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STATE OF NORTH CAROLINA
COUNTY OF WATAUGA

RESTATEMENT OF SPICE BRANCH AT GRANDFATHER DECLARATION OF
COVENANTS AND RESTRICTIONS

THIS RESTATEMENT OF SPICE BRANCH AT GRANDFATHER DECLARATION OF COVENANTS AND RESTRICTIONS (hereinafter the "Declaration") is made this the 25th day of August 2025, by the Spice Branch at Grandfather Property Owner's Association, Inc., a North Carolina non-profit corporation, pursuant to and in accordance with the North Carolina Planned Community Act (Chapter 47F of the North Carolina General Statutes).

STATEMENT OF PURPOSE

The Spice Branch at Grandfather Declaration of Covenants and Restrictions dated April 18, 1984, was recorded by the Developer/Declarant, Tilley-Six, Inc. and recorded in Book 247, Page 213, Watauga County, North Carolina, Public Registry. The Declaration was amended by instruments recorded on December 27, 1994, in Book 314, Page 66, and on June 26, 1997, by instrument recorded in Book 415, Page 870, Watauga County, North Carolina, Public Registry.

Tilley-Six, Inc., the original Developer and Declarant, no longer owns property in Spice Branch at Grandfather and accordingly all rights and obligations of Tilley-Six, Inc. have been assumed by the Association.

A Third Amendment to Spice Branch at Grandfather Declaration of Covenants and Restrictions, under which the Members of the Association and lot owners whose properties are subject to the Declaration voted to adopt the North Carolina Planned Community Act and make certain amendments to the Declaration, is recorded in Book 1293, Page 84, Watauga County, North Carolina, Public Registry.

Subsequent Amendments to the Declaration were voted on and adopted by the Members of the Association and lot owners whose properties are subject to the Declaration and are recorded in the following Books and Pages of the Watauga County, North Carolina Public Registry:

- Book 1362, Page 675
- Book 1513, Page 129
- Book 1707, Page 584

NOW, THEREFORE, the owners of the properties described herein, acting by and through the Association pursuant to the North Carolina Planned Community Act, do hereby declare for themselves and their heirs, successors and assigns, and for their future grantees, their heirs, successors and assigns, that the properties which collectively constitute Spice Branch at Grandfather more fully described in Exhibit A attached hereto and incorporated herein by reference shall be held, transferred and sold subject to the terms and provisions of this Declaration. It is the intention of the Owners of the Properties described herein that this Restatement Of Spice Branch at Grandfather Declaration of Covenants and Restrictions shall replace and consolidate the original Declaration and all amendments to the Declaration recorded prior to the date of recordation of this instrument.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Spice Branch at Grandfather Property Owners' Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 2. "Common Area" shall mean all real property (including the improvements thereto) labeled as "Common Area" on the Maps and all roads and streets shown thereon (except for public roads and streets.)

Section 3. "Lot" shall mean and refer to any plot of land, with delineated boundary lines, appearing on the Maps (with the exception of Common Areas as shown on the Maps), and those parcels of land which are not shown on recorded Maps but are described as lots on Exhibit A attached hereto.

Section 4. "Maps" shall mean and refer to the maps of the Properties as recorded (either now or hereafter) in the Watauga County, North Carolina, Public Registry, including but not limited to Plat Book 12, Page 310, Plat Book 10 at Pages 270 and 271, Plat Book 13, Page 125 and Plat Book 13, Page 214, Watauga County, North Carolina, Public Registry, with the right-of-way for the road system serving the Properties being recorded in Plat Book 10, Pages 220, 221 and 222, Watauga County, North Carolina, Public Registry.

Section 5. "Member" shall mean and refer to all Lot Owners, and to every other person or entity who holds membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities of a fee simple title to any Lot, if it owns any Lot and including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Properties" shall mean and refer to the properties, which are now or may hereafter be made subject to this Declaration and brought within the jurisdiction of the Association.

