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STATE OF NORTH CAROLINA
ROWAN COUNTY

AMENDED, SUPPLEMENTED, AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR GRACE RIDGE
SUBDIVISION

THIS AMENDED, SUPPLEMENTED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR GRACE RIDGE SUBDIVISION ("Declaration") is effective and executed this 23rd day of February, 2010, by GRACE RIDGE HOMEOWNERS ASSOCIATION, INC.

WITNESSETH:

WHEREAS, Grace Ridge Homeowners Association, Inc. ("HOA") is the governing body of that residential subdivision known as Grace Ridge Subdivision ("Grace Ridge"), as same is described in the Restriction Agreements for Section 1 recorded in Book 778, Page 833; Section 2, Phases A & B recorded in Book 805, Page 861; Section 3, Phases A & B recorded in Book 846, Page 538; Section 3, Phase D recorded in Book 874, Page 742; Section 3, Phase E recorded in Book 883, Page 505; Section 3, Phase C recorded in Book 883, Page 506; Section 4, Phase A recorded in Book 895, Page 180; and Section 4, Phase B recorded in Book 901, Page 158, Rowan County Public Registry, together with such additions and amendments thereof as have subsequently been recorded in said Registry ("Restriction Agreements"); and

WHEREAS, the owners desire to insure the attractiveness of the subdivision and to prevent any future impairment thereof and to preserve, protect and enhance the values and amenities of all properties within the subdivision; and

WHEREAS, this document is a correction of the Amended, Supplemented and Restated Declaration of Covenants, Conditions and Restrictions For Grace Ridge Subdivision ("Amended Declaration") recorded October 11, 2008, in Book 1077, Page 841, Rowan County Public Registry. The said prior recording consists of a preliminary draft of the intended Amended Declaration rather than the final version of the Amended Declaration having been attached to the owners' signatures by mistake. The present recording attaches the correct and final draft of the Amended Declaration as same was signed by the owners. This recording is intended to correct and replace the document recorded in Book 1077 at Page

Drawn by and mail to:
Zachary M. Moretz
Moretz & Skufca, PLLC
37 Union Street South, Suite B
Concord, North Carolina 28025

841; and

WHEREAS, the Amended Declaration provides that it may be amended by the affirmative vote of 67% or more of the votes in the Association at a membership meeting, with a quorum being present in person or by proxy. In accordance therewith and pursuant to the North Carolina Planned Community Act, on February 23, 2010, by way of a duly-adopted resolution of 67% or more of the membership of the Association adopted at a meeting on such date, a quorum then being present in person and by proxy, this Declaration was approved and the proper officers of the Association were directed to record the same in the Rowan County Public Registry.

NOW THEREFORE, the Owners, by this Declaration, do hereby declare that all of the property of Grace Ridge and of the Lots (as defined below) therein, as described in each of the Restriction Agreements and each amendment or supplement thereto, and all of the plats recorded in connection therewith, is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, conditions, restrictions, easements, charges, and liens set forth in this Declaration, which shall run with the real property and be binding on all parties owning any right, title, or interest in said real property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof, and further do amend, restate and replace the Restriction Agreements, as follows:

ARTICLE I **DEFINITIONS**

Section 1. "Architectural Review Committee" shall mean a committee of not less than three (3) nor more than five (5) individuals selected by the Association's Board of Directors to review plans and specifications as provided in Article VIII hereof and to make determinations provided in said Article.

Section 2. "Association" shall mean and refer to Grace Ridge Homeowners Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 3. "Board of Directors". See "Committee".

Section 4. "Committee", also known as the "Board of Directors" or "Directors", shall mean a committee composed of not less than three (3) nor more than nine (9) property Owners duly elected by the Members of the Association to the Board of Directors as Directors and/or officers to govern the Association in accordance with this Declaration.

Section 5. "Common Area". See "Recreation Facilities".

Section 6. "Directors". See "Committee".

Section 7. "Existing Property" shall mean and refer to the real property described in Article III, Section 1 hereof and identified therein as the "Existing Property".

Section 8. "Lot" as used herein shall mean the separately numbered parcels depicted on the above-mentioned maps. Provided, however, that the Owner of all of a numbered parcel on said maps may combine with such numbered parcel, another numbered parcel or parcels and the aggregate shall be considered as one "Lot" for the purposes of this Declaration.

Section 9. "Member" or "Members" shall mean and refer to an Owner or Owners of Lots, and each and every person or entity holding Membership in the Association.

