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STATE OF NORTH CAROLINA

GRANVILLE COUNTY

ASSIGNMENT AND ANNEXATION OF
ADDITIONAL PROPERTY
AS SHOWN ON PLAT RECORDED IN PLAT
BOOK 31, PAGE 80, GRANVILLE COUNTY
REGISTRY TO THE DECLARATION
FOR HAWTHORNE SUBDIVISION

THIS ASSIGNMENT AND ANNEXATION OF ADDITIONAL PROPERTY (the "Annexation") to the Declaration of Covenants, Conditions, Easements and Restrictions for Hawthorne Subdivision (the "Declaration") is entered into the 2 day of July, 2008 by PANARA DEVELOPMENT, LLC, a North Carolina limited liability company hereinafter referred to as "Declarant/Assignor" and HAWTHORNE II, LLC, a North Carolina limited liability company, hereinafter referred to as "Hawthorne" and/or "Declarant/Assignee".

WITNESSETH:

WHEREAS, Declarant/Assignor by the Declaration filed on February 16, 2005 in the office of the Register of Deeds of Granville County, North Carolina and recorded in Book 1073, Page 134 of said office subjected certain real property to the provisions of said Declaration; and

WHEREAS, the "Declarant" as defined in the Declaration may assign its rights therein; and

WHEREAS, the Declarant in Article VI of the Declaration reserves the right, within ten (10) years of the date of conveyance by the Declarant of the first Lot, to annex and subject such additional land to the Declaration without the consent of any Members by filing a Declaration of Annexation in the Granville County Registry; and

WHEREAS, this Declaration of Annexation is being filed within ten (10) years of conveyance by Declarant of the first Lot in the Subdivision; and

WHEREAS, as part of this annexation, the Declarant may amend the Declaration; and

WHEREAS, Declarant/Assignor now wishes to assign its rights under the Declaration; and

WHEREAS, Declarant/Assignee wishes to annex and subject additional property to the Declaration and amend the Declaration as to such additional property.

NOW, THEREFORE, it is hereby declared:

1. Pursuant to Article I, Section 7 of the Declaration, the rights of Declarant provided for or reserved in the Declaration are expressly assigned and transferred to Hawthorne. Hawthorne shall henceforth be the Declarant as provided for the Declaration.

2. Pursuant to the authority granted in Article VI, Section 2 of the Declaration, the property described below is hereby annexed and subjected to the Declaration and any amendments for Hawthorne Subdivision, and said property shall be deemed to be governed in all respects by the terms and provisions of the Declaration and amendments thereto. Each Owner shall be deemed to be a Member of the Association and subject to the authority of the Association including the payments of any assessments as provided for therein. Said Declaration is incorporated by reference as is fully set out herein.

Tract I

Being all of the tract, containing 89.7509 acres, as shown on that plat by James R. Wilson, P.L.S., entitled "Survey For: Panara Development, LLC", dated November 16, 2004, recorded February 15, 2005, in Plat Book 31, Page 80, Granville County Registry.

Tract II

Being all of that tract, containing 1.0043 acres, as shown on that plat by James R. Wilson, P.L.S., entitled "Survey For: Panara Development, LLC", dated November 16, 2004, recorded February 15, 2005, in Plat Book 31, Page 80, Granville County Registry.

The above described additional property shall be referred to as "Phase 2" of Hawthorne Subdivision.

3. Notwithstanding anything contained in the Declaration to the contrary, Phase 2, pursuant to the authority in Article VI, Section 2 of the Declaration, shall be subject to the following provisions:
- a. Fee simple title to the Common Properties in Phase 2 shall be conveyed to the Association prior to the conveyance of the last Lot in Phase 2.
 - b. The minimum enclosed dwelling area for a detached single family residential Lot in Phase 2 shall be 3,000 square feet.
 - c. Notwithstanding anything contained in the Declaration to the contrary, no detached storage sheds, garden sheds, or accessory buildings are permitted except for detached pool houses for an underground pool, with prior approval by the Architectural Committee as set out in Article V of the Declaration.
 - d. The Declarant reserves the right to modify or amend the restrictions and obligations placed on Phase 2 without the consent of any Owner or Member so long as Declarant owns any portion of Phase 2.
4. By the annexation of the above-referenced property, as well as the subdivision of said property into Lots 68 through 75 and lots 127 through 135 as shown on plat recording in Plat Book 37, Pages 29 & 30, Granville County Registry, pursuant to Article III, Section 2 of the Declaration, the Class B Membership, and all rights associated therewith, shall hereby be reinstated as the total number of votes in the Class B membership exceeds the votes of the Class A membership.
5. Pursuant to Article VII, Section 24 of the Declaration, entitled "Additional Restrictions", the Declarant declares the following additional covenants and restrictions, which shall be applicable to all Property subject to the Declaration, and which the Declarant has determined are not inconsistent with and do not diminish the covenants and restrictions set forth in the Declaration:
- a. Article I, Section 6: The expense of maintenance and paving of any roads in the subdivision, specifically including Hawthorne Drive and Willard Drive, shall be a "Common Expense" as defined in the Declaration until such time as the maintenance of such roads are assumed by the State of North Carolina.
 - b. Article VII, Section 4: No more than two animals of any species, or three animals total may be kept or maintained on any Lot.
 - c. Article VII, Section 9: The addition of attached storage space external to the main structure is an improvement which requires the review and approval of the Architectural Committee as set out in Article V in the Declaration.

d. Article VII, Section 12: Delivery and maintenance vehicles providing temporary services to the Lot are permitted.

6. Declarant/Assignor and Declarant/Assignee hereby represent that they have complied in every respect with the requirements of Article VI with respect to this Annexation of Additional Properties.

IN WITNESS WHEREOF, Declarant/Assignor and Declarant/Assignee have executed this instrument the year and day first above written.

PANARA DEVELOPMENT, LLC

By: [Signature]
Manager

HAWTHORNE II, LLC

By: [Signature]
Manager

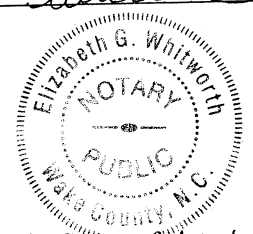
**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

I, Elizabeth G. Whitworth, a Notary Public for the County of Wake State of North Carolina, certify that Joel Panara, personally appeared before me this day and acknowledged that he is Manager of Panara Development, LLC, a North Carolina limited liability company, and that by authority duly given and as an act of the company, the foregoing instrument was signed in its name by its Manager.

Witness my hand and official stamp or seal, this 2 day of July, 2008.

[Signature]
Notary Public

My Commission Expires July 20, 2011



**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

I, Elizabeth G. Whitworth, a Notary Public for the County of Wake State of North Carolina, certify that Joel Panara, personally appeared before me this day and acknowledged that he is Manager of Hawthorne II, LLC, a North Carolina limited liability company, and that by authority duly given and as an act of the company, the foregoing instrument was signed in its name by its Manager.

Witness my hand and official stamp or seal, this 2 day of July, 2008.

[Signature]
Notary Public

My Commission Expires July 20, 2011

