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STATE OF NORTH CAROLINA

COUNTY OF CABARRUS & STANLY

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE VILLAGES AT RED BRIDGE DETACHED HOMES

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE VILLAGES AT RED BRIDGE DETACHED HOMES, (the "Declaration"), is made this 20th day of November, 2007, by THE VILLAGES AT RED BRIDGE, LLC, a North Carolina limited liability company with its registered office and principal place of business in Stanly County, North Carolina (the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of the real property described on Exhibit A attached hereto (the "Property") on which Declarant intends to develop a planned unit development known as The Villages at Red Bridge (the "Subdivision"); and

WHEREAS, said planned unit development shall include single family detached homes

WHEREAS, Declarant desires to insure the attractiveness of the Development and to prevent any future impairment thereof; to prevent nuisances; to preserve, protect and enhance the values of the said property and to provide for the

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maintenance of the Common Area and Common Open Space, the maintenance of the landscape easement(s), retaining walls, planted beds, road margins, or other landscaped common areas, if any, located throughout the Subdivision; and to subject the Property, together with such additions as may hereafter be made thereto (as provided in Article II) to the covenants, conditions, restrictions, easements, charges, liens and other obligations hereinafter set forth, all of which are for the benefit of said Property and each owner thereof; and

WHEREAS, Declarant deems it desirable in order to insure the efficient preservation, protection and enhancement of property values in the Development and the residents' enjoyment of the specific rights, privileges and easements in the Common Areas that an organization be created to which will be delegated and assigned the powers of maintaining the Common Areas and Landscape Easements, administering and enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter imposed; and

WHEREAS, Declarant has incorporated or will incorporate under North Carolina law a corporation under the name and style of THE VILLAGES AT RED BRIDGE DETACHED HOME OWNERS' ASSOCIATION, INC. (the "Association") as a nonprofit corporation for the purpose of exercising and performing the aforesaid functions; and

WHEREAS, preceding the recordation of this Declaration, the Declarant intends to record a Declaration of The Villages at Red Bridge (the "The Villages at Red Bridge Declaration"), which shall create a planned community on the Property, and which shall set forth in detail items typical to a condominium, including common element ownership and maintenance, as well as the dues structure for the condominiums; and

WHEREAS, subsequent to the recordation of this Declaration, the Declarant intends to record a Declaration of The Villages at Red Bridge Townhomes (the "The Villages at Red Bridge Townhomes Declaration"), which shall create a planned unit development upon a portion of the Property, and which shall set forth in detail items typical to a townhome development, including common area use and maintenance, as well as the dues structure for the Townhomes; and

WHEREAS, subsequent to the recordation of this Declaration, the Declarant intends to record a Declaration of The Villages at Red Bridge Live/Work Condominiums (the "The Villages at Red Bridge Live/Work Condominium Declaration"), which shall create a condominium upon a portion of the Property, and which shall set forth in detail items typical to a condominium, including common element ownership and maintenance, as well as the dues structure for the live/work condominiums;

WHEREAS, the Declarant intends for the condominiums, the Townhomes and the live/work condominiums to be considered part of the Subdivision, subject to the herein contained covenants, conditions and restrictions, participating in both the benefits and the burdens of ownership within the Subdivision.

NOW, THEREFORE, the Declarant declares that the real property described in Section I of Article II, and such additions thereto as may hereafter be made pursuant to Article II hercof, is and shall be owned, held, transferred, sold, conveyed, and occupied subject to the following covenants, conditions, restrictions, easements, charges and liens which shall run with the real property (except as provided in Article V, Section 10 hereafter) and be binding upon and inure to the benefit of all owners thereof, their heirs, personal representatives, successors and assigns.

ARTICLE I DEFINITIONS

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Section 1. "Association" shall mean and refer to The Villages at Red Bridge Homeowners Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers and owners of an equity of redemption, but excluding those having such interest in a lot solely as security for the performance of an obligation. Owners of condominium units shall be deemed to be "Owners."

Section 3. "Properties" shall mean and refer to the "Existing Property" described in Article II, Section 1 hereof and any additions thereto, as are or shall become subject to this Declaration and any Supplementary Declaration under the provisions of Article II hereof.

Section 4. "Lot" shall mean and refer to any plot of land, with delineated boundary lines, shown upon any recorded subdivision map of the Properties, with the exception of any common area, common open space, streets, walkways or easements shown on any recorded map. In the event any lot is increased or decreased in size by re-subdivisions, through recordation of new subdivision plats, any such newly platted lot shall thereafter constitute a lot for the purposes of this Declaration. Each unit in the residential condominium shall be deemed to be a "Lot."

