (3200 in the portion of the Community designated as Coventry Commons)** square feet of Living Area if the Living Unit has more than one floor. No building shall be located on any Lot nearer than twenty (20) [forty (40) in the portion of the Community designated as Coventry Commons] feet to the front property line (fifteen feet to the porch), fourteen (14) feet to one side property line, seven (7) feet to one side property line, or thirty (30) feet to the rear property line or closer than the minimum building setback lines required by applicable zoning regulation, as shown on any

recorded plat of The Properties. The Committee may, for special circumstances, vary these required setback distances. Any such variance(s) granted shall set no precedent for other requests regardless of similarity and the decision of the Committee is final. No building shall exceed 35 feet in height, except as permitted or required by applicable zoning regulations or any recorded plat of The Properties. All roofs shall be at least a 10/12 pitch. For purposes of this section, eaves, steps and porches shall not be constructed to permit any portion thereof to encroach upon another Lot or to be nearer the front property line, side property line, or rear property line than minimum building set back lines as designated above (unless such encroachment is approved by the Committee) or required by applicable zoning regulations, all predicated on the recorded plat of The Properties. Measurements shall be made to exterior surfaces.

(e) Temporary Structures. No structures of a temporary character shall be placed upon any portion of The Properties at any time, provided, however, that this prohibition shall not apply to shelters or huts used by contractors during the construction of a Living Unit or improvements or additions thereto on any Lot. Temporary shelters, tents, recreational vehicles, trailers (whether attached or unattached to the realty) may not, at any time, be used as a temporary or permanent residence or permitted to remain on any portion of The Properties. Use of an adequate sized container for collection of construction debris, trash, etc. shall be required with appropriate periodic emptying.

(f) Committee Approval of Plans and Other Prohibitions.

(i) As provided in section 1 of this Article Four, no Living Unit, structure, building, appurtenance, attachment, improvement or addition shall be built, constructed or maintained unless the Plans therefore, including landscaping plans, have been approved in writing by the Committee and such building or construction is completed in strict accordance with said Plans. One copy of plans shall remain with the Association as part of its permanent record. In addition, any such Living Unit shall comply with all applicable building, plumbing, electrical and other codes.

(ii) No obtrusive vent or other pipes or appendages may extend from the front of any Living Unit, unless screened from public view by a screening material or

shrubbery approved by the Committee.

(iii) Any exterior air conditioning or heating equipment must be screened from public view by a screening material or shrubbery approved by the Committee.

(iv) Downspouts and gutters must be so constructed as to not promote the erosion of the soil of any Lot. Downspouts shall be piped underground to remove drain water from building. No drainage will be allowed to be directed to an adjoining Lot(s) such that it creates or increases drainage problems for an adjoining Lot(s) owner.

(v) Swimming pools, if approved, must be screened from public view by a screening material approved by the Committee and protective fencing, approved by the Committee, must be used. The Committee approval of any swimming pool request will be at the Committee's sole discretion and, among other things, highly dependent on the proximity to neighbors, screening/visibility, noise control, and other possible intrusion on neighbors. Moreover, any lighting used to illuminate exterior facilities (swimming pool areas and other areas) must be so shielded as to cast no direct light upon adjacent Lots such that it is obtrusive or offensive. As a rule all exterior spot and security lighting must be turned off by 11:00 p.m. daily.

(vi) Each Lot owner shall be required to install an in-ground central sprinkler system covering the yard/grass areas and the planting beds in the front (along any street frontage) and along both sides of the residence, at the very least, to the back corners of the residence. It is each Lot owner's responsibility to maintain his/her property in a condition that supports and enhances the Community, such maintenance to include adequate watering of the lawn, shrubs, beds, etc. In the event that a Lot owner fails to maintain the property in a manner consistent with the general appearance of the Community in the Committee's sole discretion, the Committee or the Association may enforce such maintenance, even to the extent of the Association proceeding with such maintenance, and the expense for such enforced maintenance shall be the full responsibility of the Lot owner, along with a reasonable enforcement and collection fee. If said Lot owner fails to pay such expense, in addition to such civil enforcement procedures as may be available and selected, Association may place a lien upon the Lot

owner's property to secure the payment of such expense. Any unpaid portion of this and/or other expense(s) in this regard shall bear interest at the rate of 1.5% per month, or any portion of a calendar month, until paid. This system must be installed and operational within 60 days of occupancy of said dwelling. Cost of this installed system, maintenance and repair, and water supply shall be the responsibility of each Lot owner individually.

