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ALAMANCE COUNTY, NC
HUGH WEBSTER
REGISTER OF DEEDS

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North Carolina
Alamance County

Prepared by: Alie Yates Brown Attorney At Law

ASSIGNMENT OF DECLARANT RIGHTS AND ANNEXATION DECLARATION

THIS ASSIGNMENT OF DECLARANT RIGHTS and ANNEXATION DECLARATION, made and entered into this the 5TH day of **FEBRUARY, 2015** by and between **CORNERSTONE PROPERTIES OF ALAMANCE, LLC**, a North Carolina Limited Liability Company (hereinafter referred to as Assignor), **HERITAGE GLEN PROPERTY OWNERS' ASSOCIATION, INC.** (hereinafter referred to as Association), and **SGRM**, a North Carolina General Partnership (hereinafter referred to as Assignee).

WITNESSETH

A. ASSIGNMENT OF DECLARANT RIGHTS

WHEREAS, Assignor is the Developer of **Heritage Glen Subdivision**, found in Alamance County, North Carolina.

WHEREAS, Assignor subjected Heritage Glen Subdivision, as shown by plat recorded in Plat Book 64 at Pages 126 through 137, Alamance County Registry to that **"Declaration of Restrictive Covenants and Declaration of Planned Community for Heritage Glen"** recorded in Book 1327, Page 798, Alamance County Registry and amended several times by Amendments recorded in Book 1646, page 943; Book 1724, Page 195; Book 2234, Page 1; and Book 2385, Page 788, Alamance County Registry.

WHEREAS, Assignor has reserved certain special Declarant rights under the "Declaration of Restrictive Covenants and Declaration of Planned Community for Heritage Glen" recorded in Book 1327, Page 798, Alamance County Registry, and as thereafter amended from time to time. Under paragraph 28G of the "Declaration of Restrictive Covenants and Declaration of Planned Community for Heritage Glen", as part of these Declarant rights, Assignor specifically reserved the right, but not obligation , to add additional real property for Future Development on plats and plans of the property as

MCPHERSON GRADING
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BURLINGTON, NC 27215

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additional phases of the development plan of Heritage Glen Subdivision.

WHEREAS, by deed recorded in Book 3350, Page 485, Alamance County Registry, Assignee acquired all the remaining real property owned by Assignor (the "Additional Real Property"), and all the parties hereto understand and agree that all of said Additional Real Property will be subjected to said Declaration, and as amended, and in furtherance of said understanding and agreement, that Assignor assign, transfer, and convey to Assignee all rights of Assignor to add the Additional Real Property for Future Development on plats and plans of the property as additional phases of the development plan of Heritage Glen Subdivision as it pertains to the development of Phase 5 of Heritage Glen Subdivision. Assignor desires to transfer to Assignee all Assignor's Declarant right to add additional real property to the Heritage Glen Subdivision as it pertains to the development of Phase 5 of Heritage Glen Subdivision.

WHEREAS, Assignor has recently dissolved its Limited Liability Company, Cornerstone Properties of Alamance, LLC, and as part of the winding up of the affairs and dissolution of Cornerstone Properties of Alamance, LLC, and also subject to the terms and conditions of this Assignment, Assignor desires to transfer to Assignee all its Declarant right to add additional property to the Heritage Glen Subdivision area Phase 5.

WHEREAS, before the dissolution of Assignor's Limited Liability Company (Cornerstone Properties of Alamance, LLC), it was the intent of Assignor to end its Declarant control over Heritage Glen Subdivision and turn over that control to Association, because sixty-seven percent (67%) of lots in the property had been conveyed to owners other than Assignor as required by Section 3(C) of the Declaration. Furthermore, Assignor had given notice to Association of its election to terminate its period of Declarant control, but Assignor and Association have never formalized the transfer of Declarant control from Assignor to Association by written recorded assignment of Declarant rights even though it was the intent of Assignor to terminate its Declarant control and turn over its Declarant control to Association.

NOW THEREFORE, in consideration of the sum of $10.00 and other valuable consideration to it, paid by Assignee to Assignor and Association, the receipt of which is hereby acknowledged, the parties do hereby understand, agree and consent to the following:

1. Assignor and Association join together and do hereby assign, transfer, quitclaim, and convey unto Assignee all of their respective rights, powers, obligations and duties reserved or given to Assignor in the Declaration as Declarant. From and after the effective date hereof, neither Assignor nor Association shall have any rights as a Declarant (or successor Declarant) under the Declaration.

