

OWNERS' ASSOCIATION DISCLOSURE ADDENDUM

NOTE: For when Residential Property and Owner's Association Disclosure Statement is not required (For example: New Construction, Vacant Lot/Land) or by agreement of the parties.

Property: TBD Bear View Rd Hays 28635

Buyer: _____

Seller: Lone Star Land & Timber

This Addendum is attached to and made a part of the Offer to Purchase and Contract ("Contract") between Buyer and Seller for the Property.

For the purposes of this Addendum, "Development" means any planned community or condominium project, as defined by North Carolina law, which is subject to regulation and assessment by an owners' association.

Any representations made by Seller in this Addendum are true to the best of Seller's knowledge, and copies of any documents provided by Seller are true copies relating to the Development, to the best of Seller's knowledge. Except with regard to Confirmed Special Assessments, Seller does not warrant the accuracy, completeness, or present applicability of any representation or documents provided by Seller, and Buyer is advised to have all information confirmed and any documents substantiated during the Due Diligence Period.

1. Seller represents to Buyer that the Property is subject to the following owners' association(s) [insert N/A into any blank that does not apply]:

(specify name): Walnut Grove Owner's Association whose regular assessments ("dues") are \$ 375 per year. The name, address and telephone number of the president of the owners' association or the association manager are: Barry Haynes 336-8591@gmail.com

Owners' association website address, if any: _____

(specify name): _____ whose regular assessments ("dues") are \$ _____ per _____. The name, address and telephone number of the president of the owners' association or the association manager are: _____

Owners' association website address, if any: _____

2. Seller represents to Buyer that the following services and amenities are paid for by the above owners' association(s) from the regular assessments ("dues"): (Check all that apply)

- | | |
|---|--|
| <input type="checkbox"/> Master Insurance Policy | <input type="checkbox"/> Street Lights |
| <input type="checkbox"/> Real Property Taxes on the Common Areas | <input type="checkbox"/> Water |
| <input type="checkbox"/> Casualty/Liability Insurance on Common Areas | <input type="checkbox"/> Sewer |
| <input type="checkbox"/> Management Fees | <input checked="" type="checkbox"/> Private Road Maintenance |
| <input type="checkbox"/> Exterior Building Maintenance | <input type="checkbox"/> Parking Area Maintenance |
| <input type="checkbox"/> Exterior Yard/Landscaping Maintenance | <input type="checkbox"/> Common Areas Maintenance |
| <input type="checkbox"/> Trash Removal | <input type="checkbox"/> Cable |
| <input type="checkbox"/> Pest Treatment/Extermination | <input type="checkbox"/> Internet service |
| <input type="checkbox"/> Legal/Accounting | <input type="checkbox"/> Storm Water Management/Drainage/Ponds |
| <input type="checkbox"/> Recreational Amenities (specify): _____ | <input checked="" type="checkbox"/> Gate and/or Security |

Other (specify) _____
 Other (specify) _____



This form jointly approved by:
North Carolina Bar Association
North Carolina Association of REALTORS®, Inc.



STANDARD FORM 2A12-T
Revised 7/2021
© 7/2021

Buyer initials _____ Seller initials JR2

3. As of this date, there are no other dues, fees or Special Assessments, Confirmed or Proposed, payable by the Development's property owners, except: _____

4. As of this date, there are no unsatisfied judgments against or pending lawsuits involving the Property, the Development and/or the owners' association, except: _____


5. The fees charged by the owners' association or management company in connection with the transfer of Property to a new owner (including but not limited to document preparation, move in/move out fees, preparation of insurance documents, statement of unpaid assessments, and transfer fees) are as follows: _____

6. Seller authorizes and directs any owners' association, any management company of the owners' association, any insurance company and any attorney who has previously represented the Seller to release to Buyer, Buyer's agents, representative, closing attorney or lender true and accurate copies of the following items affecting the Property, including any amendments:
- Seller's statement of account
 - master insurance policy showing the coverage provided and the deductible amount
 - Declaration and Restrictive Covenants
 - Rules and Regulations
 - Articles of Incorporation
 - Bylaws of the owners' association
 - current financial statement and budget of the owners' association
 - parking restrictions and information
 - architectural guidelines

The parties have read, understand and accept the terms of this Addendum as a part of the Contract.

