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REPLS for of Deeds
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**CHESTNUT MOUNTAIN FARMS
DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS**

Drawn by and mail to:

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**CHESTNUT MOUNTAIN FARMS
DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS**

WITNESSETH:

WHEREAS, TOWI A WI PLANTATION, LLC, a Florida limited liability company, herein called the "Developer", is the fee simple owner of certain real property known as Chestnut Mountain Farms located in Walnut Grove Township, Wilkes County, North Carolina, a more particular description of which appears on Exhibit "A" attached hereto and made a part hereof (the "Property"); and

WHEREAS, Developer is in the process of subdividing the Property and desires to establish thereon an equestrian themed residential community consisting of single-family residential dwellings to be governed by Chestnut Mountain Farms Homeowners Association, Inc. (the "Association") and further desires that the Property be used, developed, maintained and managed for the benefit and welfare of the Owners (as hereinafter defined) of the Property; and,

WHEREAS, the Developer desires to subject the Property to and impose upon said tracts mutual and beneficial restrictions, covenants, terms, conditions and limitations set forth herein, which shall run with the Property and be binding on all parties owning any right, title, or interest in the Property or any part thereof, their heirs, successors, and assigns, to provide for the preservation of the amenities, desirability, value, attractiveness and benefit of all tracts in the Property; and for the continued maintenance and operation of the private streets and Common Areas in the community; and,

WHEREAS, the powers and duties of maintaining the roads and Common Areas, enforcing the covenants and restrictions, and collecting and disbursing assessments, are to be exercised and confined upon the Association;

NOW, THEREFORE, in consideration of the premises, the Developer hereby declares that the Property, and all other property that hereafter may be made subject to this Declaration of Covenants, Conditions and Restrictions (hereafter called the "Declaration") is and shall be held, transferred, sold, conveyed, occupied and used subject to this Declaration. Every party hereafter acquiring any Lot (as hereafter

defined), or portion thereof, in the Property, by acceptance of a deed conveying title thereto or by execution of a contract for the purchase thereof, whether from the Developer or a subsequent owner of such Lot, shall accept such deed or contract subject to each and all of the covenants, restrictions and agreements contained within this Declaration, as well as any additions, supplements, or amendments hereto, and also subject to the jurisdictions, rights and powers of the Developer, the Association, and their successors and assigns. Each grantee of any Lot subject to this Declaration, by accepting the deed or contract thereto, shall for himself, his heirs, personal representatives, successors and assigns, covenant, consent and agree to and with the Developer, the Association, and with grantees and subsequent Owners of each of the Lots within the Property to keep, observe, comply with and perform said restrictions and agreements.

ARTICLE I **DEFINITIONS**

1. "Additional Property" shall mean and refer to any additional real estate near or contiguous to the Property, or within eight thousand (8,000) feet of any boundary of the Property, which may be made subject to the terms of this Declaration in accordance with the provisions of Article II, Section 2 of this Declaration.

2. "Association" shall mean and refer to Chestnut Mountain Farms Homeowners Association, Inc., which shall be established prior to the conveyance of the first Lot within the Property. Copies of the proposed Articles of Incorporation and Bylaws of the Association are attached hereto as Exhibits B and C, respectively.

3. "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association, which shall be elected and shall serve pursuant to the Bylaws.

4. "Common Areas" shall mean and refer to any and all real property or interests therein or easements thereon owned or held by the Association or the Developer for the common use and enjoyment of all Owners including the pavilion (if and any), all riding trails, stables and paddocks, the easement rights in the private streets and roads, greenways and recreational areas and other Common Areas located within the Property which are maintained by the Association. With respect to portions of the Property which the Association does not and will not own in fee simple, but in which the Association has

easements; "Common Area" shall refer either to the portion of the Property with respect to which the easement has been established, or the easement rights, as the context may require.

5. "Developer" shall mean and refer to the Developer herein, TOWI A W PLANTATION, LLC, a Florida limited liability company, its successors or designated assigns. The initial and any successor Developer may transfer all rights of the Developer hereunder to any third party by written instrument recorded in the Office of the Register of Deeds for Wilkes County, North Carolina, signed by the transferor and the transferee.

6. "Green Area" shall mean and refer to those portions of the Lots or elsewhere within the Property labeled as "Green Area" on the Plats. The easement rights of the Association in the Green Areas, as established in this Declaration, are Common Area, and the Green Areas may be maintained by the Association, as more particularly set forth herein.

7. "Lot" shall mean and refer to any numbered or lettered tract of land (excluding any Common Area) shown on any Plat which is a part of the Property, including without limitation the tract labeled "34.50 acres" shown on the Plat recorded in Map Book 10 at page 137-138 of the Wilkes County Registry, and which shall be restricted for such uses as are consistent with this Declaration and any other restrictions covering the area wherein the tract of land is located. No tract of land shall become a "Lot" as that word is used herein until a Plat of the area in which the same is located is recorded in the Office of the Register of Deeds of Wilkes County, North Carolina.

8. "Member" shall mean and refer to every person or entity who holds membership in the Association.

9. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, excluding however, those parties having such interest merely as a security interest for the performance of an obligation.

10. "Phase" shall mean and refer to any phase, section or portion of the Property for which a separate Plat or Plats are recorded in the Office of the Register of Deeds of Wilkes County, North Carolina.

11. "Plat" shall mean and refer to any plat of the Property or any part of it which is recorded from time to time in the Office of the Register of Deeds of Wilkes County, North Carolina, and any and all revisions thereof.

12. "Property" shall mean and refer to that certain real property located in Wilkes County, North Carolina, and more particularly described on Exhibit "A" attached hereto and incorporated herein by reference, as well as such additional property as may be made subject to the provisions of this Declaration pursuant to the provisions of Article II, Section 1 hereof.

13. "Supplemental Declaration" shall mean and refer to any Supplemental Declaration of Covenants, Conditions and Restrictions filed in the office of the Register of Deeds of Wilkes County, North Carolina, to bring additional property within the coverage of this Declaration and the jurisdiction of the Association, as more particularly described in Article II hereof.

14. "View Easement" shall mean and refer to the easement rights created under this Declaration in favor of the Association and the Owners with respect to those portions of the Lots and other portions of the Property labeled as "View Easement" on the Plats.

ARTICLE II

ADDITIONS TO THE PROPERTY SUBJECT TO THIS DECLARATION

1. **Additional Property.** The Developer reserves the absolute right, exercisable in its sole discretion from time to time, to cause the Additional Property (or portions thereof) to be made subject to the terms of this Declaration. Such additions shall be made in order to extend the scheme of these restrictions to Additional Property and to bring such Additional Property within the jurisdiction of the Association, thereby subjecting such additions to assessment for their share of the Association's expenses, as set forth herein. Such additions shall be made by filing of record one or more Supplemental Declaration(s) which shall identify the Additional Property to be included and shall incorporate the restrictions under this Declaration by reference. The Developer reserves for itself, its agents, employees, invitees, designees, successors and assigns, the right to use all roads in the Property to reach other properties.

a. Any Supplemental Declaration may contain complementary additions to the covenants and restrictions contained herein as may be necessary in the judgment of the Developer to reflect the different character of the Additional Property. In no event, however, shall any Supplemental Declaration revoke, modify or add to the covenants and restrictions contained herein with respect to the Property previously subjected to this Declaration, nor revoke, modify, change or add to the covenants and restrictions established by previously filed Supplemental Declarations, without meeting the requirements for amendment set forth in this Declaration.

b. In addition to the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens set forth in this Declaration, Developer shall have the right, at its election without the consent of any Owner or Owners, to subject any Phase, section or portion of the Property owned by Developer to additional controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens, by filing an Additional Declaration in the Office of the Register of Deeds of Wilkes County covering only such Phase, section or portion of the Property. Such an Additional Declaration may or may not provide for the establishment of a property owners association to govern the ownership and/or maintenance of the Property affected by and the enforcement of the provisions of such Additional Declaration. Whether or not a property owners association is formed pursuant to such Additional Declaration, the Association shall have the right and authority to enforce all controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens imposed by such Additional Declaration and any amendments thereto, whether or not such right and authority is expressly provided for in such Additional Declaration.

c. Notwithstanding anything contained herein to the contrary, it is expressly understood and agreed that, so long as Developer owns any part of the Property, the prior written consent of Developer shall be required for any parties to modify, change and/or amend, in whole or in part, the terms and provisions of this Declaration, any Supplemental Declaration and/or any Additional Declaration or to impose new or additional covenants, conditions, restrictions or easements on any part of the Property.

2. **Excluded Property.** No property of Developer shall be subject to these restrictions except that property made subject thereto as herein provided. No property of Developer shall be subject to any restrictions by implication arising from Developer imposing these restrictions on the property herein identified.

ARTICLE III COMMON AREA PROPERTY RIGHTS

1. **Private Areas.** Each of the streets located on the Property now or hereafter constructed or designated on any recorded or unrecorded map, is a private street and every Common Area within the Property is a private area, and neither the execution nor recording of any plat nor any other act of the Developer or Developer's successor in title to all or any portion of the property is, or is intended to be, or shall be construed as, a dedication to the public of any streets or Common Area, except those that hereafter may be dedicated by a specific written and recorded deed or agreement of dedication.

2. **Reservation of Easements.** The Developer reserves for itself, its successors and assigns, the right to offer to dedicate or transfer any streets or other part of the Common Area to any public agency, authority or utility if it so desires. The Developer reserves for itself and for its agents, employees, invitees, designees, successors and assigns a non-exclusive easement over each of the streets in the Property now or hereafter constructed or designated on any recorded or unrecorded map. The Developer reserves the right to use said roads for the development of any adjoining properties, which Developer may own now or in the future. Each Owner, by accepting a deed to a Lot or any other portion of the Property, acknowledges that the streets, other than existing State Roads, within the Property are not constructed to the State of North Carolina Department of Transportation's minimum standards for subdivision streets. Therefore, the Department will not accept these streets into its secondary roads system. All private street maintenance, including repair and snow removal, will be the responsibility of the Developer or the Association. The Developer and each Owner acknowledge that it is the policy of the Wilkes County Board of Education that school buses will not travel on private streets.

The Developer also reserves for itself, its successors and assigns, easements and rights-of-way through, under, over and across the Property for the installation,

maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, cable television, conduits, storm sewers, sanitary sewers and other public utilities or conveniences, with a further easement reserved to cut or fill a two to one slope along the boundaries of all public or private streets built on the Property. This reservation shall not apply to Lots in the Property except in easements within such Lots shown on any recorded plat of the Property or any part hereof or as reserved in Section 5 of Article VII hereof. An offer of dedication places no liability upon any public agency to accept the dedicated streets or other property

3. **Ownership of Common Areas.** The Developer may retain the legal title to any Common Areas, other than streets or roads shown on any Plat of the Property, until such time as it has completed improvements, if any, thereon. Notwithstanding Developer having legal title to the Common Areas, the Association shall maintain said Common Areas including any streets and roads located thereon.