ARTICLE II

USE RESTRICTIONS

Section 1. Permitted uses. Except as provided for in subparagraph (c), below, relating to short term rentals, all Lots shall be used only for single-family residential purposes, common recreational purposes auxiliary thereto and for no other purpose. Only one family may occupy a Lot as a principal residence at any one time. Buildings constructed on the lots are subject to the following general construction criteria in addition to the provisions of Article III hereof:

- (a) No structure except as otherwise permitted in this Declaration, shall be erected, altered, placed or permitted to remain on any lot other than one (1) detached single-family private dwelling house not to exceed two and one-half stories above basement with the necessary accessory building, which may include a detached private garage or barn. Mobile homes shall be prohibited.
- (b) Location. No building shall be located nearer than forty-five (45) feet to the centerline of any street right-of-way, fifteen (15) feet to each side lot line and not closer than twenty-five (25) feet to the rear lot line. In order to assure that houses will be located with regard to the topography of each Lot, the Association reserves unto itself, its successors and assigns, the right to absolutely and solely decide the precise site and location of any structure upon any Lot or building plot consisting of more than one Lot; provided, however, that such location shall be determined only after reasonable opportunity is afforded the Owner to recommend a specific site.
- (c) Short Term Rentals. Short-term Rentals, which are defined as any residential rental, the duration of which is less than 28 consecutive days, shall be expressly permitted. Provided, that only one family may occupy a residence during a rental period.

Section 2. Nuisance. No noxious or offensive activity shall be conducted upon any Lot or in any building thereon nor shall anything be done thereon or therein which is or may become an annoyance or nuisance to other Owners. In addition, no off-road vehicles shall be allowed within the association. Construction, excavation, alteration, repair, lawn mower, leaf blowers, chain saws and other domestic tools may be operated between 7am and 8pm Monday through Saturday.

There will be no hunting or discharging of firearms on property nor use of any type of pyrotechnics.

All lots shall be maintained in a neat and orderly condition, with upkeep and maintenance in accordance with community standards. Lawns shall be regularly trimmed and shall not be allowed to become overgrown. The Association shall be entitled to enforce this provision by fines and penalties, and injunctive relief.

Section 3. Animals. No animals, livestock or poultry of any kind shall be kept on any Lot or in any building thereon, except dogs, cats or other common household pets may be so kept provided they are not kept for commercial purposes. No pens are allowed for animals. Owners must maintain control of animals at all times.

Section 4. Temporary Structures. No structure of a temporary character shall be placed upon any Lot; provided, however, that this prohibition shall not apply to shelters used by a contractor during the construction of the dwelling to be located on the Lot; provided further, however, that such permitted temporary shelters may not be used as residences or permitted to remain on the Lot after completion of construction.

Section 5. Antennas and Power Lines. No satellite TV or radio receiver or transmitter or other antennas which are visible from any Common Area, street or adjoining Lot will be permitted without written approval from Architectural Review Board. All telephone, electric and other wires of all kinds running from the poles or transmission cables located within the utility easements reserved in this Declaration to any dwelling, building or other structure must be installed underground except with the prior written approval of Architectural Review Board.

Section 6. Fuel Tanks/Garbage Containers. All fuel tanks and similar storage receptacles must be installed within the main building, accessory buildings or underground. All outdoor receptacles for ashes, trash, rubbish or garbage shall either be installed underground or screened or placed so as not to be visible from any street or any other Lot, but such receptacles must also be convenient for collection and in accordance with reasonable health standards.

Section 7. Signs. No commercial signs, excluding, "for sale," and other similar signs, shall be erected or maintained on any Lot or any street or from any adjacent Lot except as may be permitted in writing by Association or except as may be required by legal proceedings. Property identification and similar signs having a surface area in excess of three (3) square feet may not be erected without the written permission of the Association. The entrance sign naming the subdivision shall, however, be excepted from this restriction.

Section 8. Vehicles and Parking. Each Lot Owner shall provide space for parking at least two automobiles on his Lot prior to the occupancy of any dwelling constructed on said Lot in accordance with reasonable standards established by the Association. No on street vehicular parking shall be permitted except as in accordance with reasonable standards established by the Association. No overnight parking of recreational vehicles, motor homes, commercial vehicles, trucks or trailers shall be permitted unless such vehicle is parked in an enclosed garage or in an area not visible from any common area, street or adjacent lot. No abandoned, un-registered vehicles will be permitted to remain on a Lot Owner's property.