IN THE EVENT OF A CONFLICT BETWEEN THIS ADDENDUM AND THE CONTRACT, THIS ADDENDUM SHALL CONTROL, EXCEPT THAT IN THE CASE OF SUCH A CONFLICT AS TO THE DESCRIPTION OF THE PROPERTY OR THE IDENTITY OF THE BUYER OR SELLER, THE CONTRACT SHALL CONTROL.

THE NORTH CAROLINA ASSOCIATION OF REALTORS® , INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Date: _____	Date: _____
Buyer: _____	Seller: _____
Date: _____	Date: _____
Buyer: _____	Seller: _____
<hr/>	
Entity Buyer: _____ (Name of LLC/Corporation/Partnership/Trust/etc.)	Entity Seller: _____ <u>Lone Star Land & Timber</u> (Name of LLC/Corporation/Partnership/Trust/etc.)
By: _____	By: 
Name: _____ Print Name	Name: <u>Leonard Taylor</u> Print Name
Title: _____	Title: <u>Owner</u>
Date: _____	Date: _____

FILED
WILKES COUNTY NC
01/13/99 12:48 PM
EDWARD L. WOODRUFF
Register of Deeds
Deputy (Asst.)

WALNUT GROVE OWNERS ASSOCIATION

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

INTRODUCTION

This is the basic document for establishing the regime of the WALNUT GROVE OWNERS ASSOCIATION. An interest in the agreement consists of two elements:

- A. The fee simple ownership in an applicable tract of real estate.
- B. Membership in WALNUT GROVE OWNERS ASSOCIATION.

These interests are subject to various easements, restrictions and covenants, and more particularly the obligation to pay the proportion of assessments established by the Association for each tract. Failure of individual owners to pay such assessment can result in, among other sanctions, the creation of a lien on the title interest in their respective tracts, and can be foreclosed. Thus, the association is assured of an adequate budget to provide it services for WALNUT GROVE OWNERS ASSOCIATION.

The Association provides a certain service which includes:

1. Maintenance of roads.
2. Maintenance and installation of common areas for gates, signs, picnic areas, etc. if any.

W-I-T-N-E-S-S-E-T-H

WHEREAS WE, ROGER D. SMITHEY AND WIFE PEGGY L. SMITHEY, BROWN OSBORNE AND WIFE JENNIFER B. OSBORNE, OR DALE V. COMPTON AND WIFE DELORES D. COMPTON, hereinafter called "Declarant", are the fee simple owners of certain real property in Walnut Grove Township, Wilkes County, and desire a portion to be governed by WALNUT GROVE OWNERS ASSOCIATION. And further desires that said property be maintained and managed for the benefit and welfare of owners of property and;

WHEREAS: the Declarant has deemed it desirable for maintenance and operation of utility easements, private roads and common areas, and that certain easements, assessments and liens be established and declared to be covenants running with the land; and that an agency be created to which will be delegated the powers and duties of maintaining utility and road easements, common areas, collecting and disbursing assessments.

NOW THEREFORE; in consideration of the premises, the Declarant hereby declares that any portion of the property described in Book 715 Page 725, Wilkes County Registry previously conveyed by Dale Compton under Covenants recorded in Book 725 Page 220, Book 754 Page 202, Book 791 Page 288 may, at the option of Declarant, be made subject to this Declaration of Covenants, Conditions and Restrictions. This Declaration supercedes and replaces only the road maintenance provisions contained within those aforementioned Covenants. Any property subject to these Covenants are and shall be held, transferred, sold conveyed, occupied and used subject to the Covenants hereinafter set forth, said Covenants to be construed as covenants running with the land which shall be binding on all parties having or acquiring any right, title or interest in the described property, or any part thereof, and which shall insure to the benefit of each owner thereof, for and during the time hereinafter specified. Every party hereinafter acquiring any lot, or portions thereof, in the described properties, by acceptance of a deed conveying title or by the execution of a contract for the purchase thereof, whether from the Declarant or a subsequent owner of such lot or portion thereof, in the described properties, by acceptance of a deed conveying title shall accept such deed or contract subject to each and all of the covenants, restrictions and agreements contained within these Covenants and also subject to the jurisdiction, rights and powers of the Declarant, WALNUT GROVE OWNERS ASSOCIATION, and their successors and assigns. Each grantee of said tract subject to these Covenants, by accepting the deed or contract thereto, shall for himself, his heirs, personal representatives, successors and assigns, covenant and agree to and with the Declarant, the Association, and with the Owners and subsequent owners of each of the