2. Assignor and Association join together and do hereby assign, transfer, quitclaim, and convey unto Assignee the right, subject to Assignee agreeing to accept the obligation, to add the Additional Real Property for Future Development on plats and plans of the property as additional phases of the development plan of Heritage Glen Subdivision as it pertains to Phase 5 Heritage Glen, and all of said Additional Real Property shall be subject to the Declaration, and any amendments thereto, and as may be further amended herein.

3. Assignee hereby accepts, agrees to and assumes responsibility for any and all such rights, powers, obligations and duties.

4. Assignor and Assignee agree to indemnify, defend and hold harmless each other and Association, their respective successors, assigns, officers, directors, and agents, from any and all liability, claims, actions, losses, damages and expenses (including, but not limited to, reasonable attorney's fees), arising out of or related to the Heritage Glen Subdivision or the

Declaration (and as amended), which occur during the period when Assignor (prior to the effective date hereof) or Assignee (after the effective date hereof) acted as Declarant and/or exercised Declarant rights related to Heritage Glen Subdivision.

5. As a condition of this Assignment, Assignee, for itself and its successors and assigns, further understands and agrees that all of the Additional Real Property, including that portion not yet platted, subdivided and formally approved by the relevant government board, shall be developed and conveyed in substantial conformity to the preliminary plan and plat previously prepared and presented to Association and labelled as Phases 5A, 5B and 5C, consisting of 52 lots, with Lots 1-19 being designated as Meadows lots, Lots 20-30, 39-41 and 49-52 being designed as Cornerstone lots, and Lots 31-38 and 42-48 being designated as Estate lots, all of said Additional Real property to be eventually annexed by Assignee (a portion of which is annexed hereinbelow), and developed according to the Declaration, as amended, and as herein may be further amended.

B. ANNEXATION DECLARATION

WHEREAS, Assignor, as Declarant, heretofore recorded a "Declaration of Restrictive Covenants and Declaration of Planned Community For Heritage Glen" in Deed Book 1327, Page 798, Alamance County Registry, (the "Declaration");

WHEREAS, paragraph 28G of the Declaration provides that Declarant specifically reserves the right, but not the obligation, to add additional real property as shown for "Future Development" on plats and plans to the Property as additional phases of the development plan; and

WHEREAS, paragraph 28G of the Declaration provides that in the event that Declarant shall elect to increase the area comprising Heritage Glen Subdivision, the owners of lots on any such additional property shall be members of the Heritage Glen Property Owners' Association, Inc.

WHEREAS, Assignor has elected to terminate its Declarant control and transfer that control to Association. As stated above in Section (A), Assignor and Association desire to transfer to Assignee the Declarant right, subject to Assignee agreeing to accept the obligation, to add additional real property to the Heritage Glen Subdivision as it pertains to the development of Phase 5 of Heritage Glen Subdivision, subject to the terms and conditions of this Assignment.

WHEREAS, Assignee now desires to increase the area comprising Heritage Glen Subdivision and to increase the membership of the Heritage Glen Property Owners' Association.

NOW THERFORE, Assignor, Association, and Assignee do hereby declare, covenant, and agree that all persons, firms, and corporations now owning or hereinafter acquiring any portion of the property as shown on plat entitled "Final Plat for Heritage Glen Subdivision Phase 5 Section A" and recorded in Plat Book 76, Page 440, Alamance County Registry, and any portion of the property as shown on plat entitled "Final Plat Heritage Glen Subdivision Phase 5 Section A, The Meadows and The Estates, Sheets 1-3", and recorded in Plat Book 76 at Pages 462-464, shall be subject to the Declaration, as amended, including as may be amended herein. All 19 of the lots shown on the above-referenced plats shall be designated and considered as "Meadows" lots and shall be annexed to, held, transferred, sold, and conveyed subject to the Declaration, as amended, including as may be amended herein. All portions of the property shown on the above-referenced plats shall be subject to all terms, covenants, requirements and conditions of the aforesaid Declaration, as amended, including as may be amended herein, the provisions of which are specifically incorporated by reference, and all references therein to the "Property" (as that term is used in the Declaration) of Heritage Glen Subdivision shall be deemed to include and encompass the annexed property described above as if said property was and had been described in the legal description of the Property when the Declaration was originally recorded.

WHEREAS, Assignee has heretofore executed a Deed of Trust to David E. Royal, Trustee for the benefit of The Fidelity Bank, said deed of trust being recorded August 4, 2014 in Book 3350, Page 490, Alamance County Registry. By its joinder in the execution of this Agreement, The Fidelity Bank and Trustee do hereby subordinate the lien of the Deed of Trust to the extent but only to the extent that the Deed of Trust shall be subordinate to the terms and provisions of this Agreement as if this Agreement had been recorded one minute prior to the Deed of Trust.