Section 5. "Declarant" shall mean and refer to THE VILLAGES AT RED BRIDGE, LLC, a North Carolina limited liability company, and those of its successors and assigns, if any, to whom the rights of Declarant hereunder are expressly transferred hereafter, in whole or in part, and subject to the terms and conditions as the Declarant may impose.

Section 6. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 7. "Common Elements" shall mean and refer to the areas designated "Common Area," "Common Open Space," "Tree Save" (or such alternate language with similar meaning) on maps of the Properties recorded in the Cabarrus & Stanly County Public Registry and all real property, easements and improvements thereon, owned or held in trust for the benefit of the Association for the common use and enjoyment of its members. Common elements shall include the private roads in the development, as well as the parking lots.

Section 8. "Limited Common Elements" shall mean and refer to a portion of the common elements that are created or maintained for the exclusive use of one or more but fewer than all of the lots.

Section 9. "The Villages at Red Bridge Condominium Declaration" shall mean that certain Declaration of The Villages at Red Bridge Condominium, to be filed by Declarant in the Office of the Register of Deeds of Cabarrus & Stanly County, North Carolina, as and all amendments subsequently made thereto.

Section 10. "The Villages at Red Bridge Townhomes Declaration" shall mean that certain Declaration of The Villages at Red Bridge Townhomes, to be filed by Declarant in the Office of the Register of Deeds of Cabarrus & Stanly County, North Carolina, as and all amendments subsequently made thereto.

Section 11. "The Villages at Red Bridge Condominium Declaration" shall mean that certain Declaration of The Villages at Red Bridge Condominium, to be filed by Declarant in the Office of the Register of Deeds of Cabarrus & Stanly County, North Carolina, as and all amendments subsequently made thereto.

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Section 12. "Townhome Unit" shall mean and refer to one individual living space located on a Townhome Lot, each Townhome Unit being attached to other Townhome Units.

Section 13. "Townhome Lot" shall mean and refer to any numbered parcel of land upon which is or may be placed one single-family attached townhome dwelling, with delineated boundary lines, appearing on plat or maps of the Subdivision.

Section 14. "Townhome Building" shall mean and refer to any structure made up of contiguous Townhome Units.

Section 15. "Condominium" shall mean the development created as a condominium by virtue of the The Villages at Red Bridge Condominium Declaration, including the Condominium Units, the common elements, and the limited common elements, as defined in the The Villages at Red Bridge Condominium Declaration.

Section 16. "Condominium Unit" shall mean any residential dwelling unit of any condominium erected and established on the Property, each Condominium Unit being attached to other Condominium Units to make up a Condominium.

Section 17. "Live/Work Condominium" shall mean the development created as a condominium by virtue of the The Villages at Red Bridge Condominium Declaration, including the Condominium Units, the common elements, and the limited common elements, as defined in the The Villages at Red Bridge Condominium Declaration.

Section 18. "Live/Work Condominium Unit" shall mean any residential dwelling unit of any condominium erected and established on the Property, each Condominium Unit being attached to other Condominium Units to make up a Condominium.

Section 19. "Bylaws" shall mean the bylaws of the Association, as amended from time to time.

Section 20. "Single Family Lot" shall mean and refer to any parcel of land with delineated boundary lines, fronting on a public street, upon which is or may be placed one single-family dwelling not physically connected or attached to any other dwelling, appearing on plat or maps of the Subdivision recorded in the Office of the Register of Deeds of Cabarrus & Stanly County, North Carolina.

Section 21. "Map" shall mean and refer to any certain subdivision plat or map(s) which shows the Property and is or shall be recorded in the Office of the Register of Deeds of Cabarrus & Stanly County, North Carolina.

Section 22. "Property" shall mean and refer to the real property described on Exhibit A attached hereto and incorporated herein by reference.

Section 23. "Subdivision" shall mean the The Villages at Red Bridge Subdivision, which consists of and is identical to the Property.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION
AND ADDITIONS THERETO

Section 1. Property. The real property which is, and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration, irrespective of whether there may be additions thereto as hereinafter provided, is located in Cabarrus &

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Stanly County, North Carolina and is described on Exhibit A attached hereto and incorporated herein by reference.

In addition, Declarant reserves the right to add additional property which must adjoin property already subject to this Declaration to the provisions of this Declaration by filing a Supplemental Declaration identifying such adjoining property.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a Lot which 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 which is subject to assessment.

Section 2. The voting rights of the membership shall be appurtenant to the ownership of the lots. There shall be two classes of Lots with respect to voting rights:

(a) Class A Lots. Class A lots shall be all lots except Class B lots as the same are hereinafter defined. Each Class A lot shall entitle the Owner(s) of said lot to one (1) vote. When more than one person owns an interest (other than a leasehold or security interest) in any lot, all such persons shall be members and the vote appurtenant to said lot shall be exercised as they, among themselves, determine.

