

223

682

NORTH CAROLINA

TRANSYLVANIA COUNTY

DECLARATION OF COVENANTS

THIS DECLARATION, made this 25th day of May _____, 1977, by LEWIS BUILDING CORPORATION, a North Carolina Corporation, hereinafter called Developer,

WITNESSETH:

WHEREAS, Developer is the owner of the real property described in Exhibit A annexed hereto and made a part hereof, together with the streets and roadways named and set forth in said exhibit, and desires to provide for the maintenance of said roadways for the benefit of the community known as Sequoyah Woods and its residents; and

WHEREAS, Developer has deemed it desirable for the purpose of road maintenance and other purposes, including the efficient preservation of the values and amenities in said community, to create an agency to which should be delegated and assigned the powers of maintaining and administering community properties and facilities; and

WHEREAS, the Developer has incorporated under the laws of the State of North Carolina the Sequoyah Woods Homeowners Association as a non-profit corporation for the purpose of exercising road maintenance functions and such other functions as the Association may desire to undertake pursuant to its Charter.

NOW, THEREFORE, the Developer declares that the real property described in Exhibit A and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens hereinafter set forth:

ARTICLE I

PROPERTY SUBJECT TO THIS DECLARATION

ADDITIONS THERETO

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, and conveyed, and occupied subject to this Declaration is all that real property located in Transylvania County, North Carolina, as more particularly described in Exhibit A annexed hereto and made a part hereof.

Section 2. Additions to Existing Property. Additional properties may become subject to this Declaration in either of the following manners:

(a) By the Developer. The Developer, its successors and assigns, shall have the right, but shall not be obligated to bring within the scheme of this Declaration,

13912

additional properties in future stages of development which are portions of those lands illustrated in Exhibit B or which are contiguous to the land illustrated in Exhibit B.

(b) By the Owners. Pursuant to a majority of votes of the owners who are voting in person or by proxy at a regular meeting of the Association or at a meeting duly called for this purpose, subject to the written approval of the Developer and the Association.

. Any addition authorized under sub-section (a) or (b) above shall be made by the filing of records in the Transylvania County, N. C. Registry of an amended declaration of covenants and restrictions and by filing with the Association a General Plan of Development for the proposed additions. Unless otherwise stated therein, such General Plan of Development shall not bind the Developer, its successors and assigns, to make the proposed additions.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

Section 1. Members. Every owner shall automatically become a member of the Association as of the date of closing of title to a lot or the date of commencement of occupancy, whichever occurs first. Membership shall terminate for an owner and his family upon the sale or foreclosure of his lot. There shall be two classes of membership:

Class A. Class A members shall be all lot owners and shall be entitled to one vote for each improved lot owned. Owners of unimproved lots shall be entitled to a fractional vote equal to the percentage of the street assessment paid by the owners of unimproved lots as same relates to the road assessment paid by owners of improved lots as said assessment is set from time to time by the board of directors of this Association. The definition of an improved lot is one upon which a residence is situate and an unimproved lot is one upon which no residence is situate.

Class B. Class B member shall be the Developer, its successors and assigns, who shall have one vote. The Class B membership shall cease upon written notice to the Association.

When more than one person holds an interest or interests in any lot, the vote for such lot shall be exercised as they, among themselves, determine.

Section 3. Board of Directors. Any rights or powers of the Association reserved hereby or otherwise authorized may be exercised by the Board except to the extent to which such rights are reserved to the Members as provided herein. In case of a conflict between this Declaration and the By-Laws, Articles of Incorporation, or other document, this Declaration shall control.

The Board shall consist of three (3) directors, two (2) of whom shall be at all times lot owners other than the developer or its agents and the third (3rd) the developer as long as there is a Class B membership. One (1) of the initial lot owner directors shall serve for a term of one (1) year only with the other one (1) lot owner director serving for a term of two (2) years. Thereafter, the terms of the lot owner directors shall be for a period of two (2) years on a staggered term basis. In the event of resignation or other vacancy in the office of any director prior to the termination of his term, the Board shall appoint a replacement who shall be a lot owner.

ARTICLE III

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. The Developer herein covenants, and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association regular assessments or charges for road maintenance as necessary for each lot owned, such assessment to be established and collected as hereinafter provided. The road maintenance assessment, together with interest and cost of collection, shall be a charge on the land and shall be a continuing lien upon the lot upon which such assessment is made. Each such assessment for road maintenance, together with interest and cost of collection, shall also be the personal obligation of the owner at the time when the assessment fell due.

To the extent the Developer owns lots which have been platted, are ready for sale and servicing by utilities, such lots shall be assessed for road maintenance as herein provided.

Section 2. Purpose of Assessment. The assessments levied by the Association shall be used exclusively for road maintenance which may include providing for road security by maintaining a guard system at the entrance to the community.

Section 3. Assessment. As of this date, the maximum annual assessment for each lot upon which no improvements have been completed shall be \$ 25.00 and for each lot upon which improvements have been completed \$ 75.00 payable on an annual basis in advance as of the date of closing of title to a lot and on the anniversary of such closing date thereafter.

The Board of Directors shall have the duty to fix an annual road maintenance assessment prior to December 31st of each year.

Section 4. Effect of Nonpayment of Assessments: Remedies of the Association.

Any assessment not paid within thirty (30) days after the due date, may, upon resolution of the Board, bear interest from the due date at the highest legal interest rate, to be set by the Board for each assessment period. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, including reasonable attorney fees.

Section 5. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. Sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessment thereafter becoming due or from the lien thereof.

ARTICLE IV

GENERAL PROVISIONS

Section 1. Right of Developer of Association to Amend to Achieve Tax-Exempt Status. The Developer, with the approval of a majority of the Board, may amend the Declaration as may be necessary, in its opinion, to qualify the Association or the properties, or any portion thereof, for tax-exempt status. Such amendment shall become effective upon the date of its recordation in the Transylvania County, N. C. Registry. Nothing herein shall affect the Developer's right to establish, from time to time, appropriate protective covenants governing the use of lots and the size and location of units thereon.

Section 2. Enforcement. The Association, any owner, or the Developer, shall have the right to enforce, by a 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 to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE V

The Developer reserves the right to file in the Office of the Register of Deeds for Transylvania County, North Carolina supplemental declarations of covenants and restrictions. It is understood and agreed that this declaration may be amended by the Developer with the approval of the Board of Directors of the Sequoyah Woods Homeowners Association.

IN WITNESS WHEREOF, The undersigned, being the Developer herein, has executed this instrument on this the 25th day of May, 1977.

LEWIS BUILDING CORPORATION
 ATTEST: James S. Lewis, Jr.
 SECRETARY
 NORTH CAROLINA
 TRANSYLVANIA COUNTY

LEWIS BUILDING CORPORATION
 BY: James S. Lewis, Jr.
 PRESIDENT

I, a Notary Public of said State and Buncombe County, certify that James S. Lewis, Jr. personally came before me this day and acknowledged that he is Secretary of LEWIS BUILDING CORPORATION, a corporation, and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

WITNESS my hand and Notarial Seal, this 25th day of May, 1977.
 My Commission Expires: 6-16-80
W. C. Lane, Jr.
 NOTARY PUBLIC

STATE OF NORTH CAROLINA, COUNTY OF TRANSYLVANIA

The foregoing certificate of W. C. Lane, Jr.

Notar(y) Public is/are certified to be correct. This instrument was presented for registration and recorded in this office in Book 223, page .
 This 25 day of May, 1977, at 1:30 o'clock P. M.

Fred H. Isaac
 Register of Deeds

By:
 Deputy Register of Deeds