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LYNNE JOHNSON

REGISTER OF DEEDS
BY: OLIVIA DOYLE

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Original to: Barret Hagen

Prepared By and Return to:

Spilman Thomas & Battle, PLLC, Oakwood Drive, Winston-Salem, NC 27103 (Box # 29)

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

DECLARATION OF EASEMENTS WITH COVENANTS, CONDITIONS AND RESTRICTIONS FOR SMITH CROSSING

THIS DECLARATION OF EASEMENTS WITH COVENANTS, CONDITIONS AND RESTRICTIONS FOR SMITH CROSSING (the "Declaration") is made this 19 day of December, 2016, by I-40/Union Cross RE, LLC, a North Carolina limited liability company ("Declarant") and Ronald M. Smith and Nancy F. Smith (collectively, the "Smiths"). This Agreement is also executed by Branch Banking and Trust Company ("Lender") to evidence its consent hereto.

WITNESSETH:

WHEREAS, Declarant and the Smiths are the owners, and Declarant is the developer, of the Property which is defined and more particularly described below; and

WHEREAS, the Property consists of Lots 1-9, exclusively, Jag Branch Boulevard, Solomon Drive, and all Common Area as more shown on the "Final Plat for Smith Crossing" (the "Property") recorded in Plat Book 65, Page 134 in the Forsyth County Registry (said Plat is referred to herein as the "Subdivision Map"); and

WHEREAS, Declarant and the Smiths shall convey the Property subject to the easements, protective covenants, conditions and restrictions, reservations and charges as hereinafter set forth; and

WHEREAS, Declarant, as the developer of the Property, desires to create Smith Crossing (as defined below); and

WHEREAS, Declarant and the Smiths desire to provide for the preservation and enhancement of the property values, amenities and conceptual intent of Smith Crossing, for the maintenance of Common Elements and improvements thereon as described herein, and accordingly desires to subject the Property together with such additions and/or deletions as may hereinafter be made, to the covenants, restrictions, easements, affirmative obligations, charges, and liens, as hereinafter set forth, each and all

of which is hereby declared to be for the benefit of said Property and each and every owner of any and all parts thereof who consents or takes subject to this Declaration; and

WHEREAS, Declarant and the Smiths have deemed it desirable for the efficient preservation of the values and amenities of Smith Crossing to create one agency to which shall be delegated and assigned the power and authority of owning, maintaining and administering the Common Elements as defined herein, administering and enforcing the covenants and restrictions governing said Common Elements, collecting and disbursing all assessments and charges necessary for such activities; and

WHEREAS, Declarant has caused or will later cause to be incorporated under the laws of the State of North Carolina as a nonprofit corporation, Smith Crossing Property Owners Association, Inc., for the purpose of exercising the functions described above, and which are hereinafter more fully set forth; and

NOW, THEREFORE, in consideration of the premises and covenants set forth herein, Declarant and the Smiths declare that the Property and such additions and/or deletions thereto as may hereafter be made, is and shall be held, transferred, sold, conveyed, leased, occupied, and used subject to the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations, and liens hereinafter set forth (sometimes referred to as the "Covenants"), and said Covenants shall run with the land and be binding on all persons claiming under or through Declarant and/or Owner (as defined below) and said Covenants shall inure to the benefit of each Owner thereof.

ARTICLE 1.

DEFINITIONS

Section 1. "Association" shall mean and refer to the Smith Crossing Property Owners Association, Inc. a North Carolina nonprofit corporation, and its successors and assigns.

Section 2. "Board of Directors" or "Board" means those persons elected or appointed to act collectively as the directors of the Association.

Section 3. "Book of Resolutions" shall mean and refer to the document containing rules and regulations and policies adopted by the Board of Directors.

Section 4. "By-Laws" shall mean the By-Laws of the Association as they now or hereafter may exist.

Section 5. "Common Expenses" shall mean and refer to all sums lawfully assessed by the Association against its Members, expenses of administration, maintenance, repair or replacement of Common Elements, expenses declared to be or described as Common Expenses by the provisions of this Declaration, expenses for landscaping maintenance as described herein, premiums for hazard, liability or other insurance as may be obtained by the Association, ad valorem taxes and public assessments levied on the Common Elements owned in fee, utility charges for Common Elements facilities, payment of assessments for public and private improvements made to or for the benefit of the Common Elements, and expenses agreed by the Members of the Association to be Common Expenses of such Association. Notwithstanding the foregoing, upon default of the Association of payment to the jurisdiction entitled thereto of any assessments for public improvements or ad valorem taxes levied against the Common Elements, which default shall continue for a period of six (6) months, each Owner of a Lot shall become

personally obligated to pay to the jurisdiction a portion of the taxes or assessments in an amount determined by dividing the total taxes and/or assessments due to the jurisdiction by the total acreage of the Lots with each Owner responsible for paying the prorata share of the Taxes and/or assessments due with respect to the acreage of their Lot, with such prorata share being allocated in the same manner that membership in the Association is allocated among each of the Owners of Lots. If the sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, the sum shall become a continuing lien on the Lot of the Owner, his heirs, devisees, personal representatives and assigns. The taxing or assessing jurisdiction may either bring an action at law against the Owner personally obligated to pay the same, or may elect to foreclose the lien against the Lot of the Owner.

Section 6. "Common Elements" shall mean and refer to (i) the Common Area shown on the Subdivision Map, including, but not limited to all roadways designated as "Public R/W" by the Subdivision Map until such time that a governmental authority accepts maintenance responsibilities for such roadways, (ii) the Smith Crossing Sign(s) (as defined below), (iii) the Stormwater System (as defined below), and (iv) any landscaping within the roadways, as approved by the Town of Kernersville, not otherwise maintained by a governmental authority.

Section 7. "Declarant" shall mean I-40/Union Cross RE, LLC.

Section 8. "Declaration" shall mean and refer to this Declaration of Easements with Covenants, Conditions and Restrictions for Smith Crossing as it may be amended and supplemented from time to time as herein provided.

Section 9. "Smith Crossing" shall mean and refer to the contemplated development of the Property in accordance with Article VIII of this Declaration.

Section 10. "Lot" shall mean any of the Lots or any other plot of land, regardless of size, as shown on the Subdivision Map or any subsequent recorded subdivision plat of Smith Crossing. Common Elements are not Lots.

Section 11. "Member" shall mean and refer to every person or entity entitled to membership in the Association as provided in Article III, Section 1 of this Declaration.

Section 12. "Owner" shall mean and refer to the record owner, whether one or more persons, firms, associations, corporations, or other legal entities, their successors and assigns, of a fee simple title to any Lot, but notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee, as successors or assigns, until and unless such mortgagee has acquired title pursuant to foreclosure or a proceeding in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an owner. The terms "Owner" and "Declarant" shall not be mutually exclusive.

Section 13. "Smith Crossing Sign" shall mean the monument sign(s) and/or pylon sign(s) for Smith Crossing (and related landscaping and utilities) constructed or to be constructed by Declarant on the Property.

Section 14. "Stormwater System" shall mean the stormwater structure devices or structural best management practices (BMPs), including but not limited to sand filter, wet ponds, bio-retention areas, permeable pavement and related facilities as described in Article IV, Section 16 of this Declaration.

ARTICLE II.

PROPERTY AND PROPERTY RIGHTS IN THE COMMON ELEMENTS

Section 1. Property Made Subject to Declaration. The Property is hereby made subject to this Declaration and the Property shall be owned, held, used, leased, transferred, sold, mortgaged and/or conveyed by Declarant, the Association, and each Owner subject to this Declaration and the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens set forth in this Declaration.

Section 2. Common Elements. Declarant, and the Smiths if applicable, shall convey all Common Elements to the Association free and clear of all liens, except the North Carolina Deed of Trust and Security Agreement from I 40/Union Cross RE, LLC to BB&T Collateral Service Corporation, Trustee for Lender, recorded in Book 2995 at Page 1152, Forsyth County Registry, on or before the date Declarant or the Smiths convey any Lot or portion of a Lot to a third party. Nothing contained in this Section 2 shall be construed to limit or negate the obligations of the Declarant to establish and maintain an escrow account for the Stormwater System, as required by and more particularly described in the Homeowners, and other Associations Operation and Maintenance Agreement attached hereto in Exhibit A, said escrow account and all obligations related to same be conveyed, assigned, and transferred to the Association conveyance of the Common Elements to the Association.

Section 3. Delegation of Use. Subject to Section 4 of this Article, any Owner may delegate in accordance with the By-Laws of the Association, his right of enjoyment to the Common Elements to its tenants, contract purchasers, successors or assigns.

Section 4. Extent of Member's Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association, in accordance with its Articles of Incorporation, to borrow money for the purpose of improving the Common Elements and in aid thereof to mortgage said properties, provided, however, that any such mortgage must be authorized by the vote of two-thirds (2/3) of the Members at a duly called meeting at which a quorum is present and unless written notice of the proposed action is sent to every Member at least twenty (20) days in advance of any action taken at such Members' address on the records of the Association. A true copy of such resolution together with a certificate of the result of the vote taken and a certificate of mailing executed by the Secretary of the Association or the managing agent shall be annexed to any instrument affecting the Common Elements, prior to the recording thereof. Such certificates shall be conclusive evidence of authorization by the membership; provided, however, that the mortgagee's interest therein shall be subordinate to the rights of the Owners and Association in such Common Elements;

(b) The right of the Association to take such steps as are reasonably necessary to protect the Common Elements against foreclosure; and

(c) The right of the Association, as provided in its By-Laws, to suspend the enjoyment of rights of any Member or any tenant of any Member for any period during which any

assessment remains unpaid; and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations, it being understood that any suspension for either non-payment of any assessment or a breach of the rules and regulations of the Association shall not constitute a waiver or discharge of the Member's obligations to pay the assessment.