Section 9. Maintenance. It shall be the responsibility of each Lot owner to prevent the development of any unclean, unsightly or unkempt conditions of buildings or grounds on his Lot. The Owner of any Lot upon which a dwelling has been constructed shall not permit any underbrush or weeds to grow upon his Lot to a height of two (2) feet, or more, (except as part of a landscaping plan approved by the Architectural Review Board). All Lot Owners shall keep their Lots free from all garbage, refuse and debris. Trees used for firewood must be cut and stacked.

Section 10. Removal of Trees. No healthy trees may be removed from any Lot until a building permit has been obtained and approval in writing has been obtained by the Architectural Review Board pursuant to and in accordance with Article III, below. Any diseased or damaged tree or trees that may cause peril or serious damage to the property may be removed.

Section 11. Subdivisions. No lot shall be subdivided nor its boundary lines changed, except with the written consent of the Board of Directors of the Association. The restrictions and covenants herein shall apply to any modified lots resulting from subdivision as if the resulting lots had been originally platted in such a manner, and the resulting subdivided lot shall not be less than one acre in size. Provided, any currently existing lot less than one acre in size shall not be deemed to violate this provision, but such lot shall not be subdivided, nor any boundary line changed in a manner to reduce the acreage of any such lot.

Section 12. Reconstruction. Any building on any Lot that is destroyed in whole or in part by fire, windstorm, flood or other Act of God must be rebuilt, or all debris from such building removed and the Lot restored to the condition it was in prior to commencement of construction of such building with reasonable promptness; provided, however, that any such reconstruction must be commenced within six (6) months from the date of such deconstruction or if no reconstruction is to occur, then all such debris must be removed and the Lot restored to its prior condition within six (6) months of such destruction.

Section 13. Utilities. All plumbing fixtures, dishwashers, toilets or sewage disposal systems shall be connected to a septic tank sewage system constructed by the Lot Owner and approved by the appropriate governmental authority or shall be connected to a central sewer system wherever such system is available. No septic tank sewage disposal system shall be permitted on any Lot, nor may any sewage disposal system be used unless such system is designed, located, constructed and maintained in accordance with the requirements, standards and recommendations of the appropriate public health authority. Approval of such system shall be obtained by the Lot Owner from such authority and presented to the Architectural Review Board (as defined in Section 1 of Article III) prior to any construction on the Lot. A certificate of approval issued by the appropriate governmental authority after inspection of the completed system shall be delivered to the Architectural Review Board prior to use and occupancy of the dwelling unit or residence.

Section 14. Culvert and Drainage. It shall be the obligation of the Owner to provide, install, and maintain adequate culvert and drainage pipe under the Lot Owner's driveway as it crosses the ditch line at the front or side of a Lot in order that the natural flow of surface water will not at any time be blocked along the roadway drainage ditch. The culvert or drainage pipe must be of sufficient size to accommodate the flow of surface water in the ditch and in no instance shall the drainage pipe be less than sixteen (16) inches in diameter. The installation of such culvert or drainage pipe shall be approved by the Architectural Review Board. No Owner shall interfere with or divert the natural flow or drainage of any creek, spring, stream or river. The Association retains the right to clear or replace all culverts as needed to promote proper water flow as part of routine maintenance. This applies as well to the two-stage culvert on Lot 3.

Section 15. Divided Ownership. No Lot, any dwelling thereon, shall be leased, purchased, sold, conveyed, owned, used or operated so as to create a "timeshare" as that term is defined in Article IV of Chapter 93A of the North Carolina General Statutes.

Section 16. Rules and Regulations. The Association and its successors and assigns may promulgate additional rules and regulations concerning the use and occupancy of the Lots and/or the use of the Common Areas. All such rules and regulations shall be e-mailed and/or mailed via US Postal service to all Owners via first-class mail, postage prepaid.

Section 17. Compliance. In the event that any Owner fails to comply with any of the restrictions set forth in this Article or the rules and regulations subsequently promulgated by the Association, its successors or assigns or the authorized agents of the Association or its successors or assigns shall have the right, but not the obligation, to enter any Lot and undertake any necessary action in order to cure such Owner's default. All expense and costs incurred by the Association or its successors and assigns or its authorized agents in curing such default shall be charged to the defaulting Owner and shall be payable by such Owner to the Association or its successors or assigns immediately upon demand. The Association, its successors or assigns and its authorized agents shall not be liable for any damage which may result from such entry unless such damage results from the willful misconduct of Association, its successors or assigns or its authorized agents.