(g) Garbage and Storage Receptacles. Each Owner shall provide receptacles for garbage, and all garbage receptacles, tools, and any other such equipment, or yard equipment, for use on the Lot of any Owner or otherwise shall be placed in a closed/screened area in accordance with reasonable standards established by the Committee to shield same from general visibility from Lots or roads abutting the Lots. If containers are required to be placed at the street for pick-up, they shall be placed there no earlier than 9:30 p.m. on the day before pickup and removed not later than 7:00 p.m. on the day of pickup. No fuel tanks or similar storage receptacles may be exposed to view and such fuel tanks or similar storage receptacles may be installed only within the main dwelling house, or an attached accessory building, or buried underground or sufficiently screened as determined by the Committee.

(h) Debris. No leaves, trash, garbage or other similar debris shall be burned within The Properties. No garbage, trash, construction debris or other unsightly or offensive materials shall be placed upon any portion of The Properties, except as is temporary and incidental to the bona fide improvement of any portion of The Properties. During major construction, the use of a commercial dumpster must be arranged on site, and lot owners who fail to observe the dumpster requirement shall be subject to a fine of \$100.00 dollars per week.

(i) Revisions of Lot Lines and Relocation of Roads. The boundary lines of any unsold Lot or any uninstalled road shall not be changed subsequent to the recording of any plat thereof in Forsyth County, North Carolina without the written consent of the Board of Directors of the Association, except with respect to any Lots as provided in Section 2 (b) hereof.

(j) Antennas, Etc. No television antennas, radio receiver or sender or other similar device including satellite dishes shall be attached to or installed on the exterior portion of any Living Unit, structure or any Lot or Common Properties within The Properties without Committee approval, provided, however, that the provisions of this paragraph shall not apply to

the installation by the Association or the Declarant of equipment necessary for a CATV and/or mobile radio system within The Properties. It is understood that more inconspicuous satellite equipment is now becoming available. The request for use of such equipment will be reviewed on an individual basis.

(k) Sewage Disposal. Each Owner shall be required to hook up to the public sewage system and bear any expenses incidental to such connection.

(l) Trees and Foliage. Hardwood trees measuring four (4) inches or more in diameter and evergreens of six (6) inches in diameter, at a point two (2) feet above natural grade, and any flowering trees or shrubs above five (5) feet in height may not be removed from The Properties without the written approval of the Committee, unless located within twenty (20) feet of a building, or site for such building, or in the path of driveways and walkways located or to be located on any Lot. Excepted herefrom shall be damaged trees or trees which must be removed because of an emergency. These, however, must be approved before removal or it will be assumed that they were removed as normal trees without authorization. The Committee may assess up to a **\$350.00** per tree penalty assessment fee for unauthorized tree removal in addition to other remedies available, said assessment becoming a lien bearing interest at **1.5%** per month against said Lot until paid. Trees or shrubs desired to be removed should be tagged and the Committee will review such request.

Each property owner shall be required to plant on each street-side of the particular residence, in the absence of at least an equivalent size tree in the particular area(s), a minimum of two (2) trees, with a 3" caliper minimum diameter, at a point 30" above natural grade, and at least 12' in height, from among the choices set forth by the Architectural Committee, on the street side(s) of the residence (which would likely be two sides of the residence if on a corner lot), so as to promote the "greenspace" visual appearance desired throughout the Community. This must be done within 30 days of completion of construction or the receipt of the Certificate of Occupancy, whichever is earlier.

All mailboxes, including the post, support apparatus, and the box itself will be alike and will conform to the design set forth by the Architectural Committee. They will be installed at each Lot location or the Board may require that they be grouped in specific locations.

(m) Unsightly Conditions. It is the responsibility of each Owner to prevent any unclean, unsightly, or unkempt conditions of Living Unit or grounds of a Lot of the Owner that shall tend to substantially decrease the beauty of The Properties specifically and as a whole. This includes mowing (unless provided by the Association), removal of lawn debris or trash, landscaping or exterior building maintenance (staining, painting, and repair, etc.), vehicle appearance, etc., etc. The Board decides what is unclean, unsightly or unkempt.

(n) No Offensive Activity. No noxious or offensive activities shall be permitted that tend to cause embarrassment, discomfort, annoyance or nuisance to any Owner, tenant or guest thereof, in any portion of The Properties. This includes, though is not limited to, extreme or unusual social activity(ies) and applies to owner(s) and/or guests whether the guests are renters or not. It also applies to the use of vehicles, and recreational equipment, yard tools, radios, and other sound equipment, bands, musical instruments, etc. Noxious, offensive, or intrusive noise will be dealt with promptly. The Board may enforce this directly and all cost of enforcement shall be borne by the violator/property owner. The property owner shall be responsible fully for any guest who violates these restrictions. Final determination as to whether such reported activity violates this section shall be the sole and final decision of the Board. If the Board determines violation of this section for a second time within 12 months for the same or similar cause, the Board may assess, in addition to other civil remedies, a \$100.00 penalty to the offending Lot owner, which, if not paid within 30 days of invoice, may be added, with interest at 1.5% per month, to Lot as a lien until paid to the Association. For additional violations for the same or similar causes, within a 12 month period, the Board may increase the \$100 penalty by an additional \$100.00 for the third (3rd) violation (allowing a total of \$200.00 for the third violation), \$200.00 more for the 4th violation (allowing a \$300 penalty in total for the third violation), \$300.00 more for the 5th violation, etc., etc..