ARTICLE III.

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Members. Declarant and the Smiths, for so long as they shall be an Owner, and every person or entity who is a record owner of a fee simple or undivided fee simple interest in any Lot that is subject by the covenants to assessments by the Association and who qualifies as an Owner, as defined above, shall be a Member of the Association; provided, however, that any such person or entity who holds such title or interest merely as a security for the performance of an obligation shall not be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of a Lot shall be the sole qualification for Membership. The Board of Directors may make reasonable rules relating to the proof of ownership of a Lot in Smith Crossing. No Owner shall have more than one Membership per Lot.

Section 2. Voting Rights. Each Member of the Association shall be entitled to one (1) vote per one thousand (1,000) square feet of the Lot owned by the Member (with any fraction of square footage rounded off to the closest whole number).

Section 3. Voting Right Suspension. The right of any Member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations and for any period during which any assessment of a Member remains unpaid according to the provisions of Article IV, Section 9.

Section 4. Voting. The total vote of the Association shall consist of the sum of the votes of the Members present in person or by proxy at a legally constituted meeting at which a quorum is present. The number of votes present at a meeting that will constitute a quorum shall be as set forth in the By-Laws, as amended from time to time. Notice requirements for all action to be taken by the Members of the Association shall be as set forth herein or in the By-Laws, as the same may be amended from time to time.

When more than one person holds an interest in any Lot, all such persons shall be Members; and the vote(s) for such Lot shall be exercised as they among themselves determine; however, in no event shall any such Members of a Lot cast the total number of votes for that Lot in a way as to split the total number of votes for that Lot (i.e., all votes per Lot shall be voted in the same way) and in no event shall fractional votes be allowed. When one or more co-Owners signs a proxy or purports to vote for his or her co-Owners, such vote shall be counted unless one or more other co-Owners is present and objects to such a vote or, if not present, submits a proxy or objects in writing delivered to the Secretary of the Association before the vote is counted. Cumulative voting is prohibited.

A person's or entity's membership in the Association shall terminate automatically whenever such person or entity ceases to be an Owner, but such termination shall not release or relieve any such person or entity from any liability or obligation incurred under or in any way connected with the Association or this Declaration during the period of such ownership, or impair any rights or remedies which the Association or any other Owner has with regard to such former Owner.

Section 5. Right of Declarant to Representation on Board of Directors of the Association. Notwithstanding anything contained herein to the contrary, until Declarant shall have conveyed seventy-five percent (75%) of the total acreage of the Lots, Declarant (or its expressed assignee of the right granted in this section) shall have the right to designate and select at least a three fifths (3/5) majority of the Board of Directors of the Association. Whenever Declarant shall be entitled to designate and select any person or persons to serve on any Board of Directors, the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or By-Laws of the Association. Declarant shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and replace such person or persons with another person or other persons to act and serve in the place of any director or directors so removed. Any director designated and selected by Declarant need not be an Owner. Any representative of Declarant serving on the Board of Directors of the Association shall not be required to disqualify himself from any vote upon any contract or matter between Declarant and the Association where Declarant may have pecuniary interest or other interest. Any management contract executed while Declarant selects the Board of Directors, shall contain a provision allowing unilateral termination by the Association, without cause, following sixty (60) days written notice.

Section 6. Quorum. Except as otherwise provided in the Articles of Incorporation, or this Declaration, the presence at the meeting of Members or of proxies entitled to cast, ten percent (10%) of the votes shall constitute a quorum for any action other than the amendment of this Declaration. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

ARTICLE IV.

COVENANTS FOR ASSESSMENT AND ASSOCIATION RESPONSIBILITIES

Section 1. Creation of Lien and Obligation for Assessments. Declarant hereby covenants and agrees, and each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or conveyance, shall be deemed to covenant and agree to all the terms and provisions of these Covenants and to pay to the Association (or to an independent entity or agency which may be designated by the Association to receive such monies):

(a) Assessments or charges charged on an annual basis ("Annual Assessments");
and

(b) Any special assessments for the purposes set forth in this Article, such assessments to be fixed, established, and collected from time to time as hereinafter provided ("Special Assessments").

The Annual and Special Assessments together, which such interest thereon and costs of collection therefor as hereinafter provided, shall be a charge and continuing lien on the Lot against which such assessment is made. Each such assessment, together with such interest thereon and cost of collection therefor as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. In the case of co-ownership of a Lot, all such co-owners shall be jointly and severally liable for the assessment.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used for payment of Common Expenses and for the purposes of enforcing and carrying out the terms and provisions hereof, carrying out the duties of the Board, the purposes of the Association, and for the improvement, maintenance, and operation of the Common Elements, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions thereof, and for the costs of labor, equipment, materials, and management supervision thereof. The Special Assessments shall be used for the purposes set forth in Section 4 of this Article.

Section 3. Basic and Maximum Annual Assessments. For the first calendar year in which the first Annual Assessment commences, the maximum annual assessment shall be Four Hundred and 00/100 Dollars (\$400.00) per acre of each Lot except as otherwise provided herein, the exact amount of which shall be determined from time to time by the Board of Directors. On or before December 31 of each year during the term hereof, the Board shall set the amount of the Annual Assessment for the ensuing year for each Lot, taking into consideration, among other things, the then-current Common Expenses and estimated increases in Common Expenses, the then-current development and/or maintenance costs, estimated increases in development and/or maintenance costs, and the future needs of the Association. The amount of the Annual Assessment for each Lot as set by the Board shall be determined by dividing the amount of costs and expenses to be incurred by the Association for the year in question, as such amount is reasonably estimated by the Board (and which estimated amount may include a reasonable contingency fund), by the amount of square feet of the Property attributable to each respective Lot, with each Lot paying a pro rata share per acre of the Property owned by each respective Owner. The Annual Assessment shall be due and payable as provided in Section 6 of this Article.

Section 4. Special Assessment. In addition to the Annual Assessment authorized by Section 3 hereof, the Board may levy in any assessment year or years a Special Assessment, as defined herein, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of an Association-owned improvement including the necessary fixtures and personal property related thereto, or for carrying out other purposes and/or duties and obligations of the Association as stated in its Articles of Incorporation or as stated herein. Special Assessments shall be assessed pursuant to this Section 4 against the Lots and Owners thereof on a pro rata basis in the same manner as described in Section 3 of this Article. No Special Assessment may be established without the approval of at least two-thirds (2/3) of the Members present, in person or by proxy at a duly called meeting whereat a quorum is present.

Section 5. Commencement Date of Annual Assessment. The first Annual Assessment provided for herein shall commence on a Lot per Lot basis upon the purchase of the Lot by a third party from the Declarant or the Smiths (as the case may be) and such Annual Assessments shall continue on a calendar year basis thereafter from year to year.

Section 6. Due Date of Assessments. All Annual Assessments shall be due and payable on a monthly, quarterly, semi-annual or annual basis as determined by the Board of Directors on the dates

specified by the Board of Directors. The due date of any special assessment under Section 4 of this Article shall be fixed in the resolution authorizing such assessment.

Section 7. Duties of the Board of Directors. The Board of Directors of the Association shall fix the amount of the assessment against all Lots for each assessment period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the assessment shall thereupon be sent to every Owner subject thereto.

The Association shall, upon demand, and for a reasonable charge, at any time furnish to any Owner liable for said assessment, or to any person interested in Owner's title, with the permission of Owner, a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid; provided, however, that no Owner, or such person interested in Owner's title, shall be entitled to receive more than one (1) certificate for each payment. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of Nonpayment of Assessment. Any assessment that is not paid within twenty (20) days after the due date shall incur a late charge in the amount of ten dollars (\$10.00) and, if such assessment is not paid within thirty (30) days after the due date, then such assessment and applicable late fee, shall become delinquent and shall, together with interest therefrom at the rate of fifteen percent (15%) per annum (or if illegal, the highest rate of interest permitted by law) from the due date, and the cost of collection thereof as hereinafter provided, become a charge and continuing lien on the Lot and all improvements thereon. If an assessment is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Owner personally and/or foreclose the lien against the Lot, and there shall be added to the amount of such assessment the costs of collection, including reasonable attorneys' fees and expenses, and interest as provided above. No Owner may waive or escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his Lot. Each Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association, or its agents or assigns, the right and power to bring all actions against such Owner or Member personally liable for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or a deed of trust lien on real property and such Owner hereby expressly grants to the Association a power of sale in connection with foreclosure of said lien. The lien provided for in this action shall be in favor of the Association and shall be for the benefit of the Association and all other Owners.

Section 9. Assessment Lien and Foreclosure. All sums assessed in the manner provided in this Article but unpaid, shall, together with late fees and interest as provided in Section 8 of this Article and the cost of collection, including reasonable attorneys' fees, become a continuing lien and charge on the Lot owned by the defaulting Owner and improvements thereon covered by such assessment, as of the assessment due date, which shall bind such Lot and improvements then in the hands of the Owner, and the defaulting Owner's heirs, devisees, personal representatives, successors, and assigns. Except as hereinafter provided, the aforesaid lien shall be superior to all other liens and charges against such Lot and improvements thereon. To evidence the aforesaid assessment lien, the Board may prepare a written notice of assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot and improvements thereon covered by such lien and a description of the Lot. Such notice shall be signed by one of the officers of the Association and shall be recorded in the Office of the Register of Deeds of Forsyth County, North Carolina. Such lien for payment of assessments shall attach with the priority above set forth from the date that such payment becomes delinquent and may be enforced by the

foreclosure of the defaulting Owner's Lot and improvements thereon by the Association in like manner as a deed of trust with power of sale on real property subsequent to the recording of a notice of assessment lien as provided above, and/or the Association may institute suit against the Owner personally obligated to pay the assessments and/or for foreclosure of the aforesaid lien judicially or may seek other available remedy or relief. In any foreclosure proceeding, whether judicial or non-judicial, the Owner shall be required to pay the costs, expenses, and reasonable attorneys' fees incurred. The Association shall have the power to bid on the Owner's Lot and improvements at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. The provisions of this Article IV shall be in addition to the provisions of applicable laws relating to liens established as herein provided.