ARTICLE III

ARCHITECTURAL CONTROL

Section 1. Architectural Review. The Association's Board of Directors shall appoint the members of an Architectural Review Board to carry out the functions set forth in this Article. Provided, that no member of the Board of Directors shall also serve on the Architectural Review Board. The Architectural Review Board shall consist of three (3) members, who shall serve three (3) year terms. Architectural Review Board members may be reappointed for consecutive terms in the sole discretion of the Board of Directors.

Section 2. Required Architectural Approval. No improvement or structure of any kind, including, without limitation, any building, fence, wall, swimming pool, screen enclosure, sewer, drain, disposal system, landscaping, recreational structure, external lighting, or other improvement shall be commenced, erected, placed or maintained upon any Lot, nor shall any addition, change or alteration to any of the foregoing be made, including the removal of trees, unless and until the plans, specifications and location of the same shall have been submitted to, evaluated, and approved in writing by the Architectural Review Board as to harmony of external designs and location in relation with the architectural and landscape standards of the Architectural Review Board.

Section 3. Approval of Plans, Specifications and Construction. Prior to commencement of any construction on any Lot, all proposed building plans, specifications, exterior color or finish, plot plans (showing the proposed location of such building or structure, drives and parking areas), and construction schedule shall be submitted as 3 (three) printed copies or one digital copy and must be approved in writing by the Architectural Review Board. Homes should be a minimum of twelve hundred (1,200) square feet and must be permanent structures – no recreational vehicles or mobile homes are allowed as permanent residences. Vinyl or stucco siding may not be used as a primary exterior finish for the main residence or any other structures. The Architectural Review Board has sole discretion as to the use of methods and materials of construction. Upon written request by a Lot Owner for approval of plans, the Architectural Review Board shall have thirty (30) days to approve or disapprove the plans. If such plans are not disapproved within said thirty (30) day period, they shall be deemed to have been approved. Garages and other accessory buildings on any Lot must be constructed of the same or compatible materials as specified for the dwelling constructed thereon. Disapproval of plans, location or specifications may be based by the Architectural Review Board upon any ground, including purely aesthetic considerations, which in its discretion it deems sufficient. No alterations may be made in such plans after approval by the Architectural Review Board is given except with the written consent of the Architectural Review Board. No alterations in the exterior appearance of any building or structure shall be made without the written consent of the Architectural Review Board. One copy of all plans and related data shall be retained by the Architectural Review Board for its records. The exterior of all structures must be completed within 18 months after construction is commenced, except where such completion is delayed by strikes, fires, national emergencies or natural calamities. The location of Septic Field must be included in your plans. Landscaping must be completed within six (6) months of the completion of the outside structure. All construction debris must be contained and secured in one area of the construction site. All cut trees, tree limbs and tree stumps must be removed from the property upon completion of the outside structure.

Section 4. Compliance Inspections. All Owners are subject to exterior compliance inspections by the Architectural Review Board. Construction sites must be orderly and free of litter. All debris must be contained and removed. Violations of construction requirements will be reported to the Board of Directors of the Association.

ARTICLE IV

EASEMENTS

Section 1. Easements Reserved by Spice Branch at Grandfather POA. The Association reserves unto itself, its successors and assigns, a perpetual easement over, upon, across, and under each road right-of-way and an area ten (10) feet on either side of all lot lines for the purpose of the erection, maintenance, installation, and use of street signs and signs denoting the development, and use of electrical and telephone poles, wire, cables, conduits, sewers, water mains, and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, or other public conveniences or utilities and the Association may further cut and maintain drain ways for surface water wherever and whenever such action may appear to the Association to insure proper drainage of surface water while maintaining the overall appearance of the Development. These easements and rights expressly include the right to cut any trees, bushes, or shrubbery, make any grading of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to insure proper drainage. Such rights may be exercised by any licensee or successor or assign of the Association in order to provide or maintain any such utility services or drainage. This reservation shall not be considered an obligation of the Association to provide and maintain any such utility or service.

