



*Drawn by Samuel M. Smith
for*

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DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CENTURY PARK TOWNHOUSES

THIS DECLARATION, Made on the date hereinafter set forth by Shugart Development Co., Inc., a North Carolina corporation, and Grover Shugart, Jr. and wife, Kay W. Shugart and Claus W. Hixhisen, of Forsyth County, North Carolina, hereinafter referred to as "Declarant".

W I T N E S S E T H :

WHEREAS, Declarant is the owner of certain property in Forsyth County, North Carolina, which is more particularly described in Schedule "A" attached hereto.

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

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Century Park Townhouse Association, Inc., its successors and assigns.

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

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

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

All that land designated as "Common Area" as shown on the plat entitled "Century Park Townhouses" which appears of record in the Office of the Register of Deeds of Forsyth County, North Carolina, in Plat Book 29, page 35.

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

Section 6. "Declarant" shall mean and refer to Claus Hinrichsen, Grover Shugart, Jr. and wife, Kay W. Shugart, and Shugart Development Co., Inc., a North Carolina corporation, their heirs, successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "First Mortgage" shall mean and refer to the holder of any Mortgage or Deed of Trust under which the interest of any Owner is encumbered and which Mortgage or Deed of Trust has first and paramount priority subject only to the lien of general or ad valorem taxes and assessments.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following limitations and provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility that may be situated upon the Common Area;

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

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreement to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded;

(d) The rights of Owners to the exclusive use of parking spaces as provided in this Article;

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

(f) The right of the Association to limit the number of guests of members.

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

Section 3. Parking Rights. Ownership of each Lot shall entitle the Owner or Owners thereof to the use of not more than two (2) automobile parking spaces, one of which shall be as near and convenient to said Lot as reasonably possible, together with the right of ingress and egress in and upon said parking area. The Association may permanently assign one (1) automobile parking space for each dwelling and shall have the right to control parking on the 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 Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) on December 31, 1988.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. (a) Creation of the Lien and Personal Obligation for Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. (3) Home-owners insurance premiums. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote recreation, health, security, safety and welfare of the residents in the Property and in particular for the acquisition, improvement and maintenance of Property, services and facilities devoted to this purpose and related to the exterior maintenance of the homes situated upon the Property or for the use and enjoyment of the Common Area, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance related to the Common Area, its facilities and use in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$360.00 per Lot; provided, however, the assessment for the Class B Member for any vacant Lot or a Lot superimposed with an unoccupied, unsold home shall not be less than twenty-five per cent (25%) of the regular assessment for other occupied lots.

From January 1 of the calendar year immediately following the first conveyance of a Lot to an Owner:

(a) The maximum annual assessment shall be established by the Board of Directors and may be increased by the Board of Directors without approval by the membership by an amount not to exceed ten per cent (10%) of the maximum annual assessment of the previous year, or the percentage increase over the previous year as shown on the U. S. Bureau of Labor Statistics Consumer Price Index for Urban Wage Earners or, if such index shall cease to be published, by the index most nearly comparable thereto.

(b) The maximum annual assessment may be increased without limit by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

At any time the Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying, in whole or in part, the cost of construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots subject to assessment and may be collected on a monthly basis, except as herein provided.

Section 6. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty per cent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall be collected on a monthly basis and shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each annual assessment period, the Board of Directors shall fix the amount of the annual assessment against each Lot and send written notice of each assessment to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 8. 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 the rate of ten per cent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same and foreclose the lien against the property, and interest, costs and reasonable attorney's fees for such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for any of the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. A prospective purchaser or lender may request a written certificate from the Association as to the status of assessments on any Lot they or it is concerned with and as to such purchaser, lender or subsequent purchaser from them, such statement of the Association shall be binding on the Association as of the date of its issuance.

Section 9. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust. Sale or transfer of any Lot shall not affect the assessment lien or lien provided for in the preceding section. 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, conveyance or assignment 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 mortgage, mortgages, deed of trust or deeds of trust.

Section 10. Exempt Property. All property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall, for sale sign, or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Provided that nothing herein contained shall be construed to permit interference with the development of the Properties by the Declarant so long as said development follows the general plan of development of the Properties previously approved by the FHA/VA.

ARTICLE VI

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding

party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice; however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VII

EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: Paint, repair, replace and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right to unobstructed access over and upon each Lot at all reasonable times to perform maintenance as provided in this Article.