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 or deed of trust now or hereafter placed upon any Lot subject to assessment. Sale or transfer of any Lot shall not affect the assessment lien; however, sale or transfer of any Lot pursuant to such mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien, but not the personal liability of the Owner affected, of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. The following property, individuals, partnerships and corporations subject to this Declaration shall be exempted from the assessment, charge and Lien created herein:

- (a) Properties conveyed to public utilities for the purpose of granting utility easements;
- (b) All properties exempt from taxation by the laws of the State of North Carolina, upon the terms and to the extent of such legal exemptions; and
- (c) All Common Elements; and
- (d) All properties dedicated to, and accepted by, a local public municipality or authority.

Section 12. Annual Budget. By majority vote of the directors, the Board of Directors shall adopt an annual budget for the subsequent year of operation, which shall provide for allocation of expenses in such a manner that the obligations imposed by this Declaration shall be satisfied.

Section 13. Omission of Assessments. The omission of the Board, before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.

Section 14. Reserves. The Association shall not maintain reserves with respect to maintenance of the Common Elements. In the event the Association has excess funds at the end of each year, such excess funds shall be applied to the next year's budget so as to reduce the assessments payable during the next year.

Section 15. Development Standards. Each Member shall be required to comply with the development standards of the Town of Kernersville and all other zoning or other applicable ordinances with respect to each Member's respective Lot. In the event the Association receives notice that the development standards are not being met, the Association shall notify each of the Members of such noncompliance via certified mail, return receipt requested, at the address then of record with the Forsyth County Register of Deeds for each such respective Lot, and such other address as the Owner of each Lot provides to the Association in writing. In the event any Owner fails to comply with the development standards after thirty (30) days written notice, the Owner of any other Lot shall have the right to go upon the Lot of any other Owner and perform the obligations required in order to comply with the development standards and the Owner of the Lot which failed to comply with the development standards shall be required to reimburse the other Owner for the cost to cure such noncompliance within thirty (30) days after receipt of notice of such cure.

Section 16. Stormwater System Maintenance. Upon transfer of ownership and/or control of the Common Area (for Stormwater Management) Lot, together with the completed stormwater structure devices or structural BMPs located within the Common Area (for Stormwater Management) Lot (the "Stormwater BMP"), the Association shall be responsible for maintaining the Stormwater BMP and all utilities, structures, and/or devices (including, but not limited to drainage pipes, ditches, sand filters, wet ponds, bio-retention areas, permeable pavement, etc.) installed by Declarant or the Association that service the Stormwater BMP (the "Stormwater Structures") (the Stormwater BMP and the Stormwater Structures are referred to collectively as the "Stormwater System"), as directed by the governmental office having jurisdiction for watershed protection and water runoff ordinance and in accordance with the Homeowners, and other Associations Operation and Maintenance Agreement, the Deed of Easement for Sand Filters 1A, 1B, 1C, and 1D, and the Operations and Maintenance Plan attached hereto as Exhibit A and incorporated by reference (the "Town of Kernersville Stormwater System Documents"). If the Association shall be dissolved or cease to exist, in that event all Owners of Lots of record at the time of required maintenance shall be jointly and severally liable for any and all costs for the Stormwater System, including any escrow reserve requirements. Any amendment to this Declaration that would impact the Stormwater System is subject to the approval by the governmental office having jurisdiction for watershed protection and water runoff ordinances as further described in Article X, Section 2 of this Declaration.

Section 17. Maintenance of Common Elements; Taxes and Assessments. The Association shall maintain the Common Elements and shall repair the Common Elements in the event of damage or destruction thereto. In connection with the foregoing, Declarant and the Smiths hereby declare, reserve, grant, create, convey and establish for the benefit of the Association, a non-exclusive, perpetual easement over such portions of the Property as may be reasonably necessary to maintain and repair the Common Elements. Additionally, the Association shall be responsible for: (i) the payment of property taxes on the Common Elements, (ii) the payment of assessments for public and private improvements made to or for the benefit of the Common Elements, and (iii) establishing and maintaining an escrow account for the Stormwater System as required by and more particularly described in the Homeowners, and other Associations Operation and Maintenance Agreement attached hereto in Exhibit A.

ARTICLE V

INSURANCE AND CASUALTY LOSSES

Section 1. Insurance. The Association, by and through its Board of Directors or its otherwise duly authorized agents, shall have the authority to obtain and shall obtain, if available at a reasonable price, insurance for all insurable improvements on the Common Elements against loss or damage by fire or other hazards, including extended coverage of vandalism and malicious mischief. This insurance, if available, shall be in an amount sufficient to cover the full replacement cost or repair or reconstruction in the event of damage or destruction from any such hazard. The Association shall also obtain a comprehensive public liability policy in the minimum amount of \$2,000,000 covering the Common Elements, the Association, and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents, contractors, or employees along with a Fidelity Bond for all officers and employees having control over the receipt and disbursement of Association funds and Worker's Compensation to the extent necessary to comply with applicable laws. Premiums for all such insurance contemplated hereunder shall be Common Expenses of the Association.

Section 2. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment for such repairs or reconstruction. Any proceeds remaining after such costs of repair or reconstruction to the Common Elements shall be retained by and for the benefit of the Association.

(b) If it is determined by the Board of the Association that the damage or destruction of Common Elements for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be retained by and for the benefit of the Association.

Section 3. Insufficient Proceeds. If the insurance proceeds are insufficient to repair or replace any loss or damage, the Board may levy a Special Assessment, as provided for in Article IV of this Declaration, to cover the deficiency.

ARTICLE VI

CONDEMNATION

In the event that all or any part of the Common Elements shall be taken (or conveyed in lieu of or under threat of condemnation), the award made for such taking shall be payable to the Association as trustee for Owners, to be disbursed as follows:

(a) If the taking involves a portion of the Common Elements on which improvements have been constructed, the Association shall restore or replace such improvements so taken on the remaining Common Elements to the extent such plans are available in accordance with plans approved by the Board of Directors of the Association. If the condemnation award is insufficient to replace or relocate the improvements, the Board may levy a special Assessment, as provided for in Article IV of this Declaration, to cover the deficiency.

(b) If the taking does not involve any improvements on the Common Elements or in the event that a decision is made not to repair or restore such improvements, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors may determine.

ARTICLE VII

GRANT OF EASEMENTS

Section 1. As to All Easements. The perpetual easements granted in this Article VII shall be for the benefit of, but not restricted solely to, the Owners of the Lots and each such Owner may declare and grant the benefit of such easements to the tenants, subtenants, licensees and other permitted occupants of their respective Lots for the duration of such occupancy, and to the customers, employees, agents, independent contractors and business invitees thereof; but such grant is not intended nor shall it be constructed as creating any rights in or for the benefit of the general public nor shall it affect any real property outside of Smith Crossing. To have and to hold the easements granted in this Article VII, together with all singular rights and appurtenances thereto, subject to the reservations, terms, and conditions of this Declaration. Any approval required by this Article VII shall not be unreasonably withheld or delayed.

Section 2. Cross Access Easements. Declarant and the Smiths hereby declare, reserve, grant, create, convey and establish for the benefit of all Owners of the Lots, a non-exclusive, appurtenant, perpetual easement over those portions of the Lots consisting of roadways, entrances and exits, drive aisles, sidewalks, walkways and similar improvements designed for common use for pedestrian and, to the extent contemplated in any existing or future plat of the Property, vehicular access between Lots, and to access public rights-of-way in or surrounding Smith Crossing. For clarification, such easement includes the use of any roadways designated on the Subdivision Plat as "Public R/W" until such time as a governmental authority accepts maintenance responsibilities for such roadways. Except as otherwise expressly provided in this Declaration, no barriers, fences or other obstructions shall be erected within any Lot so as to interfere with the free flow of pedestrian and vehicular traffic over those portions of the Lots from time to time designated for vehicular roadways, or pedestrian sidewalks or walkways. The easement described in this Section 2 is specifically subject to the restrictions contained in Section 5 of this Article with regard to parking.

Section 3. Utility and Service Easements. Declarant and the Smiths hereby declare, reserve, grant, create, convey and establish for the benefit of all Owners of the Lots, a non-exclusive, appurtenant, perpetual easement to tap onto and use any and all of the common private utility systems necessary for the orderly development and operation of the Property to the extent necessary to service such Lot. To the extent that utility services to an Owner's Lot are not available within adjoining public rights-of-way, the Owner of each Lot shall have a non-exclusive easement appurtenant to its Lot over and across the remainder of the Property for the purpose of installation, maintenance, repair, and use of private utility systems servicing its Lot; provided, however, that the location of such private utility systems shall be subject to the reasonable prior approval of the Owner of each burdened Lot, taking into account the overall development plan of the Property and the applicable requirements of the utility service providers and governmental authorities, and provided all utility lines shall be installed underground. Once the location of the private utility has been approved and the installation has been completed, the Owner(s) of the burdened Lot(s) shall execute and record a document confirming the location of any such easement granted under the terms of this Section 3 and the Owner(s) of the burdened Lot(s) cannot require any further relocation of such

utility system or lines unless the Installing Owner (hereinafter defined) gives approval thereof, not to be unreasonably withheld, conditioned or delayed, and then such relocation would be at the expense of the requesting party. Each Owner installing utilities pursuant to this Section 3 (an "Installing Owner") shall be responsible for the cost and expense of such installation, including without limitation, tap fees to the appropriate municipality or municipal agency. In addition, each Installing Owner shall indemnify, defend, and hold harmless the Owner(s) of the burdened Lot(s) from and against any and all claims damages, losses and expenses of any kind (including without limitation court costs and reasonable attorneys' fees) which may arise directly out of the exercise of easement rights under this Section 3 by the Installing Owner. The Installing Owner shall promptly discharge (within thirty (30) days after receipt of notice of filing) any and all liens filed against any other Lot as a result of or relating to any construction or maintenance undertaken by or on behalf of the Installing Owner under this Section 3.

