

**INFORMATION BROCHURE  
FOR  
BEESON PARK HOMEOWNER'S ASSOCIATION, INC.**

**INTRODUCTION**

Beeson Park Homeowner's Association, Inc. ("Beeson Park") is a residential community being developed by D.R. Horton, Inc. - Greensboro. This brochure briefly will summarize certain matters contained in the Declaration of Covenants, Conditions and Restrictions for Beeson Park, which Declarations place certain covenants, conditions, and restrictions on Beeson Park, and certain matters contained in the Articles of Incorporation and Bylaws of the Association; you are encouraged to read these documents carefully in order to fully understand your rights and responsibilities as a homeowner in Beeson Park.

**I. BEESON PARK HOMEOWNER'S ASSOCIATION.**

1. Organizational Structure of the Association. Beeson Park Homeowner's Association, Inc. (the "Association") is a North Carolina non-profit corporation which has been organized by D.R. Horton, Inc. - Greensboro for the primary purpose of taking title to and preserving and maintaining certain real property known as "Common Area" which is located in the Beeson Park development. The affairs of the Association are managed by a Board of Directors, who elect officers to carry out the operations of the Association.

2. Membership and Voting Rights of Homeowners and the Developer. The membership of the Association consists of D.R. Horton, Inc. - Greensboro (the "Developer") so long as it shall be an owner of a Lot in the Beeson Park development and every person or entity of a fee simple or undivided fee simple interest in any Lot in the Beeson Park development which is subject to assessments by the Association.

The Association initially has two classes of voting members, namely Class A Members and Class B Members, who shall be composed of the following and have the following voting rights:

- (a) Class A Members shall be all Lot Owners with the exception of the Developer. Class A Members shall be entitled to one vote for each Lot owned.
- (b) The Class B Member shall be the Developer. The Class B Member shall be entitled to three votes for each Lot owned, but the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

- (i) when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership, or
- (ii) ten years after the date of the Declaration of Covenants, Conditions and Restrictions for Beeson Park (the "Declaration").

With the recording of subdivision plats for new sections of Beeson Park and the annexation of additional lands subject to the jurisdiction of the Association, new Class A and Class B memberships shall be created, and the conversion of Class B memberships to Class B memberships shall be made separately with respect to each such section of Beeson Park.

3. Requirements of Annexation, Merger and Dissolution. The Developer, within fifteen years of the date of incorporation of the Association, may annex additional lands to Beeson Park without the assent of the members of the Association provided the additional land is within the boundaries of the property described in Exhibit A which is attached to the Declaration. If additional land is not within the boundaries of the property described in Exhibit A, and within the fifteen year period, the annexation of additional land requires the affirmative vote of at least two-thirds of each class of all the votes entitled to be cast.

Any merger or dissolution of the Association requires the affirmative vote of at least two-thirds of each class of all the votes entitled to be cast by the membership.

4. Maximum Amount and Initial Amount of Assessments and Method of Changing Amount; Assessment Lien; Method of Enforcement. The Owner of each Lot is obligated to pay to the Association standard annual assessments as provided in the Declaration and special assessments for capital improvements that might be fixed from time to time.

Until December 31, 1998, the standard annual assessment has been fixed at \$168.00 each year; there are no special assessments at this time. At Closing, an Owner will pay two-twelfths (2/12's) of the annual assessment into a reserve fund.

The standard annual assessment may be increased by the Board of Directors of the Association each year without the vote of the members by the increase in the Consumer Price Index for the twelve month period ending the immediately preceding July 1 or by 10%, whichever is greater.

The standard annual assessment may be increased without limit by the consent of two-thirds of the votes of each class of Members.

Assessments unpaid thirty days after the due date bear interest at the rate of 12% per annum, and the Association may bring an action against the Owner who is delinquent. The

assessments are also a continuing lien against the particular Lot, and the Association may foreclose the lien against the Lot if not paid.

5. User Fees. At this time there are no user fees.

6. Description of Common Property. The Common Areas are certain areas of real property which will be conveyed to the Association by the Developer. The Common Area is shown and designated as Common Area on the subdivision maps of Beeson Park which are or will be recorded in the Office of the Register of Deeds of Forsyth County, North Carolina.

7. Services Provided by the Association. The Association maintains the Common Areas and all improvements that may be on the Common Areas from time to time, including the entrance and subdivision signs.

8. Exterior Maintenance of Dwellings. The exterior maintenance of Lots and residences and other improvements constructed thereon shall be the duty and responsibility of the Owner of such Lot, and not the responsibility of the Association. If an Owner does not discharge his or her repair, maintenance or upkeep responsibilities as provided in the Declaration, the Association in its discretion may do such repair or maintenance work and recover the cost, plus a service charge.

9. Architectural Control. The Declaration provides for an Architectural Committee which must approve the plans and specifications of all buildings, fences, driveways, signs, television antennas, satellite dishes (dishes in excess of twenty inches are prohibited), mailboxes, post lamps, any other improvements and site preparation and excavation or changes in grade.



**ARTICLES OF INCORPORATION  
OF  
BEESON PARK  
HOMEOWNER'S ASSOCIATION, INC.**

The undersigned, being of the age of eighteen (18) years or more, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a non-profit corporation under and by virtue of the laws of the State of North Carolina.

**ARTICLE I**

**NAME**

The name of the corporation is BEESON PARK HOMEOWNER'S ASSOCIATION, INC., hereinafter called the "Association."

**ARTICLE II**

**DURATION**

The duration of the Association is perpetual.

**ARTICLE III**

**PURPOSE**

The purposes for which the Association is organized and the powers it will possess are:

- a. To operate without contemplating pecuniary gain or profit to the members thereof, and no part of the Association's net income shall inure to the benefit of any of its officers, directors or members or any other private individual.
- b. To provide for architectural control of the construction, erection and installation of any improvements on lots located in that residential development known as Beeson Park, more particularly described below.
- c. To provide for the beautification and maintenance and to build and maintain facilities and improvements on the Common Area within that certain tract of land described as Beeson Park, and being:
  - (1) All of that certain parcel of land shown on that plat entitled Beeson Park at Bent Tree, Phase 1A, which appears of record in the Office of the Register of Deeds of Forsyth County, North Carolina, recorded in Plat Book 40, Page 55.

(2) Additional land within the boundaries of that property described in Exhibit "A" attached hereto and incorporated herein by reference which may be annexed by D.R. Horton, Inc. - Greensboro, a North Carolina Corporation, its successors and/or assigns (hereinafter referred to as the "Declarant"), without the consent of Members of the Association within fifteen (15) years after the date of the incorporation of the Association.

(3) Such property as may be annexed at any time with the express consent of two thirds (2/3) of the votes entitled to be cast by the Class A Members and two thirds (2/3) of the votes entitled to be cast by the Class B Members.

(d) To promote the health, safety, and welfare of the residents within the above described property and any additions thereto that may hereafter be brought within the jurisdiction of the Association for these purposes.

(e) To exercise all the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions for Beeson Park, hereinafter called the "Declaration," applicable to the property and recorded in the Office of the Register of Deeds of Forsyth County, North Carolina, as the same may be amended from time to time. The terms used herein shall have those same meanings as defined in the Declaration.

(f) To provide maintenance and make improvements to the Common Area as provided in the Declaration.

(g) To collect assessments from its Members as provided in the Declaration.

(h) To do and perform all acts, services, functions and duties directly or indirectly connected with the commencement and continued operation of the affairs of an association of owners.

(i) To engage in any lawful act or activity and to have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of North Carolina (Chapter 55A, North Carolina General Statutes) by law may now or hereafter exercise.

## ARTICLE IV

### MEMBERSHIP

The membership of the Association shall consist of the Declarant for so long as it shall be an Owner of a Lot in Beeson Park, and every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessments by the Association, including contract sellers, but excluding persons who hold an interest merely as security for performance of an obligation. Ownership of such interest shall be the sole qualification of membership. No Owner shall have more than one membership, except as expressly provided hereinafter. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. The Association may make reasonable rules relating to the proof of ownership of a Lot in Beeson Park.

## ARTICLE VI

### VOTING RIGHTS

Section 1. Classes of Memberships. The Association shall have two (2) classes of voting membership:

a. Class A. Class A Members shall be all Owners as defined in Article V of the Declaration, with the exception of the Declarant during the period Declarant is a Class B Member as defined below. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by said Article V. When more than one person or entity holds such 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 (1) vote be cast with respect to any Lot and no fractional vote may be cast with respect to any Lot.

b. Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds a fee or undivided fee interest; provided, that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

1. The total votes outstanding in the Class A Membership equals the total votes outstanding in the Class B Membership; or
2. Ten (10) years after the date of the Declaration.

With the recording of new Sections of Beeson Park, and the annexation of additional lands subject to the jurisdiction of the Association, new Class A and Class B Memberships shall be created.

## ARTICLE VI

### BOARD OF DIRECTORS

**Section 1. Initial Board:** The affairs of the Association shall be managed by a Board of Directors, as set out in the Bylaws, who need not be Members of the Association. The initial Board shall consist of three (3) Directors. The names and addresses of the persons who are to act in the capacity of and constitute the initial Board of Directors, until the election and qualification of their successors, are:

<u>Name</u>	<u>Address</u>
Thomas C. Hall	411-I Parkway Greensboro, North Carolina 27401
James L. Eskridge, Jr.	411-I Parkway Greensboro, North Carolina 27401
M. Lee McAllister	411-I Parkway Greensboro, North Carolina 27401

**Section 2. Election and Term:** At the first annual meeting, the Directors shall be elected as required by the Bylaws. The term of the Directors elected shall be as provided in the Bylaws. All Directors shall serve until their successors have been duly qualified and elected.

**Section 3. Subsequent Elections:** The method of election of Directors after the first election held pursuant to Section 2 hereof shall be as provided in the Bylaws.

## ARTICLE VII

### MERGERS AND CONSOLIDATION

To the extent permitted by the law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same or similar purposes; provided, no merger or consolidation may be effectuated unless two-thirds (2/3) of each class of all the votes entitled to be cast by the membership are cast in favor of merger or consolidation at an election held for such purpose. In such event the holder of Class B voting rights shall be entitled to one vote for each Lot which it owns.



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**ARTICLE II**

**DURATION**

The duration of the Association is perpetual.