In the event that the need for maintenance, repair, or replacement is caused through the willful, or negligent, act of the Owner, his family, guests, or invitees, or is caused by fire, lightning, windstorm, hail, explosion, riot, attending a strike, civil commotion, aircrafts, vehicles, and smoke, as the foregoing are defined and explained in North Carolina Standard Fire and Extended Coverage insurance policies, the cost of such maintenance, replacement, or repairs, shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE VIII

USE RESTRICTIONS

Section 1. Land Use and Building Type. No Lot shall be used except for residential purposes. No building shall be erected, altered, placed, or permitted to

remain on any Lot other than one single-family dwelling not to exceed two stories in height.

Section 2. Sales and Construction Facilities of Declarant. Notwithstanding any provision in Section 1, Declarant, its agents, employees and contractors shall be permitted to maintain during the period of construction and sale of the Lots in the Properties upon such portion of the Properties as Declarant may choose, such facilities as may be reasonably required in the construction, sale of Lots, including but not limited to, a business office, storage area, construction yards, signs, model Lots, sales office, construction office, parking area, and lighting and temporary parking facilities for all prospective tenants or purchasers of Declarant.

Section 3. No Other Business. No other business activity of any kind shall be conducted on any Lot or in the Properties.

Section 4. Dwelling Specifications. No dwelling shall be permitted, costing less than \$30,000.00, exclusive of the lot, based on current building costs and having a ground area on the ground level exclusive of porches and unheated storage area of at least 485 square feet and for two story dwellings at least a total square footage of 765 square feet with at least 485 square feet of same on the ground level.

Section 5. Nuisance. No noxious or offensive activity shall be conducted upon any Lot nor shall anything be done thereon which is or may become an annoyance or nuisance to the neighborhood.

Section 6. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats, or other household pets may be kept or maintained provided they are not kept or maintained for commercial purpose. Such household pets shall be kept within the unit lot and be on a leash when in the Common Area.

Section 7. Outside Antennae. No outside radio or television antennae shall be erected on any Lot or dwelling unit within the Properties unless and until permission for the same has been granted by the Board of Directors of the Association or its architectural control committee.

Section 8. Clothes Drying. No drying or airing of any clothing or bedding shall be permitted outdoors on any Lot within the Properties other than between the hours of 8 a.m. and 5 p.m. on Monday through Friday and 8 a.m. and 1 p.m. on Saturdays (except when any such day shall fall upon a holiday) and clothes hanging devices such as lines, reels, poles, frames, etc., shall be stored out of sight other than during the times aforementioned.

ARTICLE IX

EASEMENTS

Section 1. Utilities Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements.

Section 2. Encroachments. If any portion of the Common Area now encroaches upon any Lot or if any Lot now encroaches upon any Lot or if any Lot now encroaches

upon any other Lot or upon any portion of the Common Area, as a result of the construction of a building, or if any such encroachment shall occur hereafter as a result of settling or shifting of any building or for any other reason, a valid easement for the encroachment and for the maintenance of the same so long as the building stands shall exist. The foregoing encroachments shall not be construed to be encumbrances affecting the marketability of title to any Lot.

ARTICLE X

COVENANT OF OWNER TO KEEP UNIT INSURED

Section 1. Insurance. The Declarant covenants and agrees with the Association, on behalf of itself and on behalf of each subsequent Owner of a Lot within the Property, and each Owner of any Lot within the Property, by acceptance of a deed therefore, whether or not it shall be so expressed in said deed, or by exercise of any act of ownership, is deemed to covenant as follows:

- (a) The Association shall obtain and maintain a group or blanket insurance policy equal to the full replacement value of the project. Said policy shall contain a Replacement Cost Endorsement providing for the replacement of a Unit from insurance loss proceeds.
- (b) The Owner shall apply the full amount of any insurance proceeds to the rebuilding or repair of any dwelling unit (subject to the provisions and covenants contained in any mortgage creating a lien against the Lot).
- (c) The Owner shall rebuild or repair the dwelling in the event of damage thereto provided the dwelling is insured under a group or blanket hazard insurance policy which contains a Replacement Cost Endorsement providing for replacement of a dwelling from insurance proceeds.
- (d) The Owner shall keep the dwelling unit in good repair except for repairs required by the Association.
- (e) Premiums for the group or blanket hazard insurance policy shall be a Common Expense and shall be collectible in the same manner and to the same extent as provided for annual and special assessments in Article IV. The lien for assessments of insurance premiums shall be subordinate to the lien of any first mortgage in the same manner provided for annual and special assessments.
- (f) Such policies shall provide that insurance proceeds payable on account of loss of or damage to the real property shall be adjusted with the carrier(s) by Century Park Townhouse Association, Inc. and shall be payable solely to the homeowner's mortgagee, if any, and Century Park Townhouse Association, Inc., as insurance trustee for the homeowner. Such insurance proceeds shall be applied to repair or restoration of the property as hereinabove provided. All such insurance policies shall provide that coverage may not be cancelled by the carrier(s) without first giving the Association and the homeowner's mortgagee, if any, ten (10) days written notice of cancellation. All such policies shall contain, if obtainable, a waiver of the right of subrogation against any Owner, members of his family, Century Park Townhouse Association, Inc., its officers, agents and employees, as well as a waiver of the "pro rata" clause.
- (g) The Association shall also obtain a broad form public liability policy covering all Common Areas and all damage or injury caused by the negligence of the Association or any of its agents, officers or employees, in an