If, pursuant to the terms of this Section 3, the Owner of any Lot installs a private utility system that serves only its Lot over, under, or across another Lot, the Installing Owner shall: (i) relocate any such utility system at its expense if such relocation is required as a result of construction by the Owner of the burdened Lot; (ii) maintain or cause to be maintained any such private utility system at its sole expense; (iii) repair at its expense any damage to improvements or landscaping caused by such installation and maintenance; and (iv) perform such installation and maintenance so as to minimize any disruption of business on the Lot on which the private utility system is located, including a requirement that, to the extent practical, such work be performed only during the hours that the businesses on any burdened Lot are not open for business. For clarification, the Owner of each Lot shall be responsible for the maintenance of the utility lines located on their respective Lot which serve that Lot.

Section 4. Temporary Construction Easement. In connection with any construction work to be performed as described in this Declaration, Declarant and the Smiths hereby declare, reserve, grant, create, convey and establish for the benefit of all Owners of the Lots, such temporary easements for incidental encroachments upon the other Owner's Lot or Lots which may occur as a result of construction, so long as such encroachments (i) do not unreasonably interfere with the conduct of business on the burdened Lot, (ii) are kept within the reasonable requirements of construction work expeditiously pursued, and (iii) customary insurance is maintained protecting the other Owners from the risks involved.

Section 5. No Cross Parking Easement. Each Lot shall have adequate parking to independently meet the parking requirements of all applicable governmental authorities without the requirement of cross parking easements. The Owner of each Lot shall use its reasonable efforts to require that the employees, invitees, or licensees of any business located on that Lot in the parking areas located on such Lot.

ARTICLE VIII

USE RESTRICTIONS

Section 1. Permitted Use. Buildings in Smith Crossing shall be used for commercial purposes of the type normally found in a retail shopping centers and/or office parks including, without limitation, financial institutions, service shops restaurants, offices, and retail stores and shall comply with all zoning or other applicable ordinances.

Section 2. Use Restrictions. No portion of the Property shall be used as a:

- (a) industrial or manufacturing facility;
- (b) flea market, pawn shop or swap shop;
- (c) massage parlor, adult book store, or for the sale or display of pornographic materials (except for the typical sale or display of magazines in a convenience store or newsstand);
- (d) store for the sale of drug paraphernalia;
- (e) bowling alley, arcade, shooting gallery, game room or skating rink; (provided, however, that an outdoor or indoor play area may be operated as part of a restaurant);
- (f) ballroom, dance hall, nightclub, discotheque or bar (for purposes of this Section 1, the term "bar" shall mean any establishment which derives at least fifty percent (50%) of its gross revenues from the sale of alcoholic beverages for consumption on the premises) ;
- (g) barber college;
- (h) theater, auditorium, meeting hall, banquet facility, ballroom, school, training facility or other place of public assembly;
- (i) library, house of worship, reading room, or any operation catering primarily to attendees rather than to customers;
- (j) funeral parlor;
- (k) off-track betting parlor, gambling or gaming facility;
- (l) carnival, amusement park, circus or outdoor amusement facility;
- (m) junk yard;
- (n) facility for animal raising and storage (other than as incidental to a full-line retail pet supply operation);
- (o) automobile, boat, mobile home or other motor vehicle sale, leasing, repair or display establishment or used car lot, including body repair facilities and/or service stations; or
- (p) outdoor meeting area.

Section 3. Medical Use Restrictions. Until the date that seven thousand (7,000) rentable square feet or more of the improvements located on Lot 7 is either vacant for a continuous period of thirty-six (36) months or has not been used for Exclusive Medical Services (as defined

hereinafter) for a continuous period of thirty-six (36) months, no Lot or any portion of the Property, except Lot 7, shall use or allow the Property to be used for any of the following medical services ("Exclusive Medical Services") without prior written consent from the Owner of Lot 7 and the tenant of Lot 7 for so long as Novant Medical Group, Inc. or an affiliate, is a tenant of Lot 7:

- (a) family medicine;
- (b) pediatric medicine;
- (c) emergency or urgent care medicine;
- (d) geriatric medicine;
- (e) neurology;
- (f) orthopedic medicine;
- (g) gynecologic medicine, obstetrics, or midwifery;
- (h) urology;
- (i) cardiology;
- (j) medical imaging;
- (k) rehabilitation medicine; or
- (l) physical therapy.

Notwithstanding the foregoing or anything contained herein to the contrary, "Exclusive Medical Services" shall not include: chiropractic practice or services, dental practice or services, oral surgery, orthodontic practice or services, holistic medicine, ophthalmology, or operation of a pharmacy or services related to the same ("Permitted Medical Services"). Additionally, medical imaging, rehabilitation medicine, and physical therapy shall be permitted so long as such services are provided as an ancillary service to Permitted Medical Services. For the purposes of this paragraph, "ancillary service" shall mean thirty percent (30%) or less of the total square footage of the premises that is being used for the Permitted Medical Services. Notwithstanding Article X, Section 4 of this Declaration or anything else contained herein to the contrary, the tenant of Lot 7 shall have the right to enforce the provisions contained in this Section 3 (Medical Use Restrictions).

ARTICLE IX

ARCHITECTURE AND LANDSCAPING

Section 1. Design and Construction. Owners shall be responsible for complying with local building and zoning codes in the design and construction of any improvements on the Lots. In addition to compliance with local building and zoning codes, improvements constructed on the Lots shall be designed and constructed in accordance with the design standards and guidelines adopted by the Declarant (as may be amended or modified, the "Design Guidelines"). The Design Guidelines are intended to provide guidance to Owners and are not the exclusive basis for approval or disapproval of plans under this Article.

Section 2. Plan Approval. It is the intent of the Declarant that the improvements located on the Property blend harmoniously and attractively. Accordingly, no building improvements shall be constructed on any of the Lots until the following items have been approved in writing by the Declarant, which approval shall not be unreasonably withheld, conditioned or delayed: (i) a site plan showing the location and dimensions of the buildings and the landscaping; paving (roadway, sidewalks and parking areas), signage and other improvements to be constructed or installed on the Lot; (ii) plans showing the exterior elevations of all sides of the building(s) and sign(s) to be constructed or installed on the Lot; and (iii) specifications describing the principal building materials and color(s) to be used on the exterior of the proposed building(s), as well as the exterior lighting, paving and landscaping placement and materials used on the other Lots. Declarant shall approve or reject such plans within thirty (30) days after receipt of the request, and if Declarant fails to respond to any such request within the thirty (30) day period, then the plans submitted shall be deemed approved.

Section 3. Architectural Review Committee. Upon delegation by Declarant or upon the completion of the development of the final Lot in Smith Crossing, as evidenced by a final certificate of occupancy for such building(s) as may be constructed on such Lot, Declarant shall transfer the approval rights described in Section 2 of this Article to the ARC (as defined below).

The Association, acting through an architectural review committee appointed by the Association's Board of Directors (the "ARC") shall assume jurisdiction over architectural and design matters, including the approval rights described in Section 2 of this Article and the authority to amend the Design Guidelines. Thereafter, all documents and approvals required by Section 2 of this Article shall be submitted and approved in writing by the ARC. The ARC, when appointed, shall consist of three (3) persons who shall serve and may be removed and replaced in the Board's discretion.

Unless and until such time as Declarant delegates all or a portion of its reserved rights to the ARC or the Declarant's rights under this Declaration terminate, the Association shall have no jurisdiction over architectural or design matters.

ARTICLE X

GENERAL PROVISIONS

Section 1. Duration. This Declaration and the controls, covenants, restrictions and standards set forth herein shall run with and bind the Property and shall be to the benefit of every Owner of a Lot in the Property, including Declarant, and their respective heirs, successors, and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded. At such time, the easements, covenants, conditions and restrictions herein will automatically be extended for period(s) of ten (10) additional years each unless and until a majority of the Owners of the Lots vote against such extension, which vote shall be evidenced by an appropriate instrument of record recorded on or before the expiration of the then-applicable period. Owners may vote in person or by proxy at a meeting duly

called for such purpose, written notice of which shall have been given to all Owners at least thirty (30) days in advance of the date of such vote, which notice shall set forth the purpose of such meeting.