Section 2. Easements for Ingress and Egress. Easements are hereby reserved and granted across all streets shown on the Maps for ingress and egress of the Association, its successors and assigns, its licensees, public safety personnel and any authorized agents, employees or assigns as any of the foregoing for the purpose of constructing, maintaining, inspecting and repairing the streets to be built in the Common Areas and the utilities and drainage areas described in Section 1 of this Article. In addition, the Association and such other entities shall have a continuing easement to enter the Lots in order to maintain, inspect and repair all utilities facilities and drainage areas located on the Lots. This easement includes the right to disturb the structures located on each Lot in order to inspect, maintain and repair any utility facility located within or beneath such structures. In the case of any vehicle blocking the shared right of way, the Association retains the right, at the vehicle owner's expense, to move the vehicle to protect the rights of the remaining Owners in the community. The Association shall not be held liable for any damage to the vehicle being moved. All Owners who rent their property are required to communicate this policy in writing to their property management firm and renters.

Section 3. Obstruction. Within any easements described in this Article, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation or maintenance of sewage disposal facilities and utilities, or which may change the direction of flow, or which may obstruct or retard the flow of water through the drainage channels.

ARTICLE V

MAINTENANCE AND SECURITY ASSESSMENTS

Section 1. Responsibility for Maintenance and Security Services. The Spice Branch at Grandfather Property Owners' Association, Inc. as hereinafter provided, shall be responsible for providing the services set forth in Section 2 below and for collecting the assessments set forth in this Article. The Association shall thereafter provide the services set forth in Section 2 and collect the assessments set forth in this Article.

Section 2. Purpose of Annual Assessments. The annual assessments levied by the Association shall be used as follows:

- (a) to maintain and repair all private roads leading to and within the Development to the standard that such roads were in at the time of their completion, and to maintain all landscaping adjacent to such roads in a manner consistent with the overall appearance of the Development;
- (b) to provide security of the Development by mechanical gates.
- (c) to maintain the Common Areas;
- (d) to pay all ad valorem taxes levied against the Common Areas and any property owned by the Association;
- (e) to pay the premiums on all hazard insurance carried by the owner of the Common Areas and all public liability insurance carried by the Association pursuant to its Bylaws;
- (f) to pay all legal, accounting and other professional fees incurred by the Association in carrying out the duties as set forth herein or in the Bylaws.
- (g) to pay for future capital expenses, improvements, and emergencies not budgeted.

Section 3. Creation of the Lien and Personal Obligation for Assessments. The Association, for each Lot hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the annual assessments in such amounts necessary so as to pay for the services set forth in Section 2 of this Article and charges and special assessments for capital improvements, established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorney's fees, shall be a charge and a continuing lien upon the Lot against which each such assessment charge is made. Each such assessment or charge, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to an Owner's successors in title unless expressly assumed by them.

Section 4. Special Assessments for Capital Improvements and Emergencies. In addition to the annual assessments authorized above, the Association may levy, in any year, a special assessment applicable to that year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, and the common roadways serving the Development or for the purpose of meeting any unanticipated expenses related to the Common Areas. Such special assessments may be levied only after obtaining the written consent of the Owners of at least 51% of the aggregate number of Lots then subject to the Declaration.

Section 5. Assessment Rate.

(a) Both annual and special assessments must be fixed at a uniform rate for all Lots.

(b) The amount of the aggregate annual assessments for each year shall be the amount necessary to fund the expenses described in Section 2 of this Article. On January 1, 2019 the maximum annual assessment shall be \$875 per Lot. For each calendar year thereafter, the maximum annual assessment may be increased by up to 20% of the prior year's maximum annual assessment by the appropriate assessing authority as set forth in Section 1 of this Article. If the annual assessment is not increased by the maximum amount permitted, the difference between the actual increase made and the maximum increase permitted for that year shall be computed and the assessment may be increased by that amount in a future year by the appropriate assessing authority as set forth in Section 1 of this Article. The Board of Directors of the Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner. The due dates shall be established in such written notice.

(b) Any increase in the annual assessments in excess of that permitted in subsection (b) of this Section may be levied only after obtaining the written consent of the Owners of at least 51% of the aggregate number of lots then subject to the Declaration.