**ARTICLE III**

**PURPOSE**

The purposes for which the Association is organized and the powers it will possess are:

a. To operate without contemplating pecuniary gain or profit to the members thereof, and no part of the Association's net income shall inure to the benefit of any of its officers, directors or members or any other private individual.

b. To provide for architectural control of the construction, erection and installation of any improvements on lots located in that residential development known as Beeson Park, more particularly described below.

c. To provide for the beautification and maintenance and to build and maintain facilities and improvements on the Common Area within that certain tract of land described as Beeson Park, and being:

- (1) All of that certain parcel of land shown on that plat entitled Beeson Park at Bent Tree, Phase 1A, which appears of record in the Office of the Register of Deeds of Forsyth County, North Carolina, recorded in Plat Book 40, Page 55.

(2) Additional land within the boundaries of that property described in Exhibit "A" attached hereto and incorporated herein by reference which may be annexed by D.R. Horton, Inc. - Greensboro, a North Carolina Corporation, its successors and/or assigns (hereinafter referred to as the "Declarant"), without the consent of Members of the Association within fifteen (15) years after the date of the incorporation of the Association.

(3) Such property as may be annexed at any time with the express consent of two thirds (2/3) of the votes entitled to be cast by the Class A Members and two thirds (2/3) of the votes entitled to be cast by the Class B Members.

(d) To promote the health, safety, and welfare of the residents within the above described property and any additions thereto that may hereafter be brought within the jurisdiction of the Association for these purposes.

(e) To exercise all the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions for Beeson Park, hereinafter called the "Declaration," applicable to the property and recorded in the Office of the Register of Deeds of Forsyth County, North Carolina, as the same may be amended from time to time. The terms used herein shall have those same meanings as defined in the Declaration.

(f) To provide maintenance and make improvements to the Common Area as provided in the Declaration.

(g) To collect assessments from its Members as provided in the Declaration.

(h) To do and perform all acts, services, functions and duties directly or indirectly connected with the commencement and continued operation of the affairs of an association of owners.

(i) To engage in any lawful act or activity and to have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Act of the State of North Carolina (Chapter 55A, North Carolina General Statutes) by law may now or hereafter exercise.

## ARTICLE VIII

### REGISTERED AGENT AND OFFICE

The principal and initial registered office of the Association is located at 411-I Parkway, Greensboro, Guilford County, North Carolina 27401. M. Lee McAllister is the initial registered agent of the Association at that address.

## ARTICLE IX

### DISSOLUTION OR INSOLVENCY

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

## ARTICLE X

### AMENDMENTS

**Section 1. Amendment by Membership:** Except as herein provided, any amendment to these Articles may be accomplished with the assent of seventy five (75%) percent of all Lot Owners in Fair Oaks at Bent Tree, voting in person or by proxy; provided, however, that any amendment which shall materially and adversely affect the validity or priority of the lien of or the rights of Institutional Lenders (as hereinafter defined) holding first mortgage loans on property located within Beeson Park shall be required to have the prior approval of such Institutional Lenders. "Institutional Lender" shall mean and refer to banks, savings and loan associations, insurance companies, other firms or entities customarily affording loans secured by first liens on residences, and other eligible insurers and governmental guarantors. Notwithstanding anything contained in this Article X, no amendment relating to the maintenance and ownership of any permanent detention ponds on any land in Beeson Park shall be made without review and approval by the governmental office having jurisdiction for watershed protection. Should additional property later be brought within the jurisdiction of this Association, pursuant to the Declaration, it shall not be necessary to amend these Articles to annex such additional property.

**Section 2. Recordation:** No amendment made pursuant to this section shall be effective until duly recorded in the Office of the Secretary of State of North Carolina.

**ARTICLE XI**  
**INCORPORATOR**

The name and address of the incorporator is as follows:

M. Lee McAllister  
411-I Parkway  
Greensboro, North Carolina 27401

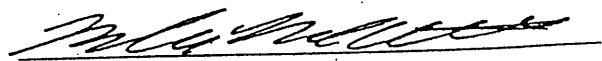
**ARTICLE XII**  
**INDEMNIFICATION**

To the fullest extent permitted by the North Carolina Nonprofit Corporation Act as it exists or may hereafter be amended, no person who is serving or who has served as a director of the corporation shall be personally liable for monetary damages for breach of any duty as a director. No amendment or repeal of this article, nor the adoption of any other amendment to these Articles of Incorporation inconsistent with this article, shall eliminate or reduce the protection granted herein with respect to any matter that occurred prior to such amendment, repeal, or adoption.

**ARTICLE XIII**  
**HUD/VA APPROVAL**

As long as there is a Class B member, the following acts will require the prior approval for compliance with established HUD or VA guidelines: Annexation of additional properties, except annexations of additional properties described in Exhibit "A" attached hereto effected pursuant to Article X of the Declaration, merger, consolidation, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purposes of forming this non-profit corporation under the laws of the State of North Carolina, the undersigned, as incorporator, has executed these Articles of Incorporation this 14<sup>th</sup> day of January, 1998.

  
M. Lee McAllister, Incorporator

NORTH CAROLINA

GUILFORD COUNTY

I, CAROLYN P. SHARPE, a Notary Public, do hereby certify that M. LEE MCALLISTER personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

This 14<sup>th</sup> day of January, 1998.

Carolyn P. Sharpe  
Notary Public

My Commission Expires:

January 19, 2000

## EXHIBIT A

### PARCEL ONE

BEGINNING at an existing iron pipe in the existing southern right-of-way line of Sedge Garden Road (S.R. 2632), said beginning point being the northwestern corner of Lot 33 of Quailbrook Subdivision, as shown on that plat recorded in Plat Book 35, Page 123, in the Forsyth County Registry, and from said point of beginning thence with the western line of the Quailbrook Subdivision South  $13^{\circ} 57' 38''$  West 933.45 feet to an existing axle, a corner of Lot 22 of the said Quailbrook Subdivision; thence with a western line of the said Lot 22 South  $16^{\circ} 33' 32''$  East 21.09 feet to a rebar, in the northern right-of-way line of Shepherd Grove (S.R. 3828); thence South  $16^{\circ} 33' 32''$  East 72.61 feet to a rebar in the southern right-of-way line of Shepherd Grove, the northwestern corner of the property now or formerly owned by Michael and Pamela Joyce (see Deed Book 1244, Page 691); thence with the western line of the property now or formerly owned by Joyce South  $16^{\circ} 33' 32''$  East 550.51 feet to an existing iron pipe in the northern line of the property now or formerly owned by Willie H. Cavanaugh and wife (see Deed Book 1412, Page 1871); thence with the northern line of the property now or formerly owned by Cavanaugh North  $84^{\circ} 27' 31''$  West 524.17 feet to an existing stone, the northwestern corner of the property now or formerly owned by Cavanaugh; thence with western line of the property now or formerly owned by Cavanaugh South  $08^{\circ} 45' 06''$  East 167.24 feet to a nail in stone, being the northwestern corner of Lot 5 of the Biloxi Development Subdivision, as shown on that plat recorded in Plat Book 23, Page 42, in the Forsyth County Registry; thence with the western line of Lot 5, the western right-of-way line of Biloxi Avenue, and then the western line of Lot 6 of the said Biloxi Development South  $07^{\circ} 59' 03''$  East 483.87 feet to a rebar, being the southwestern corner of Lot 6 of the said Biloxi Development; thence with the western line of the property now or formerly owned by Newton McBride, Jr., and wife South  $07^{\circ} 52' 24''$  East 470.39 feet to an existing iron pipe, in the northern line of Lot 5 of B. Odell Solomon Property Subdivision as recorded in Plat Book 22, Page 19, in the Forsyth County Registry; thence with the northern line of the said Lot 5 South  $87^{\circ} 17' 47''$  East 45.55 feet to a rebar in the western right-of-way line of Union Cross Road (S.R. 2643); thence with the western right-of-way line of Union Cross Road South  $31^{\circ} 17' 44''$  West 28.22 feet to a rebar; thence continuing with the western right-of-way line of Union Cross Road South  $31^{\circ} 22' 52''$  West 122.16 feet to a rebar; thence continuing with the western right-of-way line of Union Cross Road South  $31^{\circ} 02' 24''$  West 19.98 feet to an existing iron pipe, the southernmost corner of the said Lot 5; thence with the southern line of the said Lot 5 North  $58^{\circ} 39' 01''$  West 200.01 feet to an iron pipe; the southwestern corner of the said Lot 5; thence with the western line of Lot 5 North  $31^{\circ} 19' 57''$  East 65.39 feet to an iron pipe, the northwestern corner of the said Lot 5; thence with the northern line of the B. Odell Solomon Property Subdivision as recorded in Plat Book 22, Page 19, in the Forsyth County Registry, North  $86^{\circ} 20' 17''$  West 573.02 feet to an iron pipe, in the northern line of Lot 9 of the said B. Odell Solomon Property Subdivision, and being the southeastern corner of the property now or formerly owned by William G. Malone and Helen G. Malone; thence with the eastern line of the property now or formerly owned by Malone North  $01^{\circ} 42' 04''$  West 950.97 feet to an existing iron pipe, said pipe being the northeastern corner of Lot 5 of the John H. Burton Property Subdivision as recorded in Plat Book 38, Page 153, in the Forsyth County Registry; thence with the northern line of the said Lot 5 South  $89^{\circ} 16' 04''$  West 412.20 feet to a point in Pecan Lane (S.R. 2669); thence North  $05^{\circ} 09' 52''$  East 768.97 feet to a point in Pecan Lane; thence North  $07^{\circ} 59' 27''$  East 734.26 feet to a point in Pecan Lane; thence proceeding across Pecan Lane and with the southern line of the property now

or formerly owned by DeWitt Smith and wife (see Deed Book 1848, Page 404) South 82° 23' 47" East 660.00 feet to a rebar, the southeastern corner of the property now or formerly owned by DeWitt Smith and wife; thence with the eastern line of the property now or formerly owned by DeWitt Smith and wife North 04° 25' 03" East 469.28 feet to a new iron pipe in the existing southern right-of-way line of Sedge Garden Road (S.R. 2632); thence North 04° 25' 03" East 18.42 feet to a point in the right-of-way of Sedge Garden Road; thence with a line within the right-of-way of Sedge Garden Road South 68° 57' 01" East 792.66 feet to a point in the existing right-of-way of Sedge Garden Road; thence South 13° 57' 38" West 13.68 feet to a new iron pipe in the existing southern right-of-way line of Sedge Garden Road; and thence with the existing right-of-way line of Sedge Garden Road South 13° 57' 38" West 4.87 feet to an existing iron pipe in the existing southern right-of-way line of Sedge Garden Road, being the northwestern corner of Lot 33 of Quailbrook Subdivision as recorded Plat Book 35, Page 123, and being the point and place of beginning; the above described property is 66.60 acres, as shown on the boundary survey for Beeson Park, prepared by Evans Engineering, Inc., dated June 16, 1997.

