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STATE OF NORTH CAROLINA

COUNTY OF GRANVILLE

**DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS**

&

ARCHITECTURAL GUIDELINES

GRESHAM CROSSING SUBDIVISION

GRESHAM CROSSING SUBDIVISION

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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STATE OF NORTH CAROLINA
COUNTY OF GRANVILLE

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

GRESHAM CROSSING SUBDIVISION

THIS DECLARATION OF RESTRICTIVE COVENANTS, CONDITIONS AND RESTRICTIONS, made this the _____ day of August, 2006, by SLH PARTNERS, LLC, herein called Declarant;

WITNESSETH:

THAT WHEREAS, Declarant is the owner of certain real property herein described and desires to subject said real property to certain restrictive covenants hereinafter set forth, and does hereby declare that the real property described in Exhibit "A" is and shall be held, transferred, sold and conveyed subject to the Covenants and Conditions hereinafter set out.

**ARTICLE 1
DEFINITIONS**

Section 1. "Association" shall mean and refer to Gresham Crossing Homeowners Association, in whatever form or entity it may be organized or exist from time to time, its successors and assigns.

Section 2. "Board of Directors" means those persons elected or appointed and acting collectively as the Directors of the Association pursuant to the bylaws of the Association.

Section 3. "Bylaws" means the bylaws of the Association as they now or hereafter exist.

Section 4. "Common Area" means all streets in the Subdivision as well as easements and other areas reserved by Declarant for drainage easements, utility easements, site easements and use by the Owners.

Section 5. "Common Expenses" shall mean and include:
(a) All sums lawfully assessed by the Association against its members;
(b) Expenses of administration, operation, maintenance, clearing, repair or replacement of the common areas, or any aspect thereof, including but not limited to, streets, street lights, drainage systems, easements and the subdivision sign;

(c) Other expenses agreed by the members to be common expenses of the Association.

Section 6. "Declarant" shall mean and refer to SLH Partners, LLC, its' successors and assigns.

Section 7. "Home" or "House" shall mean and refer to a dwelling or place of residence constructed upon a lot within the subdivision.

Section 8. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Subdivision with the exception of the Common Area listed as a part thereto of Gresham Crossing Subdivision.

Section 9. "Member" shall mean and refer to every person who is a member of the Association.

Section 10. "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 subdivision, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 11. "Person" shall mean and refer to any individual, Corporation, Partnership, Association, Trustee or other legal entity.

ARTICLE II COMMON AREA PROPERTY RIGHTS

Section 1. Title to Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the common areas to the association, free and clear of all liens upon the condition that such area as shall be designated common area shall be for the sole and exclusive use and benefit of the members. Such area shall be maintained in conformity with the requirements of this Declaration, Bylaws, and Articles of Incorporation of the Association, at the sole expense of the Association.

Section 2. Owner's Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every lot, subject to the followings provisions:

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

(b) The right of the Association to formulate, publish and enforce rules and regulations as hereinafter set forth.

(c) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the common area, upon consent of at least two-thirds (2/3) of the lot owners, excluding the Declarant.

(d) No person shall undertake, cause or allow any alteration or construction on or upon any portion of the Common Area except at the direction of and with the express written consent of the Association.

(e) The Common Area shall be used only for purposes for which it is intended and reasonably suited and which are incident to the use and occupancy of the lots, subject to any rules or regulations that may be adopted by the Association pursuant to the bylaws.

Section 3. Drives, Parking Area, and Utilities. All of the Common Area shall be subject to a perpetual nonexclusive easement or easements in favor of all Owners of lots for their use and the use of their immediate families and guests for all proper and normal purposes and for ingress, egress and regress for driveways, walkways, and parking areas, and all of the property shall be subject to perpetual non-exclusive easements in favor of all Owners of lots for their use and the use of their immediate families and guests for water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, cable lines, street lights and other public utilities. The Association shall have the power and authority to grant and to establish in, over, upon and across the Common Area conveyed to it such further easements as are requisite for the use and enjoyment of the lots in Gresham Crossing Subdivision.

Section 4. Street Lights. The Declarant has reserved the right to subject the properties within the subdivision to a contract with Wake Electric Membership Corporation for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Wake Electric Membership Corporation by the individual lot owner.

**ARTICLE III
MEMBERSHIP AND VOTING RIGHTS**

Every owner of a lot which is subject to assessment, including contract purchasers, but excluding persons who hold an interest merely as security for the performance of any obligations, shall be a member of the Association, and shall be entitled to one vote per lot. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot.