(o) Animals and Pets. Except as otherwise permitted herein, or in any supplementary declaration hereto, no plants, animals or device or thing of any sort whose normal activities or existence is in any way noxious, dangerous, unsightly, unpleasant. or of a nature as may diminish or destroy the enjoyment of other Lots by any Owner, tenants and guest thereof may be maintained. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats, or other household pets may be kept, provided that they are not kept, bred

or maintained for any commercial purpose. Pets shall be kept within the owner's property and any damage or waste caused to another's property shall be the sole responsibility of the pet's owner to repair or clean. A leash "law" is to be followed within the Community. In addition, the use of an invisible fence" type of electronic containment of pets ma also be implemented by a Lot owner. The Board has the authority to assess to a \$100.00 penalty for a violation of this section, in addition to other civil remedies available. In particular, the Association is interested in controlling pets which may (1) be 'intimidating' to others, (2) cause damage, (3) generate offensive pet behavior, and (4) be a potential source of irritation for neighbors and the neighborhood.

(p) Discharge of Firearms. Hunting and trapping of wild animals, fowl and game and the discharge of firearms and/or bows and arrows, or other dangerous weapons, toys, or recreational items, within The properties is prohibited unless required for public/private safety or security.

(q) Motorized Vehicles. All motorized vehicles operating within The Properties must be properly muffled so as to eliminate noise that might be offensive to others. Minibikes and similar two or three wheeled vehicles as well as motorcycles, are prohibited from being used or operated on or within The Properties, unless the prior written consent of the Board is first secured. Recreational vehicles such as campers, motor homes, pick-up trucks, vans (other than passenger vans), vehicles with load capacities greater than one ton, boats and other water vehicles, and any motor vehicles without a current state license plate and a valid inspection sticker shall not be stored on the property unless in a garage. The Board is the final authority on any disagreement as to what is allowed or not.

(r) Signage. No sign of any kind shall be displayed to the public view on any Lot except one (1) sign with dimensions of not more than three feet by two feet advertising any Lot or residence for sale. During construction, however, Committee may allow such additional signage as is tastefully displayed and has been approved by Committee. This is at sole discretion of Committee. All signs on any Lots must be approved in writing by the Committee. Signs shall be ordered at Lot owner s expense, from the sign maker of the Association's direction or approval or, if the Association is not active yet, the sign maker of the Board's direction within the scope of the design alternatives specified by the Committee. The Committee may rescind the use

of any signage in its total discretion.

(s) Construction. Construction commences when clearing begins, other than underbrushing and general lot cleanup and maintenance, and all exterior construction shall be completed within twelve months of that commencement date unless the Committee agrees to an extension of time. Such agreement, if extended, shall be in writing or it is not effective. The Committee may assess up to a \$1,500 per month penalty assessment against Lot Owner if construction is not completed within twelve months from initial date of clearing. Owner shall do all possible, during construction, to maintain neat premises, prevent siltation and runoff to neighboring Lots or Common Properties, and is required to use a commercial dumpster for trash, waste, etc. with periodic emptying. Removing construction dirt, mud, silt, debris, etc., from streets is the joint responsibility of Lot Owner and Builder, and Lot Owners will be assessed clean up costs plus \$100.00 per incident for failure to ensure such removal in a timely and thorough manner.

(t) Construction Street Bond. General Contractors or Builders of new construction or additions shall be required to post a \$3,000.00 bond to be used to repair any damage to streets or curbs.

(u) Parking. On-Street Parking shall be limited to two hours for residents and guests who visit more than five times a week or who stay overnight more than three days. No vehicle shall be parked in a manner that hinders the delivery of mail or refuse collection. Special requests will require written approval by the Board of Directors.

(v) Street Noise. Street vendors must receive prior approval from the Board of Directors before creating any noise or playing music.