amount of not less than One Million Dollars (\$1,000,000) for each occurrence and such policies shall contain a waiver of the right of subrogation against members of Century Park Townhouse Association, Inc., its officers, agents or employees.

(h) Any Owner may, if he wishes and at his own expense, carry any and all other insurance as he deems advisable beyond that included in the homeowner's policy required by the Association. All such policies shall contain, if obtainable, a waiver of the right of subrogation against any Owner, members of owner's family, Century Park Townhouse Association, Inc., its officers, agents and employees, as well as a waiver of the "pro rata" clause, if possible.

Section 2. Damage or Destruction by Fire or Other Casualty: In the event of damage or destruction by fire or other casualty to any property covered by insurance payable to the Association as trustee for the homeowners, the Board of Directors shall, with the concurrence of the mortgagees, upon receipt of the insurance proceeds, contract to re-build or repair such damaged or destroyed portions of the Property to as good a condition as formerly. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a Federal governmental agency, with the provisions agreed to by said bank or institution that such funds may be withdrawn only by signature of at least one-third (1/3) of the members of the Board of Directors or by an agent duly authorized by the Board of Directors. The Board of Directors shall obtain bids from at least two (2) reputable contractors, and then may negotiate with any such contractor who may be required to provide a full performance bond for the repair, reconstruction or re-building of such building or buildings.

Section 3. Reconstruction Substantially Identical. The reconstructed or repaired residences shall be substantially identical to the destroyed residences, unless a change is approved by the Board of Directors, and shall be constructed in conformity with the plans submitted to and approved by the Board prior to construction.

Section 4. Retention by Owner. If a dwelling is not habitable by reason of damage, and the Owner gives notice of his election to repair or reconstruct the dwelling, the obligation of the Owner to pay annual assessment installments shall be suspended either for a period of ninety (90) days or until the dwelling is restored to a habitable condition, whichever shall occur first. In the event a dwelling is damaged or destroyed, and the Owner does not begin repair or reconstruction within thirty (30) days following the damage or destruction, he shall remove or cause to be removed at his expense, all debris from the Lot so that it shall be placed in a neat, clean and safe condition; and if he fails to do so, the Association may cause the debris to be removed and the cost of removal shall constitute a lien upon the dwelling until paid by the Owner, unless the dwelling is thereafter acquired by the Association.

Section 5. Application of Declaration and By-Laws. Any dwelling which has been destroyed in whole or in part by fire or other casualty, and is subsequently restored or reconstructed, shall be subject to the provisions of this Declaration and to the By-Laws of the Association.

Section 6. Fidelity Coverage. The Association shall maintain adequate fidelity coverage against dishonest acts by its officers, directors, trustees and employees and all others who are responsible for the handling of funds of the Association. Such fidelity bonds shall:

- (a) Name the Association as an obligee;
- (b) Be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operation expenses of the project, including reserves; and

- (c) Contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

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 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. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

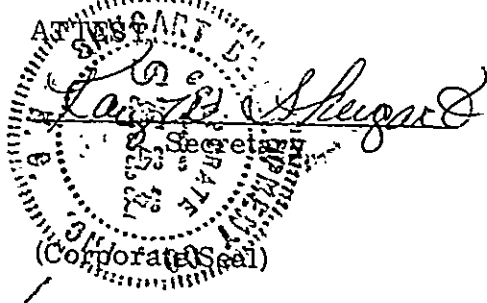
Section 3. Amendments. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) years by an instrument signed by not less than ninety percent (90%) of the Lot Owners and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners, provided that no amendment shall alter any obligations to pay ad valorem taxes or assessments for public improvements as herein provided, or affect any lien for the payment thereof established herein. Any amendment must be properly recorded.