**ARTICLE IV
COVENANT FOR MAINTENANCE AND ASSESSMENTS**

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each lot owner, by the acceptance of a deed to any lot within the Subdivision, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, and other fees deemed necessary by the Association shall

be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's and other fees, shall also be the personal obligation of the Owner of such lot at the time when the assessment is due. The obligation for delinquent assessments shall be a continuing lien against the property and shall pass to successors in title.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety, and welfare of the residents in Gresham Crossing Subdivision and for the improvement and maintenance of the Common Areas, and the enforcement of these covenants and rules of the Association.

Section 3. The amount of annual Assessment shall be determined by a vote of two-thirds (2/3) of the Board of Directors.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the Board of Directors.

Section 5. Uniform Rate of Assessment. Both annual and special assessment must be fixed at a uniform rate for all lots and may be collected on a monthly, quarterly, semi-annual or annual basis as determined by the Board of Directors of the Association.

Section 6. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to each lot on the first day of the month following the conveyance of the said lot, payable in advance. The first annual assessment shall be adjusted according to the number of months remaining in the assessment year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment year. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specific lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 7. Effect of Nonpayment of Assessments. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten (10%) percent per annum. The Association may bring an Action-at-law against the Owner personally obligated to pay the same, or foreclose the lien against the lot, or pursue any other remedy allowed by law to collect the assessment. No owner may waive or otherwise escape liability for assessments provided.

Section 8. Subordination of the lien to Mortgages. The lien of the assessments provided for herein shall be subordinated to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessments lien. No sale or transfer shall relieve such lot from liability for any assessments previously owed or thereafter becoming due from the lien thereof.

ARTICLE V
ARCHITECTURAL CONTROL

No house, garage, building, fence, wall, or other structure shall be commenced, erected, or maintained upon the property, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, colors, paint, height, materials and location of the said improvements or alterations shall have been submitted to and approved in writing as to harmony of external design and initial landscaping, and location in relation to surrounding structures and topography by the Declarant or the Board of Directors of the Association or by an Architectural Committee composed of three (3) or more representatives appointed by the Board of Directors. In the event that the Declarant, the Board or the designated Committee fail to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to them, approval will not be required and this Article will be deemed to have been fully complied with, provided, that the plans and specifications required to be submitted shall not be deemed to have been received if they contain erroneous data or fail to present accurate information upon which the Declarant, the board or the committee can arrive at the decision.

The said Declarant, the Board or its committee shall have the right, at their election, to enter upon any lot during construction, erection, or installation of improvements or alterations to inspect the work being undertaken in order to determine that such work is being performed in conformity with the approved plans and specifications and in a good and workman-like manner, utilizing approved methods and good quality materials.

The Architectural Control Guidelines and related materials attached hereto as Exhibit "A" are incorporated herein by reference.

ARTICLE VI
USE RESTRICTIONS

Section 1. Antennas and Cablevision. The Association shall regulate, but not prohibit, the erection of antennas or satellite dishes on individual lots.

Section 2. Rules and Regulations. The Board of Directors of 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, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a Book of Resolutions, which shall be maintained in a place convenient to the owners and available to them for inspection during normal business hours.

Section 3. Use of Lots. Each lot shall be for the following uses and subject to the following restrictions, in addition to those set forth in the Bylaws:

(a) All lots shall be used for single family residential purposes only. No lot may be subdivided. No structure of a temporary character, trailer, tent, shack, garage or other out building shall be placed on any lot for use as a residence.

(b) All style homes shall contain a minimum of seventeen hundred (1700) square feet of heated living area excluding porches, carports, decks or other out structures.

(c) All homes shall be on-site stick built. No trailers, mobile homes or modulars of any kind shall be allowed on any lot.

(d) All homes shall have a brick, stone, cedar or stucco front. The front of the home shall be defined as that portion of the home facing the subdivision street or road. All other sides must meet standards governed by the Architectural Review Committee.

(e) All homes shall have a minimum of 7/12 roof pitch.

(f) All homes shall have a minimum one (1) car attached garage. If an additional detached garage is optioned, it shall consist of the same exterior material as the house. The construction of carports, etc. must meet standards governed by the Architectural Review Committee.

(g) All driveways must be concrete from the edge of the paved subdivision road to the garage, and shall include an area for not less than two (2) side by side parking spaces on each lot.

(h) Construction of any improvement upon any lot shall be completed within twelve (12) months from the commencement of construction.