(b) Class B Lots. Class B lots shall be all lots owned by Declarant which have not been converted to Class A lots as provided in paragraphs (1), (2) or (3) below. The Declarant shall be entitled to three (3) votes for each Class B lot owned by Declarant. The Class B lots shall cease to exist and shall be converted to Class A lots:

(1) When the total number of votes appurtenant to the Class A lots equals the total number of votes appurtenant to the Class B lots; provided, that the Class B lots shall be reinstated with all rights, privileges and responsibilities of such Class, if, after conversion of the Class B Lots to Class A lots hereunder, additional land containing lots is annexed to the existing property pursuant to Article II above, thus making the Declarant the owner, by virtue of the newly created Lots and of other Lots owned by Declarant, of a sufficient number of Class B Lots to cast a majority of votes (it being hereby stipulated that the conversion and re-conversion shall occur automatically as often as the foregoing facts shall occur); or

(2) On December 31, 2018, whichever event shall first occur. When the Class B lots cease to exist and are converted to Class A lots, Declarant shall have the same voting rights as other owners of Class A lots; or

(3) Upon written notice of consent to such conversion by the Declarant.

ARTICLE IV PROPERTY RIGHTS

Section 1. Owner's Easement of Enjoyment. Except as limited by Section 2 of this Article IV, every Lot Owner shall have a right and easement of enjoyment of his or her own Lot and to the Common Area established initially and in all future Stages or Sections of the development, which right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

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(a) The right of the Association to charge reasonable admission and other fees for the use of any facility situated upon the Common Area and to limit the use of said facilities to Lot Owners who occupy a residence on the Properties, and to their families, tenants, and guests as provided in Section 2 of this Article IV;

(b) The right of the Association to suspend the voting rights and rights of a Lot Owner to the use of the facilities for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency authority or utility for such purposes and subject to such conditions as may be agreed to by the members.

No such dedication or transfer shall be effective unless the members entitled to at least three fourths (3/4) of the votes appurtenant to all Class A lots and at least three-fourths (3/4) of the votes appurtenant to all Class B lots agree to such dedication or transfer and signify their agreement by a signed and recorded written document, provided that this subsection shall not preclude the Board of Directors of the Association from granting easements for the installation and maintenance of sewerage, utilities, including CATV, and drainage facilities upon, over, under and across the Common Area without the assent of the membership when such easements, in the opinion of said Board, are requisite for the convenient use and enjoyment of the Property.

(d) The right of the Association, with the assent of members entitled to at least two-thirds (2/3) of the votes appurtenant to each class of lot (Class A and B), to mortgage pledge, deed in trust, or otherwise hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

e) The right of the Association to establish rules and regulations governing the use of the Common Area or portions thereof.

Section 2. Delegation of Use.

(a) Family. The right and easement of enjoyment granted to every Lot Owner in Section 1 of this Article may be exercised by members of the Lot Owner's family who occupy the residence of the Lot Owner within the Project as their principal residence in Cabarrus & Stanly County, North Carolina.

(b) Tenants. The right and easement of enjoyment granted to every Lot owner in section 1 of this Article may be delegated by the Lot Owner to his tenants or contract purchasers who occupy a residence within the Project, or a portion of said residence, as their principal residence in Cabarrus & Stanly County, North Carolina.

(c) Guests. Facilities located on the Common Areas situated within the Subdivision may be utilized by guests of Owners, tenants or contract purchasers, provided such Guests are accompanied by an Owner or Tenant, and subject to such rules and regulations governing said use of the Association as may be established by the Board of Directors.

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 Property, hereby covenants, and each Owner of any Lot in Use by acceptance of a deed therefore, whether or

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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 and (2) special assessments for capital improvements; such assessments to be established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs and reasonable attorney 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 fees, shall also be the personal or corporate obligation of the person(s), firm(s), or corporations owning such property at the time when the assessment fell due, but such personal obligation shall not be imposed upon such Owners' successors in title unless expressly assumed by them. Although unpaid assessment charges are not the Personal obligation upon such Owner's successors in title unless expressly assumed by their successors in title, the unpaid assessment charges continue to be a lien upon the property against which the assessment has been made.