ARTICLE FIVE
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION
AND BOARD OF DIRECTORS

Section 1. Membership. Every person or entity who is a record Owner of a fee simple interest in any Lot is subject by this Declaration to assessment by the Association and shall be a

Member of the Association provided, however, that any such person or entity to hold such interest merely as a security or the performance of an obligation shall not be a Member. The requirement of membership shall not apply to any mortgagee or trust beneficiary acquiring title by foreclosure or otherwise, pursuant to the mortgage or deed of trust instrument or deed in lieu of foreclosure.

Section 2. Voting Rights. The Association shall be one class of voting membership, and Members shall be entitled to one vote for each Lot in which they hold an interest required for membership by Section 1 of this Article. When more than one person or entity holds such an interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine and such Lot persons shall designate one (1) person to vote for their Lot, but in no event shall more than one vote be cast with respect to any such Lot.

Section 3. Number of Lots. The Existing Property is planned to contain eighty-one (81) Lots, however, the Association retains the right to add to The Properties additional Lots and/or residences pursuant to one or more supplemental declarations, or delete from the Properties.

ARTICLE SIX

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Members' Easements or Enjoyment. Subject to the provisions of Section 3 of this Article, every Member shall have a right and easement of enjoyment in and to the common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 2. Title to Common Properties. The Developer may retain the legal title to any Common Properties, including streets or roads shown on any recorded plat of The Properties, until such time as it has completed improvement, if any, thereon and until such time as, in the sole opinion of the Declarant, the Association is able to maintain the same, but, notwithstanding any provision to the contrary herein, the Declarant hereby covenants, for itself its successors and assigns, that it shall convey any such Common Properties to the Association within 90 days of the recordation of this Modified and Restated Declaration. Said streets and roads shall be Common Properties and the expense of maintenance shall be borne by the Association. It is the

intent of the Declarant and Association that the roads and streets be maintained as a private road and street system allowing, therefore, for the continuance of the security entrance gate system as proposed by the Declarant.

Section 3. Extent of Member's Easement. The rights and easements of enjoyment created herein shall be subject to the following:

(a) The right of the Association, to grade, pave or otherwise improve any road or street shown on any recorded plat of The Properties.

(b) The right of the Association, as provided in its Articles or By-Laws, to suspend the enjoyment rights of any of the Common Properties for any Owner for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of any published rules and regulations adopted by the Board; and

(c) The right of the Association to dedicate or transfer all or any part of the Common Properties (which includes streets and roads) to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members provided that no such dedication or transfer, determination as to the purpose or as to the conditions thereof shall be effective unless sixty-six percent (66%) of the Members, at a Special Meeting of the members called in accordance with the By-Laws, agree to and approve of such dedication, transfer, purpose or condition. so agreed to and approved by the Members, such dedication and transfer, specifying the purpose(s) and conditions(s) thereof; shall be executed by the President and Secretary of the Association with the same formalities of a deed and recorded in the Forsyth County Public Registry.

(d) The right of the Association, or agents of these to provide common maintenance services to each Lot, such as mowing, trimming, watering, seeding, fertilizing, tree maintenance, spraying, and other such types of service as determined by the Board.

(e) The right of the Board, contractor, sub-contractor, or designated agent, or Lot owner to access the Lot adjacent to any construction for the purpose of engaging in the construction, landscaping, maintenance, improvement, security, or other reasonable and

necessary purpose, of a short term nature, due to the nature of the community with its close lot line construction and the close proximity of one home to another. Any damage to such adjoining Lot in the course of such activity shall be the full and total responsibility of the Lot owner for whom access was necessary, even if it was other than the Lot owner himself/herself who actually crossed onto the adjacent Lot. This responsibility would extend to, but not be limited to, such damage as damage to the structure(s) on adjoining property (Lots or Common Properties), landscape repair, equipment replacement or repair, etc. It shall not matter whether such damage caused or repair necessary was the result of intentional or unintentional activity, owner/agent/contractor/sub-contractor activity, or other. It shall, nevertheless, be the responsibility of the Lot owner for whom such access was deemed necessary, in addition to such subcontractor, contractor, person, or firm that actually caused such damage, to repair, pay for and/or satisfactorily compensate the damaged Lot owner.