(i) No Owner shall do or keep anything, nor cause or allow anything to be done or kept, on his lot which will result in the cancellation of insurance on any portion of the subdivision, or the contents thereof, or which will be in violation of any law, ordinance, or regulation. No waste shall be committed on any portion of any lot.

(j) All garbage receptacles, containers and enclosures shall be located at the rear of the home, and shall be concealed by walls, fences, or other screening at all times except for pick-up times.

(k) No immoral, improper, offensive, or unlawful use shall be made of any lot, or any part thereof, and all laws, ordinances, and regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the subdivision, shall be complied with, by and at the sole expense of the owner.

(l) No obnoxious or offensive activity shall be carried on upon any lot, nor shall anything be done which may be or may become a nuisance or annoyance to residents within the subdivision.

(m) No industry, business, trade, occupation or profession of any kind, whether commercial or otherwise, shall be conducted, maintained or permitted on any lot, except that the Declarant or its agents may use any unsold home for sales or display purposes.

(n) No Owner shall display, or cause or allow to be displayed, to public view, any sign, placard, poster, or billboard on any lot, except any owner may display a for sale sign not to exceed 2' x3' on his lot. No other signs shall be permitted except as may be allowed by the Declarant or the Association pursuant to its bylaws.

(o) All automobiles and other motor vehicles located on any lot must be currently licensed, inspected and operable. Any vehicle failing to meet these requirements must be removed or corrective action taken within 5 business days following written notification by the Declarant or the Homeowners Association. Failure to comply will

result in actions of removal by the Association at the owner's expense. No automobiles, motor vehicles, boats or trailers of any type shall be parked upon the roads or right-of-ways overnight. No commercial vehicles of any kind shall be parked on or in front of any lot except for limited delivery purposes. Homeowners who own or use business vehicles for their daily trade with a maximum wheel base weight not to exceed 8000 pounds and/or open or closed trailers not exceeding 18 feet in length shall be parked sufficiently in the side or rear yard of any residence completely concealed from public view.

(p) No building shall be placed nearer than fifteen (15') feet to the side property line; or nearer than seventy-five (75') feet to the rear property line; or nearer than fifty (50') feet from the front of the property line on all lots, or nearer than fifty (50') feet from any road or street abutting any corner lot. Further, there shall be no clearing within fifty (50') of any creek, branch or spring with such area remaining in its natural state. In addition to this fifty (50') foot environmental buffer there shall also be an additional twenty (20) foot scenic easement extending from the fifty (50') foot buffer in which there shall be no structures built. Within the twenty (20') foot scenic easement property owners may cut the underbrush and keep the grass mowed.

(q) No barrier fence or barrier tress shall be placed or planted in front of any house or nearer than fifty feet (50') from the front of the property along any side property line. This restriction does not apply to decorative fences that do not obstruct visibility.

(r) Each owner of a lot shall at all times maintain any structures thereon in a well kept condition and keep lots free of trash and rubbish, as well as keeping grass mowed on a regular basis.

(s) No animals, livestock or poultry of any kind shall be kept or maintained on any lot or in any home. However, dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and further that they do not become a nuisance or present a danger to other lot owners within the subdivision.

(t) No home shall be leased for transient or hotel purposes, nor may any owner lease less than the entire lot and all improvements thereon, nor shall any such lease be for a period of less than one hundred eighty (180) days. All leases shall be subject to the terms of this Declaration.

(u) No trees shall be removed from any lot except as necessary for location of a septic line or except as otherwise approved by the Declarant, Board of Directors or Architectural Committee.

(v) No clearing shall be permitted within the "25' Tree and Vegetation Protection Buffer" that exists under recordation of Gresham Crossing Subdivision property boundaries.

ARTICLE VII GENERAL PROVISIONS

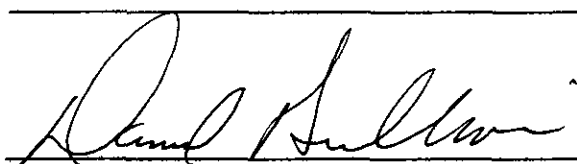
Section 1. Enforcement. The Declarant, Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now and hereafter imposed by the provisions or this Declaration. Failure by the Declarant, Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these provisions shall not affect any other provisions, which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this declaration shall run with and bind the land, for a term of twenty (20) years from the date this declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless revoked by a vote of at least seventy-five percent (75%) of the lot Owners. Any amendment must be approved by seventy-five percent (75%) of the lot Owners and be recorded at the Register of Deeds of Granville County, North Carolina.