4. **Owner's Easements of Enjoyment.** Every Owner, including lot or homeowners in Additional Property developed at a future time and subjected to this Declaration, shall have a non-exclusive right-of-way, right to an easement of enjoyment in and to the roads and Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to this Declaration and the following provisions:

a. The right and easement of enjoyment in and to the roads shall be limited to those roads owned or maintained by the Association.

b. The right of the Association to limit use of the roads and Common Areas to Owners, their families and guests.

c. The right of the Association to suspend the voting rights and other rights of membership by an Owner for any period during which any assessment against the Owner's Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

d. The right of the Association to grant an easement in, dedicate or transfer all or any part of the roads or Common Areas to any public agency, authority, or utility for such purposes.

e. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.

f. The right of the Association, in accordance with its Bylaws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage the Common Area, or any portion thereof, and the right of such mortgage in said properties shall be subordinate to the rights of the Owners hereunder.

ARTICLE IV HOMEOWNERS ASSOCIATION

1. **Property Owners Association.** On, or before, the conveyance of the first Lot in the Property, there shall be established a property owners association which will be named Chestnut Mountain Farms Homeowners Association, Inc., herein referred to as the "Association," in which the Owners of each Lot are obligated to be members, having one vote per Lot (provided, however, Developer shall be entitled to ten (10) votes for each Lot owned by Developer), and shall be obligated to pay the annual assessment and other assessments that may be assessed by the Association or its governing body in accordance with the terms of this Declaration and the Bylaws of the Association. The Association shall have responsibility for the installation and maintenance of areas of common responsibility (Common Areas) within areas of the Property, including but not limited to: ownership and maintenance of Chestnut Mountain Farms signs, private roads, operation of the Association, insurance protection and/or other protections or guarantees to the Association in general and to the Owners. This paragraph is intended as a general statement of the existence of the Association to the Owners, their heirs and assigns, and their obligations with relation thereto. Further, specific and detailed terms, provisions, operating procedures, assessments, and other terms and provisions relating to said Association will be more specifically and fully set out in the Bylaws of the Association.

2. **Association Membership.** The Association shall include the Owners of all Lots and, at the option of the Developer, the Owners of other tracts in future plats to be included in Chestnut Mountain Farms and subjected to this Declaration pursuant to Article II above. The Association shall also own Common Areas, which will be deeded by the Developer to the Association no later than the date upon which Developer no

longer owns any part of the Property. The Association shall have the responsibility of maintaining all Common Areas.

ARTICLE V **COVENANTS FOR MAINTENANCE ASSESSMENTS**

1. **Common Area Maintenance.** Maintenance of the Common Areas, including private roads, entrance signs, landscaping, pond, stable, paddocks, pavilion, trails, and insurance, shall be the responsibility of the Developer during the construction phase. After the construction phase, maintenance of the Common Areas will be the responsibility of the Association. At the time when the private roads are accepted for public maintenance, if ever, by the State of North Carolina, road maintenance shall become their responsibility. In any event, said date of transfer of responsibility of maintenance of Common Areas shall be no later than the date upon which the Developer no longer owns any part of the Property. As of the date of the filing of this Declaration, none of the Common Areas is owned or intended to be owned by the Association in fee simple, and all Common Areas are located on Lots. All of such Common Areas are located upon Lots. Therefore, to the extent that the Association does not maintain a Common Area or portion thereof, the Owner of the Lot upon which such Common Area is located shall maintain it. Such maintenance by the Lot Owners shall include all portions of the rights-of-way for the private roads as shown on the Plats, as the Association will maintain the private roads and drainage ditches and facilities adjacent thereto, but may not maintain the unimproved portions of the private road rights-of-way. Such maintenance shall also include all View Easement areas and Green Areas, to the extent not maintained by the Association.

2. **Annual Assessment.** Each Owner agrees to pay to the Association an annual assessment, which shall initially be \$700.00 per unimproved Lot per year and \$1,200 per Lot improved by a residence, per year, due on January 1st of each year. The increased assessment becomes effective upon the next due date once construction of improvements on a Lot has begun. The Board of Directors shall fix the amount of the annual assessment as to each Lot for any calendar year at least thirty (30) days prior to January 1 of such calendar year, and the Association shall send written notice of the amount of the Annual Assessment, as well as the amount of the payment due, to each

Owner on or before January 5 of such calendar year. To the extent required by North Carolina General Statutes 47F-3-103(c) or other applicable law, such notice shall include notice of a meeting of the Members to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. If such a meeting is required by N.C. General Statutes 47F-3-103(c), or other applicable law, the Board of Directors shall set a date for a meeting of the Members to consider ratification of the budget to be held not less than ten (10) nor more than sixty (60) days after mailing of the summary and notice. If such meeting is required as set forth above, there shall be no requirement that a quorum be present at the meeting. If the proposed budget to be voted on at any such meeting is within the maximum increase limits set forth below, the budget is ratified unless at such meeting Members exercising all of the votes in the Association reject the budget. If any annual assessment or installment thereof is not paid within ten (10) days of its due date, there shall be a late fee of \$50.00 assessed against the Owner and Lot. The Owner of record as of December 31 shall be responsible for the annual assessment for the following calendar year. Notwithstanding the foregoing, the failure of the Association to send, or of a Member to receive, such notice shall not relieve any Member of the obligation to pay annual assessments.

3. Maximum Annual Assessment.

a. The Board of Directors, by a vote in accordance with the Bylaws, without a vote of the Members (unless required under N.C. General Statute 47F-3-103(c) or other applicable law, in which case the procedures set forth above shall apply), may increase the annual assessment applicable to each Lot by a maximum amount equal to the previous year's annual assessment times the greater of (i) ten percent (10%) or (ii) the annual percentage increase in the Consumer Price Index, All Urban Consumers, United States, All Items (1982-84 = 100) (hereinafter "CPI") issued by the U.S. Bureau of Labor Statistics for the most recent 12-month period for which the CPI is available. If the CPI is discontinued, then the index most similar to the CPI (published by the United States Government indicating changes in the cost of living) shall be used. If the annual assessments are not increased by the maximum amount permitted under the terms of this provision, the difference between any actual increase which is made and the maximum increase permitted for that year shall be computed and the annual assessments may be

increased by that amount in a future year, in addition to the maximum increase permitted under the terms of the preceding sentence for such future year, by a vote of the Board of Directors, without a vote of the Members, unless required under N.C. General Statutes 47F 3-103 (c) or other applicable law, in which case the procedures set forth above shall apply.

b. The maximum annual assessment applicable to each Lot may be increased above the maximum amount set forth in subparagraph (a) of this Section 3 by a vote of a majority of the votes appurtenant to the Lots which are then subject to this Declaration, plus the written consent of Developer (so long as Developer owns any part of the Property), subject to the procedures set forth in Section 2 above if applicable.

c. The Board of Directors may fix the annual assessment applicable to each Lot at an amount not in excess of the maximum set forth in Subparagraph (a) of this Section 3 (the "Maximum Annual Assessment"). If the Board of Directors shall levy less than the Maximum Annual Assessment for any calendar year and thereafter, during such calendar year, determine that the important and essential functions of the Association cannot be funded by such lesser assessment, the Board may, by vote in accordance with the Bylaws, levy a supplemental annual assessment ("Supplemental Annual Assessment"), subject to the procedures set forth in Section 2 above, if applicable. In no event shall the sum of the annual and Supplemental Annual Assessments for any year exceed the applicable Maximum Annual Assessment for such year other than as set forth herein.

d. With respect to any Lot conveyed by Developer, the purchaser of such Lot shall pay to the Association at closing the amount of the annual assessment for the installment period in which the closing occurs on such Lot, prorated based upon the number of days remaining in such installment period. With respect to any Lot conveyed by any Owner other than Developer, the amount of the annual assessment applicable to such Lot for the installment period in which such closing occurs shall be prorated between the buyer and seller thereof as of the date of closing of such conveyance.

4. Special Assessments. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment ("Special Assessment") applicable to that year only for the purpose of defraying, in whole or in

part, the cost of (i) the construction of any Common Area improvements which are not originally constructed by Developer or (ii) the reconstruction, repair or replacement of the Common Areas including any improvements located thereon. Provided, however, (a) Developer shall not be obligated to pay any Special Assessments on Lots owned by Developer except with Developer's prior written approval, and (b) any Special Assessment must be approved by Developer (so long as Developer owns any part of the Property) and by a vote of a majority of the votes appurtenant to the Lots which are then subject to this Declaration.

5. Special Individual Assessments. In addition to the Annual Assessments and Special Assessments authorized above, the Board of Directors shall have the power to levy a special assessment applicable to any particular Owner ("Special Individual Assessment") (i) for the purpose of paying for the cost of any construction, reconstruction, repair or replacement of any damaged component of the Common Areas, including any improvements located thereon, whether occasioned by any act or omission of such Owner(s), members of such Owner's family or such Owner's agents, guests, employees, tenants or invitees and not the result of ordinary wear and tear; or (ii) for payment of fines, penalties or other charges imposed against any particular Owner relative to such Owner's failure to comply with the terms and provisions of this Declaration, the Bylaws or any rules or regulations promulgated by the Association or the Developer pursuant to this Declaration or the Bylaws. Provided, however, Developer shall not be obligated to pay any Special Individual Assessment except with Developer's prior written approval. The due date of any Special Individual Assessment levied pursuant to this Section 5 shall be fixed in the Board of Directors resolution authorizing such Special Individual Assessment. Upon the establishment of a Special Individual Assessment, the Board shall send written notice of the amount and due date of such Special Individual Assessment to the affected Owner(s) at least thirty (30) days prior to the date such Special Individual Assessment is due.

6. Collection Agent. At the option of the Board of Directors, any person or entity designated by the Board of Directors may act as collection agent for any and all assessments imposed by the Association and/or the Board against the Owners.

7. Assessments Against Lots Owned by Developer. Anything to the contrary set forth in this Declaration notwithstanding, Assessments on all Lots owned by Developer shall be in an amount equal to ten percent (10%) of Assessments on all other Lots. Furthermore, Developer shall be entitled to credit against any Assessments on Lots owned by Developer any and all amounts which Developer has paid directly for common expenses, or has paid, subsidized or contributed to the Association for the Association's payment of common expenses.

8. Creation of Lien and Personal Obligation for Assessments. The Owner of each Lot, by acceptance of a deed, and Developer so long as it owns any part of the Property, are deemed to covenant and agree to pay to the Association the assessments in this Article V. Such covenant will be deemed to arise whether or not it is expressly stated in the deed or other conveyance to the owner. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall constitute a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was Owner of such property at the time when the assessment fell due. However, the personal obligation for delinquent assessments shall not pass to successors in title (other than as the continuing lien on the land) unless expressly assumed by such successor.

ARTICLE VI

ARCHITECTURAL REVIEW

1. The Developer, its successors and assigns, shall have the right to enforce the requirements set forth in this Article until such time as it passes such responsibility to the Architectural Review Committee (the "Committee") which thereafter, shall assume and be responsible for enforcement. Reference in this Article to the Developer shall mean the Committee after such time as the responsibility is passed to the Committee. In any event, said responsibility shall be passed from the Developer to the Committee on the date upon which the Developer no longer owns any part of the Property. The following provisions regarding architectural review shall apply to each and every Lot now or hereafter subject to this Declaration.