ARTICLE SEVEN
COVENANT FOR PAYMENT OF ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. For each Lot owned within The Properties, each Owner hereby covenants and each Owner of any Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to and does hereby covenant and agree to pay to the Association; (1) annual assessments or charges as herein or in the By-Laws provided, (2) special assessments for capital improvements or maintenance or repairs, such annual and special assessments to be fixed, established, and collected from time to time as herein or in the By-Laws provided, and (3) any liquidated damages or summary charges or penalties or fines imposed under authority contained in the By-Laws or herein, together with costs, fees and expenses (including reasonable attorney's fees) incurred by the Association incidental to the enforcement of any rules and regulations, collection of assessments (both annual and special) or collection of damages or charges arising under the By-Laws. The annual and special assessments and any liquidated damages or summary charges as herein or in the By-Laws provided, together with such interest thereon and costs of collection thereof as herein provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. To the extent that the Declarant or the Association incurs any costs in the repair and maintenance of any sewage system or other utility system servicing any Lot or any road surface, such cost shall be assessed

against the Owner of the Lot serviced if it is determined that the (1) Lot owner was at fault, or (2) an agent or vendor or contractor or subcontractor or other such person or persons under the direction, employ, or retention of the Lot owner was at fault and or negligent in the causation of such damage or need of repair or service. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who is the Owner of such Lot at the time when the assessment fell due. There shall be the following categories of Lots with the corresponding assessment responsibilities:

(a) CATEGORY A LOTS. All Lots except Category B and C Lots. Owners of Category A Lots shall be responsible for the full amount of any assessments as determined by the Board as prescribed below.

(b) CATEGORY B LOTS. If a Lot owner owns 2 or more lots and receives permission from the Board to build one single family residence upon and across 2 or more Lots, rendering two or more Lots as "one building Lot" no longer suitable to build two or more single family dwellings, the group of Lots so built upon will be considered as follows:

(1) The first Lot of the 'group' shall be considered a Category A Lot.

(2) Any other lots beyond the first so built upon by the one single residence shall be considered Category B Lots and the Lot owner of such Category B Lot(s) shall pay all assessments for such Category B Lots at the rate of sixty (60) % of the Category A Lots. Further, Category B Lot(s) will also include the 2nd, 3rd, etc., Lot(s), owned by and adjacent to a Category A Lot owned by the same owner that are rendered unbuildable for further residences or which the Owner wishes to be a Category B Lot, such that it may not be built upon or developed, other than landscaped and used in conjunction with the Category A Lot. Such necessary steps for this purpose will be prescribed by the Board, any expense for such steps being the expense of the Lot owner acquiring said Lot(s) or wanting such Lot(s) so designated. If ever such Category B Lot, as just described, is ever desired to be returned to Category A status, that is, a status whereby it could be built upon as a single family lot, separate and apart from the lots to which it had previously been attached, it must have the approval of Board. If such change is approved by the Board as just described, said lot owner, whether the original lot owner or not, shall be

responsible for payment of the difference in Category A assessments and Category B assessments plus interest at the rate of 1.5% per month for each month since the particular Lot was categorized as a Category B Lot. This amount must be paid before said Lot can be reclassified and/or used as a Category A Lot. Such assessments shall be treated as any other assessment with regard to the payment and collection process and said amount shall be payable to the Association.

(c) **CATEGORY C LOTS.** All Lots owned by the Declarant or successor Declarant as so designated by the Declarant, or by those described in Article 2, Section 1, paragraph (a) of this Declaration shall be considered Category C Lots.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be for the purposes of promoting the health, enjoyment, safety or welfare of the residents in The Properties and in particular for the improvement and maintenance of properties and facilities located in, and related to the use and enjoyment of the Common Properties and of the Living Units situated upon The Properties, including, but not limited to (i) the payment of taxes and insurance on the Common Properties and repair, replacement and additions thereto, and the cost of labor, equipment, materials, management and supervision thereto and (ii) repair and maintenance of any streets or roads within The Properties unless and until the repair and maintenance of such roads has been assumed by any public authority, along with repair and maintenance of all amenities which may be a part of The Properties and all other property of a common nature, all of which shall be Common expenses as detailed in the By-Laws or herein.

Section 3. Basic and Maximum of Annual Assessments.

(a) Commencing with the calendar year beginning January 1, 2001 and until calendar year beginning January 1, 2002 the monthly assessment shall be One Hundred (\$100) and No/100 Dollars (\$1,200 per year) (or a pro rata amount for any Owner who owns any Lot for less than a calendar year), for each Lot within The Properties owned by any person(s) or entity(ies), and those described in Article 2, Section 1, paragraph (a), subject to the limitation set forth in section 7 of this Article Seven. This amount may be increased or decreased by the Association Board for various reasons as may be prudent for the maintenance, repair and proper upkeep of the Common Properties and lot maintenance if the current assessed amount is not sufficient to

maintain properties as desired or such current assessed amount is in excess of that which is needed. Though the per lot assessment is reflected in this paragraph on a monthly and an annual basis, it may be determined by the Board to bill for such assessments on a monthly, quarterly, or semi-annual basis as determined under paragraph (b) immediately following this paragraph.