Section 2. Amendment. Subject to the limitations hereinafter contained, this Declaration may be amended or modified at any time by a vote of two-thirds (2/3) of the membership of the Association as defined in Article III of this Declaration. Members may vote in person or by proxy at a meeting duly called for such purpose, written notice of which shall be given to all Members at least thirty (30) days in advance of the date of such vote, which notice shall set forth the purpose of such meeting. Any amendment or modification effected pursuant to this Section 2 shall become effective when an instrument is filed for the record in the Register of Deeds Office, Forsyth County, North Carolina, with the signatures of the requisite number of Owners (and the signature of Declarant, if such amendment or modification is to be effected prior the time the final Lot is developed, as evidenced by a final certificate of occupancy for such building(s) as may be constructed on such Lot). The foregoing shall not limit the rights of Declarant stated elsewhere herein. Notwithstanding anything contained herein to the contrary, amendments to this Declaration, the Bylaws of the Association or the Articles of Incorporation of the Association relating to the maintenance and ownership of the Stormwater System shall not be permitted without review and approval by the governmental office having jurisdiction for watershed protection and water runoff ordinances. Furthermore, notwithstanding anything contained herein to the contrary, any amendment to Article IV, Section 10 of this Declaration shall not be permitted without review and approval by the Lender.

Section 3. Amendment Form. If any amendment to this Declaration is so approved, each such amendment shall be delivered to the Board of the Association. Thereupon, the Board of Directors shall within thirty (30) days, do the following:

(a) Reasonably assure itself that the amendment has been validly approved by the Owners of the required number of Lots. (For this purpose, the Board may rely on its roster of Members and shall not be required to cause any title to any Lot to be examined).

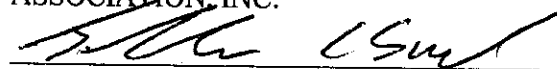
(b) Attach to the amendment a certification as to its validity, which certification shall be executed by the Association in the same manner that deeds are executed. The following form of certification is suggested:

CERTIFICATION OF VALIDITY OF AMENDMENT TO EASEMENTS WITH COVENANTS
CONDITIONS AND RESTRICTIONS OF
SMITH CROSSING

By authority of its Board of Directors, Smith Crossing Property Owners Association, Inc., hereby certifies that the foregoing Instrument has been duly approved by the Owners of Smith Crossing and is, therefore, a valid amendment to the existing easements with covenants, conditions and restrictions of Smith Crossing.

This the 19th day of December, 2016.

SMITH CROSSING PROPERTY OWNERS
ASSOCIATION, INC.



ATTEST:

Secretary

(c) Immediately, and in all events within the thirty (30) day period aforesaid, cause the amendment to be recorded in the Forsyth County Registry.

All amendments shall be effective from the date of their recordation in the Forsyth County Registry, provided, however, that no such instrument shall be valid until it has been indexed in the name of the Association. When any instrument purporting to amend the covenants, conditions, and restrictions has been certified by the Board of Directors, recorded, and indexed as provided by this Section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to all Owners then owning or thereafter purchasing any Lots.

Section 4. Enforcement. Enforcement of the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens for which provision is made in this Declaration shall be by any proceeding at law or in equity (or otherwise, as provided in this Declaration) against any or person or persons violating or attempting to violate any such control, covenant, condition, restriction, easement, development guideline, charges or lien and in no event shall any delay in such enforcement be deemed a waiver of the right to do so thereafter or of any other or future violation of any thereof. The Association and each Owner shall each independently have the right to enforce these Covenants.

Section 5. Severability of Provisions. If any paragraph, section, sentence, clause or phrase of this Declaration shall be or become illegal, null or void for any reason or shall be held by any court of competent jurisdiction to be illegal, null or void, the remaining paragraphs, sections, sentences, clauses and phrases shall remain effective irrespective of the fact that any one or more other paragraphs, sections, sentences, clauses, or phrases shall become or be illegal, null or void.

Section 6. Notice. Whenever written notice to an Owner is required hereunder, such notice shall be either (i) personally delivered, (ii) sent by Federal Express or other regularly scheduled overnight courier, or (iii) sent by United States mail, registered or certified with return receipt requested, properly addressed and with the full postage prepaid, to the address of such Owner appearing on the records of the Association. Said notices shall be deemed received and effective on the earlier of: (i) in the case of personal delivery, when delivered in fact against a written receipt of delivery, (ii) in the case of Federal Express or other regularly scheduled overnight courier, the next business day after deposit with such overnight courier, or (iii) three (3) business days after being placed in the United States mail as aforesaid. It is the Owner's responsibility to notify the Association of any changes in Owner name and/or mailing address.

Section 7. Titles. The titles, headings and captions which have been used throughout this Declaration are for convenience only and are not to be used in construing this Declaration or any part thereof.

Section 8. Conflicts. In the event of any irreconcilable conflict between this Declaration and the By-Laws of the Association, the provisions of this Declaration shall control. In the event of any irreconcilable conflict between this Declaration or the By-Laws of the Association and the Articles of Incorporation of the Association, the provisions of this Declaration shall control.

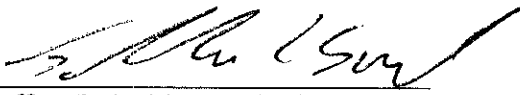
Section 9. Declarant Consent. No provision hereof requiring the consent of Declarant shall be effective during any period while Declarant does not own property subject to the provisions of this Declaration.

[Signature/Notary Page(s) and Exhibits to Follow]

IN WITNESS WHEREOF, the undersigned, being the Declarant and Owner herein, have caused this Declaration to be executed under Seal on the day and year first above written.

DECLARANT:


I-40/UNION CROSS RE, LLC,
a North Carolina limited liability company

By: 
Jeffrey L. Smith, Member/Manager

STATE OF North Carolina
COUNTY OF Guilford

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: Jeffrey L Smith.

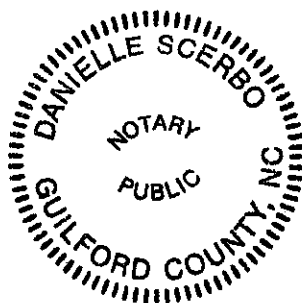
Date: 12/19/2016


Notary Public

Print Name: Danielle Scerbo

Expiration Date 11-17-2019

[Official Seal]



IN WITNESS WHEREOF, the undersigned, being and Owner herein, have caused this Declaration to be executed under Seal on the day and year first above written.

THE SMITHS:

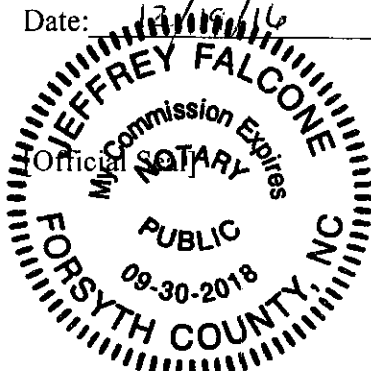
Ronald M. Smith
Ronald M. Smith

Nancy F. Smith
Nancy F. Smith

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: RONALD MILTON SMITH

Date: 12/16/16



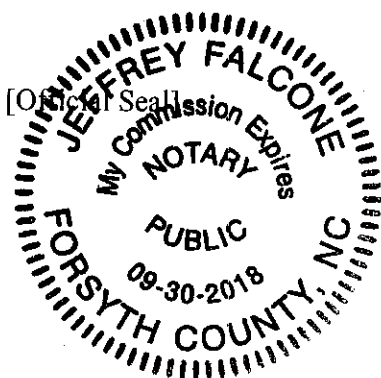
Jeffrey Falcone
Notary Public

Print Name: Jeffrey Falcone

STATE OF North Carolina
COUNTY OF Forsyth

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: Nancy Fugate Smith

Date: 12/19/16



Jeffrey Falcone
Notary Public

Print Name: Jeffrey Falcone

CONSENT OF MORTGAGEE

Branch Banking and Trust Company, a North Carolina banking corporation, being the Beneficiary under that certain North Carolina Deed of Trust and Security Agreement from I 40/Union Cross RE, LLC to BB&T Collateral Service Corporation, Trustee, recorded in Book 2995 at Page 1152, Forsyth County Registry (as may be modified or amended from time to time, the "Deed of Trust") conveying the property described therein, hereby: (a) consents to the recordation of this Declaration and the imposition of the provisions hereof to the real property described in the Deed of Trust; and (b) subordinates the lien and operation of the Deed of Trust to this Declaration and the provisions contained herein. In the event of a foreclosure of the Deed of Trust, or a transfer of any portion of the property in lieu of foreclosure, Beneficiary and Trustee agree that the purchaser at any such foreclosure or the transferee under any such deed in lieu of foreclosure shall take title to the property together with and subject to all of the terms and conditions of this Declaration. The execution of this Consent of Mortgagee by the Beneficiary shall not be deemed or construed to have the effect of creating between the Beneficiary and Declarant the relationship of partnership or of joint venture, nor shall it be deemed to impose upon the Beneficiary any of the liabilities, duties or obligations of the Declarant under this Declaration. Beneficiary executes this Consent of Mortgagee solely for the purposes set forth above. The Trustee also joins in and executes this Consent as Trustee for the purposes set forth above.

BENEFICIARY

Branch Banking and Trust Company

By: David B. Blane
SVP

STATE OF North Carolina
COUNTY OF Guilford

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: David Leblanc.

Date: 12/16/2016

Candace Rice
Notary Public

Print Name: Candace Rice

[Official Seal]

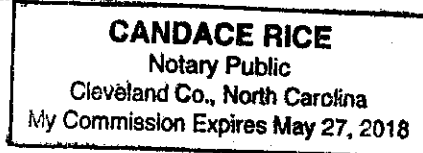


EXHIBIT A

to

Declaration of Easements with Covenants, Conditions, and Restrictions for Smith Crossing

Town of Kernersville Stormwater System Documents

(see attached)



2016012191 00054

FORSYTH CO, NC FEE \$26.00
PRESENTED & RECORDED:

04-07-2016 11:33:52 AM

C. NORMAN HOLLEMAN
REGISTER OF DEEDS
BY: OLIVIA DOYLE
ASST

BK: RE 3279

PG: 2561-2566

Mail: Town of Kville, POB 728, Kville, NC 27285

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

Permit No. _____

HOMEOWNERS AND OTHER ASSOCIATIONS OPERATION AND MAINTENANCE AGREEMENT
SAND FILTERS 1A, 1B, 1C, AND 1D.