HENCEFORTH, Assignor , Association, and Assignee agree to promptly execute any other documents that may be necessary to effectuate this transfer and assignment and annexation or that may be required by the State of North Carolina or other authority or agency to effectuate this transfer and assignment and annexation.

THIS AGREEMENT and the covenants, terms, and conditions herein contained shall bind and the benefits and powers shall inure to the respective heirs, successors, and assigns of Assignor, Association, and Assignee.

IN TESTIMONY WHEREOF, Assignor, Association, and Assignee have executed this instrument by its duly authorized member-managers, President, and partners, respectively, the day and year first above written. The Fidelity Bank has caused this instrument to be executed in its corporate name by its duly authorized officers, the day and year first above written.

CORNERSTONE PROPERTIES OF ALAMANCE, LLC (ASSIGNOR)
By:

_____ (SEAL)
Randall L. Faircloth, Member-Manager

_____ (SEAL)
S. Douglas Shoffner, Member-Manager

HERITAGE GLEN PROPERTY OWNERS' ASSOCIATION, INC.

BY: _____, **President**

SGRM, a North Carolina General Partnership (ASSIGNEE)
By:

_____ (SEAL)
Judge Russell McPherson, Partner

South Graham Investments, LLC, Partner of SGRM

By: _____(SEAL)

Christopher H. Foust, Member-Manager

_____(SEAL)

Jeffrey Sean Holt, Member-Manager

THE FIDELITY BANK

By: _____

TRUSTEE:

_____(SEAL)

David E. Royal

STATE OF NORTH CAROLINA, County: Alamance

I, the undersigned Notary Public of the County and State aforesaid, certify that **Randall L. Faircloth and S. Douglas Shoffner** personally came before me this day and acknowledged that they are the **Member-Managers** of **Cornerstone Properties of Alamance, LLC**, a North Carolina Limited Liability Company and that by authority duly given and as the act of such entity, they signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal, this 9th day of **February**, 2015.

My Commission Expires: 11-30-2016

_____
Notary Public

ALAMANCE COUNTY, N.C.

STATE OF NORTH CAROLINA, County: Alamance

I, the undersigned Notary Public of the County and State aforesaid, certify that Daniel J. Tichy personally came before me this day and acknowledged that he is the **President** of **Heritage Glen Property Owners' Association, Inc.**, a North Carolina Corporation and that by authority duly given and as the act of such entity, they signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal, this 6th day of **February**, 2015.

My Commission Expires: April 10, 2015

Nancy T. Crowder
Notary Public

ALAMANCE COUNTY, NC NOTARY PUBLIC NANCY T. CROWDER

STATE OF NORTH CAROLINA, County: Alamance

I Jennifer D. Ayers a Notary Public for said County and State, do hereby certify that **Judge Russell McPherson, Partner of SGRM, a North Carolina General Partnership and Christopher H. Foust and Jeffrey Sean Holt, Member-Managers of South Graham Investments, LLC, Partner of SGRM, a North Carolina General Partnership** personally appeared before me this day and being by me duly sworn, acknowledged the due execution of the foregoing annexed instrument for the purposes therein expressed for and in behalf of the said above mentioned.

Witness my hand and Notarial Stamp or seal this 6 day of **February**, 2015.

My Commission Expires: 4.13.2015

Jennifer D. Ayers
Notary Public

JENNIFER D. AYERS NOTARY PUBLIC ALAMANCE COUNTY, NC

STATE OF NORTH CAROLINA, County: WAKE

I, the undersigned Notary Public of the County and State aforesaid, certify that ROBIN H. HENDERSON personally came before me this day and acknowledged that she is the VP of **The Fidelity Bank**, a Corporation and that by authority duly given and as the act of such entity, she signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal, this 27th day of **February**, 2015.

My Commission Expires: 6/6/17

Kylene E. Clark
Notary Public

KYLENE E. CLARK NOTARY PUBLIC WAKE COUNTY, NC

STATE OF NORTH CAROLINA County: WAKE

I, undersigned Notary Public of the County and State aforesaid, certify that David E. Royal, Trustee, personally came before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal this 17th day of **February**, 2015.

KYLENE CLARK NOTARY PUBLIC WAKE COUNTY, NC

My Commission Expires: 6/6/17

Kylene Clark
Notary Public