2. No construction, reconstruction, remodeling, alteration, or addition to any building, improvement, or structure of any kind, upon any Lot in the Development, shall be commenced without the prior written approval of the Developer of the proposed site location, plans and specifications.

3. There shall be submitted to the Developer two (2) complete sets of the final plans and specifications for any and all proposed improvements, the erection or alteration of which is desired, and no structures or improvements of any kind shall be erected, altered, placed or maintained upon any Lot unless and until the final plans, elevations, and specifications therefore have received such written approval as herein provided. Such plans shall include plot plans showing the location on the Lot of the building, wall, fence or other structure proposed to be constructed, altered, placed or maintained, together with specifications for the proposed construction material, color schemes for roofs and exteriors thereof and proposed grading and landscaping.

4. The Developer shall approve or disapprove plans, specifications, and details within thirty (30) days from the receipt thereof. In the event the Developer fails to approve or disapprove such plans and specifications within thirty (30) days, approval will not be required and the requirements of this Section will be deemed to have been fulfilled. One (1) set of said plans and specifications and details with the approval or disapproval endorsed thereon, shall be returned to the persons submitting them and the other copy thereon shall be retained by the Developer for its permanent files. The Developer shall have the right to charge a reasonable fee for receiving each application for approval of plans and specifications, which amount is estimated to be \$50.00 during the first year following the date of execution of this Declaration with no more than a 10% increase annually in such fee.

5. At such time as the Developer no longer owns any Lot or other portion of the Property, the Association's Board of Directors shall appoint a standing committee of the Board, to be called the Architectural Review Committee, which shall initially consist of three (3) members to be appointed from among the Association's members. Upon its appointment, the Committee shall assume from the Developer all authority to review and approve plans, specifications, and details as otherwise provided herein and bring suit in its name to enforce. The initial committee shall serve for a term of two (2) years, after

which the committee members shall be appointed by the Association's Board of Directors, pursuant to its Bylaws, and shall serve for a term of one (1) year; provided further that the number of committee members may be increased from three (3) to five (5) by a resolution of the Association's Board of Directors.

6. After its appointment, the Committee shall establish written architectural and aesthetic criteria to be used in reviewing all plans, specifications, and details submitted for approval, and copies of such criteria may be obtained upon request from the Committee. Such written criteria shall be subject to revision or amendment by the Committee at all times; provided, however, that no amendment to or change in such criteria shall become effective until committed to writing and approved by the Committee in the same manner as the previously controlling criteria; and that no amendment or change in such criteria shall have retroactive application. All homes, garages or outbuildings on the Property shall be constructed with materials whose exteriors incorporate natural products including but not limited to wood or stone.

7. The purpose of the architectural review provisions set forth herein is to protect the value of all real property subject to this Declaration and to promote the interests, welfare, and rights of all Owners. Decisions of the Developer or Committee in approving or disapproving plans and specifications shall be based on criteria established for the Property, consistently applied and such decisions shall be final and not subject to review or appeal.

ARTICLE VII **RESTRICTIONS AND REQUIREMENTS**

1. **Residential Use.** No Lot shall be occupied or used except for single-family residential purposes, or as Common Areas if owned by the Association. No structure shall be erected, placed or permitted to remain on any Lot other than one detached, single-family residence dwelling, one guest house, and such outbuildings as are usually accessory to a single-family residence dwelling including a private garage or barn facility. This shall not restrict the Association or the Developer from constructing on any Lot, marketing, construction management, security, maintenance, or other facilities for the benefit of the Development. No obnoxious or offensive activity shall be carried on

upon the Property, which may be or may become a nuisance or annoyance to the neighborhood.

2. Size and Placement of Residences and Structures.

a. Every dwelling constructed on a Lot shall contain a minimum of 1,500 square feet of fully enclosed living area for a single story above ground dwelling and 1,200 square feet for the ground floor of a multi-storied dwelling (with some consideration being given to covered non-heated areas) and the Developer and its successor Committee, as provided in Article VI, retains the right to withhold approval of plans for any dwelling including but not limited to a split level, two or three story residence where such a structure is unsuited to the proposed Lot's terrain, where the erection of such a structure would block or materially interfere with the primary view or vista or solar access of another lot, or would not be in keeping with the general development of surrounding area.

b. The Developer and its successor Committee shall have the authority to promulgate regulations pertaining to the height and size requirements of all other types of structures, including but not limited to outbuildings, fences, walls and copings.

c. No above-grade structure (except fences or walls) may be constructed or placed on any Lot within:

(1) Forty-five (45) feet from the front line of the Lot, which is the center line of road in front of such Lot.

(2) Fifteen (15) feet from each Lot side line, unless the side line is the center line of a road, in which case forty-five (45) feet is the setback requirement.

(3) Twenty-five (25) feet from the rear line of each Lot.

(4) A corner Lot shall be deemed to have a front line on each street on which the Lot abuts, and such Lot need only have one rear yard and defined by (3) above.

d. Developer or its successor Committee in its discretion shall have the right to waive said setback line requirements.

e. No structures or above ground improvements may be located in any Green Areas without the prior written approval of the Committee.

f. No structures or above ground improvements may be located in an View Easement areas without the prior written consent of the Committee. The Committee shall not approve any such structures or improvements that would obstruct views of the Property and the surrounding area from individual Lots. At the discretion of the Developer, its successors, assigns and agents (including but not limited to the Association), all living trees, plants or shrubs on a Lot that obstruct the primary view of an adjoining Lot Owner within a View Easement area may be cut and removed by Developer or the Association. Prior to exercising its right to enter upon the property, the Developer or Association, as the case may be, shall give the Owner the opportunity to take the corrective action specified by notice given to the Owner. Removal of obstructions by Developer or Association shall be at the expense of the Owner by means of a Special Individual Assessment on such Owner.

3. Other Requirements.

a. All plumbing fixtures, dishwashers, toilets or sewage disposal systems shall be connected to a septic tank sewage system constructed by the Owner and approved by the appropriate governmental authority and the Developer, unless public sewage becomes available in the Subdivision.

b. Once construction of improvements is started on any Lot, the improvements must be substantially completed in accordance with plans and specifications, as approved, within eighteen months (18) from commencement.

c. No residence shall be occupied until the same has been substantially completed in accordance with its plans and specifications and a certificate of occupancy has been issued by the Developer or the Committee.

d. All structures constructed or placed on any Lot shall be built of substantially new materials and no used structures shall be relocated or placed on any such Lot, without approval of the Developer or Committee.

e. Every fuel storage tank shall be buried below the surface of the ground or screened by fencing or shrubbery to the satisfaction of the Developer or

Committee. Every outdoor receptacle for ashes, trash, rubbish or garbage shall be installed underground, screened or so placed and kept as not to be visible from any street, exception for common receptacles provided by or with the approval of the Developer or Committee.

f. Any dwelling or outbuilding on any Lot which may be destroyed in whole or in part by fire, windstorm or for any other cause or act of God must be rebuilt or all debris removed and the Lot restored to a sightly condition with reasonable promptness, provided, however, that in no event shall such debris remain longer than three (3) months.

g. It shall be the duty of each Owner to maintain his or her Lot, together with the exterior of all improvements located therein, in a neat and attractive condition. Such maintenance shall include, but shall not be limited to, painting, repairing, replacing and caring for roofs, gutters, downspouts, building surfaces, trees, shrubs, walks and other exterior improvements. In the event an Owner shall fail to maintain the premises and improvements situated thereon in a manner satisfactory to the Committee, the Association retains the right to enter upon such premises for the purpose of effecting needed maintenance and repairs and shall have the right to levy the amount of the cost thereof as a Special Individual Assessment against the Lot upon which such maintenance was performed.

4. Prohibitions.

a. No mobile homes, manufactured or modular homes shall be permitted on any Lot.

b. No privies or outside toilets shall be constructed or maintained on any Lot.

c. No temporary house, trailer, garage, storage shed or other outbuilding shall be placed or erected on any Lot, provided, however, that the Developer or Committee may grant permission for any such temporary structures for storage of materials during construction, and Developer may maintain temporary structures for construction and marketing purposes. No such temporary structures as may be approved shall be used at any time as a dwelling place.

d. No permanent outdoor lights or permanent light sensitive lights shall be permitted on any Lot.

e. No sign (including but not limited to "For Sale" or similar signs) billboard, or other advertising structure of any kind may be erected or maintained upon any Lot except after applying to and receiving written permission from the Developer or Committee, except for signs installed by the Developer in connection with its marketing and construction activities.

f. No stripped, partially wrecked, inoperable or junk motor vehicle, or part thereof, shall be permitted to be parked or kept on any street or Lot.

g. All outdoor clothes poles, clothes poles, clothes lines or similar equipment shall be so placed or screened by shrubbery as not to be visible from any street.

h. No structure erected upon any Lot may be used as a model exhibit or house unless prior written permission to do so shall have been obtained by the Developer or Committee, except for model homes built by the Developer.

i. No noxious, offensive or illegal activities shall be carried on, on any Lot nor shall anything be done on any Lot that shall be or become an unreasonable annoyance or nuisance to the neighborhood.

j. No oil or natural gas drilling, refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any Lot.

k. No on street vehicular parking shall be permitted except as permitted by and under regulation issued by Developer or the Committee.

l. No tree over six inches in diameter shall be removed from any Lot without the prior written consent of the Developer or Committee, except trees required to be removed for construction of the approved residence or appurtenant structures.

m. No television or radio receiver or transmitter or other antenna or tower which is visible from the Property, street or adjoining Lot will be permitted without written approval from Developer or Committee. An Owner shall not be prohibited from installing equipment necessary for a master antenna system, security system, cable

television and mobile radio systems or other similar systems within the Property. Should cable television services be unavailable and good television reception not be otherwise available, an Owner may make written application to the Developer or Committee for permission to install a television antenna or satellite dish, and such permission shall not be unreasonably withheld.

n. No trash, ashes, garbage or other refuse shall be dumped or stored or accumulated on any Lot in the Property. In the event that the Owner of any Lot permits trash to collect on the same and on request fails to remove the trash within thirty (30) days, agents of Developer or Association may enter upon the said Lot to remove the trash, without such entrance and removal being deemed a trespass, all at the expense of the Owner of said Lot. This provision shall not be construed as an obligation on the part of the Developer or Association to provide trash removal service. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted.

o. No Lot shall be subdivided, or its boundary lines changed except with the written consent of the Developer or Committee; however, the Developer hereby expressly reserves to itself, its successors or assigns, the right to replat any Lots shown on any recorded or unrecorded plat of any of said development or part thereof owned by it in order to create a modified Lot or Lots, or other parcels, without permission or joinder of any Owner whose Lot lines are not affected by such replatting. With respect to any such modified or combined Lots, Developer reserves the right to designate said modified or combined Lots as one (1) Lot or multiple Lots, in Developer's sole and absolute discretion, for purposes of payment of assessments. The restrictions and covenants herein apply to any Lots resulting therefrom as if the resulting lot or lots had been originally plotted in such manner. All further subdivision or replatting shall be subject to the provisions of the Subdivision Regulations of Wilkes County, North Carolina.

p. No motorized vehicle including but not limited to all-terrain vehicles, "4-wheeler's", motorbikes, motorcycles, mopeds, golf carts, cars and trucks of all makes and models, etc., exclusive of service and utility vehicles, shall be permitted to operate off of the existing or designated common roadways, as shown on platted or unplatted maps of the Property. The speed limit for all existing or designated common

roadways is 20 m.p.h. for all vehicular traffic. Violators shall be subject to fines, as set by the Association.

q. No plant shrubbery, hedge, tree or other plantings on any Lot or Common Area may block or materially interfere with the primary view or vista or solar access of another Lot. In order to retain the primary view of a Lot and in keeping with the general development, views of the Property and the surrounding area from individual Lots shall be unobstructed. At the discretion of the Developer, its successors, assigns and agents (including but not limited to the Association), all living trees, plants or shrubs on a Lot that obstruct the primary view of an adjoining Lot owner, may be cut and removed from the Lot, by Developer. Prior to exercising its right to enter upon the property, the Developer or Association, as the case may be, shall give the Owner the opportunity to take the corrective action specified by notice given to the Owner. Removal of obstructions by Developer or Association shall be at the expense of the Owner by means of a Special Individual Assessment on such Owner.