Section 4. Annexation. Additional residential property and Common Areas may be annexed to the Property with the consent of two-thirds (2/3) of each Class of members, subject to the determination by the Federal Housing Administration and the Veterans Administration that the annexation is in accordance with the general plans heretofore approved by the FHA and VA.

Section 5. FHA/VA Approval. As long as there is a Class B membership the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration:

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

IN TESTIMONY WHEREOF, the Individual Declarants have hereunto set their hands and seals, and the Corporate Declarant has caused these presents to be signed in its name by its _____ President, attested by its _____ Secretary and its corporate seal to be affixed hereto, this the 14th day of December, 1983.



SHUGART DEVELOPMENT CO., INC.

By [Signature]
President

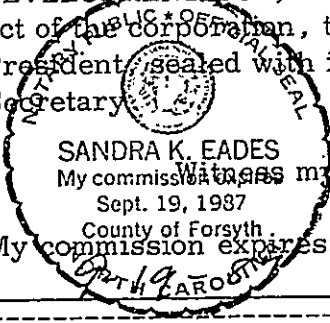
Kay W. Shugart (SEAL)
KAY W. SHUGART

Grover Shugart, Jr. (SEAL)
GROVER SHUGART, JR.

Claus W. Hinrichsen (SEAL)
CLAUS W. HINRICHSEN

STATE OF NORTH CAROLINA - County of Forsyth

I, Sandra K. Eades, a Notary Public of Forsyth County, North Carolina, hereby certify that Kay W. Shugart personally appeared before me this day and acknowledged that he is Secretary of SHUGART DEVELOPMENT CO., INC., a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

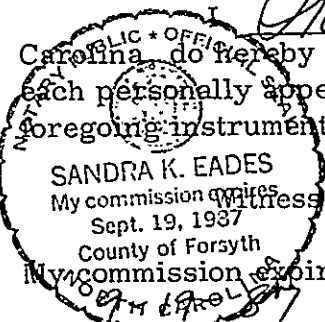
 SANDRA K. EADES
My commission expires
Sept. 19, 1987
County of Forsyth
My commission expires:

Witness my hand and notarial seal, this the 14th day of December, 1983.

Sandra K. Eades
Notary Public

STATE OF NORTH CAROLINA - County of Forsyth

I, Sandra K. Eades, a Notary Public of Forsyth County, North Carolina, do hereby certify that GROVER SHUGART, JR. and wife, KAY W. SHUGART, each personally appeared before me this day and acknowledged the execution of the foregoing instrument.

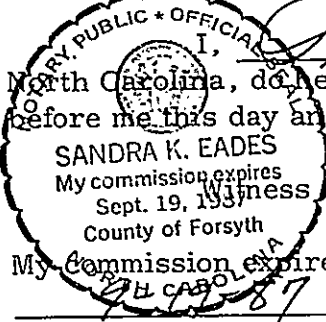
 SANDRA K. EADES
My commission expires
Sept. 19, 1987
County of Forsyth
My commission expires:

Witness my hand and notarial seal, this the 14th day of December, 1983.

Sandra K. Eades
Notary Public

STATE OF NORTH CAROLINA - County of Forsyth

I, Sandra K. Eades, a Notary Public of Forsyth County, North Carolina, do hereby certify that CLAUS W. HINRICHSEN personally appeared before me this day and acknowledged the execution of the foregoing instrument.

 SANDRA K. EADES
My commission expires
Sept. 19, 1987
County of Forsyth
My commission expires:

Witness my hand and notarial seal, this the 14th day of December, 1983.

Sandra K. Eades
Notary Public

STATE OF NORTH CAROLINA - County of Forsyth

The foregoing certificates of Sandra K. Eades N.P.
Forsyth Co N.C. are certified to be correct.

This the 20 day of Dec, 1983.

EUNICE AYERS, Register of Deeds

By: Jessie Golder
Deputy/Assistant

PROBATE FEE \$1.00 PAID

PRESENTED FOR
REGISTRATION
AND RECORDED

DEC 20 4 21 PM '83

EUNICE AYERS
REGISTER OF DEEDS
FORSYTH CTY. N.C.
20.50 pd KK

BOOK 1423 P 0375

SCHEDULE "A"

THE PROPERTY

BEING KNOWN AND DESIGNATED as all of that tract of land shown on the Plat of Century Park Townhouses, including the common area, units and numbered lots as recorded in Plat Book 29, page 35 in the Office of the Register of Deeds of Forsyth County, North Carolina, to which reference is hereby made for a more particular description.