THIS AGREEMENT made pursuant to Town of Kernersville Watershed Protection and Storm Water Runoff Ordinances and entered into this 15th day of April, 2016, by and between the TOWN OF KERNERSVILLE, a North Carolina Municipal Corporation, Party of the First Part, hereinafter referred to as "TOWN"; and I-40 / Union Cross RE, LLC, here-in after referred to as Developer, and Smith Crossing Property Owner's Association, Inc., here-in after referred to as the "Association" Parties of the Second Part.

WITNESSETH:

1. The Town of Kernersville under various state and federal laws, is required to regulate the maintenance of engineered stormwater controls and related structures (hereinafter Stormwater Control Structures) constructed to serve new or re-development within both the corporate limits of the Town of Kernersville and within the extra territorial zoning jurisdiction of the Town of Kernersville to ensure that, following initial construction, the Stormwater Control Structures are operated, maintained, and to the extent necessary, repaired in accordance with applicable state and federal laws.
2. The Town of Kernersville has determined that, to maintain the Town of Kernersville's compliance under applicable state and federal regulations, certain obligations are to be met by Developers and subsequent owners of Stormwater Control Structures.
3. The Developer is the owner of certain lands lying in Tax Block 5632, Tax Lots 018J, 018H, 018F, 166B, 136B as more particularly described in Deed Book 2995, Page 1143, in the Office of the Register of Deeds of Forsyth County, North Carolina upon which it is erecting and will make improvements, said development to be known as Smith Crossing (hereinafter the "Property").
4. The Developer desires to build Stormwater Control Structures to provide storage and treatment of stormwater runoff to serve the development on said Property, as required by the Kernersville Watershed Protection and the Storm Water Runoff Ordinances (hereinafter the "ORDINANCE" and contained in Chapter C, Articles III and IV of the Kernersville Unified Development Ordinance).
5. The Developer has applied to the TOWN for the issuance of a high density watershed/Stormwater permit to construct, maintain and operate the Stormwater Control Structure consistent with the plans and specifications of the Stormwater Control Structure and the Operation and Maintenance Plan on file at the office of the Watershed/Stormwater Administrator.

6. The Developer has conveyed unto the Town of Kernersville, or its successors or assigns an Easement and Right-of-Way establishing the right of ingress, egress and regress over the property for the purpose of inspection, repair, or maintenance of the stormwater control structure(s). The Easement and Right-of-way for the Stormwater Control Structures are described in the final plat for _____, Plat Book _____, Page _____, which is recorded in the Office of the Register of Deeds of _____ County, North Carolina.

7. The TOWN desires to assure that the Stormwater Control Structure(s) on the PROPERTY are properly constructed, maintained and operated in accordance with law, the ORDINANCE, and High Density Watershed Permit (hereinafter "PERMIT") provisions in order to protect the quality of the waters of the State and the public interest therein.

8. These Stormwater Control Structures are required to comply with the ORDINANCE and that failure to maintain the Stormwater Control Structure is a violation of the ORDINANCE potentially subjecting each lot owner of the Property to significant daily civil penalties and other enforcement actions.

9. After the completion of construction of the Stormwater Control Structures, the Developer may convey the Stormwater Control Structures to the Association.

NOW, THEREFORE, in consideration of the promises and the benefits to be derived by each of the parties hereto, the TOWN, the Developer and the Association do hereby mutually agree as follows:

1. The Developer shall construct the Stormwater Control Structure(s) in accordance with the ORDINANCE, PERMIT and plans and specifications hereafter issued and approved by the TOWN; and that Developer and Association assume specific maintenance, replacement, reconstruction and repair, responsibilities set forth in the Ordinance and with respect to the Stormwater Control Structure.

2. Construction and Maintenance of the Stormwater Control Structure: The Developer shall be responsible for the construction of the Stormwater Control Structure(s); and prior to conveying control of the Stormwater Control Structure, the Developer will be responsible for maintenance, repair, reconstruction, and replacement thereof. Following conveyance of the Stormwater Control Structure the Association and its members will be responsible for maintaining the Stormwater Control Structure, their appurtenances and vegetation in the manner specified herein and in strict compliance with the Ordinance. At all times, the Stormwater Control Structure shall perform as designed and shall at all times comply with all applicable laws, ordinances, regulations, rules and directives of governmental authorities.

3. Ownership and/or Transfer of property: Upon completion of the Stormwater Control Structure(s), the Developer has the option to convey that portion of the property on which the Stormwater Control Structure(s) are located to an Association to be formed for the purpose of administering the provisions of a declaration of covenants to be imposed upon the Property, which declaration shall fully comply with all requirements of this contract as well as all applicable laws. The Declaration of Covenants, Conditions and Restrictions for Property, in reference to this contract and all applicable stormwater/watershed laws, shall be subject to review and approval by the Town of Kernersville Attorney.

Developer agrees that it shall not transfer ownership and/or control of the Stormwater Control Structure until construction has been completed in accordance with the PERMIT and approved plans; and as defined in the Ordinance, the Town of Kernersville has inspected and approved the Stormwater Control Structure. In addition, the Developer and Association and any new Owner must request that the Permit for the Stormwater Control Structure be re-issued to any subsequent Owner.

The Developer and Association agree not to transfer, convey, assign or otherwise relinquish or release its responsibility for the operation and maintenance of its Stormwater Control Structure until a Permit has been issued to Developer and Association's successor, or new owner at which time Developer and Association shall be released from any obligations hereunder arising from events or circumstances occurring after the date the Stormwater Control Structure is transferred and the Permit is reissued to the new Owner of the Property.

4. **Cost Estimates for Construction of the Stormwater Control Structure:** The Developer's Engineer shall submit an estimate of construction costs for review and approval by the Town of Kernersville in accordance and regulations with the Ordinance. This cost estimate will be used to establish the level to which the escrow account shall be funded.

5. **Establishment of an escrow account:** For the purpose of insuring the availability of funds for the replacement and reconstruction of the Stormwater Control Structure, an escrow account must be established, which can be spent solely for sediment removal, structural, biological or vegetative replacement, major repair, or reconstruction of the Stormwater Control Structure(s). If the Stormwater Control Structure(s) is(are) not performing adequately or as intended or are not properly maintained, the Town of Kernersville in its sole discretion, may remedy the situation, and in such instances the Town of Kernersville shall be fully reimbursed from the escrow account.

Escrowed funds may be spent by the Property Owner for sediment removal, structural, biological or vegetative replacement, major repair, and reconstruction of the Stormwater Control Structure(s), provided that the Town of Kernersville shall first consent to the expenditure. Escrowed funds shall not be spent for routine landscaping maintenance items such as mowing.

The escrow account will be funded initially by a lump sum contribution of the Developer (the "Initial Payment"), and thereafter by annual sinking funds paid by the Association, if it has taken ownership or by the developer if it still retains ownership of the structure. The Developer shall deposit the Initial Payment in the escrow account and show proof of such payment:

- (i) Prior to plat recordation of the Property; or
- (ii) Before the issuance of building permits for the construction of improvements on the property. *Whichever occurs first.*

The Initial Payment shall be equal to \$ 19,629 dollars (which is equal to fifteen percent (15%) of the initial construction costs of the Stormwater Control Structures).

The total sinking fund budget is defined as the amount required for the initial construction cost of the Stormwater Control Structures. The Association shall deposit funds at least annually in equal installments into the escrow account such that at least two-thirds (2/3) of the total amount of the sinking fund budget, as set in the Ordinance, shall be deposited into the escrow account within the first five (5) years and the full amount shall be deposited within ten (10) years following initial construction of the Stormwater Control Structures. A portion of the annual assessments of the Association shall include an allocation into the escrow account. Any funds drawn down from the escrow account shall be replaced in accordance with the schedule of anticipated work used to create the sinking fund budget.

6. The Developer shall provide in an Operation and Maintenance Plan that the Stormwater Control Structure, appurtenances and access easements thereto shall thereafter be properly maintained and operated in conformity with law and the provisions of the PERMIT for construction, operation, repair and maintenance of the Stormwater Control Structure.

7. The Developer and its successors shall grant to the Town of Kernersville a right of entry to inspect, monitor, maintain, repair, and reconstruct Stormwater Control Structures.

8. The Developer and its successor hereby authorize the Town of Kernersville to recover from the Developer or Association and its members, whichever is the responsible party, any and all costs the Town of Kernersville expends to maintain or repair the Stormwater Control structures or to correct any operational deficiencies. Failure to pay the Town of Kernersville all of its expended costs, after forty-five days written notice, shall constitute a breach of the agreement. The Town of

Kernersville shall thereafter be entitled to bring an action against the Association and its members to pay, or foreclose upon the lien hereby authorized by the agreement against the property, or both, in case of a deficiency. Interest, collection costs, and attorney fees shall be added to the recovery.

9. This Agreement shall not obligate the Town of Kernersville to maintain or repair any Stormwater Control Structure(s), and the Town of Kernersville shall not be liable to any person, firm, partnership, company, corporation, governmental agency, Association or entity for the condition or operation of Stormwater Control Structures.

10. This agreement shall not in any way diminish, limit, or restrict the right of the Town of Kernersville to enforce any of its ordinances as authorized by law.