Section 10. "Property Owner" or "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers and Owners of an equity of redemption, but excluding contract purchasers and those having such interest in a Lot solely as security for the performance of an obligation.

Section 11. "Project" shall mean that real property which has been developed as a residential community known as "Grace Ridge Subdivision".

Section 12. "Property" shall mean and refer to the "Existing Property" described in Article III, Section 1 hereof.

Section 13. "Recreation Facilities", also known as "Common Area", shall mean all real property now or hereafter owned by the Association for the common use and enjoyment of the Owners shown on any plat of the Property duly recorded in the Rowan County Public Registry and made subject to the provisions of this Declaration.

ARTICLE II MEMBERSHIP AND VOTING RIGHTS

Section 1. Members. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Lot.

Section 2. Voting Rights. The voting rights of the Membership shall be appurtenant to the Ownership of the Lots. Each Lot shall entitle the Owner(s) of said Lot to one (1) vote. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall any Lot have more than one (1) vote. Voting rights may be suspended by the Board of Directors, to any Owner not in compliance with this Declaration, Bylaws or rules and regulations of the Association, after notice and opportunity to be heard has been given as set forth in the North Carolina Planned Community Act.

Section 3. Board of Directors. The Association shall be governed by a Board of Directors in accordance with this Declaration. The Board of Directors shall be composed of not less than three (3) nor more than nine (9) Property Owners; the election and procedures of which shall be as set forth in the By-Laws of the Association..

ARTICLE III PROPERTY RIGHTS

Section 1. Existing Property. The real property which is, and shall be sold, conveyed, and occupied subject to this Declaration is described in the above referenced maps and located in Rowan County, North Carolina. This property is sometimes referred to herein as the "Existing Property".

Section 2. Ownership of Common Areas and Recreation Facilities. The Association shall retain Ownership of the Common Areas and Recreation Facilities. Notwithstanding the recordation any map or any other action by the Association, the Common Areas and Recreation Facilities shall remain private property and shall not be considered as dedicated to the use and enjoyment of the general public. The Association shall be responsible for the upkeep and maintenance of the same.

Section 3. Owner's Right to Use and Enjoy Common Areas. Every Owner shall have a non-exclusive right and easement to use and enjoy the Common Area and Recreation Facilities which right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) The right of the Association to promulgate and enforce reasonable rules at regulations governing the use of the same to ensure the safety and rights of all Owners;
- (b) The right of the Association to limit the use of the Recreation Facilities situated upon the Common Area to Owners who occupy a residence on the Property, and to their families, tenants and guests; and
- (c) After Notice is given and the opportunity to be heard, the right of the Association to suspend the voting rights and rights of an Owner to the use of the Common Area and Recreation Facilities for any period during which any assessments against his Lot remains unpaid or for any infraction of this Declaration or rules and regulations.

ARTICLE IV ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation. Each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) Recreation Facility Assessments, and (3) special assessments for capital improvements, repairs and maintenance and other purposes. Any such assessments or charges, together with interest, costs and applicable attorney's fees shall be a charge on the land and shall be a continuing lien upon the Lot against which such assessments or charges are made. Such assessments or charges, together with interest, costs and applicable attorney's fees, shall also be the personal obligation of the person(s), firm(s), or corporation(s) owning such Lot at the time when the assessments or charges fell due, but such personal obligation shall not be imposed upon such Owner's successors in title unless expressly assumed by the successor in title, but such unpaid assessments or charges shall continue to be a lien upon the Lot against which the assessments or charges have been made.

Section 2. Purposes of Assessments and Duties of Association. The assessments or charges levied by the Association shall be used for any and all purposes allowed by the Planned Community Act, including but not limited to, to promote the recreation, health, safety and welfare of the residents of the Property and in particular for the acquisition, improvement, and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas and Recreation Facilities, including, but not limited to, the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management and supervision thereof, the payment of taxes assessed against any such property, the procurement and maintenance of insurance, the employment of attorneys to represent the Association when necessary, payments of principal and interest on funds borrowed for Association purposes and such other needs as may arise.