5. Easements.

a. All of the properties, including Lots and Common Area, shall be subject to such easements for driveways, walkways, trails, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television antenna lines and other public utilities as shall be established by the Developer or by its successors in title and the Association shall have the power and authority to grant and establish upon, over, under and across the Common Area such further easements as are requisite for the convenient use and enjoyment of the Property.

b. It is contemplated that as the Property is developed the Developer will create pedestrian and equestrian access easements, which will provide for Owners convenient means of ingress and egress to and from the Common Areas. Such easements shall be for pedestrian and equestrian traffic only and no vehicles shall be permitted to use such easements, except for bicycles or horses. Such access easement are Common Area and labeled on the Plats as "30' horse trail easement" or by similar designation.

c. The Developer reserves for itself, its agents, employees, lessees, invitees, designees, successors and assigns, and grants to the Association, its agents, employees, invitees, designees, successors and assigns, for purposes incident to its

development of the real property subject to these restrictions, the following easements and/or right-of-way:

(1) An easement over each Lot within the road right-of-way and a fifteen (15) foot strip along the rear and side lines for the purpose of installing, operating and maintaining utility lines and mains and surface water drainage ditches or lines;

(2) The right to trim, cut and remove any trees and brush and to locate guy wires and braces within the road rights-of-way, and front, rear and side line setback areas for the installation, operation, and maintenance, together with the right to install, operate and maintain gas, water and sewer mains and other services for the convenience of the Owners; and

(3) The right to withdraw water from any river, stream, creek or other above ground water source for the benefit of an Owner whom the Developer has determined is unable to obtain a sufficient quantity of potable water at reasonable expense within his Lot. The method and location of such water withdrawal devices shall be subject to Developer's approval.

d. The Developer reserves for itself, its agents, employees, lessees, invitees, designees, its successors and assigns an exclusive easement for the installation and maintenance of radio and television transmission cables within the rights-of-way and easement areas reserved and defined above.

e. Developer reserves for the benefit of itself, its agents, employees, lessees, invitees, designees, its successors and assigns, and grants to the Association, its agents, employees, invitees, designees, successors and assigns and to each Owners, their family members, tenants, guests, invitees, successors and assigns, the street and road rights-of-way shown on the plats now or hereafter recorded of the development for purposes of ingress and egress, for maintenance of utility lines and mains and for drainage, and no Owner may interfere with such rights-of-way or such uses therein.

f. Developer reserves, for the benefit of itself, its agents, employees, lessees, invitees, designees, successors and assigns, and grants to the Association, its agents, employees, invitees, designees, successors and assigns, and to each Owner of a Lot, their family members, tenants, guests, invitees, successors and assigns, a perpetual

non-exclusive easement, right and privilege of passage and use, both pedestrian and equestrian, over and across any and all hard surface or soft surface trails, or similar pathways located upon those portions of the Property designated by Developer as part of a system of equestrian trails, including all trail related signs and structures within the Property as may be shown on any Plat, including all trails labeled on the Plat as "30' horse trail easement" or by similar designation (collectively, the "Trail System"). Developer further reserves, for the benefit of itself, its agents, employees, lessees, invitees, designees, successors and assigns, and grants to the Association, its agents, employees, invitees, designees, successors and assigns, a perpetual non-exclusive easement to maintain the Trail System.

g. On each Lot, the rights-of-way and easement areas reserved by Developer shall be maintained continuously by the Association but no structures, plantings or other material shall be placed or permitted to remain or other activities undertaken which may damage or interfere with the installation or maintenance of the road, or utilities, which may change the direction or flow of drainage channels in the easements, which may obstruct or retard the flow of water through drainage channels in the easements, or interfere with established slope ratios or create erosion or sliding problems, provided, however, the existing location of a drainage channel may be relocated, provided such relocation does not cause an encroachment on any other Lot in the Property. Improvements within such areas shall also be maintained by the respective lot owner except for those for which public authority or utility is responsible. Trails reserved by the Developer may be relocated by the Owner at the Owner's expense, provided that the plans for relocation are submitted to the Developer or Committee and approved in writing.

h. Developer does hereby reserve, grant, create and establish, in favor of the Association and the Owners, and their family members, guests, tenants, and invitees, the right and easement to use and enjoy the Green Areas as open space, and to use any and all facilities or improvements installed by Developer thereon. Developer and the Association shall have the right and easement to install such improvements as it may desire on the Green Areas, and all such improvements shall be maintained by the Association as Common Areas. The Owner of a Lot upon which a Green Area is located

may use and enjoy such Green Area in any manner which does not unreasonably interfere with the right and easement in favor of the Developer, Association, and other Owners as set forth above.

ARTICLE VIII GENERAL PROVISIONS

1. **Enforcement.** The Developer, Association, and 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 Developer, Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

2. **Amendment.** Except as otherwise expressly provided herein and subject to the limitations hereinafter contained, this Declaration may be amended or modified at any time by a vote of no less than sixty-seven percent (67%) of all votes entitled to be cast by the Association Members, which vote is taken at a duly held meeting of the Association Members at which a quorum is present, all in accordance with the Bylaws. Provided, however, if sixty-seven percent (67%) of all votes entitled to be cast by the Association Members cannot be obtained at such a meeting, then this Declaration may be amended by obtaining the vote of sixty-seven percent (67%) of all votes present at a duly held meeting of the Association Members at which a quorum is present and by, within ninety (90) days of such vote, obtaining written consent to such amendment by Association Members holding a sufficient number of votes to comprise, along with such voting Association Members, a total of sixty-seven percent (67%) of all votes entitled to be cast by Association Members. Further provided, that any amendment or modification to this Declaration must be consented to by Developer so long as Developer is the Owner of any Lot or other portion of the Property, which consent Developer may grant or withhold in its sole discretion. Any amendment or modification upon which the vote of Association Members is required pursuant to this Section 2 shall become effective when an instrument executed by the Association Members voting for such amendment or modification is filed of record in the Office of the Register of Deeds of Wilkes County, North Carolina; provided, however, such an amendment or modification, in lieu of being

executed by the Association Members voting for such amendment or modification, may contain a certification of the Secretary of the Association stating that the amendment or modification has been voted on and approved by the requisite number of votes of the Association Members, as provided in this Section 2.

Notwithstanding the terms of the immediately preceding paragraph of this Section 2, for so long as Developer owns any portion of the Property, Developer, without obtaining the approval of any Association Member or any other owner or owners, shall have the unilateral right, in its sole and absolute discretion, to make any amendments or modifications hereto which Developer deems necessary or desirable, including, without limitation, amendments or modifications to any procedural, administrative or substantive provision of this Declaration.

3. Mutuality of Benefit and Obligation. The restrictions and agreements set forth herein are made for the mutual and reciprocal benefit of each and every Lot in the Property and are intended to create mutual, equitable servitudes upon each Lot in favor of each and all of the other Lots therein; to create a privity of contract and estate between the grantees of said Lots, their heirs, successors and assigns, and with the Association, and shall, as to the Owner of each Lot, his heirs, successors and assigns, operate as covenants running with the land for the benefit of each and all other Lots in the Property and their respective Owners. Developer, so long as it shall own a Lot or any part of the Property, or any Common Area in its own name, any Owner or the Association shall have the right to enforce this Declaration.

4. Severability. Every part of these restrictions are hereby declared to be independent of, and severable from the rest of the restrictions and of and from every other one of the restrictions and of and from every combination of the restrictions. Therefore, if any of the restrictions shall be held to be invalid or to be unenforceable or to lack the quality of running with the land, that holding shall be without effect upon the validity, enforceability, or "running" quality of any other one of the restrictions.

5. Captions. The captions preceding the various paragraphs and subparagraphs of this Declaration are for convenience or reference only, and none of them shall be used as an aid to construction of any provision of this Declaration. Wherever and whenever applicable, the singular form of any word shall be taken to mean

or apply to the plural, and the masculine form shall be taken to mean or apply to the feminine or the neuter.

ARTICLE IX
RIGHT OF FIRST REFUSAL

Developer reserves unto itself, its agents, employees, lessees, invitees, designees, its successors and assigns, the right of first refusal to purchase unimproved Lots in the Property. Prior to the sale of any unimproved Lot, the Owner thereof shall notify Developer in writing setting forth the price and terms of sale, and the name and address of the purchaser. Such notification shall be made by certified mail, return receipt requested, and shall constitute an offer to sell said property to Developer for the price and on the terms set forth therein. Developer shall have twenty (20) days after receipt of said notice to accept the offer. Notice of acceptance shall be made by certified mail, return receipt requested, and shall be deemed made when deposited in the United States mails. If Developer fails to accept the offer within said time period, the Owner shall be free to sell the property to the identified purchaser at the price and under the terms set forth in the notice to Developer. If the sale does not close within six (6) months after expiration of the twenty (20) day offer to Developer, the procedure set forth herein must be reinstituted. This first refusal right shall not apply to any conveyance resulting from the foreclosure of a deed of trust, security agreement or other lien; by operation of law or by devise upon the death of any Owner; or to a bona fide gift; provided that, the grantee of said property shall hold said property subject to the right of first refusal herein set out. This right shall continue and exist for each unimproved Lot for a period of fifteen (15) years after the initial conveyance of such Lot. Developer shall, at the request of any Owner, acknowledge in writing any person having an interest, that it has waived, or has been deemed to have waived, the right and option herein reserved, if that be the case.