tracts within the subject area to keep, observe, and comply with said Covenants and Agreements.

DEFINITIONS

1. "ASSOCIATION" shall mean and refer to the WALNUT GROVE OWNERS ASSOCIATION.
2. "TRACT" shall mean any land or lot declared subject to this declaration.
3. "COVBNANT" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions.
4. "OWNER" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any tract as herein defined, excluding however, those parties having such interest merely as a security.
5. "MEMBER" shall mean and refer to every person or entity who holds membership.
6. "COMMON AREA" shall mean any areas of common useage, including but not limited to a gate & key, if any.
7. "DECLARANT" shall mean and refer to ROGER D. SMITHEY AND PEGGY L. SMITHEY, BROWN OSBORNE AND JENNIFER B. OSBORNE, DALE COMPTON AND DELORES D. COMPTON.
8. "ROAD" shall include roads, culverts, gravel, grassy areas and all area or fixtures within the right of way.
9. "GRANTEE" shall mean any lot or tract owner.
10. "BOARD" shall mean Board of Directors.

ARTICLE 1

THERE IS HEREBY CREATED an unincorporated association to be known as the "Walnut Grove Owners Association" hereinafter referred to as "Association". The affairs of the Association shall be governed by majority vote of its membership, with each property having the number of votes provided for in these Covenants. All funds of the Association shall be deposited into a separate Association banking account. Any disbursement from the Association banking account shall require two signatures.

Article 2

PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS THERETO

1. **EXISTING PROPERTY.** The real property recorded with this instrument which is the first tract conveyed to this Declaration of Covenants. Provided that restrictive covenants on lots or tracts previously conveyed or under contract on this date are not affected by this instrument. Only the provisions regarding road maintenance, rights of ways and common areas apply to all tracts. The main road designated as "Overland Trail" and "Deer Park Lane" are the only roads affected by this instrument at this date. Provided further that the Association will not be responsible for "Deer Park Lane" until it has been released by DENR from current erosion control violations, properly closed out, and brought up to the standards set forth elsewhere within this document.
2. **ADDITIONAL PROPERTY.** Other adjoining tracts in the area may, at the option of the Declarant, be added and made subject to this Declaration. Provided that such new or additional roads which serve said new tracts be graveled to a minimum 4" depth of compacted gravel. The width of such new or additional roads shall meet standards set by the Wilkes County Planning Board. Such roads shall have a grade of less than 15%, unless same shall have been paved. New road construction to be added shall have cuts, fills, culverts, vegetation, etc by NCDEHNR approved and closed out plan.
3. **EXCLUDED PROPERTY.** No property of Declarant shall be subject to this Covenant except that property made subject thereto as herein provided. No property of Declarant shall be subject to any restrictions by implication arising from Declarant imposing the restrictions on the property herein identified. No liabilities shall arise against the Declarant unless specifically provided for in this document.

ARTICLE 3

COMMON AREA PROPERTY RIGHTS

1. **PRIVATE AREA.** Each of the roads now or hereinafter constructed or designated on any deed, recorded or unrecorded map is a private road and neither the execution or

recording of any plat or any other act of the Declarant is or shall be construed to be a dedication to the public; except those that hereinafter may be dedicated by a specific written and recorded deed or agreement of dedication.