Without limiting the generality of the above-described purposes, the Association shall be responsible for performing the following in a diligent and reasonable manner and the assessments or charges levied by the Association may be used for the following purposes:

- (a) To maintain all Common Areas, and Recreation Facilities in accordance with the highest standards for such private facilities;

(b) To keep all Common Areas and Recreation Facilities clean and free from refuse and debris and to maintain any other amenities in a clean and orderly condition, and to maintain the landscaping therein in good condition and appearance;

(c) To pay all ad valorem taxes levied against the Common Areas, Recreation Facilities and any other property owned by the Association;

(d) To pay the premiums on all hazard insurance carried by the Association and all public liability insurance carried by the Association and officers' and Directors' liability insurance;

(e) To pay legal, management, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein; and

(f) To provide such repair and maintenance to public streets located within the Property as the Association shall deem appropriate, including the repair and maintenance of roads, street lights, rights of way, and access areas.

Section 3. Annual Assessments for Recreational Facilities, Street Lighting and Common Areas. Maintenance of recreation facilities, street lighting, and Common Areas will be the responsibility of the Association. Each Owner of property within the subdivision shall pay their proportionate share of the assessments as set forth by the Grace Ridge Homeowners Board of Directors. Assessments to be calculated each year as of July 1st. Such assessments or charges shall be paid to the Association, who shall use the funds received by it for the repair and maintenance of such recreation facilities, street lights, and Common Areas. The Board of Directors may not increase the dues more than ten percent (10%) over the dues for the previous year without a special meeting of the members.

The annual assessments or charges shall constitute a lien on the Lots subject to such assessments or charges and the Owners of such Lots acquiring title thereto from time to time shall be held to have covenanted and agreed to pay all amounts provided for above.

Section 4. Special Assessments for Capital Improvements and Other Matters. In addition to the annual assessments or charges for recreational facilities, street lighting, and common areas authorized above, the Association may levy, in any assessment year, special assessments or charges for the purpose of defraying, in whole or in part, the cost of any construction, repair or replacement of a capital improvement upon the Common Areas or Recreation Facilities including fixtures and personal property related thereto; repayment of indebtedness and interest thereon, providing funds to pay for unforeseen or unbudgeted expenditures, borrowing the funds to make the Property comply with zoning ordinance(s), borrowing of money for capital improvement and pledging or mortgaging of Association property as security for loans, provided that any such assessments or charges shall have the affirmative vote or written agreement signed by lot owners of lots to which at least sixty-seven percent (67%) of the votes in the association are allocated. The Association shall in no event convey or subject to a security interest any portion of the Common Areas or Recreation Facilities except in compliance with North Carolina General Statutes Section §47F-3-12 of the North Carolina Planned Community Act.

Section 5. Reserves. The Association may, but is not obligated to, establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Areas, Recreational Facilities and those other portions of the Properties that the Association may be obligated to maintain. If created, such reserve fund is to be established out of annual assessments or charges.

Section 6. Collection. Annual and Special Assessments or charges shall be collected in installments as determined by the Association.

Section 7. Notice of Quorum for any Action Authorized Under Sections 3. and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3, or 4 of this Article shall be sent to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting.

Section 8. Date of Commencement of Annual Assessments- Due Date: Certificate of Payment. The annual assessments or charges provided for herein shall be assessed as of July 1st of each year least thirty (30) days before July 1st of each year, the Directors shall fix the amount of the annual assessments or charges against each Lot and at least fifteen (15) days before July 1st of each year shall send via 1st class mail written notice of assessments or charges to every Owner of record subject thereto. Each Owner accepts that written notices and any correspondence will be sent to the property address unless the Owner notifies the Association in writing, United States registered or certified mail, postage prepaid, return receipt requested, of an alternate mailing address. The due dates for the payment of special assessments or charges shall be established by the Directors. If any Lot Owner fails to receive an assessment notice by July 1st of the year the assessments or charges are due, it becomes the Owners responsibility to contact the Association and make arrangements for payment. The Association shall, upon demand, and for a reasonable charge, furnish a certificate setting forth whether the assessments or charges on a specified Lot have been paid.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments or charges not paid within thirty (30) days after the due date shall incur a one-time late fee or charge in the amount of twenty (\$20.00) dollars, or other amount established by the Directors, and if not paid within thirty (30) days after the due date, shall bear interest from the due date at a minimum rate of ten (10%) percent per annum, or at the rate established by the Directors at the beginning of the fiscal year of the Association, not to exceed the maximum allowed by law. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Owner's Lot, and any interest, costs and applicable attorney's fees of such action or foreclosure shall be added to the amount of such assessments or charges. Any foreclosure of the lien may be in such manner as is prescribed by the laws of the State of North Carolina for foreclosure of deeds of trust under powers of sale or may be in any other manner permitted by applicable law. No Owner may waive or otherwise escape liability for the assessments or charges provided for herein by non-use of the Common Areas, Recreation Facilities or other property of the Association or by abandoning his Lot.