IN WITNESS WHEREOF, TOWI A WI PLANTATION, LLC, a Florida limited liability company, has caused this Declaration to be executed its managing members, this the ____ day of _____, 2005

TOWI A WI PLANTATION, LLC, a
limited liability company

By: Timothy S. Ritch
Timothy S. Ritch, Member-Manager

By: Gregory G. Boree
Gregory G. Boree, Member-Manager

FLORIDA

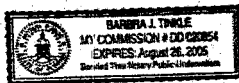
Duval COUNTY

I, Barbara J. Tinkle, the undersigned, a Notary Public in and for said State and County, do hereby certify that Timothy S. Ritch and Gregory G. Boree, personally appeared before me this day and acknowledged that they are Member-Managers of TOWI A WI PLANTATION, LLC, a Florida limited liability company, and that by authority duly given and as an act of the limited liability company, the foregoing instrument was signed in its name.

WITNESS my hand and notarial seal this the 14th day of April, 2005.

Barbara J. Tinkle

My commission Expires:



NORTH CAROLINA, WILKES COUNTY

Presented for registration and recorded in this Office in Book _____

Page _____ This _____ day of _____, 20____ at _____ o'clock _____ M

Noted by Richard L. Woodruff By _____
Deputy/Asst. Register of Deeds

NORTH CAROLINA WILKES COUNTY

The foregoing certificate of Barbara J. Tinkle is certified to be correct

By Richard L. Woodruff Deputy/Asst. Register of Deeds

EXHIBIT A

THE "PROPERTY"

All those certain Lots and other Property shown on the Plats labeled as "Towi A Wi Plantation, Phase 1, " and "Towi A Wi Plantation, Phase 2," prepared by Foresight Surveying, dated November 8, 2004, as last revised, recorded in Map Book 10 at pages 127-130 of the Wilkes County Registry.

**ARTICLES OF INCORPORATION
OF
CHESTNUT MOUNTAIN FARMS HOMEOWNERS ASSOCIATION, INC.**

A Nonprofit Corporation

The undersigned incorporator hereby forms a nonprofit corporation (the "Corporation") under the laws of the State of North Carolina, as contained in Chapter 55A of the General Statutes of North Carolina entitled the "North Carolina Nonprofit Corporation Act" (the "Act"), and to that end hereby sets forth:

1. The name of the Corporation is "Chestnut Mountain Farms Homeowners Association, Inc."

2. The street and mailing address and county of the principal office of the Corporation is 9995 Gate Parkway, Suite 400, Jacksonville, Florida 32246. The street address and county of the initial registered office of the Corporation are 1621 Obed Heights Dr. Moravian Falls, North Carolina 28654, Wilkes County, and the name of the initial registered agent of the Corporation at such address is Timothy Ritch. The mailing address of the initial registered office of the Corporation is Post Office Box 1000, Moravian Falls, NC.

3. The name and address of the incorporator are Natalie Francis, Kennedy Covington Lobdell & Hickman, L.L.P., 434 Fayetteville Street Mall, 19th Floor, Raleigh, North Carolina 27602-1070.

4. The Corporation shall have members, divided into such classes, and with such designations, qualifications, rights and obligations, as shall be set forth in the Bylaws.

5. The purposes for which the Corporation is organized are:

(a) To carry on one or more exempt functions of a homeowners association under the Internal Revenue Code of 1986, as amended (the "Code"), including those activities related to the acquisition, construction, management, maintenance, and care of "association property" (as defined in Section 528(c)(4) of the Code), all pursuant to such rules and policies as shall be set forth in its Bylaws; and

(b) To do such other acts and things, and engage in any lawful act or activity, for which corporations may be organized under, and as are authorized and permitted by, the Act and to have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Corporation is organized;

provided, however, that in all events and circumstances, no part of any net earnings of the Corporation shall inure (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any member of the Corporation or to the benefit of any private shareholder or individual (as defined in accordance with Treasury Regulations

Section 1.528-7 promulgated under the Code), the Corporation being organized to provide, among other things, for the acquisition, construction, management, maintenance, and care of association property.

6. In the event of a dissolution and/or liquidation of the Corporation, all of the residual assets of the Corporation shall be distributed to such organizations that are exempt under Section 501(c)(3) or Section 528(c)(4) of the Code or corresponding sections of any prior or future Internal Revenue Code at the time of dissolution as shall, in the judgment of the directors, be most likely to fulfill the purposes of the Corporation.

7. To the fullest extent permitted by applicable law, no director of the Corporation shall have any personal liability arising out of any action whether by or in the right of the Corporation or otherwise for monetary damages for breach of any duty as a director. This Article shall not impair any right to indemnity from the Corporation that any director may now or hereafter have. Any repeal or modification of this Article shall be prospective only and shall not adversely affect any limitation hereunder on the personal liability of a director with respect to acts or omissions occurring prior to such repeal or modification.

8. The number of directors of the Corporation shall be fixed by the Bylaws. The number of directors constituting the initial Board of Directors shall be three (3) and the names and addresses of the persons who are to serve as directors until their successors are duly elected and qualified are:

<u>Name</u>	<u>Address</u>
-------------	----------------

Timothy Ritch	
9995 Gate Parkway, Suite 400	
Jacksonville, Florida 32246	

Gregory G. Boree	
9995 Gate Parkway, Suite 400	
Jacksonville, Florida 32246	

Nikolaos Kavalieros	
9995 Gate Parkway, Suite 400	
Jacksonville, Florida 32246	

IN WITNESS WHEREOF, the incorporator has executed these Articles of Incorporation,
this _____ day of _____, 2005.

Natalie Francis, Incorporator

2316779-01
LB CHARLOTTE

EXHIBIT C

BYLAWS

OF

CHESTNUT MOUNTAIN FARMS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

Section 1. Name. The name of the corporation is Chestnut Mountain Farms Homeowners Association, Inc. (the "Association").

Section 2. Location. The principal office of the Association shall be located in Wilkes County, North Carolina. The registered office of the Association may be, but need not be, identical with the principal office.

ARTICLE II

DEFINITIONS

All capitalized terms when used in these By-Laws, or any amendment hereto (unless the context shall otherwise require or unless otherwise specified herein or therein) shall have the meanings set forth in that certain Chestnut Mountain Farms Declaration of Covenants, Conditions and Restrictions entered into by Towi A Wi Plantation, LLC and duly recorded in the Office of the Register of Deeds for Wilkes County, North Carolina (hereinafter referred to as the "Declaration").

ARTICLE III

MEETINGS OF ASSOCIATION MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Association Members shall be held on the third (3rd) Tuesday in _____ of 20____, and each subsequent regular annual meeting of the Association Members shall be held during the first quarter of each year thereafter on a date and at a time designated by the Board. If the day for the annual meeting of the Association Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Association Members may be called at any time by (a) the President or by the Board or (b) by the holders of at least ten percent (10%) of all the votes entitled to be cast on any issue proposed to be considered at a proposed special meeting upon the delivery to the Association's Secretary of one or more signed and dated written demands describing the purpose or purposes for

which it is to be held. Any such special meeting called by the Association Members in the manner described in (b) above shall be held within thirty (30) days after the delivery of such written demand by the holders of at least ten percent (10%) of the votes entitled to be cast at such meeting.

Section 3. Place of Meetings. All meetings of the Association Members shall be held at such place, within Wilkes County, North Carolina, as shall be determined by the Board.

Section 4. Notice of Meetings. Written notice of each meeting of the Association Members shall be given by, or at the direction of, the Association's Secretary or other person authorized to call the meeting, by first class, registered or certified mail, not less than ten (10) days nor more than sixty (60) days before the date of such meeting to each Association Member entitled to vote thereat, addressed to the Association Member's address last appearing on the books of the Association, or supplied by such Association 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 5. Membership in the Association. Each and every Owner of a Lot shall automatically become and be an Association Member. In addition, for so long as Developer owns any part of the Property, Developer shall be an Association Member.

Section 6. Classes of Voting Right. The Association shall have two (2) classes voting membership:

Class I. Class I Association Members shall be all Association Members with the exception of Developer. Class I Association Members shall be entitled to one (1) vote for each Lot owned by such Association Member. 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 more than one (1) vote be cast with respect to any Lot. At any meeting of the Association Members, a representation by any one such Owner that the owners of said Lot have agreed to a vote shall be conclusive unless another such Owner contests such representation at such meeting prior to the casting of such vote.

Class II. The Class II Association Member shall be Developer. The Class II Association Member shall be entitled to ten (10) votes for each Lot owned by Developer.

Section 7. Cessation of Class II Membership. Notwithstanding anything contained herein to the contrary, the Class II Association Membership shall cease and be converted to a Class I Association Membership on the earlier to occur of (a) the date on which Developer no longer owns any part of the Property; or (b) the date Developer shall elect, in its sole discretion, that its Class II Membership cease and be converted to Class I.

Membership (which election may be made, if at all, upon Developer giving written notice of its election to the Board). The earliest to occur of (a) or (b) above shall herein be referred to as the "Turnover Date." After the Turnover Date and for so long as Developer owns any part of the Property, Developer shall be a Class I Association Member.

Section 8. Quorum and Voting. The presence at the meeting of Association Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes entitled to be cast by all classes of the Association Members shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these Bylaws; if, however, such quorum shall not be present or represented at any meeting, subsequent meetings may be called, subject to the same notice requirement, until the required quorum is present. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 9. Proxies. At all meetings of Association Members, each Association Member may vote in person or by proxy. All proxies shall be in writing and filed with the Association's Secretary. Every proxy shall be revocable.

Section 10. Action by Association Members. Except as may be otherwise specifically set forth in the Declaration, the Articles or these Bylaws, the vote of a majority of all votes entitled to be cast by all classes of the Association Members, present or represented by legitimate proxy at a legally constituted meeting at which a quorum is present, shall be the act of the Association Members. Notwithstanding the above, the affirmative vote of no less than two-thirds (2/3) of all votes entitled to be cast by the Association Members shall be required in order for the Association to (1) file a complaint, on account of an act or omission of Developer, with any governmental agency which has regulatory or judicial authority over the Project or any part thereof; or (2) assert a claim against or sue Developer.

Section 11. Waiver of Notice. Any Association Member may, at any time, waive notice of any meeting of the Association Members in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by an Association Member at any meeting of the Association Members shall constitute a waiver of notice by him of the time and place thereof except where an Association Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Association Members are present at any meeting of the Association Members, no notice shall be required and any business may be transacted at such meeting.

Section 12. Informal Action by Association Members. Any action which may be taken at a meeting of the Association Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Association Members who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association's minute book.

ARTICLE IV
BOARD OF DIRECTORS

Section 1. Number and Appointment. The business and affairs of the Association shall be managed by a Board of three (3) directors who are appointed by Developer so long as Developer is a Class II Member of the Association, and by a Board of at least three (3) directors elected by the Association Members as provided by these Bylaws thereafter. The directors need not be Association Members. Notwithstanding the foregoing, the Developer may choose, in its sole discretion, to relinquish its right to appoint the members of the Board prior to the time that it owns no portion of the Property, whereupon the Association Members shall thereafter elect the members of the Board in accordance with these Bylaws. Furthermore, Developer may choose, in its sole discretion, to relinquish its right to appoint all members of the Board in phases by appointing some, but not all, members of the Board, in which case Association Members shall elect members of the Board not appointed by Developer in accordance with these Bylaws.

