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Prepared by William A. Kennedy, Attorney, 413 N. Center St., Statesville, NC 28677

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NORTH CAROLINA

IREDELL COUNTY

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF QUEENS CREST TOWNHOMES

THIS DECLARATION is made this the 25th day of August, 1999, by Austin-Elledge, Inc., a North Carolina corporation, (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property in Iredell County, North Carolina, which it desires to develop into a residential community known as Queens Crest Townhomes; and

WHEREAS, Declarant desires to subject the property described below, located in Statesville, Iredell County, North Carolina, to the covenants, conditions, and restrictions set forth below for the purpose of protecting the value and desirability of the property and for the purpose of providing for the maintenance and operation of the common areas located thereon;

NOW THEREFORE, Declarant hereby agrees that all of the Property described hereinafter shall be subject to the following covenants, conditions, and restrictions, which shall be construed as covenants running with the land and which shall be binding on all parties having any right, title, or interest in said property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean Queens Crest Townhomes Association, Inc., a North Carolina non profit corporation, its successors and assigns.

Section 2. "Common Area" shall mean all of the real property owned by the Association and included in Queens Crest Townhomes, for the common use and enjoyment of all of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is all of that certain piece, parcel or tract of land designated as Common Area in Tracts 1 and 2 of the Plat of Queens Crest Townhomes, Phase I, recorded in Plat Book 33 at Pages 60 and 61, in the Iredell County Register of Deeds Office. The Common Area may also be referred to as the "Common Elements."

Section 3. "Existing Property" shall mean that certain real property known as Queens Crest Townhomes, Phase 1, containing twelve (12) Lots and the Common Area contained in Tracts 1 and 2, as shown on the Plat of Queens Crest Townhomes, Phase 1, recorded in Plat Book 33 at Pages 60 and 61, in the Iredell County Register of Deeds Office.

Section 4. "Existing Plat shall mean the plat of the Existing Property recorded in Plat Book 33 at Pages 60 and 61, in the Iredell County Register of Deeds Office.

Section 5. "Expansion Right" shall have the meaning set forth in Article II below.

Section 6. "Property " shall mean the Existing Property and such additions thereto as may hereafter be subjected to this Declaration under the provisions of Article II below. The Property shall also be known as and referred to as "Queens Crest Townhomes" or "Queens Crest" in this Declaration and any related documents.

Section 7. "Owner" shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

Section 8. "Lot" shall mean any lot shown on the Existing Plat and all other lots within the Property which may be added pursuant to the Expansion Right and shown on plats hereafter recorded. Each Lot shall contain a single family residential "townhouse" dwelling connected on two sides by means of a common dividing structural or load bearing wall of at least five linear feet to two or more other single family dwellings and the end dwelling of a series of such dwellings, with each dwelling unit constructed on its own individual Lot.

Section 9. "Declarant" shall mean Austin-Elledge, Inc. and any successor or assigns to whom Austin-Elledge, Inc. shall convey or otherwise transfer all of its right, title, and interest in the Property then owned by it, and to whom Austin-Elledge, Inc. shall expressly transfer and assign all of its right, title, and interest under this Declaration or any amendment or modification thereof.

Section 10. " Declarant Control Period" shall mean the period commencing on the date hereof and continuing until the earlier of (a) the date two (2) years after Declarant has ceased to offer Lots for sale in the ordinary course of business, or (b) the date upon which Declarant surrenders control of the Association, or (c) the date one hundred twenty (120) days after the Declarant has conveyed seventy-five percent (75%) of the maximum number of Lots which Declarant may create on the Phase I Property and on the Additional Real Estate to Owners other than a Declarant, or (d) the date two (2) years after any development right to add new Lots was last exercised by Declarant.

Section 11 "Special Declarant Rights " shall mean the rights of the Declarant to complete the improvements indicated on the Existing Plat and on the Additional Real Estate; to maintain sales offices, management offices, models and signs advertising the development; to exercise any development right regarding Additional Real Estate as defined in Article II; to use easements through the common Areas; to elect, appoint, or remove members of the Board of Directors of the Association during the Declarant Control period; to add Additional Real Estate to the Association; and to grant easements affecting the Common Area. Declarant shall have no right to subdivide or convert Lots owned by Declarant.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS THERETO

Section 1. Property subject to this Declaration. All of the Existing Property shall be held, transferred, sold, conveyed, occupied, and used subject to this Declaration and the covenants, conditions, and restrictions contained herein.

Section 2. Future Additions. Additional property may hereafter be subjected to this Declaration in the following manner (hereinafter referred to as the "Expansion Right"):

(a)The Declarant, its successors, and assigns, shall have the right for fifteen years from the date of this Declaration to bring within the operation and effect of this Declaration additional portions of the land more particularly described in Exhibit "A" attached hereto ("Additional Real Estate"). This Additional Real Estate is labeled "Future Development" on the Existing Plat. The additions authorized under this Article II shall be made by recording in the Office of the Register of Deeds of Iredell County a supplement to this Declaration. Such supplement need be executed only by the Declarant (and the owner of such additional land if the Declarant is not the Owner thereof) and shall describe the additional land and state that it is subject to this Declaration. The additions authorized by this Article II, Section 2(a) shall not require the approval of the Association and all or a portion of the Additional Real Estate may be added to the Association during this fifteen year period. There is no assurance that any of the Additional Real Estate will be added to the Association.

(b)The Association may be further enlarged by the addition of other land, not described in Exhibit 'A" attached hereto, but only upon the written approval of the Association after the Association has attained the assent of the holders of a majority of the votes of each class of members present in person or by proxy at the meeting at which the vote is taken. Such enlargement of the development shall thereafter be effectuated by having the owner of such additional land subject it to the operation and effect of this Declaration by recording in the Office of the Register of Deeds of Iredell County a supplement to this Declaration describing the additional land and stating that it is subject to this Declaration.

(c)Any such supplement to this Declaration, as described in subparagraphs (a) and (b) above, may contain such complementary additions and modifications of the covenants, conditions, and restrictions contained herein as may be necessary to reflect the different character, if any of the added Property, provided they are not inconsistent with this Declaration. In no event, however, shall any such supplement revoke, modify or add to the covenants, conditions, and restrictions established by this Declaration insofar as they pertain to the Property as the same exists prior to the supplement.

(d)The maximum number of Lots which may be created and improved on the property described in Exhibit A and subsequently added to the Property to become part of the Association pursuant to Section 2 (a) of this Article II shall be 52 (fifty two) Lots. Only residential Lots may be added to the Association.

(e) All or part of the Additional Real Estate that may be added to the Association by the Declarant pursuant to paragraph (a) of this Section 2, may be added to the Association at different times, but no assurances are made in regard to the order in which such portions may be added. Declarant shall have no duty or obligation of any kind to add any or all or the Additional Real Estate to the Association.

(f) It is Declarant's present intent that any buildings that may be erected on the Lots in the

Additional Real Estate or a portion thereof will be compatible with the other buildings in the Association in terms of architectural style, quality of construction, and size. However, Declarant expressly reserves the right to change the architectural style and size of any buildings that may be erected upon the Additional Real Estate.

(g) All restrictions in this Declaration affecting use, occupancy and Common Areas shall apply to any and all additional Lots that may be created within the Additional Real Estate.

(h) The assurances made in this Section shall not apply with respect to any Additional Real Estate that is not added to the Association. In the event that Declarant shall not expand the Property by the use of any portion of the Additional Real Estate, Declarant shall have the right to develop all or any portion of the Additional Real Estate without restriction.

(i) It is Declarant's intent to dedicate and convey the streets shown on the Existing Plat (or on subsequent Plats which add Additional Real Estate to the Association) to the City of Statesville. In such event the City would be responsible for the upkeep and maintenance of said streets. Prior to such event, Declarant shall be responsible for maintenance of said streets. However, it is possible that such streets will not become public streets and some or all of the streets may be added to the Property of the Association as Common Area in the future. In such event, the Association shall be responsible for upkeep and maintenance of the streets that are part of the Common area. If any or all of the streets are added to the Common Area, such streets shall be burdened and subject to a perpetual easement of ingress and egress in favor of adjacent property owners who are not Lot owners and members of the Association.

Section 3 Allocation of Votes, Interest in Common Areas and Common Expenses.

Each Lot shall be allocated one vote in the Association. Each Lot shall be allocated an undivided interest in the Common Area and a liability for a share of the Common Expenses equal to a fraction, the numerator of which is one and the denominator of which is the total number of Lots in the Property..

If Declarant adds any of the Additional Real Estate to the Property, the percentage interest of each Lot Owner in the Common Areas and the Common Expenses after such addition will be redetermined according to the formula stated in the preceding paragraph.

ARTICLE III
COMMON AREA

Section 1. Conveyance of Common Areas. The Declarant shall, from time to time, grant and convey to the Association, and the latter shall take and accept from the Declarant, fee simple title to the Common Areas. At the time of the conveyance of any of the Common Areas, such Common Areas shall be free of any mortgages, deeds of trust, judgment liens, or similar liens or encumbrances, except for ad valorem taxes prorated to the date of conveyance and other title matters as may be acceptable to the Association.

The Association shall hold the Common Area conveyed to it subject to the following:

(a) The reservation to the Declarant of the right to lay, install, construct, grant easements for, and maintain, on, over, under, or in any portion of any Common Area, roads, driveways, pipes, drains, mains, conduits, lines, and other facilities for water, storm sewer, sanitary sewer, gas,

electric, telephone, cable television lines, and other utilities deemed necessary or advisable to provide adequate service to any Lot now or hereafter laid out or established on the Property, together with the right and privilege of entering upon the Common Area for such purposes and making openings and excavations therein.

(b)The reservation to the Declarant of the right to enter upon any Common Area for the purpose of construction or completing the construction of improvements and the landscaping of the Common Area.

(c)The reservation to the Declarant of the right to continue to use and maintain any storm water management ponds and any sediment control ponds or facilities located on any Common Area.

Section 2. Community Use. The Common Areas conveyed to the Association shall be deemed property and facilities for the use, benefit, and enjoyment, in common, of each Owner. Except as otherwise permitted by the provisions of this Declaration, no structure or improvement of any kind shall be erected, placed or maintained on any Common Area except: (i)structures or improvements designed exclusively for community use and (ii) drainage, storm water, and utility systems and structures. The Common Areas may be graded, and trees, shrubs, or other plants may be placed and maintained thereon for the use, comfort, and enjoyment of the Owners, or the establishment, retention, or preservation of the natural growth or topography of the Common Areas, or for aesthetic reasons. Except for Parking Rights allocated exclusively to the use and enjoyment of one Lot by Section 3 of Article IV, no portion of any Common Area may be used exclusively by any Owner for personal gardens, storage facilities, or other private uses without the prior written approval of the Association, which may be subsequently withdrawn by the Association in the same manner in which such approval was given.

Section 3. No Offensive Activity. No noxious or offensive activity shall be carried on upon any Common Area, nor shall anything be done thereon which will become an annoyance or nuisance to the community or neighborhood.

Section 4. Operation of Common Areas. The Association shall improve, develop supervise, manage, operate, examine, inspect, care for, repair, replace, restore, and maintain the Common Areas, together with any items of personal property placed or installed thereon, all at its own cost and expense, except for Improvements requested and constructed by an Owner pursuant to Article VII, which shall be subject to the provisions thereof regarding maintenance, repair and removal.

Section 5. Limitations on Use: Enforcement. The right of each Owner to use the Common Areas shall be subject to the terms, conditions, and provisions as set forth in this Declaration and to any rule or regulation now or hereafter adopted by the Association for the safety, care, maintenance, good order, and cleanliness of the Common Areas. All such terms, conditions, provisions, rules, and regulations shall inure to the benefit of and be enforceable by the Association and the Declarant, or either of them, their respective successors and assigns, against any Owner, or any other person, violating or attempting to violate the same, either by an action at law for damages or a suit in equity to enjoin a breach or violation, or to enforce performance of any term, condition, provision, rule or regulation. The Association and the Declarant shall each have the right,

summarily, to abate and remove any breach or violation by any Owner at the cost and expense of the Owner.

ARTICLE IV
PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have the right and privilege to use and enjoy the Common Areas for the purposes for which the same were designed. This right and privilege shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a)The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b)The right of the Association to suspend the voting rights and rights to use the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid and, for a period not to exceed sixty days, for any breach of its published rules and regulations or the terms of this Declaration;

(c)The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association. No such dedication or transfer shall be effective unless approved by a two-thirds (2/3) vote of each class of members voting in person or by proxy at a meeting called for such purpose; provided that this paragraph shall not preclude the Association from granting easements for access for garbage disposal and for the installation and maintenance of electrical, telephone, cable television, gas, water, and sewage facilities upon, over, under and across the Common Areas without the assent of the membership if such easements are requisite for the convenient use and enjoyment of the Property as determined in the sole judgment of the Board of Directors of the Association.

(d)The right of the Association to limit the number of guests of Owners.

(e)The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Areas and facilities and in aid thereof, to mortgage said property, and the rights of any mortgagee under such mortgage shall be subordinate to the rights of the Owners hereunder. Any such mortgage shall require approval by a two-thirds (2/3) vote of each class of members voting in person or by proxy at a meeting called for such purpose.

(f)The right of the Association to adopt, publish, and enforce rules and regulations as provided in Article X hereunder.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment of the Common Area and facilities, to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Parking Rights. Ownership of each Lot shall entitle the Owner to the use of all parking space contained in the driveway leading directly to the garage on his Lot. The Association may at any time, if it deems necessary or desirable, permanently assign vehicle parking spaces for each Lot. Boats, trailers, and recreational vehicles shall be parked only in areas which are specifically designated for such purpose and shall not be parked within the right of way

of any public or private street in the Queens Crest development. There is no assurance that specifically designated areas for such parking will be provided.

Section 4. Antennas and Cable Television. The Association may provide cable television or one or more central television antennas for the convenience of the Owners, and the cost of these may be included in annual or special assessments. The erection of television or radio antennas or satellite disks is prohibited on individual Lots without prior written approval of the Board of Directors.

Section 5. Compliance with Rules. Each Owner shall fully and faithfully comply with the rules, regulations, and restrictions applicable to the use and enjoyment of the Common Area adopted by the Association for the safety, care, maintenance, good order, and cleanliness of the Common Area. Each Owner shall also comply with the covenants and restrictions imposed by this Declaration on the use and enjoyment of the Common Area.

ARTICLE V
MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of the Lot. An Owner of a Lot may not withdraw from the Association.

Section 2. The Owner of each Lot shall have one vote in the Association. When more than one person owns an interest in a Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Section 3. The business and property of the Association shall be managed and directed by the Executive Board (the "Board"), composed of three (3) persons, or by such executive committees as the Board may establish pursuant to the Bylaws; provided, however, that the initial Board shall be composed of three persons.

Section 4. The Initial members of the Board (referred to as "Directors" herein) shall be selected by the Declarant, and need not be Owners. Such initial directors shall serve at the election of the Declarant from the date upon which the Declaration is recorded in the Iredell County Register of Deeds Office, until such time as their successors are duly elected and qualified.

The names of the persons who shall serve on the initial Board from the date upon which the Declaration is recorded in the Iredell County Register of Deeds until such time as their successors are duly elected and qualified, are as follows:

Jack L. Elledge
L.D. Austin
William A. Kennedy

Section 5. Except as provided herein, the Directors shall be elected at the annual meeting of the Association, and those persons who receive the highest number of votes shall be deemed to have been elected. Notwithstanding anything herein to the contrary, the Board shall consist of three (3) Directors during the period that Declarant is entitled to appoint a majority of the Directors. The Declarant shall have the right to appoint all of the Directors until the earlier of the following four dates: (a) within 120 days after the date by which 75% of the maximum number of Lots which Declarant may create on the Phase I Property and on the Additional Real Estate have been conveyed to Lot purchasers, or (b) the date upon which Declarant surrenders control of the Association to the Owners, or (c) two (2 years after all Declarants have ceased to offer Lots for sale in the ordinary course of business, or (d) two (2) years after exercise by Declarant of any development right to add Additional Real Estate was last exercised.

The Declarant may turn over control of the Association to such Lot Owners other than the Declarant prior to such dates in its sole discretion by causing all or part of its appointed Directors to resign, whereupon it shall be the affirmative obligation of Lot Owners other than the Declarant to elect Directors and assume control of the Association. Provided at least thirty (30) days' notice of Declarant's decision to cause its appointees to resign is given to Lot Owners, neither the Declarant, nor such appointees, shall be liable in any manner in connection with such resignations even if the Lot Owners other than the Declarant refuse or fail to assume control of the Association..

Within sixty (60) days after conveyance of twenty-five percent (25%) of the maximum number of Lots which Declarant may create on the Phase I Property and on the Additional Real Estate to Lot Owners other than the Declarant, at least one Director and not less than twenty-five percent (25%) of the Directors of the Board shall be elected by Owners other than the Declarant. Within sixty (60) days after conveyance of fifty percent (50%) of said maximum number of Lots to Owners other than the Declarant, not less than thirty-three percent (33%) of the Directors on the Board shall be elected by Owners other than the Declarant.

Within sixty (60) days after the Owners other than the Declarant are entitled to elect such Director or Directors, or sooner if the Declarant has elected to accelerate such event as aforesaid, the Association shall call, and give not less than ten (10) days nor more than fifty (50) days' notice of a meeting of the Owners to elect such Director or Directors of the Board. The meeting may be called and the notice given by any Owner if the Association fails to do so.

The size of the Board may be increased or decreased from time to time upon the affirmative vote of three-fourths (3/4) of all Owners, provided that said Board shall not be less than three (3) in number.

ARTICLE VI
COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation. Except as provided herein for Unimproved Lots, the Declarant, for each Lot owned within the Property, hereby covenants and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges and (2) special assessments or charges for capital improvements; such annual and special assessments and charges to be established and collected as hereinafter provided. The annual and special assessments and any other charges which the Owner is obligated to pay to the Association pursuant to the provisions of this Declaration, together with interest, costs, and reasonable attorney's fees, shall be a charge on the Lot against which each such assessment or other charge is made and shall be a continuing lien upon such Lot until paid, and each Owner hereby grants and conveys to the Association, with power of sale as hereinafter set forth, a lien on such Owner's Lot or Lots for the purpose of securing the payment of such annual and special assessments and other charges, together with interest, costs, and reasonable attorney's fees. Each such assessment or other charge together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall pass to such Owner's heirs and personal representative, but shall not pass to such Owner's assigns unless expressly assumed by them. Liability of a Lot for the Assessment is subject to Section 7 of this Article VI.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Property and its residents and in particular for: the exterior maintenance of the Lots as set forth in Article IX below; the improvement, operation, and maintenance of the common Areas including without limitation the payment of taxes and insurance thereon; the employment of accountants and attorneys to represent the Association; the provision of adequate reserves for the replacement of capital improvements and other major expenses for which the Association is responsible; and such other needs as may arise.

Section 3. Reserves. The Association shall establish and maintain an adequate reserve fund for the periodic exterior maintenance, repair, and replacement of improvements to the Common Areas and those other portion of the Property which the Association may be obligated to maintain. Such reserve fund is to be established out of regular assessments for common expense.

At the time of the closing of the sale or resale of each Lot, the Buyer shall pay to the Association a sum equal to two months assessment to be added to the reserve fund. This obligation of the Buyer shall be in addition to his obligation to pay annual and special assessments and shall not be considered advance payment of any such assessments.

Section 4. Maximum Annual Assessment. Until January 1, 2001, the maximum annual assessment shall be $75.00 per Lot per month..

(a)From and after January 1, 2001, the maximum annual assessment may be increased each year by up to ten percent (10%) above the maximum annual assessment for the previous year upon a majority vote of the Board of Directors or by up to twenty percent (20%) above the maximum annual assessment for the previous year upon a two-thirds (2/3) vote of the Board of Directors.

(b)From and after January 1, 2001, the maximum annual assessment may be increased by more than the limitations set forth in subparagraph (a) above only by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum as set forth above without the necessity of a vote of the membership of the Association.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, or replacement of a capital improvement upon the Common Area, or in connection with the exterior maintenance of the Lots, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 6. Notice and Quorum for Any Action Authorized Under Sections 4 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 or 5 shall be sent to all members not less than thirty days nor more than sixty days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both annual and special assessments shall, except as herein otherwise specifically provided, be fixed at a uniform rate for all Improved Lots and shall be collected on a monthly basis. Unimproved Lots shall not be subject to assessment.

Section 8. Date of Commencement of Annual Assessment: Due Dates. The annual assessment provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area in that phase to the Association and the completion of the structure on such Lot.. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon request, promptly furnish a certificate signed by an officer of the Association setting forth the assessments which are due and payable on a specified Lot, and any person to whom such certificate is addressed shall be entitled to rely conclusively upon such certificate.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments or other charges not paid within ten days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property,

and in either event, interest, costs, and reasonable attorney's fees in connection with such action shall be added to the assessments or other charges. The lien may be foreclosed by the Association at any time after thirty days following the due date of the assessments or other charges set forth in the notice thereof given by the Association to the Owner. The lien may be foreclosed in the same manner as a mortgage on real estate under power of sale under Article 2A of Chapter 45 of the North Carolina General Statutes, and each Owner hereby grants to the Association a power of sale under such statute. In addition, without limiting the foregoing, the Association's lien may be foreclosed by judicial action. A proceeding to enforce a lien for unpaid assessments or other charges must be commenced within three years after the delivery of notice of the assessments or other charges to the Owner.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or tax foreclosure or any proceeding or conveyance in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. No Avoidance of Liability. No Owner may waive or otherwise escape liability for assessments by nonuse of the Common Area or abandonment of his Lot.

ARTICLE VII
ARCHITECTURAL CONTROL

Section 1. No road, sidewalk, driveway, building, fence, wall, deck, patio or other structure shall be commenced, erected, or maintained upon a Lot, or on the Common Area, nor shall any exterior addition to, or change, or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three or more representatives appointed by the Board. In the event said Board or its designated committee fails to approve or disapprove such design and location within sixty days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with. This Article VII shall not apply to the Declarant.

After approval of the plans for the improvement by the Board of Directors, the Lot Owner requesting the improvement shall be responsible for constructing said improvement in strict compliance with the submitted and approved plans, with maintaining and repairing said improvement. If said improvement needs maintenance or repair and said maintenance or repair is not completed within the time frame set by the Board of Directors, the Association may repair or maintain or remove the improvement, and any cost of such action shall be assessed against the appropriate Lot.

ARTICLE VIII
PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Property and placed on the dividing line between the Lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, any Owner who, by his negligent or willful act, caused the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall or under the provisions of this Article, such dispute shall be settled by arbitration as provided by the laws of North Carolina relating to arbitration then existing. In no event may the demand for arbitration be made after the date when the institution of legal or equitable proceedings based upon the claims would have been barred by the applicable statute of limitations or repose.

ARTICLE IX
EXTERIOR MAINTENANCE

Section 1. In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint, stain, repair, replace, and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance SHALL NOT include doors, glass surfaces, screens, or improvements made on a patio, nor any enclosures. In order to enable the Association to accomplish the foregoing, there is hereby granted to the Association the right of unobstructed access over and upon each Lot at all reasonable times to perform maintenance as provided in this Article. In the event that the need for maintenance or repair is caused through the willful or negligent act of the owner, his family, guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which

such Lot is subject. Similarly, if any Owner shall fail to perform any exterior maintenance or repairs on his Lot for which he is responsible within thirty days after written notice by the Association to do so, then the Association may perform such maintenance or repairs and the cost of the same shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE X
RESTRICTIONS AND EASEMENTS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Areas and the exterior portions of the Lots. Such rules and regulations may provide for the imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration.

Section 2. Use of Property. No portion of the Property shall be used for other than residential purposes and for purposes incidental or accessory thereto.

Section 3. Quiet Enjoyment. No obnoxious or offensive activity shall be carried out on the Property, nor shall anything be done which may be or become a nuisance or annoyance to the neighborhood, such as loud music, barking dogs, or loud mufflers.

Section 4. Declarants's Rights During Construction. Anything contained herein to the contrary notwithstanding, it shall be permissible for Declarant to maintain, during the Declarant Control Period and during the construction and sale of said Lots and townhouses, upon such portion of the Property as the Declarant may deem necessary, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction and sale of said Lots or townhouses, including without limitation a business office, storage area, construction yards, signs, model units, and sales office.

Section 5. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any part of the Property, except that dogs, cats, or other household pets may be kept by their respective Owners on their respective Lots provided they are not kept, bred, or maintained for any commercial purpose and do not endanger the health or, in the sole discretion of the Board of Directors, unreasonably disturb the Owner of any Lot or resident thereof. Owners must abide by the City of Statesville leash law.

Section 6. Clotheslines, etc No outside clotheslines shall be permitted, and all garbage cans and similar items shall be kept screened so as to conceal them from view of neighboring Lots.

Section 7. Utility Easement. There is hereby granted to the Association a blanket easement upon, across, over, and under all of the Property for ingress, egress, installation, replacing, repairing, and maintaining a master television antenna system and all utilities, including without limitation water, gas, sewer, telephone, and electricity. Such easements grant to the Association and appropriate municipalities and utility companies the right to erect and maintain the necessary poles, and other necessary equipment on the Property and to affix and maintain utility wires,

circuits, and conduits on, above, across, and under the Lots and roofs and exterior walls of the Townhouses.

Section 8. Access Easements. The Association shall have the right and easement to enter any Lot in order to perform any maintenance, alteration, or repair required herein to be performed by the Association, and the Owner of such Lot shall permit the Association or its representative to enter for such purpose at reasonable times and with reasonable advance notice. The Association shall also have the right and easement to enter any Lot in the case of an emergency threatening such Lot or any other Lot for the purpose of remedying or abating the cause of such emergency. Such right of entry shall be immediate.

Section 9. Reservation. A non-exclusive easement for ingress, egress, and regress is reserved by and for the Declarant and its agents and employees across all Common Areas now or hereafter made part of the Association.

ARTICLE XI
INSURANCE

Section 1. Fire and Casualty Insurance

(a) By Owners. Each Owner shall procure and maintain at such Owner's expense physical hazard insurance policy insuring the Owner's Improved Lot (including any party walls) on an "all risk" basis, including, without limitation, fire, vandalism, flood, hurricane and earthquake and such other coverages customarily included in "extended coverage" endorsements in an amount equal to the full replacement cost of the improvements on such Lot. The policy must provide for at least thirty (30) days written notice to the Association and to any holder of a first mortgage on an Improved Lot before the insurance is cancelled or substantially modified. If permitted by law, such policy shall name the Association as one of the named insureds as its interests may appear, and copies of said policies and renewals thereof shall be furnished to the Association. Upon failure by any Owner to promptly pay the premiums due on the policy insuring the Owner's Improved Lot, the Association may, but is not required to, pay the delinquent premiums and add the same to the annual assessment against the subject Improved Lot, which shall be due and payable on or before the first day of the calendar month following payment of the same by the Association. The proceeds of the insurance policy procured by the Owner pursuant to this Section are hereby assigned to the Association to be applied as provided in Section 6 of this Article XI and each Owner agrees to execute any other documentation necessary or desirable to effectuate this assignment.

(b) By Association. The Board of Directors of the Association shall procure and maintain such insurance coverages as it deems necessary to appropriately carry out the obligations of the Association as set forth in this Declaration. At a minimum, all improvements and personal property included in the Common area should be insured in an amount equal to 100% of its replacement cost at the time the insurance is acquired or renewed.

Section 2. Public Liability Insurance.

(a) By Owners. Each Owner, at his own expense, shall keep in force comprehensive personal liability insurance for injury to persons or damage to property of others occurring on Owner's Lot in such amounts as the Board of Directors shall from time to time determine. The

Policy must provide for at least thirty (30) days written notice to the Association and to any holder of a first mortgage on an Improved Lot before the insurance is cancelled or substantially modified. A copy of such policy and any renewal shall be furnished to the Association. In the event Owner fails or refuses to maintain such insurance coverage as herein required, the Association may, but shall not be obligated to, secure and maintain such insurance coverage for Owner's benefit, and add the cost or expense of such coverage to the annual assessment against the subject Improved Lot, which shall be due and payable on or before the first day of the calendar month following payment of the same by the Association.

(b) By Association. The Association shall obtain and maintain to the extent obtainable, public liability insurance in such limits as the Board of Directors may from time to time determine, which shall not be less than that required by private institutional mortgage investments for projects similar in construction, location and use, covering the Association, each member of the Board, any Managing Agent, and each Improved Lot Owner, with respect to his liability arising out of the ownership, maintenance, repair or use of the Common Areas and legal liability arising out of lawsuits relating to employment contracts of the Association. Such insurance shall include endorsements covering the cost of liability claims of one insured against another, including the liability of the Owners as a group to a single Owner.

Section 3. Fidelity Bonds. Fidelity insurance shall be maintained for all officers, directors, employees, and/or any Managing Agent and all other persons handling, or responsible for, funds of or administered by the Association to the extent such Bond is reasonably obtainable.. Such fidelity bonds shall name the Association as an obligee and shall be in an amount not less than the estimated maximum of funds, including reserve funds, in the custody of the Association and/or any Managing Agent at any given time during the term of such bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to one and one-half times estimated annual operating expenses and reserves. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions.

Section 4. Officer's and directors coverage. The Board of Directors shall also be required to obtain and maintain insurance indemnifying each member of the Board of Directors, and each officer of the Association, against any and all loss, damage, liability or expense incurred by such officer or director at any time by reason of or arising out of any act performed by such officer or director on behalf of the Association or in furtherance of its interests, except for liability for gross negligence, willful malfeasance or fraud. The policy shall cover all individual officers and directors as well as the Association as named insureds and shall be in such amount as the Board of Directors determine from time to time to be desirable.

Section 5. Other. The Board of Directors shall obtain such other insurance coverages, including flood insurance, workmen's compensation, host liquor liability insurance, employer's liability insurance, contractual and all written contract insurance, and comprehensive automobile liability insurance, as the Board of Directors shall from time to time determine to be desirable.

Section 6. Duty to repair damage or destruction by fire or other casualty.
Except as herein specifically stated, all casualty damages shall be promptly repaired and all insurance proceeds paid under both the Owners' and the Association's policies shall be used for such purpose. In case of duplicate coverage by the Association and the Owner where proceeds are payable under both policies for the same damages, and the total amount of the proceeds exceed the cost of repair, the Association's policy shall be deemed "excessive coverage" and used only to the

extent proceeds payable under the Owner's policy are not sufficient for such repair and replacement.

(a)The Association is hereby designated as an insurance trustee to receive such insurance proceeds as are paid and to hold the same in trust for the purposes stated in the Article. Except as specifically provided in subsection (c), the Board of Directors shall arrange for the prompt repair and restoration of any damaged Improved Lot and Common Area in accordance with the original plans and specifications for the damaged improvements, and the Board of directors shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments.

(b)The provisions of this Section 6 shall apply to any portion of the development for which insurance is required, unless the Owners decide not to rebuild by an eighty percent (80%) vote, including one hundred percent (100%) approval of Owners of Improved Lots not to be rebuilt. Upon the adoption of such resolution, any insurance proceeds received by reason of damage to such Improved Lot not required to pay for the costs of demolition and site cleanup shall be delivered to the Owners of such Improved Lot, subject to the rights of any mortgagee. Any proceeds received by the Association under its policy shall be treated as a common reserve surplus.

Section 7. Owner's Personal Property. Each Owner shall be responsible for obtaining insurance coverage for such Owner's furniture, furnishings and personal property against loss by fire, windstorm and extended coverage perils and the Association shall have no liability for the loss thereof. All such policies shall contain a waiver of subrogation against the Association.

ARTICLE XII
GENERAL PROVISIONS

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

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten years unless, prior to the expiration of the then current term, a written instrument shall be executed by the then Owners of seventy-five (75%) of the Lots stating that this Declaration shall expire at the end of the then current term. This Declaration may be amended during the first twenty year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five (75%) of the Lot Owners. Any amendment must be recorded in the office of the Register of Deeds of Iredell County for it to be effective. No amendment shall alter or impair the right of the Declarant to exercise its Expansion Rights under Article II hereof without the express written consent of the Declarant.

Section 4. FHA/VA Approval. In the event the Declarant, its successors or assigns has arranged for and provided purchasers of Lots with FHA insured or VA mortgage loans, then as long as any Class B Lot exists, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties other than as provided in Article II, Section 2(a) hereof, mortgaging or conveyance of Common Area to persons other than to the Association, and any material amendment of this Declaration.

Section 5. Waiver. No provision of this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 6. Controlling Law. This Declaration shall be construed and controlled by and under the laws of the State of North Carolina.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be executed by its President and its corporate seal affixed by its Secretary this 25th day of August, 1999.

AUSTIN-ELLEDGE, INC.

By: Jack L Elledge
Jack L. Elledge, President

ATTEST:
By: William A Kennedy
Corporate Secretary

NORTH CAROLINA
COUNTY OF IREDELL

I, Beverly W. Hutchens, a Notary Public of the County and State aforesaid, certify that William A. Kennedy, personally came before me this day and acknowledged that he is the Secretary of Austin-Elledge, Inc. a North Carolina 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 him as its Secretary.

Witness my hand and official Seal, this 25th day of August, 1999.

My Commission Expires: 5-17-2000

Beverly W. Hutchens
Notary Public

The foregoing Certificate(s) of Beverly W. Hutchens

is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

Brenda D. Bell REGISTER OF DEEDS FOR Iredell COUNTY

By Sally P Lewis Deputy / ~~Assistant~~ Register of Deeds.

EXHIBIT A

TO

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF QUEENS CREST TOWNHOMES

All of that Real Estate located in the Statesville Inside and the Statesville Outside Township, Iredell County, North Carolina, consisting of 27.805 acres, more or less, which was conveyed to Austin-Elledge, Inc. in Deed Book 1093, Page 1843, Iredell County Register of Deeds Office, LESS and excepting all of the Property included in Tract 1 and Tract 2 as shown on the Plat for Queens Crest Townhomes, Phase 1, recorded in Plat Book 33 At Pages 60 and 61, in the Iredell County Register of Deeds Office.

The foregoing Certificate of _____

_____

Is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

_____REGISTER OF DEEDS FOR IREDELL COUNTY

By_____Deputy/Assistant-Register of Deeds

Doc ID: 008940390003 Type: CRP
Recorded: 12/28/2004 at 04:29:40 PM
Fee Amt: $20.00 Page 1 of 3
Iredell County, NC
Brenda D. Bell Register of Deeds
BK 1611 PG 196-198

3

Prepared by and return to: William A. Kennedy
413 N. Center St.
Statesville, NC 28677

FIRST SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF QUEENS CREST TOWNHOMES

THIS FIRST SUPPLEMENTAL DECLARATION OF QUEENS CREST TOWNHOMES ("Supplemental Declaration') is made as of the 8th day of December, 2004, by Austin-Elledge, Inc. a North Carolina Corporation ("Declarant") for itself, its successors and assigns, pursuant to the provisions of Chapter 47F of the North Carolina General Statutes, entitled the North Carolina Planned community Act ("Act").

STATEMENT OF PURPOSE

Declarant previously created Queens Crest Townhomes ("the Planned Community") by the filing of that certain Declaration of Covenants, Conditions and Restrictions of Queens Crest Townhomes, filed and recorded on August 25, 1999 in Book 1159 at page 1702 of the Iredell County Registry ("Declaration"). Declarant has subsequently erected buildings and constructed other improvements on a portion of the Additional Real Estate as the same is defined in the Declaration. The portion of the Additional Real Estate to be subjected to the Declaration is described on ATTACHMENT "A" attached hereto. The purpose of this Supplemental Declaration is to subject this property described on ATTACHMENT "A" and improvements constructed thereon to the Act and to add such property to the Planned Community.

AMENDMENT

NOW THEREFORE, Declarant amends the Declaration as follows:

(1) Declarant does hereby submit the property described in ATTACHMENT "A" to the Act, the Declaration, and all the terms and provisions thereof, and the Common Area and Lots, as defined in the Declaration, shall be held as provided in the Declaration, the Declaration being specifically incorporated herein by reference.

IN WITNESS WHEREOF, this Supplemental Declaration has been executed as of the 28th day of December, 2004.

Austin-Elledge, Inc.

Jack L Elledge
Jack L. Elledge President

STATE OF NORTH CAROLINA COUNTY OF IREDELL

I, Beverly W. Hutchens a Notary Public of the County and State aforesaid, certify that Jack L. Elledge personally came before me this day and acknowledged that he is President of Austin-Elledge, Inc., a North Carolina corporation, and that by authority duly given and as the act of such Entity, he signed the foregoing instrument in its name and on its behalf as its act and deed. Witness my hand and official stamp or seal, this 28th day of December ,2004 .

BEVERLY W. HUTCHENS NOTARY PUBLIC IREDELL COUNTY, N.C.

My Commission Expires 5-28-05 Beverly W. Hutchens Notary Public

The foregoing Certificate(s) of : Beverly W Hutchens

is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

Brenda D Bell REGISTER OF DEEDS FOR IREDELL COUNTY

By Margaret A Prentice Deputy/~~Assistant~~ Register of Deeds

Page 2 of 2

ATTACHMENT "A"

BEING , all of the property contained in the following Tracts shown on Plats recorded in the Iredell County Registry: Tracts 1 and 2 in Plat Book 33, Pages 60 and 61, Tract 3 in Plat Book 37, Page 125, Tract 4 in Plat Book 39, Page 31, Tract 5 in Plat Book 40, Page 56, Tract 6 in Plat Book 42, Page 57, Tract 7 in Plat Book 44, Page 61, Tract 8 in Plat Book 45 Page 43, and Tract 9 in Plat Book 45 Page 106 and Plat Book 46 Page 23 of the Iredell County Registry.

Also conveyed herewith is an easement for access, ingress and egress along and upon those streets and roads shown on the Plat at Plat Book 33, Pages 60 and 61, Plat Book 37, Page 125, Plat Book 39, Page 31, Plat Book 40, Page 56, Plat Book 42, Page 57, Plat Book 44, Page 61, Plat Book 45 Page 43, Plat Book 45 Page 106, Plat Book 46 Page 23 and Plat Book 46 Page 49 as Queens Crest Drive and Royalty Circle.

The above described property is subject to those certain Declarations, Restrictions and Covenants at Book 1159, Page 1702, Iredell County Registry.

Doc ID: 012677430029 Type: CRP
Kind: RESTRICTION
Recorded: 09/03/2009 at 10:06:05 AM
Fee Amt: $98.00 Page 1 of 29
Iredell County, NC
Brenda D. Bell Register of Deeds
BK 2026 PG 590-618

Prepared by: Russell W. Chapman, Jr.
Return to: Queens Crest Townhomes Association, Inc., Post Office Box 826, Statesville, NC 28687

29

NORTH CAROLINA
IREDELL COUNTY

FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF QUEENS CREST TOWNHOMES

This First Amendment to Declaration of Covenants, Conditions and Restrictions of Queens Crest Townhomes is made and entered into as of this 17th day of June, 2008, by the undersigned lot owners of Queens Crest Townhomes (hereinafter "Lot Owners");

WITTNESSETH:

THAT WHEREAS, Austin-Elledge, Inc. (hereafter "Declarant") developed a residential community known as Queens Crest Townhomes in Statesville, Iredell County, North Carolina; which community is platted, planned and recorded at Plat Book 33, Page 60; Plat Book 37, Page 125; Plat Book 39, Page 31; Plat Book 40, Page 56; Plat Book 42, Page 57; Plat Book 44, Page 61; Plat Book 45, Page 43; Plat Book 45, Page 106 and Plat Book 46, Page 23, Iredell County Registry; and

WHEREAS, Declarant heretofore subjected said community to covenants, conditions and restrictions as the same was dated and recorded on August 25, 1999 at Book 1159, Page 1702 and supplemented at Book 1611, Page 196, Iredell County Registry (hereinafter collectively "the Declaration"); and

WHEREAS, Lot Owners desire to amend the Declaration as more particularly provided herein; and

WHEREAS, the Declaration provides in Article XII, Section 3 that the Declaration may be amended during the first twenty year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners; and

WHEREAS, the undersigned Lot Owners consist of at least ninety percent (90%) of the Lot Owners in the Queen Crest Townhomes community; and

NOW, THEREFORE, the undersigned Lot Owners, being at least ninety percent (90%) of the Lot Owners in Queens Crest Townhomes community, hereby amend the Declaration for Queens Crest Townhomes as the same is recorded in Book 1159, Page 1702 and supplemented in Book 1611, Page 196, Iredell County Registry, to add the following two sections:

ARTICLE X, Section 10. Prohibition Against Rentals. Except as to the specific allowances in ARTICLE X, Section 11, no townhome, or portion thereof, in Queens Crest Townhomes may be rented or leased; whether express or implied, whether such lease is in writing or oral; whether for compensation or not; and irrespective of the duration of the implied or express rental or lease agreement. However, should a special need or hardship exist, a Lot

Owner may lease or rent their townhome if the tenant and terms of the lease are approved by the Board of Directors.

ARTICLE X, Section 11. Townhomes Must Be Owner Occupied. Each and every townhome must have at least one title holder, or immediate family member of a title holder, occupying the townhome on a permanent basis. "Title holder" for the purposes of this section shall include the fee simple owner of the townhome, the holder of a life estate interest in the townhome, the holder of a remainder interest in the townhome, an individual principal of a corporation or other legal entity, or individual partner of a partnership, who holds title to the townhome and the trustor or beneficiary of a trust which holds fee simple title to the townhome. "Permanent" occupancy shall be defined as actual physical occupancy with the intent to remain but shall not prevent temporary absences for vacation, travel, hospitalization, etc. "Immediate family member" shall be defined as to include spouse, one or more parents, children, grandchildren, siblings, aunts, uncles or in-laws of a title holder as defined herein; or any other family member or relation by marriage of a title holder as defined herein as approved by the Board of Directors of the Queens Crest Townhomes Association, Inc.

Except as otherwise provided herein, said Declaration of Covenants, Conditions and Restrictions for Queens Crest Townhomes shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, the undersigned Lot Owners have caused this instrument to be executed as of the day and year above written.

OWNER (Lot No. One)

Wm. W. Redman, Jr. (SEAL)
William W. Redman, Jr.

Elizabeth W. Redman (SEAL)
Elizabeth W. Redman

OWNER (Lot No. Two)

William E. Webb (SEAL)
William E. Webb

Joyce J. Webb (SEAL)
Joyce J. Webb

OWNER (Lot No. Three)

(SEAL) > Did not sign
Nancy A. Milstead

OWNER (Lot No. Four)

J. Ralph Templeton (SEAL)
J. Ralph Templeton

Phyllis L. Templeton (SEAL)
Phyllis L. Templeton

OWNER (Lot No. Five)

James D. Collins (SEAL)
James D. Collins

Nattie D. Collins (SEAL)
Nattie G. Collins

OWNER (Lot No. Six)

The Forehand Family Trust dated April 29, 2004

By: William E Forehand
William E. Forehand, Trustee

By: Ardell M. Forehand
Ardell M. Forehand, Trustee

OWNER (Lot No. Seven)

The Richard J. Makrickas and Nancy S. Makrickas Revocable Living Trust dated January 04, 2000

By: _____ By: Loretta Z Myers POA
Richard J. Makrickas, Trustee

By: _____ By: Loretta Z Myers POA
Nancy S. Makrickas, Trustee
Copy of Power of Attorney attached

OWNER (Lot No. Eight)

Deceased (SEAL)
Ray D. Stradley

Barbara B Stradley (SEAL)
Barbara B. Stradley

OWNER (Lot No. Nine)

Josephine H Rives (SEAL)
Josephine H. Rives

OWNER (Lot No. Ten)

Frank B. Culver, III and Gloria M. Culver Living Trust

By: _____
Gloria D. Culver, Trustee

By: _____
Marsha L. Culver Rasmussen, Trustee

Did not sign
Sold to Gladdors

OWNER (Lot No. Eleven)

_____ (SEAL) — Did not sign
Jewel S. Travis

OWNER (Lot No. Twelve)

Elledge Properties Limited Partnership, RLLLP

By: _____ Signature on separate sheet
Jack L. Elledge, Jr., general partner

OWNER (Lot No. Thirteen)

Richard and Catherine Danner Living Trust dated August 14, 1998

By: _____
Richard Danner, Trustee

By: _____
Catherine B. Danner, Trustee

OWNER (Lot No. Fourteen)

_____ (SEAL)
Bernard Kunkle

_____ (SEAL)
Joyce S. Kunkle

OWNER (Lot No. Fifteen)

_____ (SEAL)
Jerry F. Ford

_____ (SEAL)
Mary Gay Ford

Signed on a separate sheet

OWNER (Lot No. Sixteen)

_____ (SEAL)
Sue M. Baker

OWNER (Lot No. Seventeen)

_____ (SEAL)
Mary Hall Brannon

OWNER (Lot No. Eighteen)

Mary Louise B. Lewis Living Trust dated August 08, 1994

By: _____
Mary Louise B. Lewis, Trustee

OWNER (Lot No. Nineteen)

_____ (SEAL)
Billie F. Laminack

OWNER (Lot No. Twenty)

Joseph W. Tharpe Revocable Declaration of Trust dated July 12, 2001

By: _____
Joseph W. Tharpe, Trustee

Kathy G. Tharpe Revocable Declaration of Trust dated July 12, 2001

By: Kathy G. Tharpe, Trustee
Kathy G. Tharpe, Trustee

OWNER (Lot No. Twenty-One)

Nina T. Waters (SEAL) — notarized on a separate sheet
Nina T. Waters

OWNER (Lot No. Twenty-Two)

(SEAL) — signature on another sheet
Robin Rosenfeld

OWNER (Lot No. Twenty-Three)

(SEAL) > signature on a separate sheet
Julie T. Mullis

OWNER (Lot No. Twenty-Four)

Dorothy B. Tharpe (SEAL)
Dorothy B. Tharpe

OWNER (Lot No. Twenty-Five)

Bobby J. Everidge (SEAL)
Bobby J. Everidge

Sue S. Everidge (SEAL)
Sue S. Everidge

OWNER (Lot No. Twenty-Six)

(SEAL) > signature on a separate sheet
Gladys B. Austin

OWNER (Lot No. Twenty-Seven)

Palmer J. Edwards (SEAL)
Palmer J. Edwards

Doris E. Edwards (SEAL)
Doris E. Edwards

(SEAL) — Signature on a separate sheet
Jeffrey Scott Edwards

Roger Alan Edwards (SEAL)
Roger Alan Edwards

OWNER (Lot No. Twenty-Eight)

(SEAL)
D. Barry Sechrist

(SEAL) > Did not sign
Shirley W. Sechrist

OWNER (Lot No. Twenty-Nine)

_____ (SEAL)
Barbara W. Benfield

_____ (SEAL)
Charlie Ray Benfield

_____ (SEAL)
Melynn B. Roberts

3 signatures on separate sheet.

OWNER (Lot No. Thirty)

_____ (SEAL)
Susan M. Queen

signed on separate sheet

OWNER (Lot No. Thirty-One)

Fanffall R. Bollero (SEAL)
Fanffall R. Bollero

Audrey L. Bollero (SEAL)
Audrey L. Bollero

OWNER (Lot No. Thirty-Two)

_____ (SEAL)
John Thomas Alexander, Jr.

_____ (SEAL)
Joanne W. Alexander

signed on separate

OWNER (Lot No. Thirty-Three)

_____ (SEAL)
Lynne I. Sweeney

– signature on another sheet

OWNER (Lot No. Thirty-Four)

Theodore R. Wainer (SEAL)
Theodore R. Wainer

Betty F. Wainer (SEAL)
Betty F. Wainer

OWNER (Lot No. Thirty-Five)

Latimer Breck Alexander, III (SEAL)
Lattimer Breck Alexander, III

Margaret S. Alexander L.B.A. (SEAL)
Margaret S. Alexander

OWNER (Lot No. Thirty-Six)

Caroline B. Grisette (SEAL)
Caroline B. Grisette

OWNER (Lot No. Thirty-Seven)

Charles B. Sigmon (SEAL)
Charles B. Sigmon

Frances M. Sigmon (SEAL)
Frances M. Sigmon

OWNER (Lot No. Thirty-Eight)

David C Shoemaker (SEAL)
David C. Shoemaker

Rikki B Shoemaker (SEAL)
Rikke B. Shoemaker

OWNER (Lot No. Thirty-Nine)

Nancy Sechrist (SEAL)
Nancy Sechrist

OWNER (Lot No. Forty)

Lois S. Miller (SEAL)
Lois S. Miller

OWNER (Lot No. Forty-One)

Melissa B. Chambers (SEAL)
Melissa B. Chambers

OWNER (Lot No. Forty-Two)

David V. Odom (SEAL)
David V. Odom

Deceased (SEAL)
Andora I. Odom

OWNER (Lot No. Forty-Three)

Richard W. Causey (SEAL)
Richard W. Causey

Mary Elizabeth Causey (SEAL)
Mary Elizabeth Causey

OWNER (Lot No. Forty-Four)

(SEAL)
William E. Kestler, Jr.

(SEAL)
Nancy C. Kestler

Did not sign

OWNER (Lot No. Forty-Five)

(SEAL)
Phyllis K. Patterson

signed on separate paper

OWNER (Lot No. Forty-Six) — notarized on a separate sheet

Etta O. Inman (SEAL)
Etta O. Inman

OWNER (Lot No. Forty-Seven)

_____ (SEAL)
Timothy Ray Estes

_____ (SEAL)
Kathy Estes

Signed on a separate paper

OWNER (Lot No. Forty-Eight)

Joyce H. Goodman (SEAL)
Joyce H. Goodman

OWNER (Lot No. Forty-Nine)

Doris J. Coates (SEAL)
Doris J. Coates

James E. Ingle (SEAL)
James E. Ingle

OWNER (Lot No. Fifty)

_____ (SEAL)
Jack L. Elledge, Jr.

_____ (SEAL)
Jean T. Elledge

Signatures on a Separate sheet

OWNER (Lot No. Fifty-One)

Betty Jo H. Litaker (SEAL)
Betty Jo H. Litaker

OWNER (Lot No. Fifty-Two)

_____ (SEAL)
George Carey

_____ (SEAL)
Dyane Carey

Sold to

Signed on a separate paper

Ralph Brown (Seal)

Christine Brown (Seal)

NORTH CAROLINA
IREDELL COUNTY

I, Nina T. Waters, a Notary Public in and for said County and State aforesaid, do hereby certify that

1 Bernard Kunkle Lot 14
2 Billie F. Lanimack Lot 19
3 Nancy Sechrist Lot 36
4 Theodore R. Wainer Lot 31
5 Betty F. Wainer Lot 31

6 Sue M. Baker Lot 14

~~Lot No. 7 Loretta Augers for Richard J. and Nancy S. Makricka~~ ~~Limited Power of Attorney~~ Copy Enclosed

8 William E. Webb Lot 2
9 Joyce J. Webb Lot 2
10 J. Ralph Templeton Lot 9
11 Phyllis L. Templeton Lot 9
12 Charles B. Sigmon Lot 37
13 Frances M. Sigmon Lot 37
14 Nettie Collins Lot 5

Lot No. 18 15 Mary Louise B. Lewis Trustee of the Mary Louise B. Lewis Living Trust dated August 8, 1994
Lot No. 20 16 Joseph W. Tharpe Trustee of the Joseph W. Tharpe Revocable Declaration of Trust dated 7/12/01
Lot No. 20 17 Kathy G. Tharpe Trustee of the Kathy G. Tharpe Revocable Declaration of Trust dated 7/12/01
18 Joyce S. Kunkle Lot 14
19 William W. Redman, Jr. Lot 1
20 Elizabeth W. Redman Lot 1
21 William E. Forehand Lot 16
22 Ardell M. Forehand Lot 16
23 Josephine H. Rives Lot 9
24 James D. Collins Lot 5
25 Caroline B. Grissette Lot 36
26 David C. Shoemaker Lot 38
27 Rikki B. Shoemaker Lot 38
28 Melissa B. Chambers Lot 41
29. Lois S. Miller Lot 40
30. Dorothy B. Tharpe Lot 24
31. Mary Hall Brannon Lot 17
32. Faythall R. Bollero Lot 31
33. Audrey L. Bollero Lot 31
34. Richard W. Causey Lot 43
35. Mary Elizabeth Causey Lot 43
36. David V. Odom Lot 42
37. Palmer J. Edwards Lot 27
38. Doris E. Edwards Lot 27
39. Roger Alan Edwards Lot 27
40. Doris J. Coats Lot 49
41. James E. Ingle Lot 49
42. Betty J. H. Linker Lot 51
43. Barbara B. Stradley Lot 8
44. Latimer Breck Alexander, III Lot 35
45 Margaret S. Alexander Lot 35
46. Bobby J. Everidge Lot 25
47. Sue S. Everidge Lot 25
48. Joyce H. Goodman Lot 48

personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 27 day of ~~June 2006~~ April, 2006.

NINA T. WATERS NOTARY PUBLIC IREDELL COUNTY, NC

Nina T. Waters
Nina T. Waters

my commission expires March 20, 2010

OWNER (Lot No. Seven)

The Richard J. Makrickas and Nancy S. Makrickas Revocable Living Trust dated January 04, 2000

By: Richard J. Makrickas
Richard J. Makrickas, Trustee

By: Nancy S. Makrickas
Nancy S. Makrickas, Trustee

NORTH CAROLINA
IREDELL COUNTY

I, Glenda Eskew, a Notary Public in and for said County and State aforesaid, do hereby certify that Richard J. Makrickas and Nancy S. Makrickas, trustees of the Richard J. Makrickas and Nancy S. Makrickas Revocable Living Trust dated January 04, 2000, personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 23 day of July, 2008.

Glenda Eskew
Notary Public

My Commission Expires: 01-19-2011

GLENDA ESKEW
Notary Public
Iredell County
North Carolina

Queens Crest HOA

ARTICLE X, Section 11. Townhomes Must Be Owner Occupied. Each and every townhome must have at least one title holder, or immediate family member of a title holder, occupying the townhome on a permanent basis. "Title holder" for the purposes of this section shall include the fee simple owner of the townhome, the holder of a life estate interest in the townhome, the holder of a remainder interest in the townhome, a principal of a corporation or other legal entity or partner of a partnership who holds title to the townhome and the trustor or beneficiary of a trust which holds fee simple title to the townhome. "Permanent" occupancy shall be defined as actual physical occupancy with the intent to remain but shall not prevent temporary absences for vacation, travel, hospitalization, etc. "Immediate family member" shall be defined as to include spouse, one or more parents, children, grandchildren, siblings, aunts, uncles or in-laws of a title holder as defined herein; or any other family member or relation by marriage of a title holder as defined herein as approved by the Board of Directors of the Queens Crest Townhomes Association, Inc.

Except as otherwise provided herein, said Declaration of Covenants, Conditions and Restrictions for Queens Crest Townhomes shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, the undersigned Lot Owners have caused this instrument to be executed as of the day and year above written.

OWNER (Lot No. Ten) Sold in June, 2009

Frank B. Culver, III and Gloria M. Culver Living Trust

By: _____
Gloria D. Culver, Trustee

By: _____
Marsha L. Culver Rasmussen, Trustee

new owners Lot #Ten

Robert Gladden
Robert Gladden

Linda Gladden
Linda Gladden

NORTH CAROLINA
IREDELL COUNTY

I, Nina T. Waters, a Notary Public in and for said County and State aforesaid, do hereby certify that Robert Gladden and Linda Gladden, personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 7 day of July, 2009.

Nina T. Waters
Notary Public

My Commission Expires: March 10, 2010

NINA T. WATERS NOTARY PUBLIC IREDELL COUNTY, NC

Seal-Stamp

NORTH CAROLINA, Iredell County.

I, Beverly W. Hutchens, a Notary Public for said County and State, do hereby certify that Jack L. Elledge personally came bfore me this day and acknowledged that he is general partner of Elledge Properties Limited Partnership, RLLLP, a North Carolina registered limited liability limited partnership, and acknowledged, on behalf of the partnership, the due execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 31st day of August 2009.

My Commission expires: May 28, 2010



Beverly W. Hutchens
Notary Public

OWNER (Lot No. Twelve)

Elledge Properties Limited Partnership, RLLLP

By: Jack L Elledge
Jack L. Elledge, general partner

OWNER (Lot No. Fifty)

Jack L Elledge (SEAL)
Jack L. Elledge

Jean T. Elledge (SEAL)
Jean T. Elledge

STATE OF NC – COUNTY OF IREDELL

I, a Notary Public of Iredell County, NC do hereby certify that Jack L. Elledge and Jean T. Elledge personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

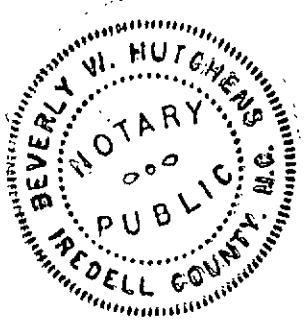
Witness my hand and official stamp or seal this the 31ST day of August, 2009.

Beverly W. Hutchens

My commission expires:

May 28, 2010

Printed Name: Beverly W. Hutchens



Owner may lease or rent their townhome if the tenant and terms of the lease are approved by the Board of Directors.

ARTICLE X, Section 11. Townhomes Must Be Owner Occupied. Each and every townhome must have at least one title holder, or immediate family member of a title holder, occupying the townhome on a permanent basis. "Title holder" for the purposes of this section shall include the fee simple owner of the townhome, the holder of a life estate interest in the townhome, the holder of a remainder interest in the townhome, an individual principal of a corporation or other legal entity, or individual partner of a partnership, who holds title to the townhome and the trustor or beneficiary of a trust which holds fee simple title to the townhome. "Permanent" occupancy shall be defined as actual physical occupancy with the intent to remain but shall not prevent temporary absences for vacation, travel, hospitalization, etc. "Immediate family member" shall be defined as to include spouse, one or more parents, children, grandchildren, siblings, aunts, uncles or in-laws of a title holder as defined herein; or any other family member or relation by marriage of a title holder as defined herein as approved by the Board of Directors of the Queens Crest Townhomes Association, Inc.

Except as otherwise provided herein, said Declaration of Covenants, Conditions and Restrictions for Queens Crest Townhomes shall be and remain in full force and effect.

OWNER (Lot No. Fifteen)

Jerry F Ford (SEAL)
Jerry F. Ford

Mary Gay Ford (SEAL)
Mary Gay Ford

NORTH CAROLINA
IREDELL COUNTY

I, Judith S. Ford, a Notary Public in and for said County and State aforesaid, do hereby certify that Jerry F and Mary Gay Ford, personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 6th day of March 2008.

Judith S. Ford
Notary Public

My Commission Expires: 02/26/2011

JUDITH S FORD
NOTARY PUBLIC
Iredell County, North Carolina

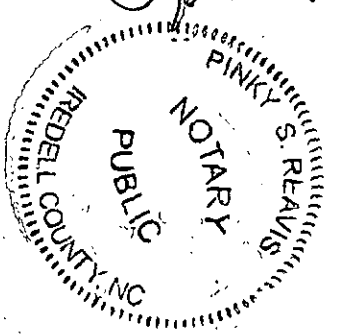
Owner may lease or rent their townhome if the tenant and terms of the lease are approved by the Board of Directors.

ARTICLE X, Section 11. Townhomes Must Be Owner Occupied. Each and every townhome must have at least one title holder, or immediate family member of a title holder, occupying the townhome on a permanent basis. "Title holder" for the purposes of this section shall include the fee simple owner of the townhome, the holder of a life estate interest in the townhome, the holder of a remainder interest in the townhome, an individual principal of a corporation or other legal entity, or individual partner of a partnership, who holds title to the townhome and the trustor or beneficiary of a trust which holds fee simple title to the townhome. "Permanent" occupancy shall be defined as actual physical occupancy with the intent to remain but shall not prevent temporary absences for vacation, travel, hospitalization, etc. "Immediate family member" shall be defined as to include spouse, one or more parents, children, grandchildren, siblings, aunts, uncles or in-laws of a title holder as defined herein; or any other family member or relation by marriage of a title holder as defined herein as approved by the Board of Directors of the Queens Crest Townhomes Association, Inc.

Except as otherwise provided herein, said Declaration of Covenants, Conditions and Restrictions for Queens Crest Townhomes shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, the undersigned Lot Owners have caused this instrument to be executed as of the day and year above written.

OWNER (Lot No. ~~One~~ 22) 1405 Royalty Circle



North Carolina

Iredell **County**

"I, Pinky S Reavis**, a Notary Public for said County and State, do hereby certify that** Robin D. Rosenfeld **personally appeared before me this day and acknowledged the due execution of the foregoing instrument".**

Witness my hand and official seal, this the 12th **day of** February**,** 2009**.**

Pinky S. Reavis
Notary Public

IREDELL COUNTY, NC PINKY S. REAVIS NOTARY PUBLIC

My Commission expires January 2**,** 2011

Owner may lease or rent their townhome if the tenant and terms of the lease are approved by the Board of Directors.

ARTICLE X, Section 11. Townhomes Must Be Owner Occupied. Each and every townhome must have at least one title holder, or immediate family member of a title holder, occupying the townhome on a permanent basis. "Title holder" for the purposes of this section shall include the fee simple owner of the townhome, the holder of a life estate interest in the townhome, the holder of a remainder interest in the townhome, an individual principal of a corporation or other legal entity, or individual partner of a partnership, who holds title to the townhome and the trustor or beneficiary of a trust which holds fee simple title to the townhome. "Permanent" occupancy shall be defined as actual physical occupancy with the intent to remain but shall not prevent temporary absences for vacation, travel, hospitalization, etc. "Immediate family member" shall be defined as to include spouse, one or more parents, children, grandchildren, siblings, aunts, uncles or in-laws of a title holder as defined herein; or any other family member or relation by marriage of a title holder as defined herein as approved by the Board of Directors of the Queens Crest Townhomes Association, Inc.

Except as otherwise provided herein, said Declaration of Covenants, Conditions and Restrictions for Queens Crest Townhomes shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, the undersigned Lot Owners have caused this instrument to be executed as of the day and year above written.

OWNER (Lot No. Twenty-Three)

Julia T. Mullis (SEAL)

~~Julie~~ T. Mullis

JTM Julia

NORTH CAROLINA
IREDELL COUNTY

I, Mary Frances Kimel, a Notary Public in and for said County and State aforesaid, do hereby certify that Julia T. Mullis personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 13 day of March, 2008.

Mary Frances Kimel
Notary Public

My Commission Expires: 6-04-2013

MARY FRANCES KIMEL
NOTARY PUBLIC
Iredell County
North Carolina
My Commission Expires 6-4-2013

ARTICLE X, Section 11. Townhomes Must Be Owner Occupied. Each and every townhome must have at least one title holder, or immediate family member of a title holder, occupying the townhome on a permanent basis. "Title holder" for the purposes of this section shall include the fee simple owner of the townhome, the holder of a life estate interest in the townhome, the holder of a remainder interest in the townhome, an individual principal of a corporation or other legal entity, or individual partner of a partnership, who holds title to the townhome and the trustor or beneficiary of a trust which holds fee simple title to the townhome. "Permanent" occupancy shall be defined as actual physical occupancy with the intent to remain but shall not prevent temporary absences for vacation, travel, hospitalization, etc. "Immediate family member" shall be defined as to include spouse, one or more parents, children, grandchildren, siblings, aunts, uncles or in-laws of a title holder as defined herein; or any other family member or relation by marriage of a title holder as defined herein as approved by the Board of Directors of the Queens Crest Townhomes Association, Inc.

Except as otherwise provided herein, said Declaration of Covenants, Conditions and Restrictions for Queens Crest Townhomes shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, the undersigned Lot Owners have caused this instrument to be executed as of the day and year above written.

OWNER (Lot No. Twenty-Six)

Gladys B. Austin (SEAL)

Gladys B. Austin

NORTH CAROLINA
IREDELL COUNTY

I, Elizabeth P. Brownell, a Notary Public in and for said County and State aforesaid, do hereby certify that Gladys B. Austin personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 5th day of March, 2007.

Elizabeth P. Brownell
Notary Public

My Commission Expires: 01/06/2013

Elizabeth P Brownell
NOTARY PUBLIC
Iredell County, North Carolina
My Commission Exp. 01/06/2013

SIGNATURE PAGE

JEFFREY S. EDWARDS (Lot 27)

COMMONWEALTH OF VIRGINIA
COUNTY OF NOTTOWAY, To-Wit:

The foregoing instrument was acknowledged before me, Christine Marston a Notary in the state and county aforementioned, this 11th day of February 2009 by Jeffrey S. Edwards.

CHRISTINE MARSTON
Notary Public
Commonwealth of Virginia
196930
My Commission Expires Apr 30, 2011

Notary Public

- Owner may lease or rent their townhome if the tenant and terms of the lease are approved by the Board of Directors.

ARTICLE X, Section 11. Townhomes Must Be Owner Occupied. Each and every townhome must have at least one title holder, or immediate family member of a title holder, occupying the townhome on a permanent basis. "Title holder" for the purposes of this section shall include the fee simple owner of the townhome, the holder of a life estate interest in the townhome, the holder of a remainder interest in the townhome, an individual principal of a corporation or other legal entity, or individual partner of a partnership, who holds title to the townhome and the trustor or beneficiary of a trust which holds fee simple title to the townhome. "Permanent" occupancy shall be defined as actual physical occupancy with the intent to remain but shall not prevent temporary absences for vacation, travel, hospitalization, etc. "Immediate family member" shall be defined as to include spouse, one or more parents, children, grandchildren, siblings, aunts, uncles or in-laws of a title holder as defined herein; or any other family member or relation by marriage of a title holder as defined herein as approved by the Board of Directors of the Queens Crest Townhomes Association, Inc.

Except as otherwise provided herein, said Declaration of Covenants, Conditions and Restrictions for Queens Crest Townhomes shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, the undersigned Lot Owners have caused this instrument to be executed as of the day and year above written.

OWNER (Lot No. 29) Barbara W. Benfield
Charlie Ray Benfield
Melynn B. Roberts

Charlie R Benfield

Barbara W. Benfield

Melynn Benfield Roberts

North Carolina
Iredell County

I, Nina Waters, a Notary Public in and for said County and State aforesaid, do hereby Certify that Charlie R. Benfield, Barbara W. Benfield and Melynn B. Roberts personally known to me, personally appeared before me on this day and acknowledged the due execution of the foregoing instrument. Witness my hand and official stamp or seal, this the 9th day of February, 2009.

My Commission Expires March 20, 2010

Nina T. Waters
Notary Public

Nina T. Waters
Notary

OWNER (Lot No. Thirty)

Susan M. Queen (SEAL)

Susan M. Queen

NORTH CAROLINA
Wake ~~IREDELL~~ COUNTY

I, Diana E Teal, a Notary Public in and for said County and State aforesaid, do hereby certify that Susan M Queen, personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 19 day of Feb, 2009.

Diana E Teal
Notary Public

My Commission Expires: 9-21-13

DIANA E. TEAL NOTARY PUBLIC WAKE COUNTY, NC Comm. Exp. 9-21-2013.

ARTICLE X, Section 11. Townhomes Must Be Owner Occupied. Each and every townhome must have at least one title holder, or immediate family member of a title holder, occupying the townhome on a permanent basis. "Title holder" for the purposes of this section shall include the fee simple owner of the townhome, the holder of a life estate interest in the townhome, the holder of a remainder interest in the townhome, an individual principal of a corporation or other legal entity, or individual partner of a partnership, who holds title to the townhome and the trustor or beneficiary of a trust which holds fee simple title to the townhome. "Permanent" occupancy shall be defined as actual physical occupancy with the intent to remain but shall not prevent temporary absences for vacation, travel, hospitalization, etc. "Immediate family member" shall be defined as to include spouse, one or more parents, children, grandchildren, siblings, aunts, uncles or in-laws of a title holder as defined herein; or any other family member or relation by marriage of a title holder as defined herein as approved by the Board of Directors of the Queens Crest Townhomes Association, Inc.

Except as otherwise provided herein, said Declaration of Covenants, Conditions and Restrictions for Queens Crest Townhomes shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, the undersigned Lot Owners have caused this instrument to be executed as of the day and year above written.

OWNER (Lot No. Thirty-Two)

John Thomas Alexander (SEAL)
John Thomas Alexander, Jr.

Joanne W. Alexander (SEAL)
Joanne W. Alexander

State of North Carolina
County of Iredell

I, Nina T. Waters, a Notary Public in and for said County and State aforesaid, do hereby certify that ~~March 1, 2008~~ John Thomas Alexander, Jr. & * personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument. * Joanne W. Alexander

WITNESS my hand and official stamp or seal, this the 1 day of March, 2008.

Nina T. Waters
Notary Public

My Commission Expires: March 20, 2010

NINA T. WATERS NOTARY PUBLIC IREDELL COUNTY, NC

Owner may lease or rent their townhome if the tenant and terms of the lease are approved by the Board of Directors.

ARTICLE X, Section 11. Townhomes Must Be Owner Occupied. Each and every townhome must have at least one title holder, or immediate family member of a title holder, occupying the townhome on a permanent basis. "Title holder" for the purposes of this section shall include the fee simple owner of the townhome, the holder of a life estate interest in the townhome, the holder of a remainder interest in the townhome, an individual principal of a corporation or other legal entity, or individual partner of a partnership, who holds title to the townhome and the trustor or beneficiary of a trust which holds fee simple title to the townhome. "Permanent" occupancy shall be defined as actual physical occupancy with the intent to remain but shall not prevent temporary absences for vacation, travel, hospitalization, etc. "Immediate family member" shall be defined as to include spouse, one or more parents, children, grandchildren, siblings, aunts, uncles or in-laws of a title holder as defined herein; or any other family member or relation by marriage of a title holder as defined herein as approved by the Board of Directors of the Queens Crest Townhomes Association, Inc.

Except as otherwise provided herein, said Declaration of Covenants, Conditions and Restrictions for Queens Crest Townhomes shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, the undersigned Lot Owners have caused this instrument to be executed as of the day and year above written.

OWNER (Lot No. One) 33 Lynne D Sweeney

IREDELL County
North Carolina

I certify that the following person(s) personally appeared before me this day, and (I have personal knowledge of the identity of the principal(s)) (I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principals' photograph in the form of a NC DIR LICENSE) (~~a credible witness has sworn to the identity of the principal(s)~~): each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: LYNNE I. SWEENEY

Date: 2-11-2009

Christie D Lynch
CHRISTIE D LYNCH , Notary Public

(Official Seal)

CHRISTIE D. LYNCH NOTARY PUBLIC IREDELL COUNTY, NC

My Commission Expires September 24, 2013

OWNER (Lot No. Forty-Five)

Phyllis K. Patterson (SEAL)

Phyllis K. Patterson

NORTH CAROLINA
IREDELL COUNTY

I, Edwin Rivero, a Notary Public in and for said County and State aforesaid, do hereby certify that Phyllis K. Patterson, personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 20th day of Feb., 2008.

Notary Public

EDWIN RIVERO
Notary Public - State of Florida
My Commission Expires Dec 12, 2009
Commission # DD 483376
Bonded By National Notary Assn.

My Commission Expires: _____

OWNER (Lot No. Forty-Seven)

_____ (SEAL)
Timothy Ray Estes

_____ (SEAL)
Kathy Estes

NORTH CAROLINA
IREDELL COUNTY

I, Freda W. Alford, a Notary Public in and for said County and State aforesaid, do hereby certify that Timothy Ray Estes + Kathy Estes, personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 23 day of March, 2007.

Freda W. Alford
Notary Public

My Commission Expires: 11-21-2010

FREDA W ALFORD
Notary Public
Iredell County
North Carolina
My Commission Expires Nov 21, 2010

Owner may lease or rent their townhome if the tenant and terms of the lease are approved by the Board of Directors.

ARTICLE X, Section 11. Townhomes Must Be Owner Occupied. Each and every townhome must have at least one title holder, or immediate family member of a title holder, occupying the townhome on a permanent basis. "Title holder" for the purposes of this section shall include the fee simple owner of the townhome, the holder of a life estate interest in the townhome, the holder of a remainder interest in the townhome, an individual principal of a corporation or other legal entity, or individual partner of a partnership, who holds title to the townhome and the trustor or beneficiary of a trust which holds fee simple title to the townhome. "Permanent" occupancy shall be defined as actual physical occupancy with the intent to remain but shall not prevent temporary absences for vacation, travel, hospitalization, etc. "Immediate family member" shall be defined as to include spouse, one or more parents, children, grandchildren, siblings, aunts, uncles or in-laws of a title holder as defined herein; or any other family member or relation by marriage of a title holder as defined herein as approved by the Board of Directors of the Queens Crest Townhomes Association, Inc.

Except as otherwise provided herein, said Declaration of Covenants, Conditions and Restrictions for Queens Crest Townhomes shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, the undersigned Lot Owners have caused this instrument to be executed as of the day and year above written.

OWNER (Lot No. Fifty-Two)

George Carey (SEAL)

Dyane Carey (SEAL)

Sold to

Ralph Brown (Seal)

Christine Brown (Seal)

NORTH CAROLINA
IREDELL COUNTY

I, Angela S. Clontz, a Notary Public in and for said County and State aforesaid, do hereby certify that Ralph Brown and Christine Brown, personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 10th day of March, 2009

Angela S Clontz
Notary Public

My Commission Expires: Dec 17, 2011

ANGELA S. CLONTZ NOTARY PUBLIC IREDELL COUNTY, NC

NORTH CAROLINA
IREDELL COUNTY

Lot 46

I, Nina Waters, a Notary Public in and for said County and State aforesaid, do hereby certify that Etta O. Inman, personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 20 day of Feb, 2009.

Nina T. Waters
Notary Public

My Commission Expires: 3/20/2010

NINA T. WATERS NOTARY PUBLIC IREDELL COUNTY, N.C.

NORTH CAROLINA
IREDELL COUNTY

Lot 21

I, Etta O. Inman, a Notary Public in and for said County and State aforesaid, do hereby certify that Nina T. Waters, personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 20 day of Feb., 2009.

Etta O. Inman
Notary Public

My Commission Expires: June 11, 2010

ETTA O. INMAN NOTARY PUBLIC IREDELL COUNTY, N.C.

~~Notary Public~~

~~My Commission Expires:~~

Lot 6

NORTH CAROLINA
IREDELL COUNTY

I, Nina T. Waters, a Notary Public in and for said County and State aforesaid, do hereby certify that William E. and Ardell M. Forehand, trustees of the Forehand Family Trust dated April 29, 2004, personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 12 day of Feb, 2009.

Nina T. Waters
Notary Public

My Commission Expires: 3/10/2010

~~NORTH CAROLINA~~
~~IREDELL COUNTY~~

I, _____, a Notary Public in and for said County and State aforesaid, do hereby certify that Richard J. Makrickas and Nancy S. Makrickas, trustees of the Richard J. Makrickas and Nancy S. Makrickas Revocable Living Trust dated January 04, 2000, personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the _____ day of _____, 2008.

_____
Notary Public

My Commission Expires: _____

~~NORTH CAROLINA~~
~~IREDELL COUNTY~~

I, _____, a Notary Public in and for said County and State aforesaid, do hereby certify that Gloria D. Culver and Marsha L. Culver Rasmussen, trustees of the Frank B. Culver, III and Gloria M. Culver Living Trust, personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the _____ day of _____, 2008.

_____
~~Notary Public~~

~~My Commission Expires:~~ _____

Lot 13

NORTH CAROLINA
IREDELL COUNTY

I, Nina Waters, a Notary Public in and for said County and State aforesaid, do hereby certify that Richard Danner and Catherine B. Danner, trustees of the Richard and Catherine Danner Living Trust dated August 14, 1998, personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 27 day of Feb., 2009.

Notary Stamp on previous page.

Nina T. Waters
Notary Public

My Commission Expires: 3/20/2010

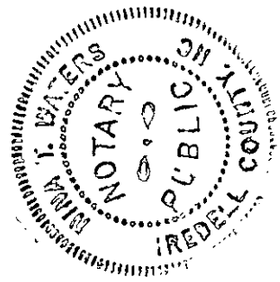
NORTH CAROLINA
IREDELL COUNTY

Lot 18

I, Nina Waters, a Notary Public in and for said County and State aforesaid, do hereby certify that Mary Louise B. Lewis, trustee of the Mary Louise B. Lewis Living Trust dated August 08, 1994, personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 12 day of Feb., 2009.

Nina T. Waters
Notary Public



My Commission Expires: 3/10/2010

NORTH CAROLINA
IREDELL COUNTY

Lot 20

I, Nina Waters, a Notary Public in and for said County and State aforesaid, do hereby certify that Joseph W. Tharpe, trustee of the Joseph W. Tharpe Revocable Declaration of Trust dated July 12, 2001, personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 12 day of Feb., 2009

Nina T. Waters
Notary Public



My Commission Expires: 3/10/2010

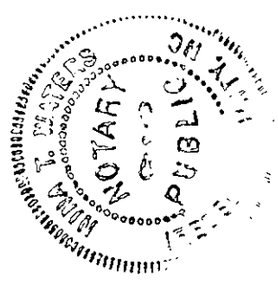
NORTH CAROLINA
IREDELL COUNTY

Lot 20

I, Nina T. Waters, a Notary Public in and for said County and State aforesaid, do hereby certify that Kathy G. Tharpe, trustee of the Kathy G. Tharpe Revocable Declaration of Trust dated July 12, 2001, personally known to me, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 12 day of Feb, 2009.

Nina T. Waters
Notary Public



My Commission Expires: 3/10/2010