Section 10. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust on a Lot. Sale or transfer of any Lot shall not affect any assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments or charges as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments or 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 deed of trust.

ARTICLE V USE OF LAND

Section 1. Residential Purposes Only. Each Lot shall be used solely and exclusively for residential purposes, and no dwelling other than one (1) detached single family, private residence shall be erected on any Lot.

Section 2. Rental Restriction. No dwelling on any lot may be rented in whole or part for any reason at any time.

Section 3. Garages. A detached garage shall be permitted provided that the location, design and materials are approved in advance by the Architectural Review Committee and are in keeping with those used in the dwelling.

Section 4. Outbuildings. No outbuildings shall be erected on any part of the Lots in the subdivision without approval in writing from the Architectural Review Committee, and any such use, if permitted, shall be on the rear one-third (1/3) of the Lot and shall be designed, constructed and maintained so as to be aesthetically compatible with the dwelling located on said Lot. All construction should be in compliance with State and local building codes.

Section 5. Access. No Lot shall be used for the purpose of gaining access to property other than property located in Grace Ridge, except by and with the written consent of the Board of Directors.

ARTICLE VI **PROHIBITION AGAINST OFFENSIVE USE; MAINTENANCE OBLIGATIONS**

Section 1. Restricted Actions by Owners. No noxious or offensive trade or activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

Section 2. Privy No privy shall be constructed or kept on the land conveyed, nor shall any use of said property be made or permitted which shall be noxious or dangerous to health.

Section 3. Signs. One sign of not more than four (4) square feet, advertising a Lot for sale, may be placed by the Owner on his Lot in such manner that it will be visible from the outside of the Lot. Any other signs permitted to be placed in yards must be listed in the Rules and Regulations set by the Board of Directors or must receive prior approval from the Architectural Control Committee. The prohibitions herein shall not apply to the Declarant, or its agents, who may erect signs as it deems desirable to promote the sale of Lots.

Section 4. Temporary Residence. No trailer, tent, shack, or temporary residence shall be constructed or maintained on said property at any time.

Section 5. Outbuildings as Residence. No garage, trailer, mobile or modular home, tent, shack, barn or other outbuilding shall be used as a residence, either temporarily or permanently.

Section 6. New Construction. No structure not in conformity with the entire subdivision or this Declaration shall be moved onto any Lot. Any new construction must be approved, in advance, by the Architectural Review Committee.

Section 7. Waste. No Lot in said subdivision may be used or maintained as a dumping ground for rubbish, trash, garbage or other refuse and any such material shall not be kept thereon except in sanitary containers.

Section 8. Incinerators. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 9. Vehicles. Parking, and Unsightly Objects. Non-operating vehicles, unused

objects or apparatus, other unsightly objects, or any portion thereof shall not be permitted to remain on any Lot. The assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any lot other than in enclosed garages. Residents will only park automobiles on driveways or in garages. On street parking is restricted to deliveries, pick-up or short-time guests and invitees. Recreational vehicles should be stored to the side or rear of any lot and maintained to prevent disorderly, unsightly or unkempt conditions.

Section 10. Antennae and Satellite Dishes. No transmitting or receiving tower, or antenna (other than those used for customary household radios and appliances) shall be permitted. Any satellite dish over thirty-six (36") inches in diameter shall be approved by the Architectural Review Committee before installation. No satellite dish of any size may be placed in the front yard or the front of the house where it is readily visible from the street unless the owner can demonstrate that such is the only location from which the owner can receive reasonable reception.

Section 11. Above Ground Pools. No above ground pools shall be constructed or maintained on said property at any time. Any in ground pools must be properly fenced in to insure the safety of the residents of the subdivision.

Section 12. Lawn and Building Maintenance. Each lot owner shall maintain their lawn and buildings in good condition and appearance to prevent the development of unclean, unsightly, or unkempt conditions that could substantially decrease the value or appearance of the neighborhood as a whole or the specific areas. All property maintenance equipment including but not limited to, lawnmowers, leaf blowers, aerators, ladders, etc. shall be kept in garages or outbuildings.

Section 13. Animals. No animals, livestock or poultry of any kind shall be raised or kept on any residential Lots, except that dogs, cats or other domestic pets may be kept provided they are not kept for any commercial purpose and provided they do not constitute or become an annoyance or nuisance to the neighborhood.