Section 2. Initial Directors. The initial directors shall be appointed by the Developer. Such initial directors shall serve from the date upon which the Declaration is recorded in the Office of the Register of Deeds of Wilkes County, North Carolina, until such time as their successors are duly appointed or elected and qualified.

Section 3. Nomination. Nominations for election to the Board shall be made by a Nominating Committee. Subject to Section 1 of this Article IV, nominations may also be made from the floor at the annual meeting. Subject to Section 1 of this Article IV, the Nominating Committee shall consist of a Chairman, who shall be an Association Member or a member of the Board, and two (2) or more Association Members. The Nominating Committee shall be appointed by the Board prior to the annual meeting following the first election of directors and each annual meeting of the Association Members thereafter, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Prior to the relinquishment by Developer of its right to appoint members of the Board, Developer may appoint a Nominating Committee at its discretion to nominate Association Members for election to the Board for those positions on the Board to be filled by election of the Association Members.

Section 4. Election. Except as otherwise provided in this Article, including Section 1 hereof, directors shall be elected at the annual meeting of the Association Members and said election shall be by written ballot. At such election, the Association Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles, these Bylaws and the Declaration. Cumulative voting is not permitted.

Section 5. Term of Office. Each director shall hold office for the term for which he was appointed or elected, or until his death, resignation, retirement, removal, disqualification or until his successor is appointed or elected and qualified. Subject to Section 1 of this Article IV, at the first election of directors, the Association Members shall elect one (1) member of the Board for a term of three (3) years, who shall be the person receiving the largest number of votes, one (1) member of the Board for a term of two (2) years, who shall be the person receiving the second largest number of votes, and one (1) member of the Board for a term of one (1) year, who shall be the person receiving the third largest number of votes. At all annual elections thereafter but subject to Section 1 of this Article IV, director(s) shall be elected by the Association Members to succeed the director(s) whose term(s) then expire(s), and thereafter each director's term shall be three (3) years. Nothing herein contained shall be construed to prevent the election of a director to succeed himself. Votes shall be tallied at the meeting where they are so cast and, in the event of a tie vote, a run-off election shall be conducted at the same meeting. Terms of any directors elected by Association Members for positions on the Board prior to complete relinquishment by Developer of all of its right to appoint members of the Board shall be as Developer shall, in its discretion, determine.

Section 6. Removal. Subject to Section 1 of this Article IV, any newly elected director may be removed from the Board, with or without cause, by a majority vote of the Association Members. In the event of the 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 his predecessor. The Association Members may elect a director at any time to fill any vacancy not filled by the directors or, if applicable, not appointed by the Developer.

Section 7. Compensation. No director shall receive compensation for any service he or she may render to the Association; however, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Meetings of the Board shall be held on a regular basis as often as the Board sees fit on such days and at such place and hour as may be fixed from time to time by resolution 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 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. Informal Action by Directors. Action taken by a majority of the directors without a meeting is nevertheless Board action if written consent to such action is signed by all of the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 5. Chairman. A Chairman of the Board shall be elected by the directors and shall preside over all Board meetings until the President of the Association is elected. Thereafter, the President shall serve as Chairman. In the event there is a vacancy in the office of the Presidency, a Chairman shall be elected by the Board and serve until a new President is elected.

Section 6. Participation by Conference Telephone. Any one or more directors may participate in a meeting of the Board by means of a conference telephone or similar communications device that allows all directors participating in the meeting to simultaneously hear each other during the meeting, and such participation in a meeting shall be deemed presence in person at such meeting.

ARTICLE VI

POWERS OF THE BOARD

The Board, for the mutual benefit of the Association Members and the Owners, shall have the following specific powers and rights (without limitation of other powers and rights the Board may have):

- (a) To enter into or assume Developer's obligations under and accept assignments of agreements with the appropriate governmental authorities to enable the Association to improve and maintain the Common Areas or portions thereof;
- (b) To make reasonable rules and regulations for the use and operation of the Common Areas, and to amend them from time to time;
- (c) To enter into or assume Developer's obligations under and accept assignments of agreements or contracts with insurance companies with respect to insurance coverage relating to the Common Areas and/or the Association;
- (d) To enter into or assume Developer's obligations under and accept assignments of agreements or contracts, including street light leases, with utility companies with respect to utility installation, consumption and service matters relating to the Common Areas and/or the Association;
- (e) Subject to the affirmative vote of no less than a majority of all votes present, in person or by proxy, at a duly held meeting of the Association Members at which a

quorum is present, all in accordance with these Bylaws, to borrow funds to pay costs of operation of the Association, which borrowings may be secured by assignment or pledge of rights against delinquent Owners or by liens on other Association assets, if the Association Members see fit; provided, however, until such time as Developer no longer owns any portion of the Property, the Board may not mortgage any portion of the Common Area without the prior written approval of Developer;

- (f) To enter into or assume Developer's obligations under and accept assignments of contracts, maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Association;
- (g) To the extent permitted in the Declaration and these Bylaws, to sue or defend in any court of law in behalf of the Association;
- (h) To levy assessments in accordance with the provisions of the Declaration;
- (i) To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property of the Association and if proceeds are insufficient to repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency;
- (j) To exercise for the Association all powers, duties and authority vested in or delegated by the Declaration, these Bylaws, or the Articles to the Association and not reserved to the Association Members or Developer by other provisions of the Declaration, these Bylaws or the Articles;
- (k) To declare the office of a member of the Board to be vacant in the event such member shall be absent, without the consent of the Board, from three (3) consecutive regular meetings of the Board;
- (l) To employ a manager or firm to manage the affairs and property of the Association, to employ independent contractors or such other employees as the Board may deem necessary, and to prescribe their duties and to set their compensation;
- (m) To enter into or assume Developer's obligations under and accept assignments of agreements or contracts with builders regarding the construction of Improvements on Lots located on the Property;
- (n) To retain the services of legal and accounting firms;
- (o) To cause all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate;
- (p) To the extent permitted in the Declaration, these Bylaws, and the North Carolina Planned Community Act [Chapter 47F of the North Carolina General Statutes] to enforce the provisions of the Declaration and any Additional or Supplementary

Declaration and any rules made thereunder or hereunder and to enjoin and/or, at its discretion, seek damages or other relief and impose fines for violation of such provisions or rules and/or by Special Individual Assessments against any Owner for violation of such provisions or rules pursuant to the provisions of the Declaration;

(q) To contract with any third party or any Association Member (including, without limitation, Developer) for performance, on behalf of the Association, of services which the Association is otherwise required to perform pursuant to the terms of the Declaration and these Bylaws, upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interests of the Association;

(r) To employ or retain the services of professional architects or other Persons to serve on or advise the Architectural Review Committee;

(s) To grant all necessary easements and rights-of-way over and across the Common Areas when in its sole discretion it deems such an action to be necessary and appropriate, including, but not limited to, easements for the installation and maintenance of electrical, telephone, cablevision, water, sewerage and other utilities and drainage facilities; provided, however, until such time as Developer no longer owns any portion of the Property, the Board may not grant such an easement or right-of-way without the prior written approval of Developer;

(t) Subject to the requirements of North Carolina General Statutes § 47F-3-112, to convey fee simple title to all or any part of the Common Area when in its sole discretion it deems such an action to be necessary and appropriate; provided, however, until such time as Developer no longer owns any portion of the Property, the Board may not convey any portion of the Common Area without the prior written approval of Developer;

(u) To take any and all other actions, and to enter into any and all other agreements as may be necessary or proper for the fulfillment of its obligations under the Declaration or these Bylaws or for the operational protection of the Association;

(v) To adopt reasonable rules from time to time governing conduct of Owners and other Persons occupying or otherwise located on the Property;

(w) To grant licenses to third parties, on such terms and conditions as the Board deems desirable, for the use of all or a portion of the Common Areas.

Notwithstanding anything contained herein to the contrary, none of the above-described rights and powers of the Board shall be obligatory on the part of the Board, and the failure or refusal by the Board to implement any such rights and powers shall not constitute a breach or default by the Board of any duties or obligations arising hereunder or otherwise owing to the Association Members.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Officers. The officers of the Association shall be a President, a Vice-President, 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 following each annual meeting of the Association Members.

Section 3. Term. Each officer of the Association shall be elected annually by the Board and each shall hold office for one (1) year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

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 with or without cause by the Board. Any officer may resign at any time by 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 or she 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 the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Compensation. No officer shall receive any compensation from the Association for acting as such.

Section 9. Duties. The duties of the officers, unless otherwise stated by a resolution of the Board, are as follows:

(a) President: The President shall be the principal executive officer of the Association, and subject to the control of the Board, shall supervise and control the management of the Association. The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases,

mortgages, deeds, promissory notes and other written instruments and may co-sign all checks.

(b) Vice-President: The Vice-President shall act in the 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;

(c) Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Association Members, shall keep the corporate seal of the Association and affix it on all papers requiring said seal, shall serve notice of meetings of the Board and of the Association Members, shall 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; and

(d) 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, shall sign all checks and promissory notes of the Association, shall keep proper books of account, and shall prepare an annual report to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Association Members.

ARTICLE VIII

COMMITTEES

Subject to Section 1, of Article IV of these Bylaws, the Board shall appoint a Nominating Committee as provided in Section 3, of Article IV of these Bylaws. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE IX

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 Association Member. The Declaration, the Articles and the Bylaws shall be available for inspection by any Association Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X

ASSESSMENTS

As described more particularly in, and subject in all respects to, the Declaration, each Member is obligated to pay to the Association, among other assessments, charges

and amounts, Annual Assessments, Special Assessments, and Special Individual Assessments, all of which are secured by a continuing lien upon each Lot in the Property. Any Assessments which are not paid when due shall be delinquent. If an Assessment is delinquent, as more particularly described in the Declaration, the Assessment shall bear interest from the due date until the date such Assessment and interest thereon is paid at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is less. The Association may bring an action at law or in equity against the Owner personally obligated to pay the same or foreclose the lien against the portions of the Property and improvements thereon owned by the defaulting Owner as of the Assessment due date. Additionally, the late charges, costs of collection and reasonable attorneys' fees related to any such action or foreclosure shall be added to the amount of such Assessment, all as more particularly described in the Declaration. No Owner may exempt himself or herself from liability for Assessments or waive or otherwise escape liability from the Assessments by non-use of the Common Areas or abandonment of his or her property.

ARTICLE XI

CORPORATE SEAL

The Association may have a seal circular in form having within its circumference the name of the Corporation, the state of its incorporation, the year of its incorporation, and the word "SEAL."