11. **Indemnification:** Owners, Developer and/or Association agree to protect, defend, indemnify and hold the Town of Kernersville, its officers, employees and agents free and harmless from and against any losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities in connection with or arising out of this Agreement and/or related to the Stormwater Control Structure(s), unless the Town of Kernersville has agreed in writing to assume the maintenance responsibility for the Stormwater Control Structure and has accepted dedication of any and all rights necessary to carry out that maintenance.

12. A copy of this Operation and Maintenance Agreement shall be filed at the _____ County Register of Deeds and in the office of the Watershed/Stormwater Administrator.

IN WITNESS WHEREOF, the parties have hereto set their hands and seals, this 1st day of April, 2014.



PARTY OF THE FIRST PART:

TOWN OF KERNERSVILLE

By: Dawn H. Morgan
Dawn H. Morgan, Mayor

ATTESTED TO:

Keith Hooker
Keith Hooker, Town Clerk

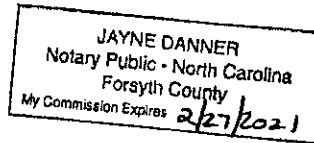
STATE OF NORTH CAROLINA)
COUNTY OF Forsyth

I, Jay Danner, a Notary Public of Forsyth County, North Carolina, do hereby certify that Keith Hooker personally came before me this day and acknowledged that she/he is the Town Clerk of the Town of Kernersville, a North Carolina municipal corporation, and that by authority duly given as the act of the Town of Kernersville, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by her/him as its Town Clerk.

Witness my hand and official seal, this the 1st day of April, 2016.

Jayne Danner
 Notary Public
 Print/Type Name: JAYNE DANNER

My Commission Expires: 2/27/2021



PARTY OF THE SECOND PART:

DEVELOPER:

I-40 / Union Cross RE, LLC

By: [Signature] (SEAL)

Name: Jeff Smith

Its: Manager (Title)

ATTESTED TO:

[Signature]

STATE OF NORTH CAROLINA
 COUNTY OF Guilford

DEVELOPER
 ACKNOWLEDGEMENT

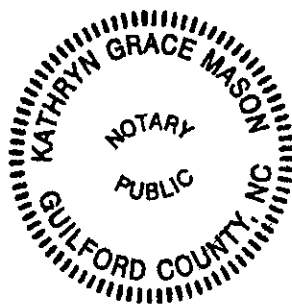
I, Kathryn Grace Mason, a Notary Public of Guilford County, North Carolina, do hereby certify that Jeff Smith, the Manager of I-40 / Union Cross RE, LLC personally came before me this day and acknowledged the execution and sealing of the foregoing instrument as Manager on behalf of and as the act of the company referred to in this acknowledgment.

Witness my hand and notarial seal, this the 3 day of March, 2016.

[Signature]
 Notary Public

My Commission Expires: April 2, 2019

(SEAL)



PARTY OF THE SECOND PART:

ASSOCIATION:
Smith Crossing Property Owners Association, Inc.

By: *Jeff Smith* (SEAL)

Name: Jeff Smith (Jeffrey L. Smith)

Its: President (Title)

ATTESTED TO:

Steve Curry

STATE OF NORTH CAROLINA)
 COUNTY OF Davidson)

ASSOCIATION
 ACKNOWLEDGEMENT

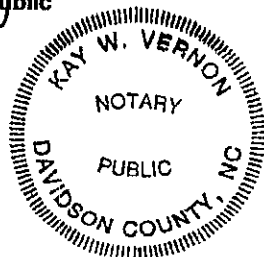
I, Kay W. Vernon, a Notary Public of Davidson County,
 North Carolina, do hereby certify that Jeffrey L. Smith, the
of Smith Crossing Property Owners Assoc., Inc. personally
 came before me this day and acknowledged the execution and sealing of the foregoing instrument as
President on behalf of and as the act of the company referred to in
 this acknowledgment.

Witness my hand and notarial seal, this the 3rd day of March, 2016.

Kay W. Vernon
 Notary Public

My Commission Expires: April 11, 2017

(SEAL)





2016012192 00055
 FORSYTH CO, NO FEE \$26.00

NO TAXABLE CONSIDERATION

PRESENTED & RECORDED
 04-07-2016 11:33:52 AM

C. NORMAN HOWLEMAN
 REGISTER OF DEEDS
 BY: OLIVIA DOYLE
 ASST

BK: RE 3279

PG: 2567-2570

mail: Town of Kville, Po Box 728, Kville NC

NORTH CAROLINA
 FORSYTH COUNTY

DEED OF EASEMENT FOR SAND FILTERS 1A, 1B, 1C, AND 1D

THIS EASEMENT made this the 31 day of March, 2016, by and between
I-40 / Union Cross RE, LLC Parties of the First Part, and the TOWN OF
 KERNERSVILLE, Party of the Second Part;

WITNESSETH:

WHEREAS, the Parties of the First Part are owners of certain real property located in Kernersville Township, Forsyth County, North Carolina; and whereas, the said Parties of the First Part now desires to convey a twenty foot (20') access easement to the Party of the Second Part in accord with the requirements of the Watershed Protection Ordinance of the Town of Kernersville (Section 15.8-1), and

WHEREAS, the Party of the First Part is owner of a certain tract of property lying and being in the Kernersville Township, Forsyth County, North Carolina and said property is more particularly described in a Deed as recorded in Deed Book 2995, Page 1143, Forsyth County Registry, hereinafter referred to as "Property";

WHEREAS, the purpose of the easement is to provide the Town of Kernersville with access from a public right-of-way to and around all storm water control devices, including the storm water control devices, located on the Property of the Parties of the First Part;

WHEREAS, pursuant to the Town of Kernersville Watershed Protection Ordinance, hereinafter referred to as Ordinance, easements are needed for the benefit of the Party of the Second Part for the operation and maintenance of storm water control devices located upon the property of the Party of the First Part;

NOW, THEREFORE, the said Parties of the First Part for and in consideration of the sum of Ten Dollars and other valuable considerations to them paid including the agreement contained herein, do hereby give, grant and convey unto the Party of the Second Part, their heirs and assigns, a perpetual right and easement for the purpose of ingress and egress over Property more particularly described as follows:

Blanket Easement over the entire property as described in Deed Book
 Book 2995, Page 1143 of the Forsyth County Registry.

TO HAVE and to hold said right and easement to them, the said Party of the Second Part, their heirs and assigns forever; it being agreed that the right and easement hereby granted is appurtenant to and runs with the Property now owned by the Party of the Second Part and hereinabove referred to.

It is the intent of the Grantor that the access easement herein granted from the public right of way be confined to that area designated and intended for vehicular traffic to and from the Permanent Storm Water Control Structure Area to and from Jag Branch Boulevard and Solomon Drive, that will be the public roads that will provide access to the property, and further to provide an easement not less than twenty feet (20') in width surrounding the Permanent Storm Water Control Structure Area. Notwithstanding the foregoing, all easements given herein shall be subject to the provisions of the

Watershed Protection Ordinance and shall allow the Town the access needed to perform its duties pursuant to the ordinance regarding Storm Water Control Structures. Grantor acknowledges that the Town shall have no obligation to repair, replace or maintain any portion of the property subject to the easement or to repair any damage occasioned by its exercise of this grant of easement. Grantor shall hold the Town of Kernersville safe and harmless and shall indemnify the Town against any and all claims for damages arising from this grant of easement or occurring on said easement.

This agreement between the parties shall be binding upon the heirs, assigns and successors of all parties hereto.

IN TESTIMONY WHEREOF, the said Parties of the First Part have hereunto set their hands and seals the day first above written.

PARTIES OF THE FIRST PART:

By: [Signature] (SEAL)

Name: Jeff Smith (SEAL)

Title: Manager (SEAL)

I-40 / Union Cross RE, LLC (SEAL)

STATE OF NORTH CAROLINA)

COUNTY OF Guilford)

I, Kathryn Grace Mason, a Notary Public of Guilford County, North Carolina, do hereby certify that Jeff Smith, the Manager of I-40 / Union Cross RE, LLC, personally came before me this day and acknowledged the execution and sealing of the foregoing instrument as Manager on behalf of and as the act of the company referred to in this acknowledgement.

Witness my hand and notarial seal, this the 31 day of March, 2016.

[Signature]

Notary Public

My Commission Expires: April 2, 2019



(or, if individual owner)

NORTH CAROLINA

FORSYTH COUNTY

I, _____, a Notary Public in and for said County and State,
do hereby certify that _____ personally appeared before
me this day and acknowledged the execution of the foregoing Deed of Easement.

Witness my hand and notarial seal, this the _____ day of _____, 20____.

My Commission Expires: _____

Notary Public

EXHIBIT A PROPERTY
DESCRIPTION
(PER DEED)

2016015253 00021
 FORSYTH CO, NC FEE \$26.00
 PRESENTED & RECORDED
 04-28-2016 08:31:33 AM
 C. NORMAN HOLLEMAN
 REGISTER OF DEEDS
 BY: OLIVIA DOYLE
 ASST
 BK: RE 3283
 PG: 509-515



MAINTENANCE ESCROW AGREEMENT

Sand Filters 1A, 1B, 1C and 1D at Smith Crossing

Account # 10975605

THIS AGREEMENT made pursuant to Town of Kernersville Stormwater Runoff Ordinance, and entered into this 15th day of April, 2016, by and between The TOWN OF KERNERSVILLE, a North Carolina municipal corporation, party of the first part (hereinafter referred to as "TOWN"); and I-40/Union Cross Re, LLC (hereinafter referred to as "Developer"), and Smith Crossing Property Owners Association, Inc. (hereinafter referred to as the "Association") parties of the second part, hereby designate First Community Bank, as Escrow Agent party of the third part (hereinafter called "Escrow Agent"), with its principal place of business at 312 Jonestown Road, Winston-Salem, NC 27104, and in connection with the Stormwater Management Structure(s) of Smith Crossing project at 1455 Union Cross Road, Kernersville NC 27285.