Section 14. Motorized Bikes and All-terrain Vehicles. Further, mini-bikes, all-terrain vehicles (ATVs) or trail bikes shall not be permitted on Common Areas, street or vacant Lots, except that motorcycles shall be allowed a right of ingress and egress upon designated streets within the Property.

Section 15. Enforcement of Article VI. In the event that any Owner of any property in the subdivision shall fail or refuse to keep such premises in accordance with the requirements of this Declaration, the Association may seek remedies (included but not limited to removal or screening of the offense) in accordance with the Planned Community Act.

ARTICLE VII

UTILITIES AND DRAINAGE EASEMENTS

The Association or its successor may designate for its use, or the use of others in the future (including, but not limited to, municipal or public utilities), a ten (10') feet wide right of way over, under and along all Lot lines, for installation and maintenance of pipes, lines and other equipment or apparatus necessary to or useful for furnishing electric power, gas, water, telephone service and other utilities to the Lots in said subdivision or for handling drainage requirements for the Lots in said subdivision. Within the foregoing easements, no structure or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may change the direction or flow of drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot except for those improvements for which a public authority or utility company is responsible. All claims for damages, if any, arising out of the

construction, maintenance and repair of utilities on account of temporary or other inconvenience caused thereby against the Association, or any utility company or municipality, or any of its agents or servants are hereby waived by the Owners.

ARTICLE VIII

ARCHITECTURAL CONTROL

Section 1. Architectural Review Committee. The Association's Board of Directors shall select a committee of not less than three (3) nor more than five (5) Property Owners to review plans and specifications and to make determinations as provided in this Article. The ARC shall approve and disapprove all new construction, development, and improvement activities within the Subdivision and to insure that all such activities are constructed in accordance with good and workman-like methods and standard industry trade practices and to insure that all improvements are architecturally and aesthetically compatible with the overall perception of the Grace Ridge Subdivision. Prior approvals and/or disapprovals of the ARC pertaining to any improvement activities or regarding matters of design or aesthetics shall not be deemed binding upon the ARC for later requests for approval if the ARC concludes that the repetition of such matters will have an adverse effect on the Subdivision.

Section 2. Minimum Size of Residence.

(a) Single Story Residences. Any single story residence erected on any of the Lots in Sections 1, 2 (all Phases) and 3 (all Phases) of the subdivision shall contain a minimum of one thousand four hundred (1,400) square feet of heated living area and any of the Lots in Section 4 (all Phases) of the subdivision shall contain a minimum of one thousand six hundred (1,600) square feet of heated living area, exclusive of open porches, breezeways, garages and basement area.

(b) Multi-Story Residences. Any multi-story residence erected on any of the Lots in Sections 1, 2 (all Phases) and 3 (all Phases) of the subdivision shall contain a minimum of one thousand six hundred (1,600) square feet of heated living area, (at least eight hundred (800) square feet of which shall be on the ground floor) and any of the Lots in Section 4 (all Phases) of the subdivision shall contain a minimum of one thousand eight hundred (1,800) square feet of heated living area, (at least nine hundred (900) square feet of which shall be on the ground floor), exclusive of said porches, breezeways, garages and basement area.

Section 3. Subdivision Not Allowed. No individual numbered Lot shall be subdivided by sale or otherwise so as to reduce its total area as shown on said map referred to above, except by and with written consent of the Board of Directors.

Section 4. Residence Design and Construction. All dwellings or accessory buildings erected or placed on any Lot shall be of brick, brick veneer, or some material other than concrete block or cinder block and no structure of any type shall be so constructed that either concrete block or cinder block is exposed above ground level on any of the Lots in said subdivision. Before any building may be placed on any Lot, the plans and site location must be approved in writing by the Architectural Review Committee. If said plans are revised after such initial approval, and if the revisions will affect the exterior of any building, the written approval of the Architectural Review Committee must be obtained for the revised plans.

Section 5. Setback Lines. No building shall be located nearer to the front Lot line than thirty (30') feet. No building shall be located on any Lot or tract nearer to any side Lot line than ten (10') feet nor twenty (20') feet from the side Lot line from any abutting street. No building shall be located nearer to the rear Lot line than ten (10') feet. For the purpose of this Declaration eaves, steps and open

porches shall not be considered as part of a building.