Section 2. Purposes of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the residents of the Properties, the enforcement of these Covenants and the rules of the Association, and in particular for the improvement, and maintenance of the Properties and Common Area and providing the services and facilities devoted to this purpose and related to the appearance of the Landscape Easements and Common Area and any other areas maintained by the Association, including but not limited to, the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management and supervision thereof, the payment of taxes assessed the procurement and maintenance of insurance in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

Without limiting the generality of the above-described purposes, the assessments levied by the Association may be used as follows:

- (a) To pay for the maintenance of signage, planters, irrigation, lighting and landscaping on the Landscape Easement Areas and to provide and pay for utility charges for irrigation and lighting of the signage located thereon;
- (b) to keep the Landscape Easement Areas clean and free from debris, to maintain same in a clean and orderly condition and to maintain the landscaping thereon in accordance with the highest standards for private parks, including any necessary, removal and replacement of landscaping and repair of irrigation systems;
- (c) to keep the Common Areas, including the areas, clean and free from debris, to maintain the same in a clean and orderly condition and to maintain the landscaping thereon in accordance with the highest standards for private parks, including any necessary removal, or replacement of landscaping;
- (d) to repair and maintain the Common Area, including the parking areas, if any;
- (e) to repair and maintain the landscaping in the planted areas and beds throughout the Subdivision and to maintain the property lying within the right-of-way of Red Bridge Boulevard, between the curb or pavement of said roads, and the rear lines of the Common Area adjacent to the rights-of-way of Red Bridge Boulevard.
- (f) to pay all ad valorem taxes levied against the Common Areas and any other property owned by the Association;
- (g) to pay the premiums on all insurance carried by the Association pursuant hereto or pursuant to the Bylaws;
- (h) to pay all legal, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the Bylaws;

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(i) to maintain contingency reserves as to the amounts described in subsections (a) through (e) above in amounts determined by the Board of Directors and

(j) to promote the recreation, health, safety and welfare of the residents in the Subdivision as it relates to this Association.

(k) to provide for maintenance of the Common Areas, Entrance Signs and Tree Saves within the subdivision, including but not limited to, fertilizing, cutting and edging, re-seeding, such ornamental plantings as the Board of Directors of the Association shall approve, from time to time, if any, irrigation, if any, and such other upkeep and maintenance as the Board of Directors of the Association may approve from time to time.

(l) to provide for the upkeep and the maintenance of such security systems, gates, or other apparatus that may be implemented by a vote of the lot owners to maintain the subdivision as a secure community, until or unless the roadways and road right of ways have been dedicated to and accepted by a governmental agency for upkeep and maintenance.

Section 3. Assessments. The Assessments, if any, shall be established by the Board of Directors on an annual basis. The Board shall have the right to reduce the Assessments at any time.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, special assessments for the purpose of defraying, in whole or in part, the cost of any construction, repair, replacement of and additions or improvements to capital improvements upon any Common Area. Any such Special Assessment shall be applicable only to a Class A lot.

Section 5. Date of Commencement of Annual Assessments: Due Date: Certificate of Payment. The annual assessment provided for herein as to a Class A lot shall commence as to all Class A Lots subject to this Declaration upon the conveyance of the first lot to an owner, and for new Lots subjected to this Declaration by a supplemental declaration, on the first day of the month following the recordation of such supplemental declaration. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty' (30) days before January 1 of each year, the Board of Directors shall fix the amount of the annual assessment against each lot and at least fifteen (15) days before January 1 of each year shall send written notice of each assessment to every Owner subject thereto.

The due dates for payment of annual and special assessments shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

Norwithstanding Sections 1 and 5 hereof, the Declarant may, at its election, postpone, in whole or in part, the date on which the assessment shall commence provided that the Declarant maintains the Landscape Easements and the Common Areas for which no assessment is being collected during the period of such postponement.

Section 6. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a minimum rate of twelve (12%) percent per annum or at the rate established by the Board of Directors at the beginning of the fiscal year of the Association, whichever is less. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney fees of such action or foreclosure shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the Assessments provided for herein by abandonment of his lot. Any Assessment not paid within fifteen (15) days of the due date, shall be subject to a late charge

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of five & NO/100 percent (5%) of the delinquent payment then due.

Section 7. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust on a lot. Sale or transfer of any lot shall not affect any assessment lien. However, the sale or transfer of any lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or deed of trust.

Section 8. Exempt Property. All property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VI EASEMENTS

Easements for installation and maintenance of driveways, walkways, parking areas, water lines, gas lines, cable television, telephone, electric power lines, sanitary sewer and storm drainage facilities and for other utility installations are reserved as shown on the recorded plat. Further, easements ten feet in width for such purposes are reserved over, under and through and along the rear lot lines of all lots shown on recorded plats, and easements five feet in width for such purposes are reserved over, under and through and along all side lot lines of all lots shown on recorded plats, as well as temporary easements five feet in width along the front lot lines for construction, maintenance and repair purposes. In the event it is determined that other and further easements are required over any lot or lots in locations not shown on the recorded plat and not along rear or side lot lines, such easements may be established by the Declarant, except that if any such easements are reserved or established after the conveyance of a lot or lots to be affected thereby, the written assent of the Owner or owners of such lot or lots and of the trustees and mortgagees in deeds of trust constituting a lien thereon shall be required.