ARTICLE XII

AMENDMENTS

Subject to the limitations hereinafter contained, the Articles and these Bylaws may be amended or modified at any time by a vote of no less than fifty-one percent (51%) of all votes entitled to be cast by the Association Members, which vote is taken at a duly held meeting of the Association Members at which a quorum is present, all in accordance with these Bylaws. Provided, however, if fifty-one percent (51%) of all votes entitled to be cast by the Association Members cannot be obtained at such a meeting, then the Articles and these Bylaws may be amended by obtaining the vote of fifty-one percent (51%) of all votes present at a duly held meeting of the Association Members at which a quorum is present and by, within ninety (90) days of such vote, obtaining written consent to such amendment by Association Members holding a sufficient number of votes to comprise, along with such voting Association Members, a total of fifty-one percent (51%) of all votes entitled to be cast by Association Members. Further provided, that any amendment or modification to the Articles and these Bylaws must be consented to by Developer so long as Developer is the Owner of any Lot or other portion of the Property, which consent Developer may grant or withhold in its sole discretion. In addition, Developer, without obtaining the approval of any other Association Member or any other Owner or Owners other than Developer, may make amendments or modifications to the Articles and these Bylaws for so long as Developer owns any Lot or other portion of the

Property. Any amendment or modification effected pursuant to this Article XII shall become effective with respect to these Bylaws when an instrument is filed of record in the Office of the Register of Deeds for Wilkes County, North Carolina; provided, however, such an amendment or modification, in lieu of being executed by the Association Members voting for such amendment or modification, may contain a certification of the Secretary of the Association stating that the amendment or modification has been voted on and approved by the requisite number of votes of the Association Members, as provided in this Article XII and when, with respect to the Articles, any amendment or modification is filed of record in the Office of the North Carolina Secretary of State.

ARTICLE XIII

MISCELLANEOUS

Section 1. 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.

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

ARTICLE XIV

LIABILITY LIMITS; INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

Neither Developer, nor any Association Member, nor the Board, nor the Association, nor any officers, directors, agents or employees of any of them shall be personally liable for debts contracted for or otherwise incurred by the Association or for a tort of another Association Member, whether or not such other Association Member was acting on behalf of the Association or otherwise. Neither Developer, nor the Association, nor their directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portions thereof or for failure to repair or maintain the same. Developer, the Association or any other person, firm or association making such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portions thereof.

The Association shall, to the extent permitted by applicable law, indemnify and defend all members of the Board from and against any and all loss, cost, expense, damage, liability, claim, action or cause of action arising from or relating to the performance by the Board of its duties and obligations, except for any such loss, cost,

expense, damage, liability, claim, action or cause of action resulting from the gross negligence or willful misconduct of the person(s) to be indemnified.

The Association shall indemnify any director or officer or former director or officer of the Association or any person who may have served at the request of the Association as a director or officer of another corporation, whether for profit or not for profit, against expenses (including attorneys' fees) or liabilities actually and reasonably incurred by him or her in connection with the defense of or as a consequence of any threatened, pending or completed action, suit or proceeding (whether civil or criminal) in which he or she is made a party or was (or is threatened to be made) a party by reason of being or having been such director or officer, except in relation to matters as to which he or she shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of a duty.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, these Bylaws, agreement, vote of Association Members or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability.

The Association's indemnity of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association, as a director, officer, employee or agent of the Association, or is or was serving at the request of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his or her behalf by the Association or (ii) from such other corporation, partnership, joint venture, trust or other enterprise.

Nothing contained in this Article XIV, or elsewhere in these Bylaws, shall operate to indemnify any director or officer if such indemnification is for any reason contrary to any applicable state or federal law.

Document #
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Book Page
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FILED
WILKES COUNTY NC
05/17/2005 3:15 PM
RICHARD L. WOODRUFF
Register Of Deeds
By: *RW* Deputy/Asst.

WILKES COUNTY

AMENDMENT TO COVENANTS,
CONDITIONS AND RESTRICTIONS

STATE OF NORTH CAROLINA

WHEREAS, the developer, Towi A Wi Plantation, LLC, a Florida limited liability company, heretofore placed certain Restrictive Covenants on record for real property known as Chestnut Mountain Farms, which were duly recorded in Book 973, Page 040 of the Wilkes County Registry;

AND WHEREAS, the said Restrictive Covenants apply to all real property shown on the plat recorded in Plat Book 10, Pages 127-130 of the Wilkes County Registry;

AND WHEREAS, the said plat has been re-recorded for the purpose of correcting the name of the subdivision to reflect the actual name "Chestnut Mountain Farms", as shown in Plat Book 10, Page ¹³⁹~~142~~ of the Wilkes County Registry;

AND WHEREAS, the Developer is desirous of amending the said Restrictive Covenants to include the re-recorded plat of "Chestnut Mountain Farms" being all that real property shown on Plat Book 10, Page ¹³⁹~~142~~, of the Wilkes County Registry.

NOW, THEREFORE, the Developer hereby amends the said Restrictive Covenants for Chestnut Mountain Farms to include all that real property shown on Plat Book 10, Page ¹³⁹~~142~~, of the Wilkes County Registry, thereby subjecting said real property to all those said Restrictive Covenants previously recorded in Book 973, Page 40 of the Wilkes County Registry. Except as amended herein, the said Restrictive Covenants for Chestnut Mountain Farms remain unchanged, and in full force and effect.

IN WITNESS WHEREOF, TOWI A WI PLANTATION, LLC, a Florida limited liability company, has caused this Declaration to be executed by its managing members, this the 05 day of May, 2005.

TOWI A WI PLANTATION, LLC a
limited liability company

By: [Signature]
Timothy S. Ritch, Member-Manager

By: [Signature]
Gregory G. Boree, Member-Manager

STATE OF Florida
COUNTY OF Duval

I, a notary public, in and for the aforesaid state and county, do hereby certify that Timothy S. Ritch and Gregory G. Boree personally appeared before me this day and acknowledged that they are Member-Managers of TOWI A WI Plantation, LLC, a Florida limited liability company, and that by authority duly given and as an act of the limited liability company, the foregoing instrument was signed in its name.

WITNESS my hand and notarial seal this 05 day of May, 2005.

My Commission Expires: 4/19/09

[Signature]
Deanna Hayes
Notary Public



NORTH CAROLINA WILKES COUNTY

The foregoing certificate of Deanna

Hayes is certified to be correct

Richard L. Woodruff
Register of Deeds

By: [Signature]
Deputy/Ass't Register of Deeds

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**FILED
WILKES COUNTY
RICHARD L. WOODRUFF
REGISTER OF DEEDS**

FILED Nov 28, 2005
AT 02:39:52 pm
BOOK 00993
PAGE 0057
INSTRUMENT # 12764

STATE OF NORTH CAROLINA

**SECOND AMENDMENT TO COVENANTS
CONDITIONS AND RESTRICTIONS**

COUNTY OF WILKES

This Second Amendment To Covenants, Conditions And Restrictions is made this the ____ day of November, 2005, by Towi A Wi Plantation, LLC, a Florida limited liability company, hereinafter called the "Developer".

WHEREAS, the Developer previously placed certain Restrictive Covenants on that certain real property known as Chestnut Mountain Farms, which Restrictive Covenants were recorded on April 15, 2005 at Book 973, Page 40 of the Wilkes County Registry; and,

WHEREAS the aforementioned Restrictive Covenants apply to all real property shown on the plats recorded in Plat Book 10, Pages 127 through 130 (which plats were re-recorded in Plat Book 10, Pages 139 through 142) and Plat Book 10, Pages 187 through 193; and,

WHEREAS, Article IX of the aforementioned Restrictive Covenants contain a Right of First Refusal reserved unto Developer; and,

WHEREAS, the Developer wishes to waive any Right of First Refusal contained in Article IX of the aforementioned Restrictive Covenants.

NOW THEREFORE, the Developer hereby amends the Restrictive Covenants to delete in its' entirety Article IX of the Restrictive Covenants from the Restrictive Covenants such that no Right of First Refusal remains unto Developer.

Except as referenced above, all other provisions of the Restrictive Covenants shall remain in full force and effect.

IN WITNESS WHEREOF, Towi A Wi Plantation, LLC, a Florida limited liability company has caused this Second Amendment to Covenants, Conditions and Restrictions to be executed by its managing members, this the 25 day of November, 2005

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TOWI A WI PLANTATION, LLC
a Florida limited liability company

By: Timothy S. Ritch (seal)
Timothy S. Ritch, Member-Manager

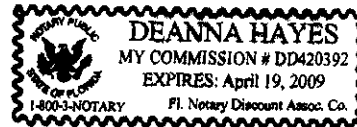
STATE OF Florida
COUNTY OF Duval

I, Deanna Hayes a Notary Public, in and for the aforesaid state and county, do hereby certify that Timothy S. Ritch personally appeared before me this day and acknowledged that they are Member-Managers of Towi A Wi Plantation, LLC, a Florida limited liability company, and that by authority duly given and as an act of the limited liability company, the foregoing instrument was signed in its name.

WITNESS my hand and notarial seal this the 25 day of November, 2005.

Deanna Hayes
Notary Public

My commission expires: 4/19/09



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**FILED
WILKES COUNTY
RICHARD L. WOODRUFF
REGISTER OF DEEDS**

FILED Nov 28, 2005
AT 02:42:08 pm
BOOK 00993
PAGE 0058
INSTRUMENT # 12765

STATE OF NORTH CAROLINA

**THIRD AMENDMENT TO COVENANTS
CONDITIONS AND RESTRICTIONS**

COUNTY OF WILKES

This Third Amendment To Covenants, Conditions And Restrictions is made this the 25 day of November, 2005, by Towi A Wi Plantation, LLC, a Florida limited liability company, hereinafter called the "Developer".

WHEREAS, the Developer previously placed certain Restrictive Covenants on that certain real property known as Chestnut Mountain Farms, which Restrictive Covenants were recorded on April 15, 2005 at Book 973, Page 40 of the Wilkes County Registry; and the Developer amended said restrictions on November 28, 2005 at Book 993, Page 57;

WHEREAS the aforementioned Restrictive Covenants apply to all real property shown on the plats recorded in Plat Book 10, Pages 127 through 130 (which plats were re-recorded in Plat Book 10, Pages 139 through 142) and Plat Book 10, Pages 187 through 193; and,

NOW THEREFORE, the Developer hereby amends the Restrictive Covenants to add in their entirety Article I through Article V below as if fully set out in the original Restrictive Covenants:

Article I

No Lot or Lots within the Development shall be used for the establishment of a hunt club and no property within the Development shall be leased for the purpose of hunting. Hunting is not allowed and no firearm shall be discharged within the Development as shown on the recorded plats of the Development.

Article II

Any lot that exercises it's right to a view easement on another lot must keep the view easement area free of any and all debris. Debris from the cutting of trees and shrubs must be cleaned up and removed within 5 days of the cutting.

Article III

Animals may be kept on any Lot or in any dwelling, but restricted as follows:

1. No more than three dogs per dwelling. All dogs shall be kept in a fenced area within the boundaries of the owner's property, or kept on a leash or under the direct control of its owner.
2. Other common household pets must be kept inside at all times.
3. Noisy or uncontrolled pets must be removed from the Property.
4. No animals may be kept for commercial or breeding purposes.
5. Horses are permitted with no more than 1 horse per acre of field area on any one lot. Barns must be approved by the Architectural Review Committee.
6. No large tamed 'wild animal' will be permitted to be kept within the development.
7. No swine, livestock or poultry may be raised or bred on any lot.

The Property Owners' Association may grant variances from this restriction upon written application from an Owner.