2. **WITHDRAWAL FROM DEDICATION.** Upon request from all affected owners, a side or dead end road may be withdrawn from dedication to these covenants for maintenance purposes only and assume for same.

3. **OWNERS EASEMENTS OF ENJOYMENT.** All Association road rights of ways are non-exclusive in nature and for any purpose. Each Owner has the right to use any Association maintained road. Every tract owner, including lot or homeowner in the adjoining areas developed at a future time, shall have non-exclusive utility easements within the road rights of ways. The right of the Association, Declarant, or any Owner to convey any kind of easement is granted by this Declaration

4. The right and easement of enjoyment in and to the roads shall be limited to those roads owned or maintained by the Association. All road maintenance and road repair upon said Association roads will be the responsibility of the association.

5. The right of the Declarant, for so long as he holds an interest, the Association, and any Owner to limit use of the roads and common areas to owners, their families and guests.

6. The right of the Declarant, Association, or any individual lot owner to proceed both criminally and civilly against trespass or any other damages.

7. The right of the Association to suspend the voting rights and other rights of membership by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty days for any infractions of its adopted rules and regulations.

8. The right of the Association to place a locked gate upon the property with each member of the Association in good standing having a key to said lock. Said gate and lock to be considered a Common Area for administrative and legal purposes.

ARTICLE 4

1. **ADMINISTRATION OF ASSOCIATION ROADS.** The administration of the roads, including maintenance, repair, and upkeep of the private roads, including the acts required by the Declaration shall be performed by the Association.

2. **RULES AND REGULATIONS.** The Association may also adopt and enforce rules and regulations not inconsistent with these Covenants for the operation and administration of its powers and duties.

3. **AUTHORITY.** The Declarant, Association, or any lot owner may enforce by proceedings at law violations of any restrictive covenant in a deed to a tract which is within the scope of these Covenants.

4. **MEMBERSHIP.** Every person or entity who is a record owner of a fee or undivided interest in any tract shall be a member of the Association. Membership is appurtenant to and may not be separated from ownership of any lot, and shall be transferred automatically when the owner conveys, devises or gives even though deed does not make mention of this Declaration or membership rights of the Association. Such membership is not intended to apply to those persons or entities who hold an interest in any lot merely as security for the performance of an obligation to pay money. However, if such secured party should realize upon his security and become the fee owner of a lot or tract, he and his assigns of the lot will then be subject to all the requirements and limitations imposed in these Covenants on owners or tracts and on members of the Association, including those provisions with respect to payment of Association assessments. The Association may include reasonable rules relating to the proof of ownership of a tract in the WALNUT GROVE OWNERS ASSOCIATION.

5. **VOTING RIGHTS.** The Association shall have two classes of voting membership:

A. **CLASS A.** Class A members shall be all owners of tracts or lots and owners of any type of dwelling unit other than the Declarant. Any Class A member shall be entitled to one vote for each lot or tract he owns and three votes for each dwelling he owns, limit of 4 votes per lot subject to assessment.

B. **CLASS B.** The Class B member shall be the Declarant, which shall be entitled to one vote per ten acres owned. Each lot or tract sold will diminish this by one vote. It is anticipated that Declarant will convey other adjoining tracts which he now owns or buys in the future within the provisions of this instrument. With each new tract or section declared to be added to this Declaration the Declarant will automatically increase his number of votes by the approximate number of 10 acre tracts added thereto. Provided

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further that when all the subject tracts are conveyed Declarants voting and other interests in the Association may, at his option, or by majority vote of the Association, be ended.

6. **VIOLATION OR DELINQUENCY.** During any period in which a member shall be in default in the payment of any assessment levied by the Association, his right to vote and all other rights and incidents of membership in the Association may be suspended by the Association until such assessment is paid. A members voting rights may also be suspended for violation of the Associations rules and regulations; provided that prior to any suspension for such violation, the Association (or committee thereof) shall conduct a hearing regarding the alleged violation after giving the accused member at least ten days notice specifying each alleged violation and setting the time, place and date of the hearing. At the hearing, the accused member shall have the right to call and question his own witnesses as well as any opposing witnesses.