Within any such easements above provided for, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation, delivery and maintenance of public utilities, or which may obstruct or change the direction of flow of drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements.

ARTICLE VII USE RESTRICTIONS

Each Lot shall be subject to the following restrictions on the use thereof:

- 1). No Lot may be subdivided without the consent of the Declarant.
- 2). All lots must be used only for residential purposes (residential, as used herein, means single family residence, occupied by no more than one family unit limited to parents, children, grandparents, and grandchildren).
- 3). No structure more than two full stories in height may be constructed upon any Single Family Lot and any residential structure constructed upon a Single Family Lot must have no less than Two Thousand Seven Hundred (2700) square feet of

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heated space.

4). No satellite dish shall be constructed if more than thirty (30) inches in diameter, and no such satellite dish shall be visible from the street upon which the residential improvements face.

5). No commercial vehicles may be parked in or around a lot or upon the streets and rights-of-way except for valid service calls, repairs, or improvements to the lot.

6). No recreational vehicles, boats, or disabled vehicles of any nature, shall be parked overnight on any street, right-of-way, driveway, or upon any portion of a lot, except that a boat or recreational vehicle may be parked in an enclosed garage.

7). No exterior clothes lines of any nature or manner of construction shall be constructed upon any lot or portion of the Subdivision.

8). No animals (such as agricultural animals such as goats, pigs, sheep, donkeys, chickens, other fowl, or livestock) shall be maintained or permitted upon a lot or lots. Providing that normal and usual pets may be maintained (dog, cat, small animals) upon the premises, providing that they are not maintained for breeding or commercial purposes, and providing that they do not result in creating a public nuisance, unsanitary conditions, or unusual levels of noise. In no event may more than two (2) of each type of pet be maintained upon a lot.

9). No permanent or free standing sports equipment or facilities shall be constructed or maintained overnight in the front of the house or upon the driveway or the street. Any such facilities constructed or maintained in a rear or back yard, must be removed and stored nightly, or screened so as to avoid being seen from the street, road, or right-of-way.

10). No signs, banners, or posters shall be erected or maintained upon a lot, except for in the live work condominium units, business signs that are reasonable in color, size, and location and have been approved in writing by the Architectural Review Committee prior to erection. The Architectural Review Committee and Association retains the right to adopt, from time to time, such rules and regulations as may be deemed necessary as to the color, size, design, and location of any allowed signs. No "For Rent" signs shall be permitted on any lot at any time, including but not limited to signs visible in windows of Condominium Units or Townhome Units.

11). No property may be rented for a term of less than Three (3) months, such that no property may be used as temporary housing. In the event a lot owner shall enter into a lease of a property, he or she shall provide to the Association, the full name of the tenant, the property address, the lease term, and the full names of each occupant who will occupy the property pursuant to the lease. In the event of any such lease, the rights of membership in the Association, including the Club, are appurtenant to the lot or property, and thus the rights are a part of the leasehold rights of the tenant. Rental of a lot, and the rights to the use and enjoyment of an common or limited common areas by the tenant, shall not, in any circumstance relieve, forgive, or abate the continuing obligations of the owner of such lot to remit, on a timely basis, all dues, assessments, and fees associated with the lot, and to insure that use and occupancy are at all time in accordance with the requirements of this declaration and any other declaration affecting or controlling such lot.

12). No property shall be used for any noxious, offensive, or illegal use or activity. For purposes of this provision, excessive noise, failure to maintain a property, including the yard areas and landscaping, in a neat and orderly manner shall constitute a noxious or offense activity.

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13). No trailer, barns, workshop, storage shed, temporary structure or other out building shall be erected or maintained upon the property, nor shall any existing improvements be moved to a lot and restored, rebuilt, or otherwise made a permanent part of the lot. Any allowed ancillary structure, or other out building shall be subject to submission of a request for architectural approval, and constructed in accordance with the guidelines associated with such out buildings, if any. Nothing contained herein shall be deemed to prohibit or to restrict the right of a builder to erect upon a lot or lots, a temporary sales office, which may consist of a trailer, modular unit, or other type of construction.

14). No playground sets shall be erected upon a lot without the approval of the Architectural Review Committee, as to size, design, and location.

15). Garbage containers must be reasonable in number, and screened from the street, and not placed at the curb until the morning of the collection day, and removed the evening of the collection day.

16). Residents must use the parking lots, garage and driveway portions of the property for the parking of vehicles, and on street parking, except for temporary events or purposes, is prohibited.

17). No window air conditioning units shall be used or installed, unless fully screened from view from the streets, roads, and rights-of-way, and from adjacent lots.