(c) A road construction and improvement assessment fee shall be levied against each Lot Owner building a new residence on an annual basis in the calendar year in which the building permit is issued for the new construction and annually until the Certificate of Occupancy is issued. The assessment shall be based on total square footage of the residence to be constructed. A residence of 1,500 square feet or less shall pay an annual fee of \$500.00, a residence of 1,500- 2,500 square feet shall pay an annual fee of \$750.00; a residence of 2,500-3,500 square feet shall pay an annual fee of \$1,000.00; and a residence in excess of 3,500 square feet shall pay an annual fee of \$1,500.00. It is anticipated in most instances that the assessment will be paid for two years during the construction process.

(d) The Association shall allocate 10% of total annual assessments to the reserve road construction and improvement fund.

Section 6. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum legal rate allowable under North Carolina law at the time of default or eighteen percent (18%) per annum if the maximum legal rate is unlimited by law. In addition to such interest charge, the delinquent Lot Owner shall also pay such late charge as may have been theretofore established by Board of Directors of the Association, to defray the costs arising because of late payment. The Association may bring an action at law against the delinquent Lot Owner or foreclose the lien against the Lot. All interest, late payment charges, costs and reasonable attorney's fees of such actions or foreclosures shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by not using the Common Areas or abandoning his Lot.

Section 7. 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 on a Lot or any mortgage or deed of trust to the Declarant. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer; provided, however, that the Spice Branch at Grandfather POA or the Board of Directors of the Association may in its sole discretion, determine such unpaid assessments to be an annual or a special assessment, as applicable, collectable pro rata from all Lot Owners including the foreclosure sale purchaser. Such pro rata portions are payable by all Lot Owners notwithstanding the fact that such pro rata portions may cause the annual assessment to be in excess of the maximum permitted under Section 5 of this Article. No sale or transfer shall relieve the purchase of such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the lien provided for herein shall continue to be subordinate to the lien of any mortgage or deed of trust as above provided.

ARTICLE VI

ASSOCIATION

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

Section 2. Voting. All Lot Owners shall be entitled to one (1) vote for each Lot owned. When more than one person owns an interest (other than a leasehold or security interest) in any Lot all such persons shall be Members and the voting rights appurtenant to said Lot may be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Section 3. Board of Directors. The Association shall be governed by a Board of Directors in accordance with its Bylaws listed below:

(a) Spice Branch at Grandfather POA Board of Directors shall consist of four (4) members. The Board Members shall be chosen for the ensuing year at the annual meeting of the POA held at the end of May each year. Two-thirds (2/3) percent of the members of the Board of Directors shall constitute a quorum. Board meetings may be held at any time deemed necessary by the Board.

(b) Vacancies in the Board of Directors shall be filled by a vote of the majority of the remaining members of the Board of Directors for the balance of the year.

(c) The President of the POA by virtue of his office shall be Chairman of the Board of Directors. The POA Board will include a vice president, a treasurer and a secretary.

(d) No two members of one household/property owner may serve on the Board at the same time.

(e) A Board member may be removed with or without cause, according to the Planned Community Act.

(f) Each Board member must annually sign a conflict-of-interest disclosure to the effect that any personal business transactions related to the Spice Branch POA must be disclosed by that Board member. All Board members must avoid conflicts of interest and situations that would compromise the principles of the association or lead to the perception of compromise.

(g) A Board member shall be excused from voting on any matter or issue by a majority vote of the remaining Board members present if the matter at issue involves the Board member's own financial interest or the matter at issue is of a nature that would prevent the Board member from rendering a fair and impartial decision.

Section 4. Duties of The Board of Directors

(a) The President shall preside at all member ship meetings. He shall present at each annual meeting an annual report of the budget and workings of the POA. He shall appoint all committees, temporary or permanent. He shall see all books, reports, and certificates required by law are properly kept or filed. He shall be one of the Board members who may sign checks or drafts for the POA. He shall have such powers as may be reasonably construed as belonging to the chief executive of any organization.

(b) The Vice President shall in the event of the absence or inability of the President to exercise his office become acting president of the organization. He shall perform those functions delegated by the President.

(c) The Secretary shall keep the minutes and the records of the organization in appropriate books. He shall attend to all correspondence of the organization and exercise all duties incident to the office of Secretary. He shall submit to the Board any communications addressed to him as Secretary of the organization. The Secretary shall give notice of the annual meeting and distribute minutes, and other documents as needed.