WITNESSETH:

WHEREAS, the Storm Water Runoff Ordinance of the Town, requires the establishment of an escrow account to ensure that adequate funds are available to provide for the long-term maintenance and replacement of Stormwater Best Management Practices Structures, (hereinafter "BMPs") (such as, but not limited to sediment removal, structural, biological or vegetative replacement, major repair, or reconstruction).

WHEREAS, the Storm Water Runoff Ordinance of the Town, requires both an initial Developer contribution (the "Initial payment") and either Association payment of annual sinking funds to fund the escrow account (if it has taken ownership) or annual payment by the developer if it still retains ownership of the Stormwater Management Structure BMPs.

WHEREAS, the Storm Water Runoff Ordinance of the Town requires the Developer to pay into the escrow account an initial payment equal to fifteen (15) per cent of the initial construction cost of the structural BMPs prior to plat recordation or issuance of construction permits.

WHEREAS, the Storm Water Runoff Ordinance of the Town requires the Association, if it has taken ownership, or Developer, if it still retains ownership of the structure, to pay into the escrow account the total amount of sinking fund budget (corresponding to eighty-five (85) per cent of the initial construction cost of the structural BMPs) according to the following schedule: two-thirds (2/3) shall be deposited into the escrow account within the first five (5) years and the full amount shall be deposited within ten (10) years following initial construction of the structural BMPs.

WHEREAS, the Developer is developing a Commercial use Subdivision project known as Smith

Crossing, and desires to provide the Town a financial guarantee to assure that adequate funds are available to provide for the long-term maintenance and replacement of Stormwater Management Structures, sand filters 1A, 1B, 1C, and 1D at Smith Crossing Commercial Subdivision and has established an Escrow Account for such purpose.

WHEREAS, the parties have agreed that the Escrow Agent is acceptable to all parties to act in such capacity;

NOW, THEREFORE, in consideration of the foregoing premises, it is hereby agreed:

1. The Developer has deposited in escrow the sum of nineteen thousand six hundred twenty nine dollars (\$19,629.00) with the Escrow Agent, to guarantee that adequate funds are available to provide for the long-term maintenance and replacement (sediment removal, structural, biological or vegetative replacement, major repair, or reconstruction) of Stormwater Management Structures, BMPs as require by the Storm Water Runoff Ordinance of the Town of Kernersville and in accordance with approved construction plans and specifications.

2. The Association, if it has taken ownership or Developer, if it still retains ownership of the Stormwater Management Structure(s) shall pay the sum of one hundred thirty thousand eight hundred sixty dollars (\$130,860.00) to the Escrow Agent within ten (10) years following initial construction of the BMPs (funds shall be deposited each year into the escrow account) to guarantee that adequate funds are available to provide for the long-term maintenance and replacement (sediment removal, structural, biological or vegetative replacement, major repair, or reconstruction) of Stormwater Management Structures, BMPs as required by the Storm Water Runoff Ordinance of the Town of Kernersville and in accordance with approved construction plans and specifications.

3. The Escrow Agent agrees to hold said funds and to pay out said funds only upon receipt of "Proper Authorization" as hereinafter defined. "Proper Authorization" shall mean authority in written form from the Town of Kernersville stating to which party funds shall be disbursed and in what amount. The document will be executed by a town official stating his/her office and that he/she is duly authorized to issue the "Proper Authorization" and the official's signature shall be notarized. Escrow Agent is limited to an obligation to pay the funds as directed in the "Proper Authorization" and is not to render any judgment or exercise any discretion concerning the reason for the disbursement, the amount or to whom it is to be made.

The Town and the Developer and/or the Association acknowledge that disbursements are to be either:

(a) To the Association, or to any party designated in writing by the Association, upon delivery of "Proper Authorization" from the Town of Kernersville authorizing such payment. The Town of Kernersville, through the Stormwater Division, shall issue such "Proper Authorization" upon acceptance of the expenditure.

(b) To the Town of Kernersville upon delivery of a "Proper Authorization" from the Stormwater Division of the Town, upon its determination that the Stormwater Management Structures, BMPs, are

not performing adequately or as intended or are not properly maintained in accordance with the Storm Water Runoff Regulations and the Town of Kernersville has determined that pursuant to the Ordinance it must take over and perform any such uncompleted maintenance and/or repairs and use the escrow funds on deposit with the Escrow Agent for such purposes.

4. The Developer or the Association, whichever is responsible, agrees to comply with the requirement of the Ordinance that any funds drawn down from the escrow account shall be replaced in accordance with the schedule of anticipated work used to create the sinking fund budget by the Association.

5. The Escrow Agent hereby acknowledges that it will hold the funds referred to in Items 1 and 2 above and represents that it has no obligation whatsoever to any of the parties hereto except to release said funds within 10 days upon delivery of "Proper Authorization" from the Town of Kernersville in the amount and to the party so indicated in the "Proper Authorization", and the Developer or Association does hereby release and hold the Escrow Agent harmless from any and all claims whatsoever by it against the Escrow Agent for releasing such funds to the Town of Kernersville in accordance with the terms of this Agreement. The Escrow Agent retains the ability to terminate this agreement providing a 15 day advance notice to the Town and to the Developer or Association. In the event of such termination by the Escrow Agent, the funds in the Escrow Account will be disbursed according to "Proper Authorization" if such is provided or otherwise by check delivered to the Town payable jointly to the Town and the Association.

6. In the event that this escrow agreement should fail for any reason to cover the costs of maintenance or repair, including any deficiency as to form or execution, then Developer and the Association and Developer, and their successors, transferees, or assigns, acknowledge that whichever party is deemed responsible by the Town is subject to being charged for the costs of such maintenance and repair; and such costs shall be enforced in the nature of a debt as provided by the applicable Ordinances and State laws.

IN WITNESS WHEREOF, the parties have hereto set their hands and seals, this 20th day of April, 2016.



PARTY OF THE FIRST PART:

TOWN OF KERNERSVILLE

By: Dawn H. Morgan
Dawn H. Morgan, Mayor

ATTESTED TO:

Jayne Danner
Town Clerk

STATE OF NORTH CAROLINA)
COUNTY OF Forsyth)

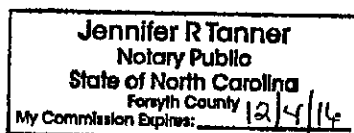
I, Jennifer R. Tanner, a Notary Public of Forsyth County, North Carolina, do hereby certify that Jayne Danner personally came before me this day and acknowledged that he/she is the Town Clerk of the Town of Kernersville, a North Carolina municipal corporation, and that by authority duly given as the act of the Town of Kernersville, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by him/her as its Town Clerk.

Witness my hand and official seal, this the 20th day of April, 2016.

Jennifer R. Tanner
Notary Public
Print/Type Name: Jennifer R. Tanner

My Commission Expires: 12/4/16

(SEAL)



PARTY OF THE SECOND PART:

DEVELOPER:

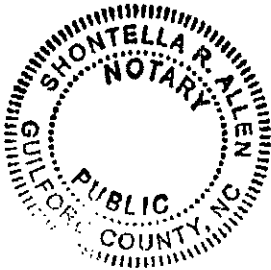
I-40/Union Cross Re, LLC

By: [Signature] (SEAL)Name: Jeff SmithIts: Member, Manager (Title)STATE OF NORTH CAROLINA
COUNTY OF GulfportDEVELOPER
ACKNOWLEDGEMENT

I, Shontella R. Allen, a Notary Public of Gulfport County,
North Carolina, do hereby certify that Jeff Smith
the Member, Manager of I-40/Union Cross Re, LLC personally came
before me this day and acknowledged the execution and sealing of the foregoing instrument as
Signed in its name on behalf of and as the act of the company referred to in
this acknowledgment.

Witness my hand and notarial seal, this the 15 day of April, 2010.
Shontella R. Allen My Commission Expires: March 7, 2018
Notary Public

(SEAL)



PARTY OF THE SECOND PART:
ASSOCIATION:

Smith Crossing Property Owners Association, Inc. _

By: [Signature] (SEAL)

Name: Jeff Smith

Its: Manager (Title)

STATE OF NORTH CAROLINA
COUNTY OF Guilford }

ASSOCIATION
ACKNOWLEDGEMENT

I, Shontella R. Allen, a Notary Public of Gulford County,
North Carolina, do hereby certify that Jeff Smith, the
Manager of Smith Crossing Property Owners Association, personally
came before me this day and acknowledged the execution and sealing of the foregoing instrument as
signed in its name on behalf of and as the act of the company referred to in
this acknowledgment.

Witness my hand and notarial seal, this the 15 day of April, 2016
Shontella R. Allen
Notary Public My Commission Expires: March 7, 2018

(SEAL)



PARTY OF THE THIRD PART:

NAME OF THE BANK

First Community Bank

ESCROW AGENT:

By: Rachel McGinnis (SEAL)

Name: Rachel McGinnis

Its: Vice President (Title)

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

ESCROW AGENT
ACKNOWLEDGEMENT

I, MICHAEL B WOODSON, a Notary Public of FORSYTH County,
North Carolina, do hereby certify that RACHEL MCGINNIS the
OFFICE of FIRST COMMUNITY BANK personally
came before me this day and acknowledged the execution and sealing of the foregoing instrument as
AGENT on behalf of and as the act of the company referred to in
this acknowledgment.

Witness my hand and notarial seal, this the 18 day of April, 2016

Michael B Woodson
Notary Public

My Commission Expires: 1/26/18

(SEAL)

