

**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
OF
THE SANCTUARY AT WILLIAM'S FARM SUBDIVISION**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF THE SANCTUARY AT WILLIAM'S FARM SUBDIVISION is made this 27th day of December, 2005, by WATERFRONT-NC, LLC, hereinafter referred to as "Declarant", and any and all persons, firms, or corporations hereinafter acquiring any of the within described property or any of the property hereinafter made subject to this Declaration of Covenants, Conditions, and Restrictions of THE SANCTUARY AT WILLIAM'S FARM Subdivision, hereinafter "Restrictions".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in WILKES County, North Carolina known as THE SANCTUARY AT WILLIAM'S FARM Subdivision, and

WHEREAS, THE SANCTUARY AT WILLIAM'S FARM Subdivision is more particularly described by plat(s) thereof recorded in the following: Plat Book 10, Pages 206 – 207, in The Office of the Register of Deeds for WILKES County to which reference is hereby made for a more complete description; and plat(s) for additional Sections made a part of this subdivision will be recorded at a later date: and

WHEREAS, said lots are so situated as to comprise a neighborhood unit and it is the intent and purpose of the owner to convey the aforesaid lots to persons who will erect there on residences to be used for single family purposes, subject to the provisions hereinafter set forth; and

WHEREAS, Declarant has agreed to establish a general plan of development as herein set out to restrict the use and occupancy of the property made subject to these Restrictions, and the Declaration of Covenants, Conditions, and Restrictions of THE SANCTUARY AT WILLIAM'S FARM Subdivision, and THE SANCTUARY AT WILLIAM'S FARM Homeowners Association, Inc., hereinafter "Declarations", recorded separately in the Office of the Register of Deeds for WILKES County for the benefit and protection of the property and for the mutual protection, welfare and benefit of the present and the future owners there of; and

WHEREAS, Declarant desires to provide for the preservation of the values of THE SANCTUARY AT WILLIAM'S FARM Subdivision made subject to these Restrictions and the Declaration and for the preservation and maintenance of the green areas established by the Declaration and by the supplements there to.

NOW, THEREFORE, in accordance with the recitals which by this reference are made a substantive part hereof, Declarant declares that all of the property described herein on above said recorded plat(s) is made subject to these Restrictions and shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of

protecting the value and desirability of THE SANCTUARY AT WILLIAM'S FARM Subdivision as it now exists and is hereafter expanded and that such easements, restrictions, covenants and conditions shall burden and run with said property and be binding on all parties now or hereafter owning said real property and their respective heirs, successors and assigns, having any right, title or interest in the properties now or hereafter subjected to these Restriction and the Declaration, or any part thereof, and shall inure to the benefit of each owner thereof and their respective heirs, successors and assigns.

PROPERTY SUBJECT TO THESE RESTRICTIONS AND THE DECLARATION AND ADDITIONS THERETO

1. **Existing Property.** The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to these Restrictions and the Declaration, irrespective of whether there may be additions thereto as hereinafter provided, is located in WILKES County, North Carolina, and is shown on a Plat recorded in Plat Book 10 and Pages 206 – 207 in the Office of the Register of Deeds for WILKES County.
2. **Additions to Existing Property.** Additional property may be brought within the scheme of these Restrictions and the Declaration and the jurisdiction of the Association:
 - (a) Declarant reserves the right to subject to this Declaration other certain continuous property that it owns or may acquire, which may be developed into tracts and roadways and may later be made a part of THE SANCTUARY AT WILLIAM'S FARM Subdivision. Declarant shall have and hereby reserves the right and option, from time to time and for so long as the Declarant owns any contiguous property, to subdivide all or any portion of the same into additional tracts by the filing of a plat designating such tracts on the records of WILKES County, North Carolina, and upon any such filing the number of tracts located on the property shall be increased to include such additional tracts.
 - (b) The additions authorized under subsection (a) shall be made by filing of record Supplementary Declarations of Declaration of Covenants, Conditions, and Restrictions of THE SANCTUARY AT WILLIAM'S FARM Subdivision and by filing of record Supplementary Declarations of Declaration of Covenants, Conditions, and Restrictions of THE SANCTUARY AT WILLIAM'S FARM Subdivision and THE SANCTUARY AT WILLIAM'S FARM Homeowners Association, Inc., with respect to the additional properties which shall extend the scheme of these Restrictions and Declaration and the jurisdiction of the Association to such properties and thereby subject such additions to assessments for their just share of the Association's expenses. Said Supplementary Declarations may contain such complementary additions and modification of these Restrictions and Declaration as may be necessary. GENERAL USE RESTRICTIONS

Declarant does hereby convey and agree with all persons, firms or corporations hereafter acquiring title to any portion of the Property that the Property is hereby subject to these Restrictions as to the use thereof and do agree, publish and declare that the deeds hereinafter made by it to purchasers of the Property shall be made subject to the Declaration and to the following Restrictions:

1. Except as otherwise provided in these Restrictions, the lots shall be used for residential purposes only and no structure shall be erected, placed, altered or permitted to remain on any lot other than one detached, single-family dwelling related structures incidental to the residential use of the lot, such as garages and boat houses, which otherwise comply with these Restrictions, except that Declarant reserves the exclusive right to construct a roadway over any lot owned by it in order to grant access to other property acquired by Declarant and in such cases the remainder of any such lot not used for the roadway shall still be subject to these Restrictions.
2. Each single-family dwelling shall have an enclosed, heated living area (exclusive of open porches, garages, and other unheated spaces) not less than 1700 sq. ft. on one level and 1900 sq. ft. on a story and a half and 2100 sq. ft. on a two-story. Before any clearing, grading or construction of any nature begins on any lot, the design, location, and construction of all improvements on each lot (regardless of when such improvements are made) and the landscaping of each lot must be

approved in writing in advance by the Architectural Review Committee, hereinafter referred to the "Committee", which Committee is established pursuant to the Declaration.

3. All improvements to the lot must comply with setback requirements of WILKES County and any other regulatory agencies, any requirements of the Homeowners Association or Architectural Review Committee rules, regulations or Home Construction Guidelines as well as those set out in the recorded plat.
4. More than one lot (as shown of said plat(s)) or portions thereof, may be combined to form one or more lots by (or with the written consent of) Declarant, its successors and assigns. No lot may subdivided by sale or otherwise, except by (or with the written consent of) Declarant, its successors and assigns. Upon combination or subdivision of lots, the building line requirements prescribed herein shall apply and the easements reserved herein shall be applicable to the rear, side and front lot line of such lot as combined or subdivided. The resulting building site and structures erected thereon must otherwise comply with these Restrictions and the new property line of the resulting building site shall be used to compute the set-back lines as set forth herein.
5. All connections of private driveways to THE SANCTUARY AT WILLIAM'S FARM road system, and all connections of private easements and right-of-ways to that road system shall be constructed and maintained in accordance with the rules, regulations and specifications as approved by the Architectural Review Committee of THE SANCTUARY AT WILLIAM'S FARM Homeowners Association, Inc., and all requirements of the North Carolina Department of Transportation.
6. There shall be no signs, fencing, or parking permitted within the road right-of-way.
7. No building, fence, wall pool, outbuilding, driveway, or any other accessory feature to the dwelling or any other structure upon any lot shall be commenced, erected, placed, maintained or altered on any lot or combination of contiguous lots until the Complete Construction Plans (hereinafter "Plans") are approved in writing in advance by the Committee or its designated agents. The Committee's refusal or approval of plans may be based upon purely aesthetic considerations, which in its sole discretion the Committee shall deem sufficient, but approval shall not unreasonably be withheld. Two copies of all plans and related data shall be furnished to the Committee for its records. If no action is taken by the Committee within ten (10) days after plans are submitted to it, the owner may proceed to build without approval.
8. Construction of new residential building only shall be permitted, it being the intent of this covenant to prohibit the moving of any existing building or portion thereof to a lot and remodeling or converting the same into a dwelling unit in this subdivision, excepting however, the historic home and guest quarters being relocated to home site number 18, and Declarant's offices provided for here in below.
9. With the exception of construction which is interrupted or delayed due to physical damage to the work in progress (such as damage due to fire, lightning, windstorm, hail, riot or civil commotion, explosion or theft), any dwelling constructed upon a lot must be completed within (1) year subsequent to commencement of construction, except with the written consent of Declarant, its successors or assigns, or, if the Declarant so designates, by the Committee. The normal period of completion time for outbuildings or their improvements shall be presumed to be four (4) months from the issue date of the building permit. In the event that completion of the dwelling, outbuildings, or other improvements is unlikely within 120 days, THE SANCTUARY AT WILLIAM'S FARM Homeowners Association, Inc., hereinafter referred to as the "Association", will be advised of this determination. The Association shall then have the right to give notice to the owner that the progress, including without limitation, the foundation and all building improvements and all stored building materials, and fill and grade the lot so that it is restored to its natural grade level. The Association shall have the right to undertake this work upon owner's failure to do so and charge the cost to the owner and place a lien upon the lot upon owner's failure to pay these charges.
10. No trailer, truck, van, mobile home, motor home, tent, camper, barn, or other outbuilding or temporary structure parked or erected on lots in the Subdivision shall at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence; provided, however, that this prohibition shall not apply to shelters used by the contractors during the construction of the main dwelling house, it being clearly understood that these temporary shelters will not be permitted to remain on any lots after completion of construction. The Committee shall have the right to approve or disapprove construction shelter or vehicle, will issue a letter stating the length of time such shelter will be allowed to remain upon such lot and where such shelter is to be located upon such lot.

11. All homes constructed in THE SANCTUARY AT WILLIAM'S FARM Subdivision will be supplied with water for normal domestic use from individual privately drilled wells, or from a public utility company, if available. If drilling a well, each individual owner shall locate the well drilled on such owner's lot so as to comply with governmental regulations regulating minimum distance between such well and septic fields proposed or approved for owner's lot and all lots adjoining such owner's lot. Before drilling a well, each owner must submit a site plan locating the proposed building site, drainage and repair septic field and well site.
12. Exposed exterior walls composed of the following materials shall be prohibited from THE SANCTUARY AT WILLIAM'S FARM Subdivision: concrete block, imitation asphalt brick siding, imitation asphalt stone siding, tar paper.
13. Declarant shall be permitted to erect one sales office at its option, on lot 6 for the purpose of maintaining a sales information center and construction office.
14. No noxious or offensive trade or activity shall be carried out upon any lot, nor shall anything be done thereon, which may become an annoyance or nuisance to the neighborhood. No animals, reptiles or poultry of any kind, except dogs and cats and other indoor household pets may be kept on any lot. Fencing must be constructed of white vinyl fencing only. There is a 20-ft. easement from rear of property line. Each owner must see to it that all of the owner's dogs are kept on the owner's property unless leashed. No dogs shall be permitted to roam the Subdivision. The Association may have stray dogs that are not leashed and found off owner's lot picked up by governmental authorities. The interference of any streams or natural drainage areas or any ponding of water is prohibited so as to cause pollution to the building or construction of a home. Bottled propane gas containers and oil tanks shall be screened from public view. There shall be no above-ground swimming pools, unless approved by the Committee.
15. No portion or part of any lot shall be used or maintained as a dumping ground for rubbish or other refuse. Trash, garbage, or other waste shall not be kept, except in sanitary containers screened from view from all roads, all other lots, and from the Common Property, provided that Declarant, prior to the sale of such lot, may use portions of such lot as a burial pit in accordance with governmental regulations.
16. In addition to the easements that are shown on the recorded plats of THE SANCTUARY AT WILLIAM'S FARM Subdivision, easements ten (10) feet in width along the lot lines of all lots are reserved by Declarant for installation, repair, replacement and maintenance of utilities, including the right to keep said easements free and clear of all obstructions. An easement of twenty (20) feet is reserved for such purposes along the rear lines of all lots that do not adjoin other lots or properties within THE SANCTUARY AT WILLIAM'S FARM Subdivision. As between the easements reserved by these Restrictions and the easements that are located in the same areas as shown on the recorded plats, the easements that are greater in width shall be the easements that are in effect.
17. Declarant reserves a temporary construction easement of twenty-five (25) feet in width long both sides and running parallel to streets or roads, which easements shall expire eighteen months after the particular road construction commences, or upon the acceptance of such streets or roads for maintenance by governmental authority.
18. No outside clothes lines shall be permitted. No satellite dishes shall be permitted unless concealed from view from all lots and open spaces. The design of such enclosures must be approved prior to erection by the Committee. Mailboxes shall be of a design, color and choice of materials as designated by the Declarant or, if the Declarant so designates, by the Committee, and may not violate North Carolina Department of Transportation standards.
19. There shall be no junk automobiles, junk of any sort, unserviceable vehicles, or salvage stored or placed or allowed to remain on or in any portion of this Subdivision. Unless located within enclosed garages, no large boat and/or boat trailer (over 28 feet in length), travel trailer, motor home, tractor trailer truck, or any other such vehicle shall be kept or maintained or located upon any lot unless and except with prior approval of the Committee. Other boats and/or boat trailers (less than 28 feet in length) must be stored behind the building set back line. No vehicles that are disabled or under repair shall be kept upon any lot unless located within enclosed garages. Unlicensed automobiles, including antique cars, must be stored out of sight in a garage. Large trucks shall not be parked on a regular basis within this Subdivision. No lot shall be used for storage of building materials prior to the issuance of the building permit for the Primary Residence. Large truck shall be defined as non-passenger vehicle larger than a pick-up truck.
20. No billboards or signs of any description shall be displayed upon any lot. The Declarant reserves the right to place and maintain appropriate development signs at the entrance to this Subdivision.

Declarant also reserves the right to erect and maintain signs designating streets, speed limits, traffic warnings, recreational areas, and any other sign that will aid in the development of THE SANCTUARY AT WILLIAM'S FARM Subdivision.

21. Except within the building site or within 20 feet of the main dwelling, no trees of any kind in excess of 6 inches in diameter at ground level may be removed from any lot without prior approval of the Committee.
22. Declarant, or its successors and assigns, will deed a lot or right of way to the Association which will provide access for lot owners to a proposed community pier, or other amenities which will be constructed by the Declarant and maintained by the Association. Notwithstanding anything herein to the contrary, Declarant will, if permitted by WILKES County, provide a security gate across the entrance road to the THE SANCTUARY AT WILLIAM'S FARM Subdivision to be maintained by the Association. Other amenities provided by Declarant and deeded to the Association are to be maintained by the Association.
23. As provided for herein (see Section 2 of "Property Subject To These Restrictions and Declarations and Additions Thereto"), it is understood that Declarant, its successors and assigns, may develop, subdivide or sell additional tracts or parcels of land. Declarant reserves the right for its successors or assigns to connect such additional property to this Subdivision and to grant easements to use the roads and community access to THE SANCTUARY AT WILLIAM'S FARM on KERR SCOTT LAKE and recreational areas of this Subdivision.
24. Nothing herein contained shall be construed to impose any covenants and restrictions on any property other than the Property that is subjected to these Restrictions. The Property herein described is also made subject to the Declaration of Covenants, Conditions, and Restrictions of THE SANCTUARY AT WILLIAM'S FARM Subdivision and THE SANCTUARY AT WILLIAM'S FARM Homeowners Association, Inc., recorded separately, which Declaration is incorporated herein by reference. These Restrictions may be enforced by Declarant, by individual home owners and by the THE SANCTUARY AT WILLIAM'S FARM Home Owners Association.
25. Enforcement of these Restrictions maybe at law or in equity against any person or persons violating or attempting to violate any covenant, condition or restriction herein contained. In the event enforcement of these Restrictions at law or in equity and violation hereof is judicially determined, then the violator shall be assessed with the costs of such action, including without limitation reasonable attorneys fees.
26. The Declarant and purchasers of lots in THE SANCTUARY AT WILLIAM'S FARM Subdivision understand that the vesting of rights relating to proposed piers, docks, boat access ramps, floats, or disturbance of the shoreline buffer is subject to the terms and conditions set out by the U.S. Army Corps of Engineers as established in Appendix E of the Operational Management Plan dated February 1997, referred to as W. Kerr Scott Shoreline Management Plan.
27. Declarant reserves the right to assign its right to a successor who also assumes the Declarant's responsibilities.
28. Judicial invalidation of one or more of the provisions hereof or waiver of any restrictions as to any lot shall not adversely affect the remainder hereof which shall remain if full force and effect.

THESE RESTRICTIONS RUN WITH THE LAND

This Declaration of Covenants, Conditions, and Restrictions of THE SANCTUARY AT WILLIAM'S FARM Subdivision and the Declaration of Covenants, Conditions, and Restrictions of THE SANCTUARY AT WILLIAM'S FARM Subdivision and THE SANCTUARY AT WILLIAM'S FARM Homeowners Association, Inc. compose the general plan of development for the Property herein described and run with the land and shall benefit and be binding on all parties and persons (and their respective heirs, representatives, successors and assigns) claiming title to any of the Property herein described for a period of thirty (30) years from the date these Restrictions are recorded, after which time said Restrictions shall be automatically extended for successive periods often (10) years, unless an instrument signed by a sixty-seven percent (67%) majority of the then owners of the lots and the Declarant has been recorded agreeing to change said Restrictions in whole or in part. These Restrictions may be amended by the affirmative vote of the owners representing sixty-seven percent (67%) of the lots and Declarant at the time of the vote.

IN WITNESS WHEREOF, the Declarant has caused this Declaration of Covenants, Conditions, and Restrictions of THE SANCTUARY AT WILLIAM'S FARM Subdivision to be duly executed this 27th day of December 2005.

WATERFRONT-NC, LLC

BY: _____