Article IV

No trade, commerce or other activity which may be considered a nuisance to the neighborhood may be carried on upon any Lot. It is permissible to operate a home-based business, provided that deliveries to the home do not exceed two (2) UPS, Federal Express or similar express carrier per day. No trade materials or inventories may be stored upon any Lot and no tractor trailer type trucks, house trailers or mobile homes may be stored or regularly parked on any Lot. No junk or unsightly vehicles of any type or description or unsightly buildings may be placed upon any Lot. Home-based businesses shall be allowed to store small inventories within the residence or enclosed out building situated on the Lot. No advertisements or signage of any kind will be permitted on any Lot for home-based businesses.

Article V

This development is not a campground. Lot owners are not, however, prohibited from overnight stays in professionally manufactured equipment, including a tent, provided the camping equipment is not left on any Lot for more than seven (7) out of any thirty (30) day period and is not in violation of any local ordinance. Permanent dwelling in any type of camping equipment is strictly forbidden.

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EXCEPT as referenced above, all other provisions of the Restrictive Covenants shall remain in full force and effect.

IN WITNESS WHEREOF, Towi A Wi Plantation, LLC, a Florida limited liability company has caused this Second Amendment to Covenants, Conditions and Restrictions to be executed by its managing members, this the 25 day of November, 2005

TOWI A WI PLANTATION, LLC
a Florida limited liability company

By: [Signature] (seal)
Timothy S. Ritch, Member-Manager

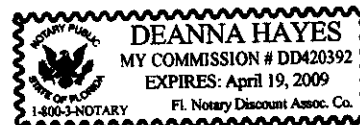
By: [Signature] (seal)
Gregory G. Boree, Member-Manager

STATE OF Florida
COUNTY OF Duval

I, Deanna Hayes a Notary Public, in and for the aforesaid state and county, do hereby certify that Timothy S. Ritch and Gregory G. Boree personally appeared before me this day and acknowledged that they are Member-Managers of Towi A Wi Plantation, LLC, a Florida limited liability company, and that by authority duly given and as an act of the limited liability company, the foregoing instrument was signed in its name.

WITNESS my hand and notarial seal this the 25 day of November, 2005.

[Signature]
Notary Public



My commission expires: 4/19/09

0999
0109
001

**FILED
WILKES COUNTY
RICHARD L. WOODRUFF
REGISTER OF DEEDS**

FILED Feb 08, 2006
AT 01:28:55 pm
BOOK 00999
PAGE 0109
INSTRUMENT # 01362

**AMENDMENT TO CHESTNUT MOUNTAIN FARMS DECLARATION OF
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS**

WILKES COUNTY

STATE OF NORTH CAROLINA

Whereas the developer, **TOWI A WI PLANTATION, LLC**, a Florida limited liability company heretofore recorded that certain Chestnut Mountain Farms Declaration of Protective Covenants, Conditions and Restrictions for real property known as Chestnut Mountain Farms, which was duly recorded in Book 973 Page 40 of the Wilkes County, North Carolina Registry as amended by those certain Amendments to Covenants, Conditions and Restrictions recorded in Book 976 Page 46, Book 993 Page 57 and Book 993 Page 58 of the Wilkes County, North Carolina Registry (collectively, the "Declaration");

And whereas the said Declaration applies to all real property shown on the plat recorded in Plat Book 10 Pages 127-130 and re-recorded in Plat Book 10 Pages 139-142 and also the real property shown on the plat recorded in Plat Book 10 Pages 187-193, all of the foregoing being in the Wilkes County Registry (collectively, the "Property").

AND WHEREAS, the Developer is the owner of real property located adjacent to the Property, as more particularly described in Exhibit A attached hereto (the "Additional Property").

AND WHEREAS, pursuant to Article II of the Declaration, the Developer is desirous of amending the Declaration to make the Additional Property subject to the terms of the Declaration.

NOW, THEREFORE, the Developer hereby amends the Declaration for Chestnut Mountain Farms to include the Additional Property as part of the Property, and thereby subjects the Additional Property to all of the terms, conditions, covenants and easements of the Declaration and to grant to the Additional Property all of the rights and easements as set forth in the Declaration. Except as amended herein, the Declaration remains unchanged and in full force and effect.

IN WITNESS WHEREOF, TOWI A WI PLANTATION, LLC, a Florida limited liability company, has caused this Declaration to be executed by its managing members, this 7th day of February 2006.

TOWI A WI PLANTATION, LLC a
limited liability company

By: Itera Timberland & Development
Strategies, LLC
Its: Sole Member/Manager

By: [Signature]
Name: NICK KAVALEROS
Its: _____

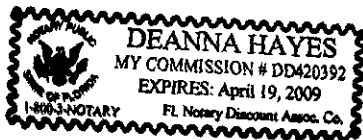
STATE OF FLORIDA
COUNTY OF DUVAL

I, a notary public, in and for the aforesaid state and county, do hereby certify that Nick Kavalieros personally appeared before me this day and acknowledged that he is the Manager of Itera Timberland & Development Strategies, LLC, a Florida limited liability company, in its capacity as the managing member of TOWI A WI Plantation, LLC, a Florida limited liability company, and that by authority duly given and as an act of the limited liability company, the foregoing instrument was signed in its name.

WITNESS my hand and notarial seal this 7th day of February 2006.

My Commission Expires: 4/19/09

[Signature]
Notary Public



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Exhibit "A"

That certain 743.058 acre tract of land as shown on Boundary Plat of the Property of TOWI A WI Plantation, LLC by Tennessee Land Surveying Co. dated November 28, 2005 and recorded December 7, 2005 at 11:40 AM in Book 10, Page 203, of the Wilkes County Registry.

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**FILED
WILKES COUNTY
RICHARD L. WOODRUFF
REGISTER OF DEEDS**

FILED Mar 14, 2006
AT 02:33:40 pm
BOOK 01002
PAGE 0047
INSTRUMENT # 02602

STATE OF NORTH CAROLINA

**FOURTH AMENDMENT TO COVENANTS
CONDITIONS AND RESTRICTIONS**

COUNTY OF WILKES

This Fourth Amendment To Covenants, Conditions And Restrictions is made this the 14th day of March, 2006, by Towi A Wi Plantation, LLC, a Florida limited liability company, hereinafter called the "Developer".

WHEREAS, the Developer previously placed certain Covenants, Conditions and Restrictions on that certain real property known as Chestnut Mountain Farms, which Covenants, Conditions and Restrictions were recorded on April 15, 2005 at Book 973, Page 40 of the Wilkes County Registry; and,

WHEREAS certain Amendments To Covenants, Conditions and Restrictions for the aforementioned real property were recorded in Book 976, Page 46; Book 993, Page 57 and Book 993, Page 58, all of the Wilkes County Registry; and,

WHEREAS, the aforementioned Covenants, Conditions and Restrictions provide that the Developer can subject additional real property to the Covenants, Conditions and Restrictions.

NOW THEREFORE, the Developer hereby amends the aforementioned Covenants, Conditions and Restrictions to subject Section II, Phase I of Chestnut Mountain Farms as shown on those certain Plat(s) recorded in Plat Book 10, Page(s) 231-245 of the Wilkes County Registry to the provisions of the Covenants, Conditions and Restrictions for Chestnut Mountain Farms as recorded in Book 973, Page 40, Wilkes County Registry as well as the Amendments recorded in Book 976, Page 46; Book 993, Page 57 and Book 993, Page 58, all of the Wilkes County Registry and any future Amendments as may be properly executed.

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IN WITNESS WHEREOF, Towi A Wi Plantation, LLC, a Florida limited liability company has caused this Fourth Amendment to Covenants, Conditions and Restrictions to be executed by its managing members, this the 14th day of March, 2006

TOWI A WI PLANTATION, LLC
a Florida limited liability company

By: Timothy S. Ritch (seal)
Timothy S. Ritch, Member-Manager

By: Gregory G. Boree (seal)
Gregory G. Boree, Member-Manager

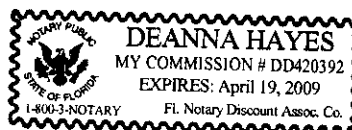
STATE OF Florida
COUNTY OF Duval

I, Deanna Hayes a Notary Public, in and for the aforesaid state and county, do hereby certify that Timothy S. Ritch and Gregory G. Boree personally appeared before me this day and acknowledged that they are Member-Managers of Towi A Wi Plantation, LLC, a Florida limited liability company, and that by authority duly given and as an act of the limited liability company, the foregoing instrument was signed in its name.

WITNESS my hand and notarial seal this the 14th day of March, 2006.

Deanna Hayes
Notary Public

My commission expires: 4/19/09



1405
0210
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**FILED
WILKES COUNTY
MISTY M. SMITHEY
REGISTER OF DEEDS**

FILED	Oct 29, 2024
AT	01:26:25 pm
BOOK	01405
PAGE	0210
INSTRUMENT #	07261
EXCISE TAX	(None)

CHESTNUT MOUNTAIN FARMS
DECLARATION OF PROTECTIVE COVENANTS
CONDITIONS AND RESTRICTIONS

AMENDMENTS APPROVED – HOA ANNUAL MEETING
OCTOBER 19, 2024

This the 29th day of OCTOBER, 2024

Chestnut Mountain Farms Homeowners Association, Inc.

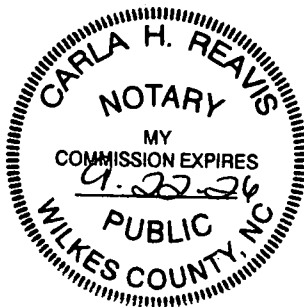
By: Bruce N. Anderson
Bruce N. Anderson
President

STATE OF NORTH CAROLINA

COUNTY OF Wilkes

I certify that the following person(s) personally appeared before me this day, and each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein in the capacity listed above: **Bruce Anderson**

Witness my hand and official stamp or seal, this 29th day of October, 2024.



Carla H. Reavis
Official Signature of Notary Public

Carla H. Reavis, Notary Public
Notary's Printed or Typed Name

My commission expires: Sept. 22, 2026

Article VI Architecture Review – Additional Text following the existing sentences

VI 6: “All houses, garages and outbuildings on the Property shall be constructed with materials whose exteriors incorporate natural products including but not limited to wood or stone. *The alternative siding exterior coverage to the natural products of wood or stone will be limited to the product trademarked as Hardie Board. Owners providing a proposal submission with this product will be required to provide the product supplier name and contact information. The Architecture Review Committee will approve the proposed usage if the siding texture and color maintains the rural and wilderness character of Chestnut Mountain Farms.*

Article VII Restrictions and Requirements – Amended Section – Insertion of second sentence in the section.

VII 1. Residential Use No Lot shall be occupied or used except for single family residential purposes, or as Common Areas if owned by the Association. *For the CMF community, “Single Family residential purposes” prohibit short term rentals which are defined as any duration less than twelve months. For rentals agreements of twelve (12) months or more, the owner’s proposed rental contract must be presented and approved by the HOA Board. Tenant subleasing must be prohibited in the contract.*