Section 4. Conflicts. In the event of irreconcilable conflict between the Declaration and the Bylaws, the Declaration shall control. In the event of irreconcilable conflict between Bylaws and Articles of Incorporation of the Association, the Articles of Incorporation shall control.

IN WITNESS WHEREOF, the undersigned Declarant has hereunto caused this instrument to be signed by its president and attested by its secretary as owner this day and date indicated hereinabove.

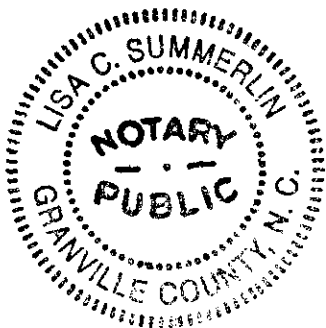
 (SEAL)

Daniel T. Sullivan, ~~President~~
MANAGING MEMBER
SLH PARTNERS, LLC

STATE OF NORTH CAROLINA, COUNTY OF GRANVILLE

I, the undersigned Notary Public of the County and State aforesaid, do hereby certify that Daniel T. Sullivan personally appeared before me this day and acknowledged that he/she is the Managing Member of SLH Partners, LLC, a North Carolina Limited Liability Company and as Managing Member, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and notarial seal, this the 7 day of August, 2006.



Lisa C. Summerlin
Notary Public

Lisa C. Summerlin
Typed or Printed Name

My Commission Expires: 2/1/09

EXHIBIT "A"

To: Gresham Crossing Homeowners Association, Inc.

From: Board of Directors of Gresham Crossing Homeowners Association, Inc.

Date:

Re: Adopted ARCHITECTURAL CONTROL GUIDELINES

The Board of Directors, with the assistance of a special subcommittee, has completed and approved the attached ARCHITECTURAL CONTROL GUIDELINES. These guidelines give you a consistent standard to follow as the foundation to planning any exterior changes to your property. These guidelines also address the steps necessary for all new home construction.

Please retain this copy as part of your permanent papers to refer to now and in the future. These guidelines should also be made available to prospective buyers of your home.

We request that you make copies of the application form attached with this package when you submit your requests for architectural approval. No request for a change can be considered unless accompanied by the application form and appropriate exhibits.

Return your completed applications to the Management Firm at the address shown on the application form. *Provided you have no outstanding monetary obligations to the Association, the application will be accepted and stamped by the Management Firm as to the date received. The first day of the thirty-day review period will begin three days after the date received.*

Please read and follow these guidelines because you **MUST** obtain approval **IN WRITING** from the Architectural Committee **BEFORE** the start of any exterior change. This written approval is also required by Granville County before any permits will be issued. Do not commit to labor or materials until you have received approval. Your cooperation and adherence to these Guidelines will not only be appreciated, but will also be in the best interests of our community as a whole.

The Board of Directors reserves the right to modify or amend these guidelines from time to time, as it may deem desirable or necessary in its discretion.

I. INTRODUCTION

In a planned community such as Gresham Crossing, the question naturally arises as to how to maintain a harmonious, quality development. The answer at Gresham Crossing is the Architectural Control Guideline process outlined in these pages. This process provides a meeting ground between private interests and the broader interests of the community and adjacent property owners.

Basic control for maintaining the quality of design is provided through the Protective Covenants filed with the Register of Deeds in Granville County for each phase of the Gresham Crossing subdivision. These Covenants run with the land, are binding on all homeowners and renters, and should be fully understood. Every homeowner is subject to the Covenants to assure all residents that standards of quality will be maintained to enhance the community's overall environment and protect property values.

The Protective Covenants establish an Architectural Committee made up of three or more representatives who are to be appointed by the Board. The Covenants require the Committee's prior written approval of any exterior change, addition or alteration to any property. Such changes include any building, fence, wall or other structure that may be added or altered. It requires that the plans and specifications showing the nature, kind, shape, height, materials and location of the same be submitted in writing so they may be reviewed as to harmony in external design and location in relation to surrounding structures and topography.

The Architectural Committee is charged with conducting the review of all applications for exterior changes and new home construction. The Committee must render its decision to the applicant, in writing, within thirty days of receipt of a complete Application for Approval for Exterior Design Change, containing all necessary information described herein. Incomplete applications will be returned to the applicant without action.

The Guidelines on these pages are the procedures and standards applied by the Committee and the Board to assist the Association and its members in the design review process. We hope that the Guidelines serve as a positive tool to assist you in the full and free use of your property in a manner that is consistent with the aesthetic and harmonious development of our community.