Section 6. Fences and Obstructions. No fence or other obstruction, other than live plants not more than four (4) feet in height, shall be erected or permitted on the front portion of any residential Lot within fifty (50) feet of the front line of said Lot or within 10' of the side street property line. No chain link fencing will be permitted on any part of any Lot.

Section 7. Variances. In the event of an unintentional violation of any of the restrictions herein set forth with respect to any Lot, the right is reserved to the Board of Directors, by and with the to that Lot up to a maximum of twenty (20%) percent.

Section 8. Septic and Water Systems. Sewage systems will be by septic tanks which will be installed and maintained as directed by the Rowan County Health Department. Installed systems causing noxious odors, drainage or other problems, shall be promptly repaired by the Lot Owner. Water will be the responsibility of each Lot Owner, and all wells shall be installed and maintained as directed by the Rowan County Health Department.

ARTICLE IX **TERMS OF RESTRICTIONS**

Section 1. Duration; Amendment. The foregoing covenants, conditions and restrictions are to run with the land and shall be binding on all parties and all persons owning Lots in the above described subdivision in perpetuity unless terminated in accordance with the Planned Community Act. An amendment to this Declaration may be proposed upon a majority vote of the Owners, whether meeting as Owners or by instrument in writing signed by them. Any proposed amendment to this Declaration shall be transmitted in writing to all current Owners and there shall be called a special meeting of the Owners for a date not sooner than ten (10) days nor later than sixty (60) days from date of notice. It shall be required that each Owner be given written notice of such special meeting, stating the time and place, and reciting the proposed amendment in reasonably detailed form. Such notices shall be made in compliance with the provisions of Section 4 below, and after made in compliance therewith, shall be deemed to be properly given. Any Owner may, by written waiver of notice signed by such Owner, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of notice to such Owner. At the meeting, the amendment proposed must be approved by an affirmative vote of sixty-seven percent (67%) of the votes in the Association. At any meeting held to consider such amendment, the written vote of any Owner shall be recognized and counted even if such Owner is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association prior to or at such meeting. If so approved, such amendment of this Declaration shall be properly transcribed and certified by two (2) officers of the Association as having been duly adopted and approved by the requisite percentage of Owners. The original or an executed copy of such amendment, properly executed with the same formalities as a deed, shall be recorded in the Office of the Register of Deeds of Rowan County, and no such amendment to this Declaration shall be effective until so recorded. If any amendment to the Declaration creates an inconsistency in the Bylaws, to the extent such inconsistency exists, the Declaration shall control.

Section 2. 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 and enforceable under the Planned Community Act. 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 3. Invalidation. Invalidation of any of the covenants, conditions or restrictions by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

Section 4. Notices. All notices, demands, requests, permissions, consents or approvals ("Notices") given by the Association to any Owner or by any Owner to the Association shall be in writing and shall be deemed to have been properly given ten (10) days after posted if sent by United States registered or certified mail, postage prepaid, return receipt requested, addressed: (a) if to the Association to its registered agent at its registered office; or (b) if to an Owner, at the street address of the Owner's Lot.

Section 5. Applicable Law. This Declaration and Grace Ridge shall be governed by North Carolina General Statute Chapter 47F-1-101 et seq., the North Carolina Planned Community Act, as amended, from and after the date of recording hereof.

Section 6. Binding Effect. All of the covenants, stipulations and conditions contained in this Declaration shall be binding upon and inure to the benefit of the Association, the Owners, and their respective heirs, personal representatives, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the President of the Association has duly set his hand hereto, by authority duly granted by the Board of Directors, and the Secretary of the Association has attested to the same.

GRACE RIDGE HOMEOWNERS
ASSOCIATION, INC.

By: Chris Shackelford
_____, President

ATTEST:

William C. [Signature]
_____, Secretary

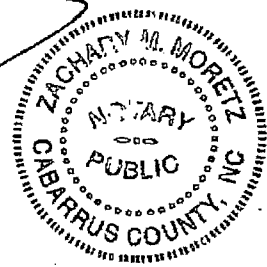
NORTH CAROLINA
ROWAN COUNTY

I, Zachary M. Moretz, a Notary Public of Cabarrus County, North Carolina, certify that Chris Shackelford being personally known to me, came before me this day and acknowledged that he is the President of Grace Ridge Homeowners Association, Inc., a North Carolina non-profit corporation, and that as President, being authorized to do so, executed the foregoing on behalf of the corporation. Witness my hand and official seal, this the 23rd day of February, 2010.

[Signature]

Notary Public

[NOTARY SEAL]



My commission expires: 12/16/2018