The Secretary shall provide a copy of the POA Covenants and Restrictions with a map of property locations to all new property owners.

(d) The Treasurer shall have the care and custody of all books and accountings for monies and securities of the organization. He shall have an understanding of accounting for non-profit organizations. He shall be one of the Board who shall sign checks or drafts for the POA. He will submit quarterly reports to the Board of Directors as a written accounting of the finances of the POA. An Annual report shall be affixed to the minutes of the Annual POA meetings. He shall present and annual budget for full Board approval. He shall exercise all duties incident to the office of treasurer.

(e) No Board member shall be entitled to receive any salary or compensation for acting as a Board member, but nothing prevents a Board member for receiving any compensation from the organization for duties other than as a Board member.

Section 5. Salaries. The Board of Directors shall hire and fix the compensation of any and all outside vendors that they deem necessary to conduct the business of the POA. Should the Board receive an increase of five percent (5%) or over from a current contractor/vendor the scope of the work shall go out for a BID process.

ARTICLE VII

PROPERTY RIGHTS

Section 1. Use of Common Areas. Notwithstanding any recordation of any map or any other action the Association, all Common Areas (including the roads thereon) shall remain private property and shall not be construed as dedicated to the use or enjoyment of the public.

Section 2. Owner's Rights to Use and Enjoy Common Areas. Each owner shall have the right to use and enjoy the Common Areas which shall be appurtenant to and shall pass with the title to his Lot subject to the following:

(a) the right of the Association or its successors or assigns to promulgate any and enforce reasonable regulations governing the use of the Common Area to ensure the safety and rights of all Owners;

(b) the right of the Association or its successors or assigns to suspend the right to use the Common Areas by any Owner for a period during which any assessment against his Lot remains unpaid and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations; and

(c) the right of the Association or its successors or assigns to grant utility, drainage or other easements across the Common Areas.

Section 3. Owner's Easements for Ingress and Egress. Every Lot shall be conveyed with a perpetual, nonexclusive right to use any roadway which forms a part of the Common Area for the purpose of providing access to and from each Lot. It is understood and agreed, however, that the easement for ingress and egress provided herein shall not be used by the owner of any Lot for access to any property outside the Spice Branch at Grandfather development. Furthermore, no owner of any lot shall construct or allow to be constructed any roadway for vehicular traffic from his Lot, or common area to any property outside the said development without the prior written consent of Association, its successors or assigns.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association or any non-breaching Owner or any of them jointly or severally, shall have the right to proceed at law or in equity to compel compliance with the terms hereof or to prevent the violation or breach of such terms by any Owner or his agent. In addition to the foregoing, the Association or its assigns shall have the right, whenever there shall have been built on any Lot any structure which is in violation of these restrictions, to enter upon such Lot and correct or remove such violating structure at the expense of the Owner. Any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any right, reservation, restriction or condition contained in this Declaration shall not be deemed a waiver of the right to do so hereafter, as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect such enforcement.

Section 2. Severability. The invalidation by any Court of any restrictions contained in this Declaration shall in no way affect any of the other restrictions, but they shall remain in full force and effect.

Section 3. Duration and Amendment. All of the covenants, restrictions and servitudes set forth herein shall run with the land. All Owners affected hereby, by accepting the deed to such premises, accepts the same subject to said covenants, restrictions and servitudes and agrees for himself, his heirs, legal representatives, administrators, and assigns, to be bound by each of said covenants, restrictions, and servitudes jointly, separately, and severally. These covenants shall be in effect until May 1, 2043, and shall be automatically extended for successive periods of ten (10) years each unless the Owners of not less than two-thirds (2/3) of the Lots and Units agree to terminate or modify the same in writing signed and recorded in Watauga County, North Carolina, Public Registry at any time prior to the expiration of said term or any succeeding ten-year period.

Section 4. Planned Community Act. The owners hereby reaffirm and ratify their election to make all provisions of the North Carolina Planned Community Act applicable to the properties.

IN WITNESS WHEREOF, the Spice Branch at Grandfather POA has caused this document to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, the day and year first above written.