II. REVIEW CRITERIA

The Architectural Committee evaluates each application on its individual merits. The Committee's decisions are based on the following standards as guidelines.

Validity of Concept

The basic idea of the exterior change must be sound and appropriate to its surroundings.

Landscaping and Environment

The exterior change must not adversely impact the natural landscape or the man-made environment.

Relationship of Structures and Adjoining Property

The proposed change must relate harmoniously to its surroundings and to existing buildings and terrain that are visually related to the change.

Protection of Neighbors

The interests of neighboring owners must be protected by making reasonable provisions for such matters as surface water drainage, sound and sight buffers, preservation of views, light and air, and other aspects of design, which may have substantial effects on neighboring property.

Design Compatibility

The proposed change must be compatible with the design characteristics of the applicant's home and the general neighborhood setting. Compatibility is defined as harmony in design, style, scale, materials, color and construction details.

- A. Scale: The three dimensional size of the proposed change must relate satisfactorily to adjacent structures and its surroundings.
- B. Materials: Continuity is established by use of the same or compatible materials as used in the home.
- C. Color: Color may be used to soften the design but must be consistent with the residence's color scheme.

Workmanship

The quality of work must be equal to or better than that of existing structures. Poor practices may cause the owner problems and may be visually objectionable to others.

Timing

An approved property change may be built or installed either by owners or by a contractor. However, projects that remain uncompleted for a long period of time are visually objectionable and can be a nuisance and safety hazard for neighbors and the community. All applications must contain a proposed maximum time period from start to completion of construction. If the proposed time period is considered unreasonable, the Committee may not approve the application.

DO NOT PURCHASE MATERIALS OR COMMIT TO ANY CONTRACTOR in anticipation of instant approval by the Committee. Wait until you have received written approval prior to purchasing or committing to such work. Remember many design changes require a permit and the County may not issue a permit without the written

approval of the Committee. Please try to plan well in advance to allow time to have your application processed. Although the majority of applications are handled within two weeks please allow up to thirty days.

III. DESIGN APPLICATION REVIEW PROCEDURES

The Association's procedures for application, review, inspection, appeal and enforcement of design review are outlined in this section.

Objectives

The Architectural Committee, in examining each application for design approval, considers whether or not the exterior change is in compliance with the Protective Covenants and the Architectural Review Guidelines outlined herein and briefly described below:

- A. To preserve and enhance property values in the community, and;
- B. To maintain a harmonious relationship among structures, vegetation, topography and the overall design of the community.

Application Procedure

Complete the Application form and attach all required exhibits. Include full details of the proposed change. If the change is structural, fencing, or grading, submit a sketch or plan and outline specifications. Be sure to include such information as type of material, size, height, color, location, etc. Provide a sketch of the location of the improvement as it relates to your house and lot.

Mail or hand deliver the application to the Management Firm at the address on the application form. Incomplete applications will be returned and will cause further delay.

The Committee will review the application within thirty days and will respond to you in writing. If you do not hear from the Committee in that time, please call to follow up. The thirty-day period does not begin until three days after the Management firm receives the application.

Complete applications are considered on their own individual merit using these guidelines outlined below:

Review Procedures

During the Committee's consideration of an application, Committee member(s) may view the site, and talk to the applicant or neighbors regarding the proposed change. Neighbors do not have "veto" authority.

The Committee considers the application and any data or comments received from, or presented at the meeting by, immediate neighbors and other members. After discussion of the application as submitted, the Committee will vote on approving it, approving it conditionally, or disapproving it. If the change is conditionally approved or

disapproved, the Committee must note in writing on the application the reason(s) why it was not approved as submitted. The Committee will give the applicant written notice by use of a duplicate copy of the application or by correspondence. The Committee records its action and the notification to the applicant by placing copies of the executed application and/or letters in the Committee's archives. Duplicate copies of all records will be forwarded to the Association's Management firm. Conditional approval means that work may proceed if the conditions are satisfied as agreed to by the Committee. The Committee will inspect work in progress and request (either orally or in writing) the applicant to correct any non-compliance with the approved design.

Project Inspection or Walk-through

The Committee may conduct a walk-through to review the completed project.

Appeal Procedure

If the applicant disagrees with the decision of the Committee in its review or inspection, the following process is noted for an appeal: 1) file a written appeal with the Board of Directors at the address of the Management Company within fifteen days after receipt of a notice of disapproval, 2) the date and time of the appeal is established by the Board of Directors; this is normally at the next scheduled Board meeting. A majority vote of the Board is required to reverse a Committee decision.