7. **ORGANIZATIONAL SETUP.** Roberts Rules of Order Parliamentary Procedure shall be used. A President, Vice President, Secretary and Treasurer shall be duly elected. A Board of Directors may be created and all owners shall serve on said Board unless a different number be chosen.

ARTICLE 5

COVENANTS FOR MAINTENANCE ASSESSMENTS

1. **CREATION OF LEIN AND OBLIGATION FOR ASSESSMENTS.** The owner of each tract by acceptance of a deed therefore is deemed to covenant and agree to pay to the Association:

- A. Annual Assessments, if any.
- B. Special Assessments, if any.

Such covenant will be deemed to arise whether or not expressly stated in the deed or other conveyance to the owner. The annual and special assessments, together with interest, costs and reasonable attorneys fees, shall be the personal obligation of the person who was owner of such property at the time when the assessment fell due. However, the personal obligation for delinquent assessments shall not pass to his successor in title other than as the continuing lein on the land unless expressly assumed by such successor.

- 2. **SEVERE USE OF ROAD.** If any member of the Association uses, causes or allows heavy vehicles, trucks or other equipment to use the Associations roads then he will be responsible for any damage caused to the roads.
- 3. **ALLOCATION OF COSTS.** After Declarant constructs road, the maintenance costs will be divided equally between all owners with Declarant being counted as one owner.
- 4. **MULTIPLE LOTS.** Any owner of two or more lots which adjoin may, at his option, elect to treat them as one for assessment and voting purposes, provided further that if more than one dwelling, the owner will be assessed one maintenance share for each.
- 5. **INITIATION FEE.** There shall be no initiation fee for membership in the Association, its successors and assigns.
- 6. **LATER ADDITIONS.** If lots or tracts are later split into two or more owners, or Declarant adds tracts after control is passed to the Association, the only fees due will be assessment fees pro rated from that date forward.
- 7. **PURPOSE OF ASSESSMENTS.** All assessments levied by the Association shall be used to provide funds for such purposes as the Association may determine for the benefit of its members. This shall be limited to three areas, roads, utilities and common areas, if any. Such funds may be used for the cost of labor, equipment, materials, taxes, employment of professionals, and such other needs as may arise.
- 8. **DETERMINATION OF ASSESSMENT AMOUNT.** Each year the Association may prepare a budget and based upon such budget, shall fix the assessment amount for each class of property owned on the following basis:
 - A. Each tract shall be assessed one share regardless of size.
- 9. **PAYMENT OF ASSESSMENTS.** All annual and special assessments provided for herein shall commence as to all tracts on the first day of the month following transfer of title to owner. The annual assessment, if any, shall be adjusted according to the number of months remaining in the calendar year. Thereafter, payment of assessments shall be made annually to the Association or its designee on or before the due date established, provided however, that the Association may elect to receive payments on an installment basis. The Association shall fix the amount of annual assessment and written notice of the charge so fixed shall be sent to each member.

10. **SPECIAL ASSESSMENTS.** In addition to the annual assessment authorized above the association may levy, in any assessment year, a special assessment applicable the that year only for the purpose of defraying, in whole or part, the cost of any repair or replacement. Two thirds of votes at such meeting called to consider such assessment and at which a quorum was present, must vote their assent to its imposition. Each tract shall be assessed one share.

11. **NOTICE AND QUORUM.** The Association shall have a meeting of not less than every other year basis. Such meeting may be called by the Declarant or the Association. Except for a vote to amend the Covenants Conditions and restrictions contained herein, which vote shall be conducted pursuant to the notice and quorum required for any actions of the Association authorized in these Covenants or by law provided, shall be as follows:

A. Written notice of any meeting called for the purpose of any action authorized under Articles 4 and 5 of these Covenants shall be sent to all members not less than ten days nor more than sixty days in advance of the meeting.

B. Members may attend and may vote in person or by notarized proxy executed in writing by a member. No proxy shall be valid after eleven months from the date of its execution, or after conveyance by the member of his lot.

C. At any meeting called for the purpose of taking some action by the Association membership twenty percent of all votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and any number of members such subsequent meeting, so long as such number represent at least ten per cent of all the outstanding votes shall constitute a quorum. No such subsequent reduced quorum meeting shall be held more than two months following the scheduled date of the preceding meeting.

12. **EXEMPT PROPERTY.** The lein of a mortgage or deed of trust representing a first lein placed upon any lot for the purpose of purchasing the lot or for permanent financing and/or constructing a residence or other improvement thereon recorded in accordance with the applicable state laws from the date of recordation, shall be superior to any and all liens provided for herein. The sale or transfer of any lot by foreclosure of any first mortgage or any proceeding in lieu thereof, shall not extinguish the lein of such assessments as to payments due prior to such sale or transfer, provided such transfer shall not have been made for the purpose of defeating the lein.

13. **CONTINUANCE OF LEIN.** The assessments and charges created herein shall constitute a continuing lein upon all lots in the Association and no owner may waive or any way reduce his liability for the assessment by not using the common area, abandonment of his tract. In the event that any charge or assessment created in this declaration remains unpaid by an Association member for 30 days after the due date announced, the Association, through its agents or members, may record with the Wilkes County Register of Deeds, Clerk of Court, or appropriate agency a notice of the lein created by this Declaration.

14. **EFFECT OF NON-PAYMENT OF ASSESSMENTS.** Remedies of the Association. In the event that any assessment or charge created herein remains unpaid for thirty days after the due date established, such unpaid assessment shall bear interest from the date of delinquency, said interest rate to be set by the Board of Directors from time to time, but in no event shall it exceed the maximum interest rate allowed by law. Unless changed, interest on delinquency shall be twelve per cent. The Association or Declarant, its agent or representative, may bring an action by law against the Owner personally obligated to pay the same and/or foreclose the lein against the lot subject to the unpaid assessment. In either case, interest, costs, and reasonable attorneys fees shall be added to the amount of such assessment to the extent allowed by law. Any foreclosure conducted pursuant to this section shall comply fully with the North Carolina procedure for judicial foreclosure.

15. **CERTIFICATE OF PAYMENT.** The Association shall, upon demand at any time, furnish a certificate in writing certifying that the charges on a specified lot have been paid or that certain charges against said lot are unpaid, as the case may be. For the purpose of obtaining a certificate, interested parties should contact the Association at its address.

ARTICLE 6

RESTRICTIVE COVENANTS, EASEMENTS & RIGHT OF WAY EASEMENTS. The Declarant, the Association, and any individual lot owner reserves for itself, its successors

and assigns for purposes incident to development of the real property subject to development of the real property subject to these Covenants, following Easements and/or right of way:

- A. An easement over each tract within the road right of way for any purpose, including but not limited to ingress, egress, and utilities. Utility and drainage easements affecting all properties to be subdivided after the effective date of this instrument are reserved 5 feet in width along interior property lines and over the rear 10 feet of each property for installation and maintenance of utilities and drainage facilities appurtenant to the property, except that such easements shall not be applicable along interior property lines where adjoining properties are owned by the same owner. Utility and drainage easements are also reserved within the bounds of the roadways as shown on recorded deed or plat or within the roadways as dedicated by the property owners
- B. Said easement is non-exclusive in nature.
- C. Tracts may be further subdivided. Provided further that such subdivision shall be in compliance with the Wilkes County Planning Board, their successors or assigns.
- D. This Declaration does not affect restrictive covenants of record, whether by recorded deed or Declarations referred to above, only those covenants which might conflict with this Declaration.

ARTICLE 7

GENERAL PROVISIONS

- 1. **ENFORCEMENT.** The Association, Declarant, or any lot 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 hereinafter 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.
- 2. **TERM.** These Covenants shall affect and run with the land and shall exist and be binding upon all parties and all persons claiming them until January 1, 2030, at which time these covenants may be extended in 10 year increments at the end of each ten years by a majority vote of the membership.
- 3. **AMENDMENTS.** This declaration or any portion thereof may be amended by a majority vote of total voting rights, provided that no rights be taken from a member previously given.
- 4. **MUTUALLY OF BENEFIT AND OBLIGATION.** These Covenants set forth herein are made for the mutual benefit of each and every tract in the Association and are intended to create mutual equitable servitude upon each lot in favor of each and all of the other lots therein; to create a privity of contract and estate between the owners of said tracts, their heirs, successors and assigns, and to the Association, and shall as to the owner of each lot, his heirs, successors and assigns operate as covenants running with the land for the benefit of each and all other lots in the Association and their respective owners. Declarant, so long as it shall exist, any Owner or the Association shall have the right to enforce these Covenants.
- 5. **SEVERABILITY.** Every part of these Covenants are hereby declared to be independent of and severable from the rest of the Covenants and of and from every combination of these Covenants. Therefore, if any of the Covenants shall be held to be invalid or to be unenforceable or to lack the quality of running with the land, that holding shall be without effect upon the validity or "running" quality of any other of these Covenants.
- 6. **CAPTIONS.** The captions preceding the various paragraphs and subparagraphs of these Covenants are for the convenience or reference only, and none of them shall be used as an aid to construction of any provision of these Covenants. Whenever applicable, the singular form shall be taken to mean or apply to the plural, and the masculine to the feminine or to the neuter, as the case may be.
- 7. **RIGHT OF ASSOCIATION TO ACHIEVE TAX-EXEMPT STATUS.** The Association may amend this Declaration as shall be necessary in its opinion, and without the consent of any owner, in order to qualify the Association or the properties or any

portion thereof for tax-exempt status. Such Amendment shall become effective upon the date of its recordation in the Wilkes County Registry.

8. RIGHT OF ASSOCIATION TO BECOME A LEGAL ENTITY. The Association, by a majority vote may, at any duly called meeting elect to become a legal entity, such as corporation, partnership, etc.

9. CERTIFICATE OF ASSUMED NAME. Acting under the provisions of N.C.G.S. 66-68, the name and style of WALNUT GROVE OWNERS ASSOCIATION

in recorded in Book 807 Page 694 Wilkes County Registry

IN WITNESS WHEREOF, WE ROGER D. SMITHEY, PEGGY L. SMITHEY, BROWN OSBORNE, JENNIFER B. OSBORNE, DALE COMPTON, DELORES D. COMPTON, citizens of Wilkes County, North Carolina have caused this Declaration to be executed this 11 day of January, 1999.

Dale V. Compton (SEAL) Delores D. Compton (SEAL)
 DALE V. COMPTON DELORES D. COMPTON

Brown Osborne (SEAL) Jennifer B. Osborne (SEAL)
 BROWN OSBORNE JENNIFER B. OSBORNE

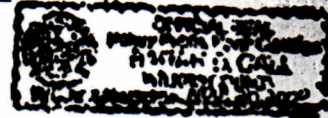
Roger D. Smithey (SEAL) Peggy L. Smithey (SEAL)
 ROGER D. SMITHEY PEGGY L. SMITHEY



I, Sarah D. Call a Notary Public of Wilkes County, state of N. Carolina do hereby certify that Dale V. Compton, Delores D. Compton personally appeared before me and acknowledged the execution of the foregoing document.

Witness my hand and official seal this 11 day of January 1999. My commission expires Nov. 30, 2000.

Sarah D. Call (SEAL)
seal-stamp



I, Bobbie Hawkins a Notary Public of Wilkes County, state of NC do hereby certify that Roger Smithey, Peggy L. Smithey, Brown Osborne, Jennifer B. Osborne, personally appeared before me and acknowledged the execution of the foregoing document.

Witness my hand and official seal this 12 day of JAN. 1999. My commission expires July 23, 2000.

Bobbie Hawkins (SEAL)
seal-stamp



NORTH CAROLINA WILKES COUNTY
 The foregoing certificate of Sarah D. Call, N.C.
Bobbie Hawkins is acknowledged to be done
 By Richard L. Woodruff Deputy/Asst Register of Deeds
 Register of Deeds