## PARCEL TWO

BEGINNING at a point in the Northwest line of the Kernersville-Union Cross Road at the Easternmost corner of Lot No. 1 of the Biloxi Development Subdivision; thence with the lines of Lots Nos. 1-5 of the Biloxi Development, North 61 deg. 15' 40" West 755.16 feet to a stone; thence North 6 deg. 46' West 167.29 feet to a stone; thence South 82 deg. 29' 50" East 524.15 feet to an iron; thence South 85 deg. 49' 15" East 574.38 feet to an iron stake in the Northwest line of the Kernersville-Union Cross Road; thence with the Northwest line of said Road, South 43 deg. 07' West 91.10 feet to an iron stake; thence continuing with the Northwest line of said Road, South 44 deg. 36' 10" West 495.55 feet to the POINT OF BEGINNING AND CONTAINING 6.76 ACRES, more or less, and designated as Lot No. 15 as shown on drawing captioned "Prepared for Ira Lewis Motsinger & wife, Dora J.", dated February, 1978, and prepared by Joyce Engineering & Mapping Co., Inc.

The above described property is a portion of the lands conveyed to Ira Lewis Motsinger by Deed from J.L. Teague, dated July 10, 1930, and recorded in Deed Book 328, Page 116 of the Forsyth County Registry, and a portion of the lands described in Deed to Dora J. Motsinger herein recorded in Deed Book 1034 at Page 189.





**BYLAWS  
OF  
BEESON PARK  
HOMEOWNER'S ASSOCIATION, INC.**

**ARTICLE I**

**NAME AND LOCATION**

The name of the corporation is **BEESON PARK HOMEOWNER'S ASSOCIATION, INC.** The principal office of the corporation shall be located at 411-I Parkway, Greensboro, North Carolina 27401, but meetings of members and directors may be held at such places within the County of Guilford and State of North Carolina, as may be designated by the Board of Directors.

**ARTICLE II**

**DEFINITIONS**

**Section 1.** "Association" shall mean and refer to Beeson Park Homeowner's Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

**Section 2.** "Board of Directors" or "Board" shall mean those persons elected or appointed to act collectively as the directors of the Association.

**Section 3.** "Beeson Park" shall mean and refer to that certain real property subject to the Declaration and such additions thereto as may hereafter be brought within the jurisdiction of Beeson Park Homeowner's Association, Inc.

**Section 4.** "Bylaws" means the bylaws of the Association as they now or hereafter exist.

**Section 5.** "Declarant" shall mean and refer to D.R. Horton, Inc. - Greensboro as well as its successors and assigns, if such successors.

**Section 6.** "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Beeson Park and amendments thereto, applicable to Beeson Park and recorded in the Office of the Register of Deeds of Guilford County, North Carolina.

**Section 7.** "Common Area" shall mean and refer to all common areas and open spaces with Beeson Park owned by the Association for the use and enjoyment of Members.

**Section 8.** "Lot" shall mean any separately numbered plot of land, regardless of size, as shown on recorded subdivision map of Beeson Park.

**Section 9.** “Dwelling Unit” shall mean a residence to any person employed by the Board of Directors as a professional manager, pursuant to the provisions of the bylaws, to manage the affairs of the Association.

**Section 10.** “Manager” shall mean and refer to any person employed by the Board of Directors as a professional manager, pursuant to the provisions of the Bylaws, to manage the affairs of the Association.

**Section 11.** “Member” shall mean and refer to every person or entity entitled to membership with voting rights in the Association as provided in the Declaration.

**Section 12.** “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 Beeson Park, including contract sellers, but excluding those who have such interest merely as security for the performance of an obligation.

**Section 13.** “Book of Resolutions” shall mean and refer to the document containing rules and regulations and policies adopted by the Board of Directors.

### **ARTICLE III**

#### **MEETING OF MEMBERS**

**Section 1. Annual Meetings.** The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, on the date and at the time and place set forth by the Board of Directors in its rules and regulations, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, unless a different date and time is fixed by the Board of Directors.

**Section 2. Special Meetings.** Special meetings of the Members may be called at any time by the President or by the Board of Directors or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

**Section 3. Notice of Meetings.** Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least thirty (30) days before such meeting to each Member entitled to vote thereat, addressed to the Member’s address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

**Section 4. Quorum.** The presence at the meeting of Members eligible to vote or authorized proxies amounting to one-tenth (1/10) of the votes entitled to be cast shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these

Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

#### **ARTICLE IV**

##### **BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE**

**Section 1. Number.** The affairs of the Association shall be managed by a Board of not fewer than three (3) nor more than seven (7) directors, who need not be Members of the Association. The initial Board shall consist of three (3) directors designated by the Declarant. The initial directors shall serve until the first meeting of the Association.

**Section 2. Term of Office.** Subject to the provisions of Article V, Section 1 of these Bylaws, at the first annual meeting, the Members shall elect the number of directors allowed herein. The term of the directors shall be for two (2) years. All directors shall serve until their successors have been duly elected and qualified.

**Section 3. Removal.** Any director, other than those selected by Declarant, may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of this predecessor; provided, however, in the event of the death, resignation or removal of a director selected by Declarant, his successor shall be selected by Declarant and shall serve for the unexpired term of his predecessor.

**Section 4. Compensation.** No director shall receive compensation for any services he may render to the Association as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

**Section 5. Action Taken Without a Meeting.** The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

#### **ARTICLE V**

##### **NOMINATION AND ELECTION OF DIRECTORS**

**Section 1. Nomination and Election of Directors While Declarant has the Right to Select and Designate a Two-Thirds (2/3) Majority of the Board of Directors.** Until ten (10) years after the date of the Declaration, or until Declarant shall have conveyed or leased seventy-five percent (75%) of the Dwelling Units shown on the preliminary plans of Beeson Park heretofore

submitted to the City of Winston Salem or the City of Kernersville, and submitted to VA or HUD, whichever occurs first, Declarant or its assignee shall have the right to designate and select a two-thirds (2/3) majority of the Board of Directors of the Association. So long as Declarant shall have the right to select and designate a majority of the Board of Directors, election of directors shall be conducted in the following manner:

(a) Declarant shall, at the beginning of the election of the Board of Directors, designate and select that number of the members of the Board of Directors which it shall be entitled to designate and select in accordance with the provisions of these Bylaws and the Declaration. Upon such designation and selection the Declarant shall present by written instrument said individuals to the meeting at which such election is held and upon presentation, such individuals shall be deemed and considered for all purposes directors of the Association. Thenceforth, the designated individuals shall perform the offices and duties of such directors until their successors shall have been selected or elected in accordance with the provisions of these Bylaws.

(b) At the first Annual Meeting of the Association, Declarant shall have the right to designate and select a two-thirds (2/3) majority of the directors whose term of office shall be established at two (2) years.

(c) All members of the Board of Directors whom Declarant shall not be entitled to designate and select under the terms and provisions of these Bylaws shall be elected by a plurality of the votes cast at the Annual Meeting of the Members of the Association immediately following the designation and selection described above.

(d) In the election of directors, there shall be appurtenant to each Lot as many votes for directors as there are directors to be elected, provided, however, that no Member or Owner of One (1) Lot may cast more than one (1) vote for any person nominated as a director, it being the intent hereof that voting for directors shall be noncumulative. Notwithstanding the fact that Declarant may be entitled to designate and select a two-thirds (2/3) majority of the members of the Board of Directors, it, as a Class B Member, shall still be entitled to cast the number of votes for each Lot owned by it in the elections of other directors as provided in the Declaration; provided, however, that the other directors elected are persons other than officers, directors, stockholders and employees of Declarant, or spouses and relatives of any of said persons.

(e) Vacancies in the Board of Directors may be filled until the date of the next Annual Meeting by the remaining directors, except that should any vacancy in the Board of Directors be created in any directorship previously filled by any person designated and selected by Declarant, such vacancy shall be filled by Declarant designating and selecting, by written instrument delivered to any officer of the Association, the successor director for the unexpired term thereof.

(f) In the event that Declarant, in accordance with the rights herein established, selects any person or persons to serve on any Board of Directors of the Association, Declarant shall have the absolute right at any time, in its sole discretion, to replace such person or persons with another person or persons to serve on said Board of Directors. Replacement of any person or persons designated by Declarant to serve on any Board of Directors of the Association shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons to be replaced and the name or names of the person or persons designated as successor or successors to the persons so removed from said Board of Directors. The removal of any director and designation of his successor shall be effective immediately upon delivery of such written instrument by Declarant to any officer of the Association.

**Section 2. Nomination and Election of Directors After Expiration of Declarant's Right to Select and Designate a Two-Thirds (2/3) Majority of the Board of Directors.**

(a) Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting to serve until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members.

(b) Election to the Board of Directors shall be by secret written ballot. At such election, the Members may cast or their proxies may be authorized to cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

**ARTICLE VI**

**MEETING OF DIRECTORS**

**Section 1. Regular Meetings.** Regular meetings of the Board of Directors shall be held at least annually without notice at such place and hour as may be fixed from time to time by resolution of a majority of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

**Section 2. Special Meetings.** Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

**Section 3. Quorum.** A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

**Section 4. Waiver of Notice.** Any director may waive notice of a special meeting before or after the meeting, any such waiver shall be deemed equivalent to the giving of notice.

## **ARTICLE VII**

### **POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

**Section 1. Powers.** The Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the right to the use of any recreational facilities by a Member or any person to whom he has delegated his right of enjoyment during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for each infraction of published rules and regulations;

(c) exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a director, other than a director selected and designated by Declarant, to be vacant in the event such director shall be absent from three (3) consecutive regular or special meetings of the Board of Directors without consent of the President;

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

(f) contract with any person or entity to maintain the Common Area;

(g) procure adequate insurance, including hazard insurance on the Common Areas and facilities, directors liability insurance, and such other insurance as it shall deem

necessary and appropriate; and include the cost of such insurance in the annual assessment of the Members;

- (h) employ attorneys to represent the Association when deemed necessary;
- (i) formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Area. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors shall be recorded in the Book of Resolutions, which shall be maintained in a place reasonably convenient to the Owners and available to them for inspection during normal business hours;
- (j) Lease the use of any recreational facilities for functions, lessons or special events, and to allow such lessee to charge admission or other fees for functions, lessons, or special events;
- (k) limit the number of guests, to regulate hours of operation, and behavior, and to curtail any use or uses it deems necessary for either the protection of facilities or the peace and tranquility of adjoining residents;
- (l) maintain any nondedicated streets within the Common Area; and
- (m) maintain any dedicated streets within the Common Area which are not accepted for dedication by the appropriate governmental authority.

**Section 2. Duties.** It shall be the duty of the Board of Directors to:

- (a) cause to be a complete record of all of its acts and corporate affairs and to present a statement hereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;
- (b) supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
  - (1) fix the amount of the standard annual assessments against each Lot at least thirty (30) days in advance of each annual assessment period;
  - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(3) foreclose the lien against any Lot for which assessments are not paid within sixty (60) days after the due date or to bring an action at law against the Owner personally obligated to pay the same;

(d) issue, or to cause an appropriate officer to issue, upon demand by any person or entity, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates;

(e) procure and maintain adequate liability insurance covering the Association, its directors, officers, agents and employees, and hazard insurance on Common Area owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained;

(h) designate depositories for the Association funds and execute required depository documents;

(i) appoint such committees as are provided for in these Bylaws, and such other committees as shall be appropriate or necessary for the proper administration and performance of the Association; and

(j) exercise their powers in good faith and do and perform such other matters and things not expressly prohibited by law, the Declaration, or these Bylaws as are necessary and appropriate to the proper administration, operation and maintenance of the Association and Beeson Park.

## **ARTICLE VIII**

### **OFFICERS AND THEIR DUTIES**

**Section 1. Enumeration of Officers.** The officers of the Association shall be a president and vice president, who shall at all times be directors, a secretary and a treasurer, and such other officers as the Board may, from time to time, by resolution create.

**Section 2. Election of Officers.** The election of officers shall take place at the first meeting of the Board of Directors following the annual election of directors.

**Section 3. Term.** The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.



**Section 4. Special Appointments.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board, may, from time to time, determine.

**Section 5. Resignation and Removal.** Any officer may be removed from office without cause by the Board. Any officer may resign at any time upon giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 6. Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

**Section 7. Multiple Offices.** The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

**Section 8. Duties.** The duties of the officers are as follows:

**President**

The president shall preside at all meetings of the Board of Directors; shall see that orders and regulations of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and, shall co-sign all checks and promissory notes.

**Vice President**

The vice president shall act in place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

**Secretary and Assistant Secretary**

The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board. The assistant secretary shall assist the secretary and act in the place and stead of the secretary in the event of his or her absence.

### Treasurer

The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books to be made by a public accountant at the completion of each fiscal year; and, shall prepare an annual budget and statement of income and expenditures to be presented to the Members at their regular annual meeting, and deliver a copy of each to the Members.

## ARTICLE IX

### QUORUM FOR ASSESSMENT CHANGES

At the first meeting called, as provided in Article VI, Sections 3 and 5 of the Declaration, the presence at the meeting of Members or of authorized proxies entitled to cast sixty percent (60%) of the votes of the membership of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 3 and 5, and the required quorum at any such 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.

## ARTICLE X

### COMMITTEES

The Board of Directors shall appoint an Architectural Committee, as provided in the Declaration, and a Nominating committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

## ARTICLE XI

### BOOKS AND RECORDS

The books, records, and papers of the Association shall, at all times during reasonable business hours, be subject to inspection by any Member. Accurate records of all resolutions shall be made and maintained and those records, together with the Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member, lender and/or insurer at the principal office of the Association, where copies may be purchased at reasonable cost.

## **ARTICLE XII**

### **CORPORATE SEAL**

The Association shall have a seal in circular form having within its circumference the words: Beeson Park Homeowner's Association, Inc.

## **ARTICLE XIII**

### **AMENDMENTS**

**Section 1.** Except for the provisions hereof relating to selection and designation of directors by Declarant which shall not be subject to amendment except with Declarant's written consent, these Bylaws may be amended, at a regular or special meeting of the Members, by a vote of the majority of a quorum of Members present in person or by proxy. Provided, however, that any amendment which shall materially and adversely affect the validity or priority of the lien of or the rights of Institutional Lenders (as hereinafter defined) holding first mortgage loans on property located within Beeson Park shall be required to have the prior approval of such Institutional Lenders. "Institutional Lenders" shall mean and refer to banks, savings and loan associations, insurance companies, other firms or entities customarily affording loans secured by first liens on residences, and other eligible insurers and governmental guarantors.

**Section 2.** In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**Section 3.** At all times where there is a Class B membership, VA and HUD shall have the right of prior approval of any such amendments.

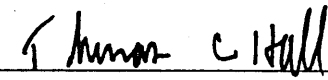
## **ARTICLE XIV**

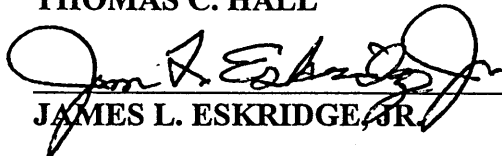
### **MISCELLANEOUS**

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the Beeson Park Homeowner's Association, Inc., have hereunto set our hands and seals this 14<sup>th</sup> day of February, 1998.

 (SEAL)  
M. LEE McALLISTER

 (SEAL)  
THOMAS C. HALL

 (SEAL)  
JAMES L. ESKRIDGE, JR.


## CERTIFICATE

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of the Beeson Park Homeowner's Association, Inc., a North Carolina corporation; and

That the foregoing Bylaws constitute the original Bylaws of said Association, duly adopted at a meeting of the board of Directors thereof, held on the 14<sup>th</sup> day of January, 1998.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 14<sup>th</sup> day of January, 1998.

 (SEAL)



Prepared by and return to: Edgar B. Fisher, Jr.  
Brooks, Pierce, McLendon,  
Humphrey & Leonard, L.L.P.  
PO Box 26000  
Greensboro, NC 27420

**NORTH CAROLINA**  
**FORSYTH COUNTY**

**DECLARATION OF COVENANTS  
CONDITIONS AND RESTRICTIONS  
FOR BEESON PARK**

**THIS DECLARATION**, made this 14th day of January, 1998, by **D.R. HORTON, INC. - GREENSBORO**, a Delaware corporation with its principal office and place of business in Guilford County, North Carolina, hereinafter referred to as the Declarant;

**WITNESSETH:**

WHEREAS, Declarant is the owner of certain property in the County of Forsyth, State of North Carolina, which is more particularly described as follows:

All of that certain parcel of land shown on that plat entitled Beeson Park, Phase 1A, which appears in the Office of the Register of Deeds of Forsyth County, North Carolina, in Plat Book 40, Page 55.

WHEREAS, Declarant is creating on the above described property a planned residential community to be known as Beeson Park; and

WHEREAS, Declarant desires to provide for the preservation and maintenance of the common areas and for certain other responsibilities in connection with Beeson Park and to this end desires to subject the real property described above, together with such additions as may hereafter be made thereto, to the covenants, conditions, restrictions, and easements, hereinafter set forth, each and all of which is and are for the benefit of the property comprising Beeson Park and each owner thereof.

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

Prepared by and return to: Edgar B. Fisher, Jr.  
Brooks, Pierce, McLendon,  
Humphrey & Leonard, L.L.P.  
PO Box 26000  
Greensboro, NC 27420

**NORTH CAROLINA**

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**DECLARATION OF COVENANTS  
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**THIS DECLARATION**, made this 14th day of January, 1998, by **D.R. HORTON, INC. - GREENSBORO**, a Delaware corporation with its principal office and place of business in Guilford County, North Carolina, hereinafter referred to as the Declarant;

**WITNESSETH:**

WHEREAS, Declarant is the owner of certain property in the County of Forsyth, State of North Carolina, which is more particularly described as follows:

All of that certain parcel of land shown on that plat entitled Beeson Park, Phase 1A, which appears in the Office of the Register of Deeds of Forsyth County, North Carolina, in Plat Book 40, Page 55.

WHEREAS, Declarant is creating on the above described property a planned residential community to be known as Beeson Park; and

WHEREAS, Declarant desires to provide for the preservation and maintenance of the common areas and for certain other responsibilities in connection with Beeson Park and to this end desires to subject the real property described above, together with such additions as may hereafter be made thereto, to the covenants, conditions, restrictions, and easements, hereinafter set forth, each and all of which is and are for the benefit of the property comprising Beeson Park and each owner thereof.

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



## ARTICLE I

### DEFINITIONS

**Section 1.** "Association" shall mean and refer to Beeson Park Homeowner's Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

**Section 2.** "Beeson Park" shall mean and refer to that certain real property hereinabove described which is herein made subject to this Declaration and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

**Section 3.** "Common Area" shall mean and refer to all common areas within Beeson Park owned by the Association for the common use and enjoyment of the Owners. The Common Area at the time of the conveyance of the first Lot is described as follows:

All of that land designated as "Common Area" as shown on that plat entitled Beeson Park, Phase 1A, which appears of record in the Office of the Register of Deeds of Forsyth County, North Carolina in Plat Book 40, Page 55.

Declarant reserves the right, in its sole discretion, to convey from time to time additional property to the Association, and the Association shall accept any such conveyance of additional property and thereafter such additional property shall be held and maintained by the Association as Common Area.

Improvements on the Common Area may include, but shall not be limited to, roadways, entrance and subdivision signs, retention or detention ponds or erosion control devices. The Association shall maintain any retention or detention ponds and any erosion control devices located on the Common Areas described above or on any other Common Areas hereinafter conveyed to the Association by Declarant that are required to be maintained by the governmental office having jurisdiction for watershed protection as directed by such governmental office. In the event the Association is dissolved or ceases to exist or otherwise defaults in its obligation to maintain any such pond or erosion control device, then in such event the Owners of record of the Lots at the time of the required maintenance shall be jointly and severally liable for any and all costs associated thereto.

**Section 4.** "Lot" shall mean any separately numbered plot of land, regardless of size, as shown on a recorded subdivision map of Beeson Park.

**Section 5.** "Dwelling Unit" shall mean a residence containing sleeping facilities for one or more persons and a kitchen.

**Section 6.** "Member" shall mean and refer to every person or entity entitled to membership with voting rights in the Association.

**Section 7.** "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 Beeson Park, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

**Section 8.** "Declarant" shall mean and refer to D.R. Horton, Inc. - Greensboro, its successors and assigns.

**Section 9.** "Board of Directors" or "Board" means those persons elected or appointed to act collectively as the directors of the Association.

**Section 10.** "VA" shall mean the Department of Veterans Affairs and "HUD" shall mean the Department of Housing and Urban Development.

**Section 11.** "Bylaws" shall mean the Bylaws of the Association as they now or hereafter exist.

## ARTICLE II

### COMMON AREA OWNERSHIP AND MAINTENANCE

**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.

**Section 2. Delegation of Use.** Any owner may delegate his rights of enjoyment of the Common Area to the members of his family, his lessees, contract purchasers who reside in Beeson Park, or his guests.

**Section 3. Rules and Regulations.** The Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Area. Such rules and regulations shall be maintained in a place reasonably convenient to the Members and available to them for inspection during normal business hours.

**Section 4. Regulation of Use of Common Area.** The Association shall have the power to limit the number of guests, to regulate hours of use, and to curtail any use or uses of the Common Area it deems necessary for either the protection of the facilities or the best interests of Members.

**Section 5. Suspensions.** The Association shall have the power to suspend the right to the use of any Common Area of a Class A Member or any person to whom that Member has delegated his right of enjoyment 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.

**Section 6. Mortgaging Common Area.** The Association shall have the power to borrow money for the purpose of improving the Common Area and facilities thereon and pursuant thereto to mortgage the Common Area, or any portion thereof; provided, however, that the execution of such mortgage shall require the approval of at least two-thirds (2/3) of the Members, exclusive of the Declarant.

**Section 7. Common Area Dedication or Transfer.** The Association shall have the right to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility (including any entity authorized by the City of Winston-Salem and Kernersville or Forsyth County to supply cable television service) 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 approved by at least two-thirds (2/3) of the Members, exclusive of the Declarant.

### ARTICLE III

#### LAND USE

**Section 1. Restrictions.** All of Beeson Park shall be subject to the covenants, conditions, restrictions and easements contained herein.

**Section 2. Designated Residential Property Restrictions; Rental.** All Lots shall be used, improved and devoted exclusively to residential use by the Owner thereof, his immediate family, guests, invitees and lessees. Any lease or rental agreement for a Lot shall be in writing and for a period of at least thirty (30) days. Such leases shall provide that the terms of the lease are subject to the provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association, and that any failure by the lessee to comply with the terms of such documents shall be a default under the terms of the lease. No Owner of any Lot shall permit the use of his Dwelling Unit for transient hotel or commercial purposes. Corporate or partnership Owners, other than the Declarant, shall permit the use of a Dwelling Unit owned by it only by its principal officers, directors or partners, or other guests or lessees. Such corporate or partnership Owner shall annually sign and deliver to the Association a written statement designating the name of the party (or parties) entitled to use such Dwelling Unit, together with a written covenant of such party in favor of the Association whereby the party agrees to comply with the terms and provisions of this Declaration and with the rules and regulations which may be promulgated by the Association from time to time and acknowledging that the party's right to use such Dwelling Unit shall exist only so long as the corporation or partnership shall continue to be a member of the Association. Upon demand by the Association to any corporate or partnership Owner to remove a party for failure to comply with the terms and provisions of this Declaration and/or the rules and regulations of the Association or for any other reason, the corporate or partnership Owner shall forthwith cause such party to be removed, failing which, the Association, as agent of the Owner, may take such action as it may deem appropriate to accomplish such removal; and all such action by the Association shall be at the cost and expense of the Owner who shall reimburse the Association therefor upon demand, together with such attorneys' fees as the Association may have incurred in the process of removal.

Nothing contained in this Declaration shall prevent the Declarant from maintaining a model home or sales office on any Lot and from material or equipment being placed or stored on any Lot in connection with its construction activities.

**Section 3. Common Area Restriction.** All Common Areas, including any recreational facilities and amenities thereon, shall be used, improved and devoted exclusively for the welfare and benefit of the Owners and for the general benefit and enhancement of Beeson Park, subject to those easements set out herein in Article VII.

**Section 4. Common Area Construction or Alteration.** No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Area except at the direction of and with the express written consent of the Association; provided, however, the Declarant shall have the right to place in and reserves an easement over the Common Area for storm drainage lines, sewer lines, telephone lines, water lines, facilities for management of surface water, electrical and gas lines, cable television lines, and other utility lines and facilities.

**Section 5. Nuisance or Annoying Activity.** No noxious or offensive activity shall be carried on or upon the Common Area.

**Section 6. Parking; Satellite Discs; Antennas.** The Association may regulate parking of all kind on the Common Area. The installation and maintenance of satellite discs which are in excess of twenty inches in diameter and of radio antennas shall be prohibited on Common Area, Dwelling Units, or Lots. Satellite discs which are twenty inches or less in diameter may be placed on Common Area, Dwelling Units and Lots only with the prior approval of the Architectural Committee as set forth in Section 2 of Article IV. The Association may regulate or prohibit the erection of television antennas on Common Area, Dwelling Units, or Lots.

**Section 7. Animals.** No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any Dwelling Unit except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and further provided that they are kept and maintained in compliance with all applicable laws and ordinances of the County of Forsyth and, if applicable, any municipality, relating thereto.

**Section 8. Boats, Trailers and Motor Vehicles.** No boats, buses, trailers, campers or recreational vehicles shall be parked on any Common Area, or within the right of way of any public streets in Beeson Park; such boats or vehicles may be kept or stored on a private driveway located entirely within a Lot, but no nearer to the street than the front building line of the main structure on such Lot. No junked automobiles or any other type of salvage shall be placed or allowed to remain on any Lot, Common Area, or on any street located within Beeson Park.

## ARTICLE IV

### ARCHITECTURAL CONTROL

**Section 1. Architectural Committee.** An Architectural Committee consisting of three (3) persons shall be appointed by the Declarant. At such time as the Class B membership expires, the Architectural Committee shall be appointed by the Board of Directors of the Association.

**Section 2. Plan or Design Approval.** No site preparation or initial construction, erection, or installation of any improvements, including, but not limited to, Dwelling Units, outbuildings, driveways, fences, walls, signs, television antennas, satellite dishes (but satellite dishes in excess of twenty inches in diameter are prohibited as provided in Section 6 of Article III), clothes lines, mailboxes, post lamps and other structures, or excavation, or changes in grade shall be undertaken upon any Lot unless the plans and specifications therefor, showing the nature, kind, shape, height, materials, and location of the proposed improvements shall have been submitted to the Architectural Committee and expressly approved in writing. No subsequent alteration or modification of any existing improvements or construction, erection or installation of additional improvements may be undertaken or allowed to remain without the review and express written approval of the Architectural Committee. No chain link fences shall be permitted on any Lot except for chain link fences used as a dog run, and then any chain link fences used as a dog run must not be visible from any adjoining Lots or property unless first approved by the Architectural Committee as set forth above. No approval shall be required, however, for any improvements made by the Declarant.

**Section 3. Effect of Failure to Approve or Disapprove.** In the event that the Architectural Committee fails to approve or disapprove any of the foregoing within thirty (30) days after plans and specifications therefor have been submitted and received (receipt being hereinafter defined), approval will not be required, and the requirements of this Article will be deemed to have been fully satisfied; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Architectural Committee if they contain erroneous data or fail to present full and adequate information upon which the Architectural Committee can arrive at a decision.

For purposes of this Section 3, plans and specifications will not be deemed to have been "received" unless either a member of the Architectural Committee acknowledges in writing such receipt or the plans and specifications are sent by certified or registered mail to a member of the Committee or to the management company of the Association and a return receipt is received acknowledging the receipt thereof by such member.

**Section 4. Right of Inspection.** The Architectural Committee shall have the right, at its election, to enter upon any of the Lots in Beeson Park during preparation, construction, erection or installation of any improvements to determine that such work is being performed in conformity with the approved plans and specifications.

**Section 5. Exterior Maintenance.** The exterior maintenance of Lots and the Dwelling Units located thereon and other improvements constructed thereon shall be the duty and responsibility of the Owner of such Lot and shall not be the responsibility of the Association. If, however, in the opinion of the Association any Owner shall fail to discharge his or her repair, maintenance or upkeep responsibilities in a reasonable and prudent manner to a standard harmonious with that of other Lots in Beeson Park, the Association, at its discretion, and following ten (10) days' written notice to the Owner, may enter upon and make or cause to be made maintenance work or repairs as may be deemed by the Association reasonably required. The Association, or its agents, shall have an easement for the purpose of accomplishing the foregoing. The costs incurred by the Association in rendering such services plus a service charge of twenty percent (20%) of such costs, shall be added to and become a part of the assessments to which such Lot is subject.

**Section 6. Original Improvements by Declarant.** Nothing herein contained shall in any way prevent or interfere with the right of the Declarant to construct the original improvements desired by Declarant on any Lot, and no approval shall be required from the Architectural Committee for any construction by the Declarant.

## ARTICLE V

### **MEMBERSHIP AND VOTING RIGHTS**

**Section 1. Members.** The Declarant, for so long as it shall be an owner, and every person or entity who is an Owner of a fee simple or undivided fee simple interest in any Lot which is subject by covenants of record to assessments by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Ownership of such Lot shall be the sole qualification for membership, and no Owner shall have more than one membership, except as expressly provided hereinafter. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. The Association may promulgate reasonable rules relating to the proof of ownership of a Lot.

**Section 2. Classes of Members and Voting Rights.** The Association shall have two (2) classes of voting Members:

**Class A.** Class A Members shall be all Owners with the exception of the Declarant. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the required ownership interest. When more than one person or entity holds the required ownership interest in a Lot, all such persons or entities shall be Members. The vote for each such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot, and no fractional votes may be cast.

**Class B.** The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the required ownership interest,

provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

- (a) The total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership; or
- (b) Ten (10) years after the date hereof.

With the recording of new sections of Beeson Park, and the annexation of additional lands subject to the jurisdiction of the Association, new Class A and Class B memberships shall be created.

**Section 3. Right of Declarant to Representation on Board of Directors of the Association.** Notwithstanding anything contained herein to the contrary, until ten (10) years after the date hereof, or until Declarant shall have conveyed or leased seventy-five percent (75%) of the Dwelling Units shown on the preliminary plan of Beeson Park heretofore submitted to Forsyth County or the City of Winston-Salem or the City of Kernersville, and submitted to VA or HUD, whichever first occurs, Declarant (or the assignee of the right granted in this Section) shall have the right to designate and select a two-thirds (2/3) majority of the Board of Directors of the Association. Whenever Declarant shall be entitled to designate and select any person or persons to serve on any Board of Directors of the Association, the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or Bylaws of the Association. Declarant shall have the right to remove any person or persons selected by it to act and serve on the Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any Director or Directors so removed. Any Director designated and selected by Declarant need not be an Owner. Any representative of Declarant serving on the Board of Directors of the Association shall not be required to disqualify himself from any vote upon any contract or matter between Declarant and the Association where Declarant may have a pecuniary or other interest. Similarly, Declarant, as a member of the Association, shall not be required to disqualify itself upon any vote upon or entrance into any contract or matter between Declarant and the Association where Declarant may have a pecuniary or other interest.

## **ARTICLE VI**

### **ASSESSMENTS**

**Section 1. Creation of the Lien and Personal Obligation for Assessments.** The Owner of any Lot subject to the provisions of this Declaration, by acceptance of a deed therefor, whether or not expressed in any such deed, is deemed to covenant and agrees to pay to the Association:

- (a) Standard annual assessments or charges as herein provided;
- (b) Special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided.

All annual and special assessments on a Lot, together with interest thereon and costs of collection thereof, as hereinafter provided, 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 and costs, and reasonable attorney's fees (as provided in North Carolina General Statutes 6-21.2) incurred by the Association in collecting delinquent assessments shall also be the personal obligation of the person or entity who was the Owner of such Lot at the time when the assessment became due. The personal obligation of an Owner for delinquent assessments shall not pass to his successors or assigns in title unless expressly assumed by such successor or assign.

## **Section 2. Purpose of Assessments.**

(a) The assessments levied by the Association shall be used exclusively for the purposes of the general enhancement and promotion of Beeson Park, including, without limitation, the recreation, health, safety and welfare of the Owners in Beeson Park, the enforcement of these covenants and the rules of the Association, and, in particular, the improvement and maintenance of the Common Areas and facilities thereon, including, without limitation, the maintenance of any streets which are not accepted for maintenance by the appropriate governmental authority, the maintenance of dams and ponds, including retention or detention ponds, located within the Common Area, the maintenance of entranceways, landscaping and lighting of Common Areas, the cost of operating, maintaining and repairing any street lights or signs erected by the Association or the Declarant, the payment of taxes assessed against the Common Area, the payment of assessments for public capital improvements levied against the Common Area, the maintenance of liability and other insurance and for such other needs consistent with this Declaration as may arise.

(b) All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operation and managing Beeson Park, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the Bylaws of the Association. As monies for any assessment are paid to the Association by any Owner, the same may be commingled with monies paid to the Association by the other Owners. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Lot. When an Owner shall cease to be a member of the Association by reason of his divestment of ownership of his Lot, by whatever means, the Association, shall not be required to account to such Owner for any share of the funds or assets of the Association, or which may have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of Beeson Park.

**Section 3. Standard Annual Assessment.** To and including December 31, 1998, the standard annual assessment shall be shared equally (except as otherwise provided herein in Section 7(b)) and shall not be in excess of One Hundred Twenty Dollars (\$120.00), payable in equal monthly



installments of Ten Dollars (\$10.00), for each Lot, the exact amount of which shall be determined by the Board of Directors; and after December 31, 1998, the standard annual assessment may be increased in accordance with the following provisions:

- (a) From and after December 31, 1998, the standard annual assessment may be increased by the Board of Directors of the Association effective January 1 of each year, without the vote of the Members, by a percentage which may not exceed the percentage increase reflected in the Consumer Price Index, All Items (1982-84 = 100) U.S. City Average, published by the U.S. Bureau of Labor Statistics, or such index as may succeed the Consumer Price Index, for the twelve month period ending the immediately preceding July 1, or by ten percent (10%), whichever is greater, over the standard annual assessment of the previous year.
- (b) After December 31, 1998, the standard annual assessment may be increased without limit by 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 called for such purpose.
- (c) The Board of Directors may fix the standard annual assessment at an amount not in excess of the maximum.

**Section 4. Special Assessment for Repairs.** In the event any portion of the Common Area is damaged or destroyed by an Owner or any of his guests, tenants, licensees, employees, agents, or family members, the Association is hereby authorized to repair such damaged area in a good and workmanlike manner. The amount necessary for such repairs, labor and material shall become a special assessment upon the Lot of said Owner.

**Section 5. Special Assessment for Capital Improvements.** In addition to the standard annual assessments authorized above, the Association may levy one or more special assessments applicable to that year for the purpose of defraying the costs of construction or reconstruction, unexpected repair, or replacement of a capital improvement upon the Common Area, including the necessary 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 the Members who are voting in person or by proxy at a meeting duly called for this purpose.

**Section 6. Notice and Quorum For Any Action Authorized Under Section 3 and 5.** Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 5 shall be sent to all Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

### **Section 7. Uniform Rate of Assessment.**

(a) With the exceptions set forth in subsection (b) of this Section 7 of this Article VI, both the standard annual and special assessments (with the exception of the Special Assessment authorized by Article VI, Section 4 above), must be fixed at a uniform rate for all Lots and shall be collected on a monthly or quarterly basis in advance.

(b) There shall be no standard annual assessment for any Lot owed by the Declarant or owed by any other Owner on which a Dwelling Unit has not been constructed. The full standard annual assessment on a Lot shall commence and thereafter be due after the construction of a Dwelling Unit on said Lot on the first day of the first month following the earlier of (a) the date of the conveyance of said Lot by the builder of the Dwelling Unit on said Lot to a new Owner, or (b) the date of the occupancy of the Dwelling Unit on said Lot.

**Section 8. Date of Commencement of Annual Assessments; Due Dates.** The full standard annual assessment provided for herein shall commence as to a particular Lot following the construction of a Dwelling Unit on said Lot on the first day of the first month following the earlier of (a) the date of the conveyance of said Lot by the builder of the Dwelling Unit on said Lot to a new Owner, or (b) the date of the occupancy of the Dwelling Unit on said Lot. The standard annual assessment shall be prorated for the year in which it begins.

The Board of Directors shall fix the amount of the standard annual assessment against each Lot at least thirty (30) days in advance of each assessment period. Written notice of the standard annual assessment shall be sent to every Owner subject thereto, but failure to receive such notice shall in no way affect the obligation of each Owner therefor or the lien therefor as provided herein. The due dates and appropriate penalties for late payment shall be established by the Board of Directors. The Association, upon demand at any time, shall furnish a certificate in writing setting forth whether the assessments on a specified Lot have or have not been paid. A reasonable charge may be made by the Association for the issuance of these certificates. Such certificates shall be conclusive evidence of the status of the assessments due.

**Section 9. Working Capital Assessments.** In addition to the annual assessments authorized above, at the time of the closing of the first sale of each Lot, the purchaser(s) thereof shall pay to the Association an amount equal to two-twelfths (2/12ths) of the then current annual assessment established by the Association. Such funds shall be used by the Association to establish a Working Capital Fund, the purpose of which is to insure that the Association will have sufficient monies available to meet its initial operational needs. No such payments made into the Working Capital Fund shall be considered in advance or current payment of regular assessments. All monies paid into the Working Capital Fund shall be held and administered by the Association in accordance with the terms of the Declaration and these Bylaws.

**Section 10. Effect of Nonpayment of Assessments; Remedies of the Association.** Assessments authorized by this Declaration shall be due and payable on the dates established by the

Board of Directors from time to time. Fees, fines, and other charges authorized by this Declaration shall be due and payable thirty (30) days after written notice thereof from the Association to an Owner. Any assessment, fee, fine or other charge not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien created herein against the property in the same manner as prescribed by the laws of the State of North Carolina for the foreclosures of Deeds of Trust. Interest, costs and reasonable attorney's fees for representation of the Association in such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of his Lot.

**Section 11. Effect of Default in Payment of Ad Valorem Taxes or Assessments for Public Improvements by Association.** Upon default by the Association in the payment to the governmental authority entitled thereto of any assessments for public improvements or ad valorem taxes levied against the Common Area, which default shall continue for a period of six (6) months, each Owner of a Lot in Beeson Park shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by dividing the total taxes and/or assessments due the governmental authority by the total number of Lots in Beeson Park. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

**Section 12. Subordination of the Lien to Mortgages and Ad Valorem Taxes.** The lien of the assessments provided for herein on any Lot shall be subordinate to the lien of any first mortgage or first deed of trust on such Lot, and subordinate to ad valorem taxes. The sale or transfer of any Lot shall not affect the assessment lien; provided, however, that the sale or transfer of any Lot pursuant to a decree of foreclosure on a first mortgage or first deed of trust thereon or any proceeding in lieu of foreclosure thereof shall extinguish the lien of such assessments, fees, fines or other charges as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments, fees, fines or other charges 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 first deed of trust.

**Section 13. Exempt Property.** Any portion of Beeson Park 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; provided, however, no land or improvements devoted to use as a dwelling shall be exempt from said assessments.

**Section 14. Reserve Fund.** The Board of Directors of the Association, in establishing the annual budget for operation, management and maintenance of Beeson Park, shall designate therein

a sum to be collected and maintained as a reserve fund for replacement of any capital improvements to the Common Area (Capital Improvement Fund). This Fund shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting a part of the Common Area, as well as the replacement of portions of the Common Area. The amount to be allocated to the Capital Improvement Fund shall be established by the Board of Directors so as to collect and maintain a sum reasonably necessary to anticipate the need for replacements in the Common Area. The amount collected for the Capital Improvement Fund may be maintained in a separate account by the Association and such money shall be used only to make capital improvements to the Common Area. The amount collected for the Capital Improvement Fund may be maintained in a separate account by the Association and such money shall be used only to make capital improvements to the Common Area. Any interest earned on monies in the Capital Improvement Fund may, in the discretion of the Board of Directors of the Association, be expended for current operation and maintenance. Although the funds held in the Capital Improvement Fund, and any increments thereto or profits derived therefrom, shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Lot. The funds held in the Capital Improvement Fund shall not be subject to withdrawal by an Owner.

## ARTICLE VII

### EASEMENTS

**Section 1. Walks, Drives, Utilities, Etc.** Common Areas shall be subject to such easements for walkways, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television antenna lines, and other utilities, ingress, egress and regress and otherwise as shall have been established or hereinafter are established by the Declarant, whether by express easement or by the recording of a plat dedicating or otherwise establishing an easement. The Association shall have the power and authority to grant and establish further easements upon, over, under and across the Common Area. The Declarant reserves an easement and the right to grant easements over the Common Areas for the aforesaid purposes.

**Section 2. Encroachments; Declarant's Easement to Correct Drainage.** All Lots and the Common Area shall be subject to easements for the encroachment of initial improvements constructed by the Declarant to the extent that such initial improvements actually encroach, including, without limitation, such items as overhanging eaves, gutters, downspouts, exterior storage rooms, bay windows, steps and walls. If any encroachment shall occur subsequent to subjecting Beeson Park to this Declaration as a result of settling or shifting of any building or as a result of any permissible repair, construction, reconstruction, or alteration, there is hereby created and shall be and remain a valid easement for such encroachment for the maintenance of the same. For a period of twenty five (25) years from the date hereof, the Declarant reserves an easement and right on, over and under any property comprising Beeson Park to maintain and to correct drainage or surface water runoff in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or

take any other similar action reasonably necessary. After such action has been completed, the Declarant shall restore the affected property to its original condition to the extent practicable. Declarant shall give reasonable notice of intent to take such action to all affected Owners. These rights and reservations are assignable by the Declarant.

**Section 3. Easement for Utilities.** An easement is hereby established for county, municipal, state or public utilities serving Beeson Park, their agents and employees over all Common Areas hereby or hereafter established for setting, removing, and reading utility meters, maintaining and replacing utility or drainage facilities and connections, and acting with other purposes consistent with the public safety and welfare, including, without limitation, police and fire protection and collection of garbage.

**Section 4. Sign Easements.** Declarant and the Association shall each have the right to erect within the Common Area subdivision signs and landscaping and lighting surround same. In addition, easements for the maintenance of subdivision signs and landscaping and lighting surrounding same are reserved as indicated on recorded plats. Declarant hereby reserves unto itself and grants, gives and conveys to the Association a perpetual, non-exclusive easement over the portions of Lots designated as "sign easements" on the plat of Beeson Park, now or hereafter recorded, to maintain, repair, and replace the subdivision signs which may be located thereon, and the lighting fixtures and landscaping surrounding same. The Association shall be responsible for maintaining, repairing and replacing any such signs, landscaping and lighting and the costs of such maintenance, repair and replacement shall be part of the common expenses of the Association, payable by the Owners. In addition to the easements reserved and granted above as to the portion of Lots designated "sign easement," Declarant hereby reserves unto itself and gives, grants and conveys to the Association the right of ingress, egress and regress over other portions of such Lots as shall be reasonably necessary to effectuate the purposes stated above. The easements hereby granted shall run with the land in perpetuity and be binding upon and inure to the benefit of all persons and entities now owning or subsequently acquiring all or a part of Beeson Park.

**Section 5. Street Lighting.** Easements for the installation, maintenance, repair and replacement of street lights are reserved for the benefit of Declarant and the Association over those portions of the Common Area and the Lots extending ten (10) feet on either side of the right-of-way of any street (whether public or private). The Association shall be responsible for the maintenance, repair, and replacement of any such street lights (unless such maintenance, repair and replacement is to be provided by a utility company as hereinafter set forth) and all costs associated with such maintenance, repair and replacement shall be part of the common expenses of the Association. Declarant, as well as the Association, shall have the right, in the sole discretion of each, to contract with a utility company for the installation of street lighting which may require an initial payment and/or a continuing monthly payment to the utility company by the Association, all of which payments shall be part of the common expenses of the Association.

## ARTICLE VIII

### ANNEXATION OF ADDITIONAL PROPERTIES

**Section 1. Annexation by Members.** Except as provided in Section 2 of this Article, additional lands may be added and annexed to Beeson Park only if two-thirds (2/3) of each class of all the votes entitled to be cast, in the aggregate, by Members are cast in favor of annexation. A meeting shall be duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days in advance of the meeting.

For the purpose of such meeting, the presence thereof of Members or authorizing proxies entitled to cast sixty percent (60%) of the votes, in the aggregate, of the Members, shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called within sixty (60) days thereafter, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

If a quorum is present and a majority of the votes are cast in favor of the annexation, but the majority is less than the two-thirds (2/3) majority of each class required for approval of the annexation, and it appears that the required assent of two-thirds (2/3) of each class may be achieved if the Members not present or voting by proxy assents to the annexation, then and in that event, the Members not present or voting by proxy may assent to or dissent from the proposed annexation in writing within one hundred twenty (120) days following the date of the meeting at which the vote was taken. Each Member assenting or dissenting shall be deemed to have cast, respectively, all of the votes to which he is entitled under Article V, Section 2 of this Declaration either in favor of or against the annexation. If the number of votes cast at the meeting in favor of the annexation, together with the votes (deemed to have been cast) by the Members assenting to the annexation, shall constitute the requisite two-thirds (2/3) majority of each class of all votes entitled to be cast, the annexation shall stand approved.

**Section 2. Annexation by Declarant.** The Declarant may annex additional lands to Beeson Park in the following manner:

- (a) If, within fifteen (15) years of the date of incorporation of the Association, the Declarant should develop additional lands within the boundaries of that property described in Exhibit "A" attached hereto and incorporated herein by reference, such additional lands may be annexed to Beeson Park without the assent of the Members.
- (b) The Declarant may annex to Beeson Park the additional land described in subparagraph (a) of this Section 2 by recording in the Forsyth County Registry a Declaration of Covenants, Conditions and Restrictions, duly executed by Declarant, describing the lands annexed and incorporating the provisions of this Declaration. The additional land shall be deemed annexed to Beeson Park on the date of

recordation of the Declaration of Annexation, and no other action or consent shall be necessary.

- (c) Subsequent to recordation of such Declaration by the Declarant, the Declarant shall deliver to the Association one or more deeds conveying any property that is designated as Common Area within the lands annexed.

## ARTICLE IX

### 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. Rights of Lenders and Insurers of First Mortgages.** "Institutional Lender" as the term is used herein shall mean and refer to banks, savings and loan associations, insurance companies, other firms or entities customarily affording loans secured by first liens on residences, and eligible insurers and governmental guarantors.

So long as any Institutional Lender shall hold any first lien upon any Lot, or shall be the Owner of any Lot, such Institutional Lender shall have upon written request therefor the following rights:

- (a) To inspect the books and records of the Association during normal business hours and to be furnished with at least one (1) copy of the annual financial statement and report of the Association prepared by a certified public accountant designated by the Board of Directors of the Association, such financial statement or report to be furnished by April 15 of each calendar year.
- (b) To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering any proposed amendment to this Declaration of Covenants, Conditions and Restrictions or the Articles of Incorporation or Bylaws of the Association or of any proposed abandonment or termination of the Association or the effectuation of any decision to terminate professional management of the Association and assume self-management by the Association.
- (c) To receive notice of any condemnation loss or casualty loss which affects a material portion of the Common Areas.

- (d) To be notified of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.
- (e) To have the right to approve of any alienation, release, transfer, hypothecation or other encumbrance of the Common Areas, other than those specific rights vested in the Association under Article II hereof.
- (f) To be given notice of any delinquency in the payment of any assessment or charge (which delinquency remains uncured for a period of sixty (60) days) by any Owner owning a Lot encumbered by a mortgage held by the Institutional Lender, such notice to be given in writing and to be sent to the principal office of such Institutional Lender, or to the place which it may designate in writing.

**Section 3. Term and Amendment by Owners.** The covenants, conditions and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or any Owner, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive period of ten (10) years. The Covenants, Conditions and Restrictions of this Declaration may be amended during the first thirty (30) year period by an instrument signed by the Owners of not less than ninety percent (90%) of the Lots and thereafter by an amendment signed by not less than seventy-five (75%) of the Lot Owners; provided, however, no amendment purporting to revoke or curtail any right herein conferred to Declarant shall be effective unless executed by Declarant, and no amendment relating to the maintenance or ownership of any permanent detention or retention pond shall be effective unless reviewed and approved by the governmental office having jurisdiction for watershed protection and no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements or affect any lien for the payment thereof established herein.

**Section 4. Certification and Recordation of Amendment.** Any amendment must: (1) be executed on behalf of the Association by its duly authorized officers; (2) contain a certification by the officers executing the amendment on behalf of the Association that the requisite Owner approval has been obtained and is evidenced by written acknowledgment(s) signed by the Owners approving the amendment and made a part of the minute book of the Association; and (3) be properly recorded in the Office of the Register of Deeds of Forsyth County, North Carolina. Any amendment recorded and certified by the officers executing the amendment shall be conclusively presumed that such amendment has been duly adopted. Additions to existing property constituting Beeson Park pursuant to Article VIII shall not constitute an "amendment."

**Section 5. Conflicts.** In the event of any irreconcilable conflict between this Declaration and the Bylaws of the Association, the provisions of this Declaration shall control. In the event of an irreconcilable conflict between this Declaration or the Bylaws of the Association and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.



**Section 6. Severability.** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

**Section 7. Contract Rights of Association.** The undertakings and contracts authorized by the initial Board of Directors (including contracts for the management of Beeson Park) shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by any Board of Directors duly elected by the membership after the recording of this Declaration, so long as such undertakings and contracts are within the scope of the powers and duties which may be exercised by the Board of Directors of the Association in accordance with this Declaration, the Articles of Incorporation and the Bylaws; and provided further that any undertaking or contract entered into by the Association at a time the Declarant has the right to appoint a majority of the Board of Directors shall contain a provision reserving the right of the Association to terminate such undertaking or contract upon not more than ninety (90) days written notice to the other party(ies) thereto.

## ARTICLE X

### VA AND HUD APPROVAL

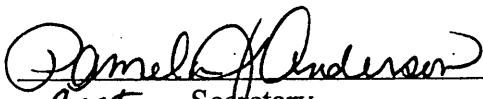
As long as there is a Class B membership, the following acts will require the approval for compliance with established HUD or VA guidelines: Annexation of additional properties, other than annexation under Section 2(a) of Article VIII hereof, mortgaging of Common Area, dedication of Common Area, and amendments to this Declaration of Covenants, Conditions and Restrictions or the Articles of Incorporation or the Bylaws of the Association.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused these presents to be executed by its duly authorized officers, this the 14<sup>th</sup> day of January, 1998.

**D.R. HORTON, INC. - GREENSBORO**  
a Delaware corporation

By:   
President

ATTEST:

  
Asst. Secretary

[CORPORATE SEAL]

NORTH CAROLINA

GUILFORD COUNTY

I, CAROLYN P. SHARPE, a Notary Public, do hereby certify that PAMELA J. ANDERSON personally appeared before me this day and acknowledged that she is the ASSISTANT Secretary of **D.R. HORTON, INC. - GREENSBORO**, a Delaware 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 herself as its ASSISTANT Secretary on behalf of said corporation and the said ASSISTANT Secretary acknowledged the said writing to be the act and deed of said corporation.

Witness my hand and official seal, this 14<sup>th</sup> day of January, 1998.

Carolyn P. Sharpe  
Notary Public

My Commission Expires:

January 19, 2000

## EXHIBIT A

### PARCEL ONE

BEGINNING at an existing iron pipe in the existing southern right-of-way line of Sedge Garden Road (S.R. 2632), said beginning point being the northwestern corner of Lot 33 of Quailbrook Subdivision, as shown on that plat recorded in Plat Book 35, Page 123, in the Forsyth County Registry, and from said point of beginning thence with the western line of the Quailbrook Subdivision South 13° 57' 38" West 933.45 feet to an existing axle, a corner of Lot 22 of the said Quailbrook Subdivision; thence with a western line of the said Lot 22 South 16° 33' 32" East 21.09 feet to a rebar, in the northern right-of-way line of Shepherd Grove (S.R. 3828); thence South 16° 33' 32" East 72.61 feet to a rebar in the southern right-of-way line of Shepherd Grove, the northwestern corner of the property now or formerly owned by Michael and Pamela Joyce (see Deed Book 1244, Page 691); thence with the western line of the property now or formerly owned by Joyce South 16° 33' 32" East 550.51 feet to an existing iron pipe in the northern line of the property now or formerly owned by Willie H. Cavanaugh and wife (see Deed Book 1412, Page 1871); thence with the northern line of the property now or formerly owned by Cavanaugh North 84° 27' 31" West 524.17 feet to an existing stone, the northwestern corner of the property now or formerly owned by Cavanaugh; thence with western line of the property now or formerly owned by Cavanaugh South 08° 45' 06" East 167.24 feet to a nail in stone, being the northwestern corner of Lot 5 of the Biloxi Development Subdivision, as shown on that plat recorded in Plat Book 23, Page 42, in the Forsyth County Registry; thence with the western line of Lot 5, the western right-of-way line of Biloxi Avenue, and then the western line of Lot 6 of the said Biloxi Development South 07° 59' 03" East 483.87 feet to a rebar, being the southwestern corner of Lot 6 of the said Biloxi Development; thence with the western line of the property now or formerly owned by Newton McBride, Jr., and wife South 07° 52' 24" East 470.39 feet to an existing iron pipe, in the northern line of Lot 5 of B. Odell Solomon Property Subdivision as recorded in Plat Book 22, Page 19, in the Forsyth County Registry; thence with the northern line of the said Lot 5 South 87° 17' 47" East 45.55 feet to a rebar in the western right-of-way line of Union Cross Road (S.R. 2643); thence with the western right-of-way line of Union Cross Road South 31° 17' 44" West 28.22 feet to a rebar; thence continuing with the western right-of-way line of Union Cross Road South 31° 22' 52" West 122.16 feet to a rebar; thence continuing with the western right-of-way line of Union Cross Road South 31° 02' 24" West 19.98 feet to an existing iron pipe, the southernmost corner of the said Lot 5; thence with the southern line of the said Lot 5 North 58° 39' 01" West 200.01 feet to an iron pipe, the southwestern corner of the said Lot 5; thence with the western line of Lot 5 North 31° 19' 57" East 65.39 feet to an iron pipe, the northwestern corner of the said Lot 5; thence with the northern line of the B. Odell Solomon Property Subdivision as recorded in Plat Book 22, Page 19, in the Forsyth County Registry, North 86° 20' 17" West 573.02 feet to an iron pipe, in the northern line of Lot 9 of the said B. Odell Solomon Property Subdivision, and being the southeastern corner of the property now or formerly owned by William G. Malone and Helen G. Malone; thence with the eastern line of the property now or formerly owned by Malone North 01° 42' 04" West 950.97 feet to an existing iron pipe, said pipe being the northeastern corner of Lot 5 of the John H. Burton Property Subdivision as recorded in Plat Book 38, Page 153, in the Forsyth County Registry; thence with the northern line of the said Lot 5 South 89° 16' 04" West 412.20 feet to a point in Pecan Lane (S.R. 2669); thence North 05° 09' 52" East 768.97 feet to a point in Pecan Lane; thence North 07° 59' 27" East 734.26 feet to a point in Pecan Lane; thence proceeding across Pecan Lane and with the southern line of the property now

or formerly owned by DeWitt Smith and wife (see Deed Book 1848, Page 404) South 82° 23' 47" East 660.00 feet to a rebar, the southeastern corner of the property now or formerly owned by DeWitt Smith and wife; thence with the eastern line of the property now or formerly owned by DeWitt Smith and wife North 04° 25' 03" East 469.28 feet to a new iron pipe in the existing southern right-of-way line of Sedge Garden Road (S.R. 2632); thence North 04° 25' 03" East 18.42 feet to a point in the right-of-way of Sedge Garden Road; thence with a line within the right-of-way of Sedge Garden Road South 68° 57' 01" East 792.66 feet to a point in the existing right-of-way of Sedge Garden Road; thence South 13° 57' 38" West 13.68 feet to a new iron pipe in the existing southern right-of-way line of Sedge Garden Road; and thence with the existing right-of-way line of Sedge Garden Road South 13° 57' 38" West 4.87 feet to an existing iron pipe in the existing southern right-of-way line of Sedge Garden Road, being the northwestern corner of Lot 33 of Quailbrook Subdivision as recorded Plat Book 35, Page 123, and being the point and place of beginning; the above described property is 66.60 acres, as shown on the boundary survey for Beeson Park, prepared by Evans Engineering, Inc., dated June 16, 1997.

#### PARCEL TWO

BEGINNING at a point in the Northwest line of the Kernersville-Union Cross Road at the Easternmost corner of Lot No. 1 of the Biloxi Development Subdivision; thence with the lines of Lots Nos. 1-5 of the Biloxi Development, North 61 deg. 15' 40" West 755.16 feet to a stone; thence North 6 deg. 46' West 167.29 feet to a stone; thence South 82 deg. 29' 50" East 524.15 feet to an iron; thence South 85 deg. 49' 15" East 574.38 feet to an iron stake in the Northwest line of the Kernersville-Union Cross Road; thence with the Northwest line of said Road, South 43 deg. 07' West 91.10 feet to an iron stake; thence continuing with the Northwest line of said Road, South 44 deg. 36' 10" West 495.55 feet to the POINT OF BEGINNING AND CONTAINING 6.76 ACRES, more or less, and designated as Lot No. 15 as shown on drawing captioned "Prepared for Ira Lewis Motsinger & wife, Dora J.", dated February, 1978, and prepared by Joyce Engineering & Mapping Co., Inc.

The above described property is a portion of the lands conveyed to Ira Lewis Motsinger by Deed from J.L. Teague, dated July 10, 1930, and recorded in Deed Book 328, Page 116 of the Forsyth County Registry, and a portion of the lands described in Deed to Dora J. Motsinger herein recorded in Deed Book 1034 at Page 189.

1411 to Drawn By: Edgar B. Fisher, Jr.  
P.O. Box 26000, Greensboro, N.C. 27420

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

**AND**

**DECLARATION OF ANNEXATION**

**FOR**

**BEESON PARK**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND DECLARATION OF ANNEXATION is entered into this 29<sup>th</sup> day of June, 1999 between **D.R. HORTON, INC. - GREENSBORO**, a Delaware corporation (hereinafter called "Declarant"), and all parties hereafter acquiring any of the described property;

**WITNESSETH**

WHEREAS, Declarant is the owner of certain property in Abbots Creek Township in the County of Guilford, State of North Carolina which is hereinafter described; and

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

WHEREAS, Declarant desires to provide for the preservation of the values and amenities and the desirability and attractiveness of the described property and for the continued maintenance and operation of certain common areas; and

WHEREAS, Declarant caused to be filed that Declaration of Covenants, Conditions and Restrictions for Beeson Park, which is a planned residential community, as recorded in Book 1990, Page 2258, in the Office of the Register of Deeds of Forsyth County, North Carolina; and the Declarant now desires to subject that property hereinafter described to the same covenants, conditions and restrictions; and

WHEREAS, the Declarant reserved in the Declaration the right to subject that additional real property hereinafter described to the terms of the Declaration and to annex such additional property, and the Declarant pursuant to the authority contained in the Declaration has duly annexed such additional property;

NOW, THEREFORE, in consideration of the premises, the Declarant agrees with all parties hereafter acquiring any of the property hereinafter described, that said property shall be and is hereby subject to all of the Covenants, Conditions and Restrictions as recorded in Book 1990, Page 2258, in

the Office of the Register of Deeds of Forsyth County, North Carolina, as if fully set out herein, and which are incorporated herein by reference; and the property hereinafter described is hereby annexed to Beeson Park.

The property which shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Forsyth County, North Carolina, as more particularly described as follows:

That property shown on the plat entitled "Beeson Park, Phase 1B," which is recorded in Plat Book 41, Page 160 in the Forsyth County Registry.

**D.R. HORTON, INC. - GREENSBORO**

By: *[Signature]*

Via President

*[Signature]*  
Assistant Secretary

NORTH CAROLINA

GUILFORD COUNTY

I, the undersigned Notary Public, do hereby certify that PAMELA J. ANDERSON personally came before me this day and acknowledged that she is Assistant Secretary of **D.R. HORTON, INC. - GREENSBORO** and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its <sup>Via</sup> President, sealed with its corporate seal, and attested by herself as its Assistant Secretary.

Witness my hand and notarial seal, this 29 day of June, 1999.

*Carolyn P. Sharpe*  
Notary Public

My Commission Expires:

*January 19, 2000*

STATE OF NC - FORSYTH CO

The foregoing certificate(s) of:

*Carolyn P. Sharpe, Jr*  
NP(s)

is/are certified to be correct at the date of recordation shown on the first page thereof.

Dickie C. Wood, Register of Deeds by: *[Signature]* Deputy/Asst