Correction Procedure

Remedies: An exterior change made without the required approval of the Committee, or the Board on an appeal, constitutes a violation of the Protective Covenants. A violation requires removal or modification of the work at the expense of the property owner, or payment of damages incurred by the Association in an effort to have it removed or modified.

Reports: The Committee inspects authorized construction in progress and the community in general to identify violations. Additionally, all residents have the right and responsibility to bring to the attention of the Committee or Board any apparent violation of any provision of these Architectural Review Guidelines or Covenants.

The Committee investigates each reported violation and seeks the cooperation of the owner. Notification of a violation is made to the resident in order to identify the problem, and request a resolution. Should the owner fail to follow through on the Committee's proposed resolution or some other resolution which is acceptable to the owner and the Committee, the Committee will turn the problem over to the Board of Directors for continued resolution with the resident. This could lead to the Association filing legal action against the owner.

IV. DESIGN GUIDELINES

This section of the guidelines provides specific guidance regarding particular design situations frequently encountered in Gresham Crossing. Generally acceptable methods for achieving the required objectives and standards are indicated below. Additionally, design methods that are generally not acceptable are also indicated for your guidance.

Please remember that these are only guidelines and, as such, they do change. Every effort will be made to reissue these guidelines whenever significant changes do occur.

Repair

Owners are responsible for repairs to existing structures, additions, etc. No application is needed to effect repairs and restoration to original condition.

Fences/Walls

Fences will be allowed in rear yards but must not proceed further forward than the rear corners of the house. Fences are not permitted to extend to the front yard. Corner or minor decorative fencing treatments in the front of the property may be permitted depending on individual circumstances. White picket/White vinyl or Black iron/aluminum fencing are the only types permitted.

Rear yard fencing will in no case exceed the height of four feet. Exceptions to height and/or fencing materials requirements may be submitted to the Architectural Committee, which may grant a variance from these guidelines, in its sole discretion.

Shrubby planted in a row that creates a natural fencing or barrier between properties requires architectural approval.

Satellite Dishes:

- A. Setbacks:
 - 1. Minimum Street Setback: Front of House
 - 2. Minimum Side/Back Property Line Setback: 25'
- B. Appearance/Visual:
 - 1. Must not be visible from street
 - 2. Must comply with all applicable state and local laws, regulations, etc.

Parking and Storage of Vehicles, Boats, Trailers, Etc.

Parking or storing of boats, marine craft, hovercraft, aircraft, recreational vehicles, pick-up campers, travel trailers, motor homes, camper bodies or similar vehicles or equipment in the driveway or front yard of any dwelling or on any public street in the Development is prohibited. Any such vehicle parked for storage in the side or rear yard of any residence must be completely concealed from public view. On street parking of automobiles is strongly discouraged, both for public safety and aesthetic reasons. Children walking, playing, skating or bicycling could easily be struck by a passing

vehicle due to the limited visibility of both a child and other drivers around parked cars. Any homeowner who finds it necessary to park a car on the street (other than temporary parking by guests) must be sensitive to the concerns of their neighbors and prepared to relocate the vehicle if such parking creates a potentially hazardous situation.

Clotheslines

Clotheslines are not permitted.

Decks

Addition of a deck is considered a major design change to an existing dwelling, since a deck is nearly always physically connected to the house itself. As such, deck plans will always require the prior approval of the Architectural Committee. Multiple building permits may be required if the project calls for electrical installations such as lights, power outlets, covered gazebos with ceiling fans, hot tubs, etc. Only materials specifically designed for exterior applications, with weather and moisture resistant properties, such as pressure treated deck lumber or cedar decking material may be used. Placement of major weight-bearing posts or pilings in concrete is preferred both for strength and prolonged service life of the structure. The criteria for Design Compatibility and Workmanship (see Section 11, page 3) apply to the review of all deck applications; whether or not the plans call for a gazebo or other covered, screened-in porch structures. Homeowners should also review applicable Covenants and Granville County Building Codes concerning boundary setbacks and utility easements before committing to any deck project or construction contract.

Dog Pens and Doghouses Require Committee Approval as Accessory Buildings

Doghouses should be painted or stained and roofed to match the exterior of your home. Dog pens are to be made of either vinyl-coated black, dark green, dark brown chain link fence or pressure treated wood such that the animal can see out. The height of a chain link fence or wooden fence cannot exceed six (6) feet.

The doghouse and/or pen should be located on the property in an area that is not visible from the street and must be positioned at least 25 feet from a neighbor's property line. The area surrounding the pen should be landscaped such that drainage is not a problem. It must be properly maintained, kept in good repair and free of materials that may create unpleasant odors.