(b) Commencing with the calendar year beginning January 1, 2001, and each year thereafter, the assessment applicable to each Lot to be paid by each Owner to the Association shall be the total funds needed for the Common Expenses of the Association as established by the Board, divided by the number of platted Lots in The Properties. The total assessment payable by an Owner may be divided into such installments as the Board shall deem appropriate, but until notice from the Board to the contrary is received the Owner of each Lot shall pay his or its proportionate share as herein determined on a quarterly basis, in advance, on the first day of the next succeeding month after notice as to the amount of the quarterly assessment due by any Owner is received by any such Owner from the Board.

(c) Unique Assessment for Coventry Commons. The Association does not provide yard care for Coventry Commons (*i.e.*, Phase III, Lots 58-67 inclusive). Therefore, in determining the annual assessment for these Lots, expenses related to the individual yard care provided to the other Coventry Phases (*i.e.*, Phase I, II, and IV) will be excluded. Lots without a house will be assessed at same rate as those with a house.

(d) Once a Lot with a House has been assessed at one hundred percent (100%), said Lot will continue to be assessed at one hundred percent [not applicable to Coventry Commons - rate for Coventry Commons is as determined above in Section 3 (c)].

(e) Any Lot in the Community without a house or with an unfinished house that does not require regular lawn maintenance (*i.e.*, the lawn is not seeded or sodded) shall be assessed at a rate of fifty percent (50%) of similar occupied Lots. This includes Lots owned by Declarant, any Builder, and Owners and applies only to Lots in Coventry Phases I, II, and IV (not applicable to Coventry Commons).

(f) Once a Lot requires regular lawn maintenance (*i.e.*, the lawn is seeded or sodded), it will be assessed at the same rate as similar occupied Lots, including Lots owned by Declarant,

any Builder, and Owners (not applicable to Coventry Commons).

(g) Homeowners who move into the Community after December 31, 2002, shall be assessed an additional one-time capital improvement fee equal to the regular quarterly assessment.

Section 4. Special Assessments. In addition to the annual assessments authorized by Section 3 hereof, the Board of 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 additions, improvements, repairs or replacement of any capital improvements or items located upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment that exceeds \$150.00 per Lot shall have the consent of sixty percent (60%) of the votes of all the Members at a meeting duly called for this purpose, written notice of which shall be sent to all Members in accordance with the provisions of the By-Laws for Special Meeting Any such special assessment is intended for the overall good and improvement and economic and/or security protection of the overall community.

Notwithstanding anything to the contrary in this document, it is understood that those obligations of the Declarant during development of the Community and under Previous Restrictions (such as the roads, installation of basic utilities) are now the expense of the individual lot owners and/or the Association. Such special assessments as are referred to in this paragraph are deemed to include such optional expenditures as the property owners themselves determine to be in the best interest of the property owners and the Community, which options are not the responsibility nor the communicated obligation of the Declarant.

Section 5. Change in Basis and Maximum Amount of Annual Assessments. Subject to the limitations of Section 3 (a) hereof and for periods therein specified, the Association may change the maximum amount and basis of the assessments fixed by Section 3 (b) and Section 4 hereof prospectively, for any such period, provided that any such change shall have the consent of more than 60% of the votes of all Members including the Declarant 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 in accordance with the provisions of the By-Laws for Special Meetings, provided

further, that the limitations of Section 3 hereof shall not apply to any change in the maximum amount and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized by law to participate or as an incident to any additional units that become a portion of The Properties under Article One, Section 2 of this Declaration.

Section 6. Quorum for an Action Authorized Under Sections 4 and 5. The quorum required for any action authorized by Sections 4 and 5 of this Article shall be as follows: At the first meeting called, as provided in Sections 4 and 5 of this Article the presence at the meeting of Members, or of proxies, entitled to cast fifty-one percent (51%) of all the votes of the membership shall constitute a Quorum. If the required Quorum is not forthcoming at such meeting, another meeting may be called, subject to the notice requirement set forth in Sections 4 and 5 of this Article, and the required Quorum at any such subsequent meeting shall be one-half of the required Quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding scheduled meeting.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The quarterly assessments provided for in Section 3 (a) of this Article shall commence on the first day of the month next following the month any Owner, acquires title to a Lot, or moves in, whichever applies, and shall be levied for the balance remaining in the calendar quarter in an amount which bears the same relationship to the quarterly assessment provided for in Section 3 (a) hereof as the remaining number of months in that calendar quarter bear to three. The quarterly assessments provided for in Section 3 (b) of this Article shall commence on January 1, 2001 and such assessment shall constitute the first quarterly assessment which shall be for the balance of the calendar quarter and shall become due and payable on a quarterly basis, in advance, on the first day of the next succeeding month, after notice as to the amount of the quarterly assessment due by any Owner is received by an Owner. The assessments for any quarter after the first quarterly assessment year shall become due and payable, upon fifteen (15) days notice, as to the amount of such quarterly assessment.