SPICE BRANCH AT GRANDFATHER
PROPERTY OWNERS' ASSOCIATION, INC.

By: _____ President
JF Scarborough, President

STATE OF _____
COUNTY OF _____

I, _____, Notary Public, certify that JF Scarborough personally came before me this day and acknowledged that he is President of SPICE BRANCH AT GRANDFATHER PROPERTY OWNERS' ASSOCIATION, INC., a corporation, and that he, as President, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official seal, this the _____ day of _____, _____.

Notary Public

Notary's Typed or Printed Name

My commission expires:

NOTARIAL SEAL:

EXHIBIT A

<u>Property Owner</u>	<u>Lot no.</u>	<u>Deed Reference</u>
Albrecht, Michelle Lissette	22 SB	Bk 12, pg 310
Aliotti, Perry & Donna	26 SB	Bk 12, pg 310
Anders, Mark & Ilene	21 SB	Bk 12, pg 310
Andreoli, Mike & Mary	1 AT	Bk 13, pg 214
Andreoli, Mike & Mary	2 AT	Bk 13, pg 214
Balmat, Kevin & Caryn	3 SB	Bk 10, pg 270
Bruorton/Hutchins, Chip & Lindsay, Luke & Meredith		Bk 10 pg 221
Burnette/Howe, Mike & Barbie	19 SB	Bk 12, pg 310
Burnette/Howe, Mike & Barbie		Bk 10, pg 222
Burnette/Howe, Mike & Barbie		Bk 10 pg 221
Burnette/Howe, Mike & Barbie		Bk 10, pg 222
Burns, Brian & Carissa	13 SB	Bk 10, pg 270
Cockerham, Tony & Sharon	6 AT	Bk 13, pg 214
Craft, David & Janet	10 SB	Bk 10, pg 270
Curran, Martin & Elise	28SB	Bk 12, pg 310
DeFee, Robert & Janet	4 SB	Bk 10, pg 270
Emerson, Rob & Beth		Bk 10, pg 222
Epstein, David & Geralyn	24 SB	Bk 12, pg 310
Epstein, David & Geralyn	23 SB	Bk 12, pg 310
Goode, Lynn & Susanna	27 SB	Bk 12, pg 310
Hare, Cliff & Emily (dba MoeBear LLC)	20 SB	Bk 12, pg 310
Hubers, Randy & Margaret	8-9 AT	Bk 13, pg 214
Johnson, William (Ashley) & Ruth	18 SB	Bk 12, pg 310

<u>Property Owner</u>	<u>Lot no.</u>	<u>Deed Reference</u>
Krauss, Paul & Julia	4 AT	Bk 13, pg 214
McCormick, David & Lesley	11 SB	Bk 10, pg 270
McDowell, Judy		Bk 10 pg 221
Nelson, Derek & Bradley, Kalin		Bk 10 pg 221
Nelson, Derek & Bradley, Kalin	3 AT	Bk 13, pg 214
Nowalk, Ronald	8-9 SB	Bk 10, pg 270
Patterson, Orus (son Liam 2011)	17 SB	Bk 12, pg 310
Patterson, Orus (son Liam 2011)	16 SB	Bk 12, pg 310
Pusateri, Tom & Pamela		Bk 10 pg 221
Pusateri, Tom & Pamela		Bk 10 pg 221
Pusateri, Tom & Pamela		Bk 10 pg 221
Raker, Gwyn & Marianne	14 SB	Bk 12, pg 310
Reichow, Rick & Karen	25 SB	Bk 12, pg 310
Sambrato, Joan (c/o Nicholas Sambrato)	1 SB	Bk 10, pg 270
Sambrato, Joan (c/o Nicholas Sambrato)	2 SB	Bk 10, pg 270
Sayers, Stephen & Catherine	5, 7 AT	Bk 13, pg 214
Scarborough/Miller, JF & Betsy	6 SB	Bk 10, pg 270
Stephens, Ed & Dianne (Dee)	12 SB	Bk 10, pg 270
Swarr, Bart & Jane	5 SB	Bk 10, pg 270
Webb, Jim & Linda		Bk 10 pg 221
Wenger, Scott & Kristen	15 SB	Bk 12, pg 310
Williams, Clyde	7 SB +	Bk 10, pg 270