Grading

MAJOR changes to the topography of your lot, including but not limited to, lot clearing, tree removal, addition or removal of fill, etc. require approval prior to being started. Neither the Board nor the Committee accepts any liability for any damage caused by such grading action, whether approved by the Committee or not.

Irrigation System Requirements.

- A. All plans for irrigation systems must be submitted to the Architectural

- Control Committee. Plans must include a drawing of the area to be irrigated.
- B. All systems must include a rain gauge.
 - C. Sprinkler heads must be installed with check valves (PRS Heads).
 - C. No irrigation may be installed within the NCDOT Right-of-Way.

Plants and Gardens

Committee approval is not required for most plantings or biodegradable landscaping treatments. Before digging, identify and locate all wires and/or cables so as not to electrocute yourself or interrupt any services to your house or your neighbor's. Brush clippings, mulch piles, firewood and the like should be stored toward the rear of your lot so as not to be visible from the street.

Large vegetable gardens and/or compost areas require architectural approval. Garden areas should be maintained in the rear yard not visible from the street

Play Equipment

Any play equipment should be located at least 25 feet from the neighbor's property line. Such items include swing sets, sandboxes, or other more stationary equipment. Committee approval is not required for most play equipment as long as it is placed so that it is not easily visible from the street. All-metal play structures are prohibited.

Sheds/Storage Buildings

Application and Architectural Review/Approval are required prior to construction of any and all freestanding shed/storage building(s).

Fuel Storage

Placement of fuel storage containers should occur whereas they are hidden from public view. Placement in the rear or side yards should include sufficient landscape screening from neighbors view.

Signs

The following types of signs are permitted and are not considered a violation of the Covenants prohibiting signs and billboards:

- A. Permanent Signs
 - 1. Signs displaying house numbers, name of the resident(s) and/or name of the home, if any.
 - 2. Signs affixed to a mailbox post that carry the name of the Gresham Crossing Homeowners Association Community Watch.
 - 3. No other permanent signs should be displayed.
- B. Temporary Signs
 - 1. A single real estate "For Sale" sign of not more than six square feet.

2. A contractor's or builder's sign during construction or approved alteration, (including landscaping) provided that the signs are removed within 30 days of the completion of construction, alteration, etc.
3. A "Parade of Homes" sign immediately prior, during and after the "Parade".
4. "Open House" signs are permitted only during the hours during which the premises are open. This includes all such signs anywhere within the borders of the Subdivision, its entrances and streets, but not located on the property of another homeowner without his/her permission.
5. No other temporary sign is permitted unless approved by the Architectural Committee.

C. "Billboards"

All "billboards" are prohibited [except as permitted in B(2) above]. A "billboard" is a sign of ANY size which carries the Name, Address and/or the telephone number of a business firm, including, but not limited to, burglar alarm or security companies, newspapers and magazines or other types of services.

D. Placement of Signs

Except for signs described in A(1), A(2) or B(4) above, all permitted signs may not be placed forward of the front property line nor within 25 feet of any adjacent property line.

V. BUILDER/DEVELOPER PROCEDURES

Conferences

A conference with the Architectural Committee may be required before project planning begins to obtain an early understanding of procedures and project objectives.

Plan Submission and Approval

Plans are submitted in duplicate for approval together with a Transmittal Form. One set of plans will be stamped "Approved - Gresham Crossing Architectural Committee" and returned upon approval. The remaining set will be retained in the files of the Gresham Crossing Homeowners Association, Inc. Notice of approval or disapproval will be available no later than 30 days after submission. Refusal to approve a part or all of any submission may be based upon any grounds including purely aesthetic considerations in accordance with the Declaration of Covenants, Conditions and Restrictions.

Applications will be submitted as described herein using the Gresham Crossing Homeowners Association Application for Approval for Exterior Design Change included in this document. Incomplete applications will be returned by the Architectural Committee without action. The thirty-day approval period shall commence upon receipt of a complete application containing all information required by the Committee.

VI. RESIDENTIAL SITE REQUIREMENTS

Clearing and Grading

Building and landscape elements shall be placed on a site so that the maximum number of desirable trees and other natural features are preserved. Materials resulting from clearing and grubbing and all other debris shall be removed from the site promptly. Finish grading shall be such to prevent ponding or erosion of soil on the site or adjacent property.