The first assessments levied against any additional units which are hereinafter added to The Properties, now subject to assessments, at a time other than the beginning of any assessment period, shall be an amount which bears the same relationship to the quarterly assessment provided for in Section 3 (a) or Section 3 (b), whichever is applicable, of this Article as the

remaining number of months in that quarter bear to three.

The due date of any special assessment under Section 4 hereof or any assessment against any particular Lot, or Lots, permitted by this Declaration shall be fixed in the resolution authorizing such assessment.

Section 8. Duties of the Board of Directors. Commencing with the first assessment (with the 2001 calendar year), the Board of Directors of the Association shall fix the date of commencement, and the amount of the assessment against each Lot, if different from that stated in Article 7, Section 3(a), for each assessment period at least ninety (90) days in advance of such date or period and shall, at the time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association, or at any other place designated by the Board upon notice to the Member, and shall be open to inspection by any Owner. Written notice of the assessment thereupon shall be sent to every Owner subject thereto.

The Association shall, upon demand, furnish at any time to any Owner liable for said assessment, a certificate in writing, signed by an officer of the Association setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Non-Payment of Assessment or Penalties: The Personal Obligation of the Owner: The Lien. Remedies of Association. If the assessments or penalties (hereinafter called assessments) are not paid on the date due (being the dates specified in section 7 of this Article), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot, or Lots, which shall bind such Lot, or Lots or residence, in the hands or the then owner, his heirs, devisees, personal representative and assigns. The personal obligation of the then owner to pay such assessment, however, shall remain his personal obligation for the statutory period as well as passing to his successors in title unless expressly waved in writing by the Association Board. This applies to all assessments and penalties as prescribed by the Board or by the Architectural Committee.

If the assessment is not paid within thirty (30) days after the delinquency date, the

assessment shall bear interest from the date of delinquency at the rate of interest set by the Board, **not to exceed the maximum rate permitted by law**, and the Board acting on behalf of the Association, may authorize its officers to bring appropriate civil action against the Owner personally obligated to pay the same or to foreclose the lien against any such Lot, or Lots or residence, and there shall be added to the amount of such assessment, the costs of such action and reasonable attorney's fee or other cost incurred by the officers of the Association or pursuant to authority of the Board. In the event a judgment is obtained against any Owner for such assessments, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the Court, together with the cost of the action.

Section 10. Subordination of the Lien to Mortgages or Deed of Trust. The lien of the assessments provided for herein shall be absolutely subordinate to the lien of any first mortgage or deed of trust now or hereafter placed upon any Lot, or Lots, subject to assessment. The subordination shall not relieve any Lot, or Lots, from liability for any assessments now or hereafter due and payable, but the Lien thereby created shall be secondary and subordinate to any first mortgage or deed of trust as if said lien were a second mortgage irrespective of when such first mortgage or deed of trust was executed and recorded.

Section 11. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charges and liens credited herein, (a) all Common Properties as defined in Article Two hereof and (b) all properties exempted from taxation by the laws of the State of North Carolina, upon the terms and to the extent of such legal exemption (homestead exemptions shall not be considered for exempting).

Notwithstanding any provisions of this Section II, no Lot or any Living Unit located thereon shall be exempt from said assessments, charges or liens, except as noted in (a) and (b) above.

ARTICLE EIGHT

EXTERIOR MAINTENANCE

Section 1. Exterior Maintenance. In addition to maintenance on the Common Properties with twenty (20) days written notice to any Owner which shall specify such maintenance as the Board has determined is required of a vacant or improved lot, the Association shall have the right

but not the obligation to provide (a) maintenance upon vacant Lots and (b) maintenance upon every improved Lot which is subject to assessment under Article Seven hereof Such maintenance may include, but is not limited to, paint, repair, replacement (as regards any part or portion of the exterior of said Lot or improvement(s) thereon), care of roofs, gutters, downspouts, and other exterior improvements on any Living Unit. Such maintenance as to a vacant or improved Lot may include the mowing of grass and weeds, the trimming of shrubs, or the removal of trash and litter, though not limited to such as named.

Section 2. Assessment of Cost. The cost of any such maintenance shall be assessed against the Lot upon which such Board determined maintenance is done and shall be added to and in full become part of the next assessment billing or charge to which such Lot is subject and, as part of such assessment or charge, it shall be a lien against any such Lot, or Lots, as heretofore defined and limited, and a personal obligation of the Owner and shall become due and payable in all respects as provided herein. A ten percent (10%) penalty shall be added to the cost of all such maintenance and improvements under \$1,000.00, and a \$100.00 penalty shall be added for any such maintenance or improvements over \$1,000.00.

ARTICLE NINE

AMENDMENT OF DECLARATION

The Declaration may be amended in the following manner:

An amendment to this Declaration may be proposed by the Board of Directors acting upon a vote of a majority of the Directors, or by the Members of the Association owning a majority of the Lots, whether meeting as Members or by instrument in writing signed by them. Upon any Amendment to this declaration being proposed by the Board of Directors or Members, such proposed Amendment shall be transmitted in writing to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a Special Meeting of the Members of the Association for a date not sooner than twenty (20) days no later than sixty (60) days from receipt by him of the proposed Amendment. It shall be the duty of the Secretary to give each Member written notice of such Special Amendment in reasonably detailed form, which notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date set for such Special Meeting. If mailed, such notice shall be

deemed to be properly given when deposited in the United States Mail addressed to the Member at his Post Office address as it appears on the record of the Association, the postage thereon prepaid. Any Member may, by written waiver of notice signed by such Member, waive such notice and such waiver when filed in the record of the Association, whether before or after the holding of the meeting, and thus shall be deemed equivalent to the giving of notice to such Member. At the meeting, the Amendment proposed must be approved by an affirmative vote of sixty-six percent (66%) of the Members owning Lots including the Declarant in order for such Amendment(s) to become effective. At any meeting held to consider such Amendment, the written vote of any Member of the Association shall be recognized if such Member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association prior to such meeting or at such meeting. If so approved, such Amendment of this Declaration shall be transcribed and certified by the President and Secretary of the Association as having been duly adopted and approved by the requisite percentages of Members. The original, or an executed copy of such Amendment, so certified and executed by said officers with the same formalities as a deed, shall be recorded in the Forsyth County Public Registry, and no such Amendment to this Declaration shall be effective until so recorded. If any Amendment to the Declaration creates an inconsistency in the By-Laws, to the extent such inconsistency exists, the Declaration shall control.

The invalidation by any court of any restriction contained in this Declaration shall in no way effect the other restrictions, but they and each of them shall remain in full force and effect. The owner of any lot in the Community, however, does consent to the terms of this document in its entirety as the governing instrument regarding control of this residential subdivision and agrees to abide by the terms hereof.

ARTICLE TEN

CAPTIONS, INTRODUCTION AND GENDER

The captions and introductory materials herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine and neuter genders, and the use of the singular shall be deemed to refer to the plural, and the use of the plural shall be deemed to

include the singular, whenever the context so requires.

WITNESS THE HANDS AND SEALS of Declarant and Association as evidenced by the hands and seals of Declarant's manager and Association's President and Secretary the day and date first above written.

COVENTRY VENTURES, LLC
A North Carolina Limited Liability Company

By:  _____ (SEAL)
Thomas D. Calloway, Jr., Manager

COVENTRY ASSOCIATES, LLC
A North Carolina Limited Liability Company

By:  _____ (SEAL)
Thomas D. Calloway, Jr., Manager

COVENTRY HOMEOWNER ASSOCIATION, INC.
A North Carolina Nonprofit Corporation

By:  _____ (SEAL)
HAROLD C. THREATT, JR., President

Attested by its Secretary

Martha L. Wall (SEAL)
Martha L. Wall, Secretary

STATE OF NORTH CAROLINA - Forsyth County

I, FAYE H. FENEGAN, a Notary Public of Forsyth County, NC, do hereby certify that THOMAS D. CALLOWAY, JR., Manager of Coventry Associates, LLC, and Manager of Coventry Ventures, LLC, Limited Liability Companies, personally appeared before me this day and acknowledged the execution of the foregoing document as the act of and by the by the authority of the limited liability companies.

Witness my hand and notarial seal this the 25 day of October, 2002.



Faye H. Fenegan
Notary Public

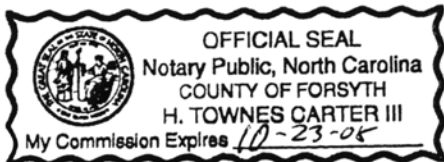
My commission expires:

10.15.03

STATE OF NORTH CAROLINA - Forsyth County

I, H. Townes Carter, a Notary Public of Forsyth County, NC, do hereby certify that Harold Threath President of Coventry Homeowner Association, Inc, a North Carolina nonprofit corporation, and Martha L. Wall, Secretary of Coventry Homeowner Association, Inc., personally appeared before me this day and acknowledged the execution and attestation, respectively, of the foregoing document as the act of, and by the authority of, the corporation.

Witness my hand and notarial seal this the 7 day of November, 2002.



H. Townes Carter