18). No chain link, metal or recycled materials fencing shall be allowed accepting as specifically set forth herein. Only decorative aluminum, or decorative wrought iron metal fencing or brick walls shall be constructed, and only with approval of the Architectural Review Committee as to style, material, color, and design.

19). No all terrain vehicles, off road motorcycles, go carts, or other off road vehicles shall be operated in the yards of a lot, in or upon the streets, road, or rights-of-way of the subdivision, or in or upon any of the common area. All vehicles must be properly equipped with mufflers, and shall not be operated in a noisy or reckless manner.

20). Garage doors are required to be kept closed, except for when in use or when the residents of the property are engaged in outdoor activities upon the lot.

21). In the event any construction is commenced upon a lot, whether initial construction, or approved modifications, additions, or renovations, such construction shall be diligently and continuously pursued, and completed in a reasonable, orderly, and timely manner. No stoppage of work, for more than forty-five consecutive days shall occur.

22). All construction, and the maintenance of any completed construction, shall at all times, be in compliance with any and all building codes, building standards, building regulations, retention pond requirements, tree ordinances, open space requirements, or other laws, rules or regulations affecting the lot or the property, as enacted, enforced, or published, from time to time, by any governmental entity having jurisdiction over the property or lot.

23). Violation of any of the terms and conditions hereof, shall entitle the Declarant and/or the Association to assess a penalty or fine of up to One Hundred & No/100 Dollars (\$100.00) Dollars (or such lesser or greater amount as the Association shall determine from time to time, and as allowed by law) per day for each day that any violation continues, after due notice of such violation to the property owner. In the event of a subsequent or repeated violation of the same provision, then, in such an event, the fine or penalty shall commence upon the date such violation occurred and no prior notice to the property owner shall be required. In addition, should it become necessary or advisable to institute suit to enforce any term or condition of this provision (or of the Declaration in general), then in such event, the Declarant and/or

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the Association shall be entitled to recover all costs of such suit, and an award of reasonable attorneys fees.

24). Each lot shall be subject to the setback requirements of the record map or any amendment thereto, which includes a minimum fourteen (14) feet from the back of the curb, along with such greater set backs, utility easements, drainage easements, and site easements as are disclosed upon the record map or maps.

ARTICLE VIII INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify any and all persons who may serve or whom have served at any time as directors or officers of the Association against any and all expenses, including amounts paid upon judgments, counsel fees and amounts paid in settlement (before or after suit is commenced), actually and necessarily incurred by such persons in connection with the defense or settlement of any claim, action, suit or proceeding in which they, or any of them, are made parties, or a party, which may be asserted against them or any of them, by reason of being or having been directors or officers or a director or an officer of the Association, except in relation to matters as to which any such director or officer or former director or officer or person shall be adjudged in any action, suit, or proceeding guilty willful and intentional negligence or misconduct in the performance of his or her duties to the Association. Provided, however, that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The provisions hereof shall be in addition to and not exclusive of any and all other rights to which any director or officer may otherwise be entitled under any law, By-law, agreement, vote of the Association Members or otherwise. In the event of death of any officer or director, the provisions hereof shall extend to such person's legal heirs, representatives, successors and assigns. The foregoing rights shall be available whether or not such person or persons were in fact directors or officers at the time of incurring or becoming subject to such expenses, and whether or not the proceeding, claim, suit or action is based on matters which antedate the adoption of this By-Law.

ARTICLE IX ARCHITECTURAL CONTROL

Section 1. Architectural Review Committee. Except for improvements made upon the Property by Declarant, Builder or except as otherwise provided under this Declaration, no building, fence, wall or other structure or improvement shall be commenced, erected or maintained upon the Property nor shall any exterior addition to or change or alterations therein (including change of color) 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 or external design and location in relation to surrounding structures and topography by the Architectural Review Committee. For purposes of this Article IX, a representative of Declarant shall function as the Architectural Review Committee (the "ARC") so long as Declarant shall own any Lot and does not surrender its right to appoint the representative as a member of the ARC. After Declarant no longer owns any Lot, the Board of Directors of the Association shall appoint the members of the ARC to carry out the functions set forth in this Article. Declarant may also turn over its function as the ARC to the Association upon written notice to the Association. The ARC shall consist, upon the Declarant no longer owning a Lot, of three (3) members, each of which shall be appointed to a staggered term (Upon designation by the Association of the first members of the ARC, one member shall be appointed for a one year term, one member for a two year term, and one member for a three year term, and thereafter each successor member appointed as a member's term expires to a three (3) year term). In the event the ARC 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.

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Section 2. Definitions. For Purposes of this Article IX, the following terms shall have the following meanings unless the context clearly requires a different meaning:

(a) "accessory building" means every detached garage, carport, tool shed, storage or utility building, detached guest quarters, detached servants' quarters or other similar building constricted on a Lot or incidental thereto which is not a dwelling;

(b) "building" means an accessory building or dwelling;

(c) "dwelling" means a building constructed for single family residential use but excluding detached servants quarters and guest quarters; and

(d) "improvement" or "structure" means a building, wall, fence, deck, patio, planter, statuary, terrace, swimming pool, tennis court, television and radio antennae, towers, dishes and discs or anything else constructed or placed on a Lot.

Section 3. Architectural Intent. It is the intent of these guidelines to encourage residential structures which harmonize with their surroundings and with each other. Colors, materials and design features will not be approved which would tend to make an individual house call attention to itself in the overall design and structure of the Development.

Section 4. General Guidelines. Listed hereinafter are guidelines which are not intended to be absolute and complete guidelines, but address certain critical areas which will be carefully considered by the Board in the approval or disapproval of an Owner's plans and specifications:

(a) All storage areas and facilities must be screened and hidden from view.

(b) Unless specifically otherwise approved in writing by the Committee, all structures constructed or placed on any Lot shall be built of substantially new materials and no used structures shall be relocated on any such Lot.

(c) All structures approved by the Committee must be completed within one (1) year after the receipt of such approval; provided, however, the Committee may waive this requirement if construction delays have been caused by strikes, war, fire, acts of God or other events which render the completion of construction within such time impossible.

(d) Allowed Exterior Materials Interior Requirements, and Landscaping;

(1) Exterior materials shall be brick, stucco, stone or siding of cement board, or as approved by the Board. No metal or vinyl siding will be allowed, unless otherwise approved by the Board.

(2) Brick Type: A brick sample must be submitted for approval to the Board prior to the ordering of brick for the construction of any residence.

(3) Stone: Approved Stone color, with natural color mortar joints, is required.

(4) Roofs: Roof pitches to be no less than 6:12, unless otherwise approved in writing by the Board.

(5) Exterior Colors: All exterior colors (brick, roof, paint, stain, etc.) must be submitted to the Board prior to

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application.

(6) Interior Features: Floor ceiling heights must be no less than 8 foot.

(7) Landscaping: Landscaping must be completed no later than thirty (30) days after final inspection by building inspector or prior to occupancy, whichever is sooner, unless an extension has been granted by the Board.

(8) All driveways, turning areas and parking areas shall be paved and must be completed prior to the occupancy of any dwelling on the Lot. If any driveway is to cross a drainage ditch, the Owner will be required to install, at his own expense all necessary culverts and coverings prior to the commencement of any other construction on the Lot. The installation of the culvert and any covering must be approved by the Committee and by any local, state, or other governing agency or authority. All driveway and walkway surfaces must be paved concrete finished. Curved driveways are encouraged.

(9) All mailboxes and supports, which shall include natural gas lighting features, shall be of a single type and color, fabricated to a design approved by the Board.

(10) All allowed fencing materials, as allowed herein or by the Master Covenants and Restrictions, shall be submitted to the Committee for approval as to type, color, design, height, spacing, and proposed location.

Section 5. Approval of Plans, Specifications, and Construction. In addition to the requirements imposed by all applicable governmental agencies governing the issuance of building permits and certificates of occupancy, no structure shall be erected on any Lot without the approval of the Committee as provided in this section.

(a) Prior to commencing any construction or reconstruction on a Lot, the owner thereof shall submit to the ARC two sets of all building plans and specifications (the "Plans") covering such construction which have been prepared by a qualified registered architect or professional Engineer or reviewed, approved and sealed by a registered architect or Engineer for the specific use of the owner submitting the same, together with the review fee approved by the Board of Directors of the Association. The Plans shall contain the following: (i) foundation plans, (ii) elevation drawings of all exterior walls, (iii) roof plan, (iv) plot plan showing location and orientation of all structures proposed to be built on the Lot, (v) the square footage of the proposed structures on a floor by floor basis, (vi) a list and description of all proposed exterior building materials, and (vii) the location of any driveway, and, where the driveway is to cross a drainage ditch adjacent to any roadway, the installation of the culvert and covering to be used under the proposed driveway.

(b) The ARC shall have the absolute and exclusive right to refuse to approve the proposed Plans. In passing upon such Plans, the ARC may take into consideration the suitability and desirability of the proposed construction and the proposed materials to the Lot involved, and the harmony of the external design with the natural features and the existing structures of the surrounding neighborhood and the appearance of such proposed improvements as viewed from neighboring Lots. Refusal to approve the proposed Plans may be based by the ARC on any grounds, including purely aesthetic considerations. If the ARC approves the construction of such improvements, it shall issue a letter evidencing such approval. No alterations in the external appearance of any structure shall be made without approval by the ARC as provided herein; provided, however, that no approval by the ARC granted hereunder shall constitute or be construed as approval, by Declarant or any other person of the structural stability or quality of any structure.

(c) Upon completion of approved construction, the ARC shall inspect the construction to insure that the approved Plans were complied with by the Owner. If the construction is approved by the ARC and the Owner so requests, the ARC will

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issue to the Owner a letter of compliance. The letter of compliance shall be issued by the ARC without fee; provided, however, that in the event that the ARC's first inspection of the construction reveals deviations or deficiencies from the approved Plans, the ARC may charge a fee of \$125.00 or the amount approved by the Board of Directors of the Association for every subsequent inspection or review of revised specifications or plans which is necessary to insure compliance with the approved Plans. Any such fee must be paid before the issuance of the compliance letter. In addition, construction of any nature without having first having obtained the approval of the ARC, as required hereunder, shall, in the discretion of the ARC and the Association, be subject to the daily fine specified in Article VII, Section 23.

Section 6. Declarant Exempt from Approval. Notwithstanding any provisions to the contrary, the provisions of this Article IX shall have no application to the development, improvements, maintenance and repair of the Properties by Declarant or by the Association, and neither the Board of Directors, nor the ARC shall have any power or authority to review or require modifications in plans and specifications for construction or installation of improvements by Declarant. The Declarant may waive or modify for the builder(s) the provisions of this Article IX in the sole discretion of the Declarant.

ARTICLE X LANDSCAPE EASEMENTS

The Association, its successors and assigns, shall have a "Landscape Easement" over those portions of the Lots located adjacent or near Red Bridge Boulevard and designated "Landscape Easement" on the recorded map(s) of The Development or in any other recorded easement, map, or declaration affecting the Development. The Landscape Easement shall be for the construction, maintenance, repair and replacement of subdivision entrance monuments, walls, fences, irrigation and lighting systems, and landscaping. The Owners of said lots shall maintain the area around the improvements not maintained or landscaped pursuant to this easement.

No fences, structures, driveways, plantings, swings or other objects or improvements shall be permitted in such easement without the Declarant's and Association's prior written consent. The reservation of this easement imposes no obligation on Declarant, its successors and assigns, to continue to maintain the entrance monuments and landscaping.

ARTICLE XI GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of 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 wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run and bind the land, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless terminated or altered by a vote of seventy-five (75%) percent of a vote of the Owners after the expiration of said twenty-five (25) year period.

This Declaration may be amended during the first twenty-five year period in the following ways: 1) by an instrument

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signed by the Owners of not less than eighty (80%) percent of the lots, and thereafter by an instrument signed by the Owners of not less than seventy-five (75%) percent of the lots; or 2) for so long as the Declarant owns any lots in the subdivision, the Declarant may amend at will. Any amendment must be properly recorded. For the purpose of this section, additions to existing property as provided in Article II, Section 2 hereof shall not constitute an "amendment".

Section 4. Headings. Article and Section headings are inserted for convenient reference, and are not to be construed as substantive parts of the paragraphs to which they refer.

Section 5. Transfer of Declarant's Vested Interest. Declarant, at sole discretion, may at any time after Declarant no longer has a majority vested interest (lot voting rights) transfer Declarant responsibilities contained herein to existing and future property owners or to any existing neighborhood homeowners association.

In Witness whereof, the Declarant has caused this instrument to be executed, this 20th day of November, 2007.

THE VILLAGES AT RED BRIDGE, LLC

Stephen Content (Seal)
Stephen Content
Member/Manager

STATE OF NORTH CAROLINA
COUNTY OF Union

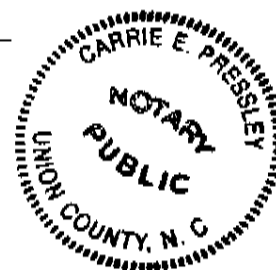
I, Carrie E Pressley, Notary Public for the above county and state, hereby certify that Stephen Content personally came before me this day and acknowledged that he is the Member/Manager of THE VILLAGES AT RED BRIDGE, LLC, a North Carolina limited liability company, and that he, as Member/Manager, being authorized to do so, voluntarily executed the foregoing on behalf of the corporation for the purposes therein.

Witness my hand and official seal, this the 20th day of November, 2007.

(Official Seal)

Carrie E Pressley
Notary Public

My commission expires: 7/15/2012



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EXHIBIT A

Being all of Lots 1 through 116 of Glenwood at the Village of Red Bridge, Phase 1, Map 1, as shown on map thereof recored in Map Book 53, Pages 88 through 92, a revision of Map Book 53, Pages 52 through 56, Cabarrus County Registry, referencce to which is hereby made for a more particular metes and bounds description.