Tree Preservation

When clearing a lot for new construction, the builder will proceed with care so as to remove only those trees that would be immediately affected by the ongoing construction (e.g. trees within 15' of the building). Every precaution shall be taken to preserve those trees remaining, including, but not limited to, prevention of heavy equipment from running over the root areas, no stockpiling of dirt or building materials around the base of the trees, tagging or barricading trees located in damage-proof areas, and repairing any tree damage immediately.

Landscaping

Landscaping shall be in accordance with the plans and specifications approved by the Architectural Committee. All disturbed ground area shall be covered by grass, plants or landscape material and there will be no uncovered soil. All home sites will be landscaped and maintained consistent with the aesthetic quality of Gresham Crossing. No changes or substitutions shall be made without prior architectural approval.

Screening

Screening shall be provided, where required, to conceal unsightly appearances in accordance with any of the following methods:

- A. A planting screen that will form an effective visual screen consistent with landscaping requirements.
- B. A wall or fence of a material similar to or compatible with that of the building may be used for a screen adjacent to the building.
- C. A wall or fence of a material specifically approved by the Architectural Committee may be used for a screen that is not adjacent to the building.

Colors and Textures

Colors and textures shall be harmonious and compatible with colors of other buildings within the neighborhood. In any proposal for changes or additions which involve colors and/or textures, a sample color/texture shall be submitted to and approved by the Architectural Committee prior to such change/addition.

Materials not Acceptable

Exposed standard concrete blocks, prefabricated storage structures of any kind, to include those made of aluminum, steel, particleboard or other wood products, unnatural brick tones and bright finish metallic windows, doors and structures are not acceptable unless specifically approved by the Architectural Committee.

Outdoor Structures

Any equipment in outdoor areas such as play structures, benches, planters, sculptures, etc., shall be compatible with and harmonious with the surroundings, hidden by approved screening, or approved by the Architectural Committee.

Prior Committee approval is required for any such structure bordering on or encroaching into a conservation buffer area.

Roofs

No roofs with less than a 7/12 pitch will be allowed without specific permission of the Architectural Committee. Roofs that may be potentially seen from a street or adjoining site shall be of materials harmonious with the surroundings and of a muted color. All roof vents, ducts, fans, etc. shall be painted to match the roof shingle color. All flashing must be copper or a color consistent with the shingle or wall color. Visible bright metallic finish will not be permitted. Dimensional shingles are REQUIRED.

Mailboxes

A decorative uniform mailbox will be provided by the Builder for use by each homeowner.

Garages

In order to maintain continuity throughout Gresham Crossing, a minimum one(1) car attached garage will be required with each home. If an additional detached garage is optioned, it shall consist of the same exterior material as the house. New homes plans submitted without garages will automatically be rejected.

VII. PENALTIES FOR WILLFUL NONCOMPLIANCE.

In addition to any remedies the Association may have at law or in equity, the Association reserves the right to levy a fine of One hundred (\$100.00) Dollars per week against any Lot Owner who willfully fails to comply with the rules and regulations set forth herein concerning obtaining approval for improvements or abiding by a Committee decision regarding said improvements after being notified by the Association in writing of its non-compliance.

MAIL APPLICATION TO: DATE RECEIVED BY COMMITTEE:

PPM, Inc
PO Box 99657
Raleigh, NC 27624
(919)-848-4911

GRESHAM CROSSING HOMEOWNERS ASSOCIATION, INC.

Application for Approval for Exterior Design Change

Please submit this application and any attachments in duplicate.

Homeowner's Name _____

Property Address _____

Lot # (If known) _____

Homeowner's Phone:

(H) _____

(W) _____

The homeowner requests design approval and grants permission to the Gresham Crossing Homeowner's Association and/or Architectural Committee to enter on the Homeowner's property to review the application and to inspect the proposed project prior to, during, and/or upon completion of the work.

Homeowner Signature Date

GRESHAM CROSSING

DESCRIPTION OF PROPOSED CHANGE:

Please indicate sizes, heights, description of materials, etc. Attach a copy of your plot plan and indicate location of proposed exterior design change on lot in relation to house and other existing structures. Also attach any sketches, specifications, pictures, paint charts, or the like that will assist in reviewing this application.

ESTIMATED CONSTRUCTION DATES: Begin Complete

OTHER INFORMATION OR DATA PERTINENT TO REQUEST FOR DESIGN CHANGE:

GRESHAM CROSSING

DESIGN APPROVAL:

-YES CONDITIONAL APPROVAL NO

_____ **Date:**

Signature of Committee Chairman Board President

Remarks/Special Conditions: