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Prepared by and mail to Kenneth L. Eagle, 1150-3 Executive Circle, Cary, NC 27511

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
NORMANDIE**

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FOR
REGISTRATION
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KENNETH C. WILKINS
REGISTER OF DEEDS
WAKE COUNTY

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NORTH CAROLINA
WAKE COUNTY

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR NORMANDIE**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR NORMANDIE is made this 7th day of May, 1992, by Normandies Limited Partnership, a Delaware Limited Partnership, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property in the Wake County, North Carolina, which is more particularly described on Exhibit A attached hereto and incorporated by reference (and is hereinafter referred to as the "Property"); and

WHEREAS, it is the intent of the Declarant hereby to cause the Property to be subjected to this Declaration;

NOW, THEREFORE, Declarant hereby subjects the Property to the easements, covenants, conditions and restrictions hereinafter stated, and hereby declares that all of the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting and preserving the value, desirability and attractiveness of, and which shall run with, the Property and be binding on all parties having or hereafter acquiring any right, title or interest in the Property or any part thereof, and their heirs, successors and assigns, and shall inure to the benefit of each owner of the Property or any part thereof.

ARTICLE I

DEFINITIONS

The following words or terms, when used in this Declaration, in any Supplemental Declaration (as hereinafter defined), or in any amendment thereto shall have the following definitions (unless the context clearly requires otherwise):

- (a) "Articles" shall mean and refer to the articles of incorporation of the Association.
- (b) "Association" shall mean and refer to NORMANDIE HOMEOWNERS ASSOCIATION, INC., its successors and assigns. NORMANDIE HOMEOWNERS ASSOCIATION, INC. is or shall be a North Carolina nonprofit corporation.
- (c) "Board" shall mean and refer to the Board of Directors of the Association.
- (d) "Bylaws" shall mean and refer to the Bylaws of the Association as they may now or

hereafter exist.

(e) "Common Area" or "Common Property" shall mean and refer singularly or collectively, as applicable, to all real property and improvements thereon or associated therewith, which is/are owned or leased by, or located in an easement granted to or reserved by, the Association and which has/have been designated by Declarant or the Association as "Common Area", "Open Space", "Greenway", "Buffer" or some other, similarly descriptive term, on a recorded plat, in a Supplemental Declaration, or in a deed or other written instrument, and also shall refer to all personal property owned or leased by the Association and designated as Common Property by the Declarant or the Association. All Common Area or Common Property shall be subject to the terms and conditions of this Declaration. Common Property also may include, as determined by Declarant in its sole discretion, all water retention ponds and areas, if any, including all facilities, structures and improvements associated therewith, required to be constructed, repaired, replaced or maintained within the Subdivision by the laws, rules or regulations of any governmental authority having jurisdiction thereof.

(f) "Common Expenses" shall mean and refer to (i) expenses of administration, maintenance, improvement, repair or replacement of Common Area and/or Landscaped Rights-of-Way and/or Roadway Medians, (ii) expenses declared to be or described as Common Expenses by the provisions of this Declaration, (iii) premiums for hazard, liability or other insurance as may be obtained by the Association, (iv) all other expenses incurred by the Association in carrying out its functions and duties under this Declaration and (v) expenses determined by the Board to be Common Expenses of the Association.

(g) "Declarant" shall mean and refer to Normandies Limited Partnership and its successors and assigns (in whole or in part).

(h) "Declaration" shall mean and refer to this Declaration Of Covenants, Conditions And Restrictions For Normandie, including all amendments and Supplemental Declarations hereto.

(i) "Improvement" or "Improvements" shall mean and include all buildings, storage sheds or areas, roofed structures, decks, patios, parking areas, exterior recreational areas, recreational equipment and facilities, mailboxes, exterior antennae, dishes or other apparatus to receive or transmit television or radio or microwave or other signals, loading areas, trackage, fences, walls, hedges, mass plantings, poles, driveways, ponds, lakes, changes in grade or slope of a Lot, site preparation of a Lot, landscaping, exterior clotheslines, swimming pools, tennis courts, signs, exterior illumination, changes in any exterior color or shape and any other exterior construction or exterior structure or other exterior improvement which may not be included in any of the foregoing. The definition of Improvements includes both original Improvements and all later changes and additions to Improvements.

(j) "Landscaped Rights-of-Way" shall mean the medians and other areas within public or private street rights-of-way within or adjoining the Property which are designated as Landscaped Rights-of-Way by Declarant.

(k) "Lot" shall mean and refer to any portion of the Property intended for single-family residential use, is shown on a map recorded in the Wake County, North Carolina Registry, and is designated on such map as a numbered or lettered lot or parcel, but excluding all Common Property and portions of the Property lying within the rights of way of public or private streets. With the approval of Declarant, any two or more Lots may be combined into one Lot and, upon such combination, the resulting lot shall be considered as one Lot for the purposes of this Declaration.

(l) "Maintain", "Maintenance" or any substantially similar term used in this Declaration, when applied to a power or duty of the Association shall mean and include, without limitation, the right to repair, replace, improve and use the improvement, property or other item which is the subject thereof.

(m) "Member" shall mean and refer to each Owner of a Lot who is a member of the Association as provided in this Declaration.

(n) "Owner" shall mean and refer to the owner of record as shown in the Wake County, North Carolina Registry, whether one or more persons or entities, of fee simple title to any Lot, but excluding those having such interest merely as security for the performance of an obligation.

(o) "Person" shall mean and refer to any individual, trust, corporation, partnership, association or other legal entity.

(p) "Property" or "Properties" shall mean and refer to that certain real property described on Exhibit A to this Declaration and to such additional property as hereinafter may be subjected to this Declaration.

(q) "Roadway Medians" shall mean all areas within public or private street rights of way within or adjoining the Property that are not Landscaped Rights-of-Way and which are designated as Roadway Medians by Declarant.

(r) "Subdivision" shall mean and refer to Normandie Subdivision as approved by the Town of Cary, North Carolina, including all phases and additions thereto approved and added to the Subdivision subsequent to the recordation of this Declaration.

ARTICLE II

EXISTING PROPERTY AND ADDITIONS

Section 1. Existing Property. The Property is hereby made subject to this Declaration, and the Property shall be owned, held, leased, transferred, sold, mortgaged and/or conveyed by Declarant, the Association and each Owner of a part or all thereof subject to this Declaration and all of the terms and conditions hereof.

Section 2. Annexation of Additional Property. If Declarant is the Owner from time to time of any real property ("Additional Property") which it desires to subject to this Declaration, it may do so by filing of record a "Supplemental Declaration" (herein so called) which shall extend this Declaration to such Additional Property; provided, however, that such Supplemental Declaration, as applied to the Additional Property covered thereby, may include such specific additional controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens as may be set forth in such Supplemental Declaration. If a Person other than Declarant desires to subject real property (also referred to as "Additional Property") to this Declaration, through and including December 31, 2002, such real property may only be subjected hereto if the owner thereof consents in writing and if Declarant consents in writing. On and after January 1, 2003, if a Person other than Declarant desires to subject real property (also referred to as "Additional Property") to this Declaration, such real property may only be subjected hereto if the owner thereof consents in writing and if subjection to this Declaration is approved by the affirmative vote of two-thirds (2/3) of the votes of each class of membership entitled to be cast by the Members present or represented by proxy at a duly called meeting of the Association at which a quorum is present. Upon such affirmative vote, such Additional Property shall be subjected to this Declaration by the recordation in the Wake County, North Carolina Registry of a Supplemental Declaration signed by the owner of such Additional Property, the Declarant (as long as there is a class B membership) and the appropriate officers of the Association.

Section 3. Contents of Supplemental Declaration. Each Supplemental Declaration shall set forth the terms, covenants, conditions, restrictions, easements, charges and liens to which the Additional Property covered thereby shall be subject. Incorporation of this Declaration by reference shall be sufficient to set forth such matters. Such terms, covenants, conditions, restrictions, easements, charges and liens may contain additions, deletions and modifications from those contained in this Declaration, as the parties subjecting such Additional Property to this Declaration may desire; provided if such party is other than Declarant, as a condition to such party's right to so impose such additions, deletions or modifications, such party must obtain the prior written consent thereto of Declarant. In no event, shall such Supplemental Declaration revoke, modify or add to the terms, covenants, conditions, restrictions, easements, charges and liens established by this Declaration or a previously filed Supplemental Declaration as it applies or they apply to the Property or to previously added Additional Property, except as provided in this Section or in Section 5 of this Article. In addition, Declarant shall have the right, to be exercised in its sole and absolute discretion, to impose or file Supplemental Declarations (which may or may not add Additional Property) in regard to particular phase(s) or section(s) of the Subdivision and such Supplemental Declarations may, in regard to the phase(s) or section(s) of the Subdivision to which it relates, amend, add to, delete from, and/or supersede in whole or in part, the provisions of this Declaration. No party other than Declarant shall be required to join in any such Supplemental Declaration to make it effective.

Section 4. Merger or Consolidation. Upon a merger or consolidation of the Association with another association which is a nonprofit corporation composed of owners of residential real property, the properties, rights and obligations of the Association may, by

operation of the law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as the surviving corporation pursuant to a merger. The surviving or consolidated association shall be considered the Association and shall administer the terms and provisions of this Declaration and any applicable Supplemental Declarations affecting the portions of the Property in the jurisdiction of such Association, together with the covenants and restrictions established upon any other properties, as one administration. No such merger or consolidation, however, shall effect any revocation, change or addition to the terms and provisions of this Declaration or any Supplemental Declaration pertaining to the Property or any portion thereof except as specifically provided in this Declaration.

Section 5. Additional Declaration Affecting Property. Notwithstanding anything contained herein to the contrary, it is expressly understood and agreed that Declarant may, so long as it owns the Property, create and impose additional declarations (which may or may not add Additional Property) in regard to all or any part of the Property and thereby supplement, modify and/or amend, in whole or in part, the terms and provisions hereof.

ARTICLE III

PROPERTY RIGHTS IN THE COMMON AREA

Section 1. Owners' Easements Of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Property which shall be appurtenant to and shall pass with the title to every Lot, subject to the provisions of this Declaration and any applicable Supplemental Declaration, utility and other easements to which the Common Property may be subject and subject to the following provisions:

(a) the right of the Association to permit the use of and to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Property (Note: this subsection shall not be construed as imposing any obligation on Declarant or the Association to provide any recreational facility);

(b) the right of the Association to suspend the voting rights and right to use recreational facilities, if any, by an Owner for any period during which any assessment against such Owner's Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of the Association's published rules and regulations;

(c) Subject to the affirmative vote of two-thirds (2/3) of the votes of each class of membership entitled to be cast by the Members present or represented by proxy at a duly called meeting at which a quorum is present, the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and upon such conditions as the Board, or the Members who exercise the required affirmative vote

(if the motion or resolution passed by such vote contains such conditions), may determine.

(d) the right of the Association to impose and enforce rules and regulations for the use and enjoyment of the Common Property and any improvements thereon, which rules and regulations may further restrict the use of the Common Property;

(e) subject to the affirmative vote of two-thirds (2/3) of the votes of each class of membership entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum is present and which is duly called and held for the following purpose, the right of the Association to borrow money for the purpose of improving, repairing, replacing and maintaining the Common Property, Landscaped Rights-of-Way, Roadway Medians and facilities thereon, and in connection with such borrowing to mortgage such Common Area; provided, that the rights of the mortgagee in such Common Area shall be subordinate to the rights of the Owners hereunder (Note: the term "mortgage" when used in this Declaration also include a deed of trust and any other type of security interest in real or personal property) ; and

(f) subject to the approval of any governmental entities or agencies whose approval is required therefor, the right of the Association to exchange portions of the Common Property with the Declarant for substantially equal (in acreage or value) portions of the Property for the purpose of eliminating unintentional encroachments of Improvements onto portions of the Common Property.

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

(h) Easements for drainage, storm water control or removal, utilities, signs and other matters shown on recorded plats of the Common Area or created or reserved by Declarant prior to or simultaneously with conveyance of such Common Area by Declarant to the Association, and/or granted by the Association as permitted by this Declaration.

Section 2. Title to the Common Area. Declarant shall dedicate and convey to the Association (by deed without warranty at Declarant's option) fee simple title to all real property portions of the Common Area (if any) to the Association, free and clear of all encumbrances and liens other than the lien of current taxes and assessments not in default and utility easements, other easements and encumbrances (not constituting a lien to secure the payment of money) and mineral interests outstanding and of record in Wake County, North Carolina, and the terms and conditions of this Declaration and any applicable Supplemental Declaration, on or (at Declarant's sole option) prior to December 31, 2002.

Section 3. Leases Of lots. Any lease agreement between an Owner and a lessee for the lease of such Owner's Lot shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and the Articles and Bylaws of the Association, and that any failure by the lessee to comply with the terms of such document shall be a default under the terms of the lease.

Section 4. Ingress and Egress. Notwithstanding anything to the contrary appearing in this Declaration, if ingress and egress to any Lot is through any part of the Common Area, any conveyance or encumbrance of such part of the Common Area shall be subject to an easement for ingress and egress for such Lot over and upon such portion of the Common Area as is designated for ingress and egress (by a public or private street or right of way) and shown on a recorded plat of such Common Area or the Lot affected thereby or created or reserved by Declarant in an instrument recorded in the Wake County, North Carolina Registry.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot, including the Declarant, shall 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.

Section 2. Voting Rights. The Association shall have two classes of voting membership as follows:

Class A. Class A Members shall be all Owners other than the Declarant (until such time as Declarant's Class B membership is converted into a Class A membership, at which time Declarant also shall be a Class A Member). Class A Members shall be entitled to one (1) vote for each Lot owned by such Class A Members at the time notice is given of the particular meeting at which the vote of the Class A Members is to be cast. When more than one Person holds an interest in any Lot, all such Persons shall be Members. The vote or votes for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot it owns at the time notice is given of the particular meeting at which the vote of the Class B Member is to be cast. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total number of votes of the Class A Members equals the total number of votes of the Class B Member; or

(b) on January 1, 2003.

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

which the Association or any other Owner has with regard to such former Owner.

Section 3. Voting, Quorum And Notice Requirements. Except as may be otherwise specifically set forth in this Declaration or in the Articles or Bylaws of the Association, the vote of the majority of the aggregate votes entitled to be cast by all classes of the Members present or represented by legitimate proxy at a duly constituted meeting of the Association at which a quorum is present, shall be the act of the Members with respect to the matter that is the subject of such vote. The number of votes required to constitute a quorum shall be as set forth herein or in the Bylaws. Notice requirements for all action to be taken by the Members of the Association shall be as set forth herein or in the Bylaws.

Section 4. Termination Of Membership. A Person's membership in the Association shall terminate automatically whenever such Person ceases to be an Owner, but such termination shall not release or relieve any such Person from any liability or obligation incurred under or in any way connected with the Association or this Declaration during the period of such Person's ownership of a Lot, or impair any rights or remedies which the Association or any other Member has with regard to such former Member.

ARTICLE V

COVENANTS FOR ASSESSMENTS

Section 1. Creation Of The Lien And Personal Obligation For Assessments. Subject to the terms and conditions of this Declaration, each Owner of a Lot, by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in such deed or other conveyance, is deemed to covenant and agree to pay to the Association (or to any Person which may be designated by the Association to receive such monies on behalf of the Association): (i) annual assessments or charges; (ii) special assessments for capital improvements or unusual or emergency matters; and (iii) special individual assessments levied against an Owner to reimburse the Association for extra costs for maintenance and/or repairs caused by the failure of such Owner to maintain such Owner's individual Lot and Improvements thereon, all of such assessments and charges to be fixed, established and collected as hereinafter provided. The annual, special and special individual assessments, together with such interest thereon and costs of collection thereof (including, without limitation, reasonable attorney fees) as are hereinafter provided shall be a charge on the land and shall be a continuing lien upon each Lot against which each such assessment is made and shall also be the personal and continuing obligation of the Owner of such Lot at the time when the assessment became due. An Owner's personal obligation for payment of such assessments shall not pass to such Owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used for the purposes of implementing and enforcing the terms and provisions hereof and of any Supplemental Declaration and promoting the enjoyment and welfare of the Owners of Lots,

and in particular, but without limitation, for the (i) improvement, use, operation, repair, replacement and maintenance of the Common Area, Landscaped Rights-of-Way and Roadway Medians; (ii) payment of premiums for hazard insurance in connection with the Common Area, the Roadway Medians and the Landscaped Rights-of-Way, and any improvements or facilities thereon; (iii) payment of public liability and other insurance of the Association; (iv) paying the costs of labor, equipment (including the expense of leasing any equipment) and material required for the Common Area, the Roadway Medians and Landscaped Rights-of-Way, and the improvement, maintenance, repair, replacement, management, protection, preservation, use and supervision thereof; and (v) carrying out the purposes and duties of the Association as stated in the Articles, the Bylaws and in this Declaration.

Section 3. Maximum Annual Assessment and Annual Assessment. Through and including December 31, 1992, the maximum annual assessment shall be \$300.00 per Lot.

(a) The maximum annual assessment for the calendar year beginning January 1, 1993, and for successive calendar years thereafter, shall be established by the Board and may be increased by the Board without approval by the membership of the Association by an amount per year not to exceed fifteen percent (15%) of the amount of the maximum annual assessment of the immediately preceding calendar year.

(b) The maximum annual assessment for the calendar year beginning January 1, 1993, and for each successive calendar year thereafter, may be increased without limit by the affirmative vote of two-thirds (2/3) of the votes of each class of membership entitled to be cast by the Members present or represented by proxy at a duly called meeting of the Association at which a quorum is present. The provisions of this subsection shall not apply to nor be a limitation upon any change in the maximum annual assessment undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under this Declaration or its Articles or Bylaws.

(c) Subject to the provisions of this Article V, the Board may fix the annual assessment at any amount not in excess of the maximum annual assessment allowed for the applicable calendar year.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized herein, the Association may levy in any calendar year a special assessment for the purpose of defraying, in whole or in part, the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of membership entitled to be cast by the Members present or represented by proxy at a duly called meeting of the Association at which a quorum is present. A special assessment shall be due and payable as established by the vote of the Members approving the special assessment, or, if not established by such vote of the Members, as established by the Board.

Section 5. Notice and Quorum For Actions Authorized Under Sections 3 and 4. Written notice of any meeting of the Association called for the purpose of taking any action required to be taken by the membership under the preceding Sections 3 and 4 of this Article shall be sent to all Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members plus proxies entitled to cast sixty percent (60%) of the combined total number of votes of all classes of membership shall constitute a quorum. If the required quorum is not present at the first such meeting, subsequent meeting(s) may be called subject to the same notice requirement, and the required quorum at the subsequent meeting(s) shall be one-half (1/2) of the required quorum at the immediately preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the immediately preceding meeting.

Section 6. Rate of Assessments.

(a) Except as set forth in this Section, both annual and special assessments must be fixed at a uniform rate for all Lots. The Board shall have the power at any time and from time to time, in its sole discretion and upon such terms and conditions as the Board deems appropriate, to allow percentage discounts to Owners who pay annual and/or special assessments earlier than would otherwise be required for such payments; provided, however, all such discounts shall be made available to and applied uniformly to all Owners whose Lots are subject to the assessment to which the discount applies. Annual and special assessments may be collected on a monthly, quarterly, annual or other basis, as determined by the Board.

(b) The annual assessment for a Lot owned by an Owner other than Declarant and on which there is not a residence dwelling for which a certificate of occupancy has been issued by the governmental authority having jurisdiction thereof at the time such Lot (or the property out of which such Lot is later to be subdivided) is conveyed to such Owner by Declarant, shall be in an amount not to exceed fifty percent (50%) of the annual assessment established by the Board, until such time as the first of the following occurs (at which time the annual assessment for such Lot shall be equal to the annual assessment established by the Board): the end of the sixth (6th) month immediately following the month in which such Lot is purchased or acquired from Declarant, or the issuance of a certificate of occupancy for the residence dwelling constructed on such Lot.

(c) Notwithstanding anything to the contrary that may appear in this Declaration, Declarant and all Lots owned by Declarant shall be exempt from all annual and special assessments which become applicable to such Lots during the time they are owned by Declarant.

Section 7. Date and Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to a Lot on the first day of the month immediately following the month in which such Lot is subjected to this Declaration, unless such commencement is postponed by Declarant in the instrument subjecting such Lot to this Declaration. The first annual assessment applicable to a Lot shall be prorated and adjusted in accordance with the number of months in the calendar year following and including the month

in which the annual assessment commences as to such Lot. The Board shall fix the amount of the annual assessment for the ensuing calendar year at least thirty (30) days in advance of the beginning of such year. Written notice of the annual assessment shall be sent to at least one of the Owners of every Lot subject thereto. Subject to any limitations contained in this Declaration, the Board is empowered to establish the due dates and penalties for late payment of annual and special assessments. In the event that the Board fails to fix the amount of any annual assessment in accordance with the requirements of this Section, the assessment for the immediately preceding calendar year shall continue in effect until the new assessment has been established by the Board. 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 assessment, or any installment thereof for that or any subsequent year, but the annual assessment fixed for the preceding year shall continue until a new assessment is fixed.

Section 8. Certification of Assessments Paid. The Association (or any Person employed by the Association to assist in the management of the Association and collection of assessments and authorized to issue such certificates) shall, upon demand and for a reasonable charge or fee, furnish a certificate signed by an officer of the Association (or the Person or an officer or partner or agent of such Person having authority to issue such certificate) setting forth whether or not the assessments (annual and special) on a particular Lot have been paid. A properly executed certificate of the Association (or authorized Person) as to the status of the payment of such assessments shall be binding on the Association, as of the date of its issuance, with respect to the assessments addressed therein.

Section 9. Owner's Personal Obligation for Payment of Assessments. The annual and special assessments provided for herein shall be the personal and individual debt of the Owner (as of the due date of the applicable assessment payment) of the Lot to which such assessments relate. No Owner shall be exempt from liability for such assessments by non-use of such Owner's Lot(s) or the Common Area or otherwise. In the event of default in the payment of any such assessment, the defaulting Owner shall be obligated to pay interest at the lesser of eighteen percent (18%) per annum or the highest lawful rate per annum on the amount of the assessment from the due date thereof until the date such assessment and interest is paid, together with all costs and expenses of collection, including reasonable attorney's fees.

Section 10. Assessment Lien and Foreclosure. All unpaid sums assessed in the manner provided in this Article shall, together with interest as provided in this Declaration, plus the cost of collection (including reasonable attorney's fees), become a continuing lien and charge on the Lot and all Improvements thereon owned by the defaulting Owner 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 otherwise provided in this Declaration, the aforesaid lien shall be superior to all other liens and charges against such Lot and Improvements thereon. The Board shall have the power to subordinate the aforesaid assessment lien to any other lien, and such power shall be entirely discretionary with

the Board. 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 Wake 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, subsequent to the recordation of such notice, the lien 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, or the Association may institute suit against the Owner personally obligated to pay the assessments, or the lien may be enforced by judicial foreclosure or the Association may pursue one or more of the foregoing remedies and/or may seek any 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 attorney's fees incurred by the Association. The Association shall have the power to bid on the Owner's Lot and Improvements thereon at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same.

Section 11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein against a Lot shall be subordinate and inferior to the lien of any first mortgage or deed of trust on such Lot and shall be subordinate and inferior to the lien of any second mortgage or deed of trust on such Lot securing an indebtedness to Declarant for a portion of the purchase price of such Lot; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the sale (whether public or private) of such Lot pursuant to the terms and conditions of any such mortgage or deed of trust. Such sale shall not relieve any new Owner of the Lot from liability for the amount of any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

Section 12. Common Area Exempt. The Common Area and all portions of the Property owned by or otherwise dedicated or conveyed to any governmental entity shall be exempt from the assessments and liens created herein. In addition, if required by the governmental entity to whom such Common Area or portion of the Property is being dedicated or conveyed, such Common Area or portion of the Property may be dedicated or conveyed free and clear of all of the terms, conditions, covenants and restrictions contained in this Declaration.

ARTICLE VI

GENERAL POWERS AND DUTIES OF THE ASSOCIATION

Section 1. Powers and Duties of the Board. The Association, acting through its Board, for the mutual benefit of the Owners of the Association, shall have the following powers and duties in addition to any other powers and duties set forth in this Declaration, the Articles or the Bylaws:

(a) The Association shall be responsible for the improvement, repair, replacement, use, operation and maintenance of the Common Area, the Roadway Medians and the Landscaped Rights-of-Way, including, but not limited to, planting, mowing, pruning, fertilizing, preservation and replacement of the vegetation and landscaping in, and the upkeep and maintenance of sidewalks, sprinklers, sprinkler pumps, wells, signs, lighting, planting boxes and other equipment, apparatus and improvements located in, the Common Area, the Roadway Medians and the Landscaped Rights-of-Way or located in easements granted to or reserved by the Declarant or the Association. With respect to the Landscaped Rights-of-Way and Roadway Medians, the foregoing responsibility is to such extent as the Board may determine, in its sole discretion, with consideration being given to the extent to which any governmental entity is responsible for and carrying out maintenance of same.

(b) The Association is empowered to enter into agreements with the appropriate governmental authorities to enable the Association to improve, repair, replace, use, operate and maintain the Common Area, the Roadway Medians and the Landscaped Rights-of-Way or portions of any thereof;

(c) The Association is empowered to make reasonable rules and regulations for the use and operation of the Common Area, and to amend them from time to time; provided that any rule or regulation may be amended or repealed by an instrument in writing signed by the Members possessing seventy-five percent (75%) or more of the total eligible votes of the membership of the Association; provided further, prior to January 1, 2008, any such amendment must also be approved by Declarant before it may become effective;

(d) The Association is empowered to enter into agreements or contracts with utility companies with respect to utility installation, consumption and service matters relating to the Common Area, the Roadway Medians, the Landscaped Rights-of-Way and the Association;

(e) The Association is empowered to borrow funds to pay costs of operation of the Association, which borrowing may be secured by assignment or pledge of rights against delinquent Owners or by liens on other Association assets, as determined by the Board.

(f) The Association is empowered to enter into contracts to maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Association;

(g) The Association is empowered to sue or defend in any court of law in behalf of the Association, and to employ attorneys and other necessary professionals in connection therewith;

(h) The Association shall, to the extent determined by the Board, provide adequate reserves for repairs and replacements of Common Area, Landscaped Rights-of-Way and Roadway Medians;

(i) The Association shall make available to each Member making written request therefor an annual financial report and, upon the written request of the Members possessing seventy-five percent (75%) or more of the total eligible votes of all the Members of the Association, to have such report audited (at the expense of the Association) by an independent certified public accountant, which audited report shall be made available to each Member making written request therefor;

(j) The Association shall make available for inspection to Owners and holders of first lien mortgages or deeds of trust secured by Lots, upon reasonable request and during normal business hours, current copies of this Declaration and all Supplemental Declarations, the Bylaws, the rules and regulations of the Association, and the books, records and financial statements of the Association;

(k) The Association is empowered to adjust the amount, collect, and use any insurance proceeds to repair damage to or replace lost Common Property; and if proceeds are insufficient to repair damage to or replace lost Common Property, to levy special assessments (in the manner provided herein) to cover the deficiency;

(l) The Association is empowered to exercise all powers, duties and authority vested in or delegated to the Association by this Declaration, the Bylaws, or the Articles and not reserved to the Members or Declarant by other provisions of this Declaration, the Bylaws or the Articles;

(m) The Association is empowered to employ a manager or firm to manage the business and property of the Association, and to employ independent contractors, or such other employees as the Board may deem necessary;

(n) The Association is empowered to retain the services of legal and accounting firms;

(o) The Association is empowered to administer and enforce the provisions of this Declaration and any rules made hereunder and to enjoin and/or, in its discretion, seek damages or other relief from any Owner for violation of such provisions or rules;

(p) The Association is empowered to contract with any third party or any Owner (including, without limitation, Declarant) for performance, on behalf of the Association, of services which the Association is otherwise required to perform pursuant to the terms hereof, such contracts to be at competitive rates and otherwise upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Association;

(q) The Association shall fix and provide for the collection of annual and special assessments as provided for in this Declaration.

(r) The Association is empowered to establish from time to time the tax status of the Association for federal and State of North Carolina income tax purposes, as determined by the

Board to be in the best interests of the Association.

(s) The Association is empowered to take any and all other actions and to enter into any and all other agreements as may be necessary or proper for the fulfillment of its obligations hereunder, for the operational protection of the Association and for the implementation and enforcement of the terms, covenants, conditions and restrictions contained in this Declaration or in any Supplemental Declaration.

Section 2. Liability Limitations. Neither Declarant, nor any Member, the Board, any director on the Board, nor any officer of Declarant or the Association shall be personally liable for debts contracted for or otherwise incurred by the Association or for a tort of another Member, whether or not such other Member was acting on behalf of the Association or otherwise. Neither Declarant or the Association, nor any of the directors, officers, agents or employees of either shall be liable for any incidental or consequential damages for failure to inspect any property, premises, improvements or portions thereof or for failure to repair or maintain the same. Declarant, the Association or any other Person liable to make such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portions thereof. The Association shall, to the extent permitted by applicable law, indemnify and defend all members of the Board and all members of the Architectural Committee and other committees appointed by the Board from and against any and all loss, cost, expense, damage, liability, action or cause of action arising from or relating to the performance by the Board and such Architectural Committee and other committees of their duties and obligations except for any such loss, cost, expense, damage, liability, action or cause of action resulting from the gross negligence or willful misconduct of the person(s) to be indemnified.

Section 3. Exchange of Common Area. The Association, acting through its Board, at any time and from time to time may exchange with Declarant, or with any Owner, or with any other Person with whom such an exchange is determined by the Board to be in the best interests of the Association, a portion of the real property Common Area for a portion of the real property owned by the Declarant, such Owner or such Person, provided that the real property acquired by the Association in the exchange: (i) is free and clear of all encumbrances except for this Declaration and any applicable Supplemental Declaration and subdivision covenants, and easements for drainage, utilities, and sewers; (ii) is contiguous to a Lot or some portion of the Common Area, a Landscaped Right-of-Way or a Roadway Median; and (iii) has approximately the same area and utility, or is of approximately the same market value, as the portion of the Common Area exchanged. The real property so acquired by the Association shall be part of the Common Area and, without further act of the Association or its Members, shall be released from any provisions of this Declaration (or any applicable Supplemental Declaration or subdivision covenants) except those applicable to the Common Area. The portion of the Common Area so acquired by the Declarant, Owner or other Person, without further act of the Association or its Members, shall cease to be Common Area and shall be subject to those provisions of this Declaration (and any applicable Supplemental Declaration and subdivision covenants) that would have been applicable to such real property had it been a Lot (except that,

if such portion of the Common Area is being acquired by a governmental entity, in like manner as provided in this Declaration for the conveyance or dedication of Common Area to a governmental entity, such Common Area may be acquired by such governmental entity free and clear of all of the terms, covenants, conditions and restrictions contained in this Declaration.

ARTICLE VII

INSURANCE; REPAIR AND RESTORATION

Section 1. Right to Purchase Insurance. The Association is empowered to purchase, carry and maintain in force insurance covering all portions of the Common Area, Landscaped Rights-of-Way, Roadway Medians and any improvements thereon or appurtenant thereto and any other property of the Association, for the interest of the Association, the Board, its agents and employees, Declarant and its officers and employees, and of all Members of the Association, in such amounts and with such endorsements and coverage as the Board shall consider to be good, sound insurance coverage for similar properties. Such insurance may include, but need not be limited to:

(a) comprehensive public liability and property damage insurance on a broad form basis with respect to the Common Area and/or Landscaped Rights-of-Way and/or Roadway Medians;

(b) coverage for the personal liability (if any) of the Declarant (and its officers, agents, employees and servants), the Board (and the individual members thereof), the officers of the Association, the Architectural Committee and other committees appointed by the Board, the Owners and Members;

(c) Fidelity bond for all officers and employees of the Association and other Persons, if any, having control over the receipt of disbursement of Association funds; and

(d) Worker's compensation insurance to the extent necessary to comply with applicable laws.

Section 2. Insurance Proceeds. Subject to any limitations imposed by any applicable financing documents, the Association shall use the net proceeds of casualty insurance recovered to repair and/or replace any damage or destruction of property, real or personal, covered by such insurance. Any balance from the proceeds of casualty insurance paid to the Association remaining after satisfactory completion of repair and replacement, shall be retained by the Association as part of the general reserve fund for repair and replacement of the Common Area and/or Landscaped Rights-of-Way and/or Roadway Medians.

Section 3. Insufficient Proceeds. If the insurance proceeds are insufficient to repair or replace any loss or damage, the Association may levy a special assessment, in the manner provided for in this Declaration, to cover the deficiency.

ARTICLE VIII

USE OF LOTS AND COMMON AREA - PROTECTIVE COVENANTS

Section 1. Land Use And Building Type. Each Lot shall be used exclusively for single-family, non-transient residential purposes and, except as may be allowed by Declarant or approved by the Architectural Control Committee, no building or other structure shall be constructed, placed or allowed to remain on a Lot except one single-family dwelling, an attached or detached garage appurtenant thereto and one storage building erected on a permanent foundation. Notwithstanding the foregoing, Declarant, Declarant's agent, or any builder of homes in the Subdivision, subject to Declarant's approval, shall be permitted to erect and maintain sales offices, model homes and temporary construction or sales trailers or offices on any Lot owned by Declarant or such builder for the purpose of carrying on business related to the development, improvement and sale of Lots and homes within the Subdivision. Provided, however, any such sales office, model home and temporary construction or sales trailer or office must be specifically approved by Declarant and must comply with all applicable governmental laws and regulations.

Section 2. Obstructions, etc. There shall be no obstruction of the Common Area, nor shall anything be kept, stored, altered, constructed or planted in or on the Common Area, or removed therefrom, without the prior consent of Declarant or the Association. Provided, however, Declarant and the Association shall have the right to install, place, repair, replace and maintain signs in the Common Area and to install, maintain, repair and replace in the Common Area such materials, equipment and other apparatus as may be necessary to enable the Association to carry out its powers and duties under this Declaration.

Section 3. Restricted Actions by Owners. No Owner shall permit anything to be done or kept on such Owner's Lot or in the Common Area which will result in the cancellation of or increase in cost of any insurance carried by the Association, or which would be in violation of any law or any rule or regulation established by the Association. No waste shall be committed in the Common Area, except as may be necessary to enable Declarant or the Association to exercise any rights reserved to them hereunder or except as may be necessary to enable the Association to carry out its powers and duties hereunder. Each Owner shall comply with all laws, regulations, ordinances (including, without limitation, applicable zoning ordinances) and other governmental rules and restrictions in regard to such Owner's Lot(s) and the Common Area.

Section 4. Nuisance and Other Matters. No noxious or offensive activity shall be conducted upon any Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No trade materials or inventories (other than materials used for construction of dwellings or other approved structures on the Lots) may be stored upon any Lot and no trucks having tonnage in excess of one (1) ton, tractors, inoperable motor vehicles, rubbish, trash, or unsightly materials of any kind may be stored, regularly placed, or allowed to remain on any Lot (except that trash, leaves, tree limbs, materials for

recycling pick-up and similar items may be kept or placed on a Lot temporarily and only for such time as is reasonably necessary to enable the appropriate governmental or private entity to remove same from the Lot, or such materials may be kept on a Lot for use as a compost (provided that such materials used for this purpose are neatly kept and are screened from view from any adjoining Lot or street as approved by the Architectural Committee) and inoperable motor vehicles may be stored on a Lot if the same are kept in an enclosed garage). Provided, however, trucks and/or other construction vehicles, materials and equipment may be allowed to remain on the Property temporarily during construction of roads, utilities and other improvements in the Subdivision and during construction on a Lot of a single-family residential dwelling and/or other Improvements which have been approved for construction by Declarant or the Architectural Committee established by this Declaration (the temporary nature of the foregoing to be determined by the Declarant or by the Association or the Architectural Committee, when such right has been assigned by the Declarant to the Association or the Architectural Committee). Notwithstanding the foregoing, no vehicle of any type or size which transports inflammatory or explosive cargo or which stores or transports materials or substances defined as hazardous or toxic by any applicable environmental laws of any governmental entity having jurisdiction over the Property may be kept or allowed to remain in or on the Property at any time, except as may be required to effectuate removal of such prohibited materials and substances.

Section 5. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any portion of the Property or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes, that they do not create a nuisance (in the judgment of the Board), such as, but without limitation, by number, noise, odor, damage or destruction of property or refuse, and further provided that they are kept and maintained in compliance with (i) all laws and ordinances of the State of North Carolina, the Town of Cary and/or the County of Wake relating thereto; and (ii) such rules and regulations pertaining thereto as the Board may adopt from time to time. In no event shall more than three dogs and/or three cats be regularly kept on any Lot

Section 6. Signs. No sign of any kind shall be displayed to the public view on any Lot except for signs which are approved by Declarant and which are for one or more of the following purposes: (i) advertising the Lot for sale or rent, (ii) advertising the building contractor constructing improvements on the Lot during the initial construction and sales period, (iii) identifying the sales office and/or model home of a building contractor who owns the Lot; (iv) identifying the subdivision or phase name and/or identifying the Lot number of a Lot; and (v) any other purpose approved by the Declarant (or by the Architectural Committee after the Class B membership terminates); provided however, the foregoing limitations shall not act to restrict or prohibit Declarant or the Association or any applicable governmental entity from erecting, maintaining, repairing and replacing (and Declarant hereby reserves for itself, the Association and such governmental entities the right to erect, maintain, repair and replace) on a Lot or on the Common Area, Landscaped Rights-of-Way, Roadway Medians and in any easements reserved or granted for such purposes, signs and billboards advertising the Property, the Project or portions of either, or signs identifying various subdivisions or phases of the

Project, or regulatory, street and directional signs. Notwithstanding the foregoing, all signs erected and maintained on any Lot must conform with all applicable governmental requirements.

Section 7. Attachments. No permanent attachments of any kind or character whatsoever (including, but not limited to, television and radio antennas) shall be made to the roof or exterior walls of any residence on a Lot, unless such attachments shall have been first submitted to and approved by the Architectural Committee. No outdoor clotheslines shall be allowed on any Lot.

Section 8. Damage to the Common Area. Each Owner shall be liable to the Association and/or the Declarant for any damage to the Common Area, Roadway Medians, and/or Landscaped Rights-of-Way caused by the negligence or willful misconduct of the Owner or such Owner's family members, tenants, guests, or invitees.

Section 9. Rules of the Association. All Owners and occupants of Lots shall abide by all rules and regulations adopted by the Association from time to time. The Board shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and an Owner determined by judicial action to have violated said rules and regulations shall be liable to the Association and/or the Declarant for all damages and costs, including attorney's fees.

Section 10. Boats, etc. Neither a motorboat, houseboat or other similar water-borne vehicle, nor any airplane, nor any travel trailers, other trailers, or "camper" vehicles may be maintained, stored or kept on any portion of the Property, except in enclosed garages or in area(s) specifically designated by the Declarant.

Section 11. On-Street Parking. The Owner of each Lot shall provide for adequate parking space on the Lot for vehicles of all types and all other apparatus designed for movement over and upon streets or highways (whether self-propelled or not). No automobiles, trucks, vans, travel trailers, other trailers or any other apparatus designed for movement over and upon streets or highways (whether self-propelled or not) shall be regularly parked on the streets within or adjoining the Property. In addition and supplemental to the prohibitions on parking set forth in this Declaration the Board is empowered to promulgate and enforce rules and regulations relating to parking on the streets within or adjoining the Property.

Section 12. No Temporary Structure. No structure of a temporary character, such as a trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a dwelling house.

Section 13. Landscaping. Except for the single-family residence, driveways, sidewalks and other Improvements on each Lot, the surface of each Lot shall be of grass or other live foliage or areas covered with pine straw and/or other ground cover approved by the Architectural Committee, and such grass, foliage, pine straw and ground cover shall be neatly maintained at all times.

Section 14. Water Systems. As long as water is supplied to a Lot by and is available from a governmental entity, no individual water supply system shall be permitted on the Lot.

Section 15. Sewer Systems. As long as sanitary sewer service is supplied to a Lot by and is available from a governmental entity, no individual sewage system shall be permitted on any Lot.

Section 16. Fences and Walls. No fence, wall or hedge shall be erected, placed or altered on any Lot nearer to any street fronting such Lot than the building corner of the main dwelling constructed on such Lot and shall not exceed six (6) feet in height unless otherwise specifically required by governmental authorities having jurisdiction. All fences shall be maintained in a structurally sound and attractive manner. All fences shall be of wood, metal or masonry construction and, as more particularly described in this Declaration, an Owner must obtain the approval of the Architectural Committee before erecting any fence on such Owner's Lot.

Section 17. Sight Line Limitations. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two and six feet above roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at a point twenty (20) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of sight lines.

Section 18. Antennae. No exterior antennae, earth satellite station, microwave dish or other similar improvements may be constructed, placed or maintained on any Lot without the prior approval of the Architectural Committee.

Section 19. Gas Meters. No gas meters shall be set in the front of a residence on a Lot unless such meter is of an underground type.

Section 20. Air Conditioning, Heating and Other Equipment. No air conditioning or heating equipment or apparatus or equipment or apparatus of any other kind shall be placed, installed or allowed to remain on the ground in front of any residence on a Lot, nor shall any of the foregoing be attached to any front wall or side wall of a residence on a Lot. All air conditioning, heating and other equipment and apparatus on each Lot shall be screened in such manner as required and approved by the Architectural Committee.

Section 21. Mailboxes. All mailboxes, unless affixed to the residence on a Lot, shall be affixed to a substantial pole or stand permanently placed in the ground and shall not be located within a sidewalk. Architectural guidelines with respect to mailboxes may require, prohibit, restrict or specify one or more of the following: method and type of support; style;

material; color; size; height; and one or more of the foregoing with respect to the numbering and/or lettering to be placed on a mailbox or affixed thereto.

Section 22. Utilities. All utilities and utility connections shall be located underground, including electrical and telephone cables and wires. Transformers, electric, gas or other meters of any type, or other utility apparatus shall be contained within the buildings constructed on Lots or, if approved by the Architectural Committee in writing, the same may be located on the exterior of buildings.

Section 23. Governmental Requirements. Nothing herein contained shall be deemed to constitute a waiver of any governmental requirements applicable to any Lot and all applicable governmental requirements or restrictions relative to the construction of Improvements on and/or use and utilization of any Lot shall continue to be applicable and shall be complied with in regard to the Lots. Provided, that in any instance in which the provisions of this Declaration impose a more restrictive requirement than the applicable governmental requirements or restrictions, the provisions of this Declaration shall control.

Section 24. Dwelling Size. The total enclosed floor area of the main dwelling house on each Lot, exclusive of porches, terraces, decks, patios, chimneys, garages and outbuildings, shall contain not less than (i) 1,800 square feet of space for one-story dwellings and (ii) 2,000 square feet of space for two-story and split-level dwellings (and the ground floor of such dwellings shall contain not less than 1,200 square feet); provided, however, that the Declarant shall have and hereby reserves the right to allow variances from such minimum total or ground floor area square footage requirements of up to twenty percent (20%) of such applicable minimum. No Improvements may be constructed or maintained on any Lot which exceed two (2) stories in height, exclusive of a finished or unfinished basement and attic. Each dwelling house shall have constructed therewith a detached or attached garage sized to hold not less than two automobiles nor more than three automobiles. Should any question arise as to whether or not any structure or Improvement, other than those items specifically excluded by this Article, is part of the dwelling, the Architectural Committee shall have the authority to make such determination, and the decision of the Architectural Committee shall be final.

Section 25. Exterior Finish; Roof Materials. The exterior of each building (exclusive of windows, doors and roofs) erected on a Lot shall consist of brick, stone or other masonry and/or wood or wood type siding or such other first class materials as the Architectural Committee may approve. Attached garages shall be of the same construction and exterior finish as the main dwelling house thereon. Detached accessory buildings shall be of the same construction and material as listed in this Section. All roofs on all Improvements constructed on each Lot shall be of slate, clay tile, cedar shingles, cedar shakes, dimensional shingles, standing seam cooper or laminated, heavy weight composition shingles (for example, Architect 80 or Timberline) or such other materials as may be specifically approved in writing by the Architectural Committee.

Section 26. Building Setback Lines. The main dwelling house on each Lot shall not be located on any Lot nearer to the Lot boundary lines than the building setback lines specified as follows or, if a greater setback is required thereby, as required by applicable zoning laws and other governmental requirements:

(i) Front Setback - thirty (30) feet from the front boundary line of the Lot;

(ii) Side Setback - ten (10) feet from each side boundary line of the Lot, except that for Lots adjoining two or more street right of way lines, no less than eighteen (18) feet from the side boundary line of the Lot adjoining the street right of way line;

(iii) Rear Setback - twenty-five (25) feet from the rear boundary line.

Declarant reserves the right at any time and from time to time to waive violations of the foregoing setback requirements that do not exceed twenty percent (20%) of the applicable requirement, such waivers to be in writing.

For the purpose of determining the foregoing building setback distances under this Declaration, eaves, steps, stoops, open and screened-in porches, overhangs, bay windows, decks, patios, terraces and chimneys shall not be considered as a part of the dwelling, but the location of such Improvements on a Lot shall be subject to the architectural control and approval provisions applicable to the Lots subject to this Declaration. Provided, notwithstanding anything to the contrary that may appear herein, no dwelling or other improvement on a Lot shall encroach upon another Lot. Should any question arise under this Declaration as to whether or not any portion of a dwelling (other than the foregoing items specified as not being part of the dwelling) should be considered as part of the dwelling for the purpose of determining the foregoing building setback distances, the Architectural Committee shall have the authority to make such determination and the decision of the Architectural Committee shall be final.

ARTICLE IX

ARCHITECTURAL CONTROL

Section 1. General. Anything contained in this Declaration to the contrary notwithstanding, no site preparation on any Lot, no change in grade or slope of any Lot, no construction or placement of any building or exterior additions or alterations to any building situated upon a Lot, and no construction of or changes or additions to any other structure or Improvement on a Lot, shall be commenced, nor shall any of the same be placed, maintained or allowed to remain on any Lot, until the "Architectural Committee" has approved the plans and specifications therefor and the location of such Improvements.

Section 2. Composition. Through and including December 31, 2007, Declarant shall annually appoint the members of the Architectural Committee which will be composed of at least

three (3) individuals (the exact number of members of the Architectural Committee to be designated by Declarant from time to time), each generally familiar with residential and community development design matters and knowledgeable about the Declarant's concern for a high level of taste and design standards within the Subdivision. In the event of the death or resignation of any member of the Architectural Committee, Declarant, for so long as it has the authority to appoint the members of the Architectural Committee, and thereafter, the Board, shall have full authority to designate and appoint a successor. No member of the Architectural Committee shall be liable for claims, causes of action or damages (except where occasioned by gross negligence or willful misconduct of such member) arising out of services performed pursuant to this Declaration. Subsequent to December 31, 2007 (and earlier if Declarant specifically assigns this right to the Board), the Board shall designate the number of and appoint the members of the Architectural Committee. At any time and from time to time Declarant may assign to the Board its right to appoint members of the Architectural Committee.

The Declarant (and the Board when applicable), in its discretion, may at any time and from time to time appoint two separate Architectural Committees, one for the purpose of reviewing plans, specifications and site plans for proposed new Improvements to be constructed or placed on a Lot, and another to review plans, specifications and site plans for changes in and additions to existing Improvements on a Lot, the specific division of such reviews to be as specified by the Declarant (or the Board when applicable). Each such Architectural Committee separately shall be subject to and shall comply with the provisions of this Declaration applicable to the Architectural Committee and the review of plans, specifications and site plans.

Section 3. Procedure. No Improvement of any kind or nature shall be constructed, repaired, replaced, remodeled, placed or allowed to remain on any Lot until all plans and specifications therefor and a site plan therefor have been submitted to and approved in writing by the Architectural Committee, as to:

- (a) type of materials, adequacy of site dimensions and facing of main elevation with respect to nearby streets;
- (b) conformity and harmony of the external design, color, type and appearance of exterior surfaces and compatibility with existing Improvements within the Property;
- (c) location of the Improvement on a Lot and effect of location and use on neighboring Lots and Improvements situated thereon;
- (d) provisions for handling water drainage;
- (e) compliance with the provisions of this Declaration and compliance with any architectural guidelines that may be established from time to time by Declarant (or by the Board when the Board has the right to appoint the members of the Architectural Committee, or by the Architectural Committee, if such power is delegated to it by Declarant or the Board otherwise possessing such power).

Final plans and specifications for all Improvements proposed to be constructed on a Lot shall be submitted to the Architectural Committee for approval or disapproval in such format and in such numbers or sets (not to exceed three) as the Architectural Committee may require. The Architectural Committee is authorized to request the submission of samples of proposed construction materials. At such time as the plans and specifications meet the approval of the Architectural Committee, at least one complete set of plans and specifications shall be retained by the Architectural Committee and another complete set of plans and specifications shall be marked "Approved" and returned to the Lot Owner or such Owner's designated representative. If such plans and specifications are determined not to be in compliance with this Declaration, or if the same are otherwise unacceptable to the Architectural Committee because of inadequacy or noncompliance with respect to the provisions of this Section, one set of plans and specifications shall be returned to the Lot Owner marked "Disapproved, accompanied by a reasonable statement of items found not to be in compliance with this Declaration or otherwise unacceptable. Any modification or change in the plans and specifications submitted to and approved by the Architectural Committee must again be submitted to the Architectural Committee for its inspection and approval in accordance with requirements established by the Architectural Committee. The Architectural Committee's approval or disapproval, as required herein, shall be in writing.

The Declarant (or the Board, when the Board has the right to appoint members of the Architectural Committee, or the Architectural Committee, when such power has been delegated to it by the Declarant or the Board possessing such power), may from time to time adopt procedures for conducting the architectural reviews and other duties of the Architectural Committee, provided that such procedures do not conflict with the specific requirements of this Declaration.

The Declarant (or the Board, when the Board has the right to appoint members of the Architectural Committee, or the Architectural Committee, when such power has been delegated to it by the Declarant or the Board possessing such power) at any time and from time to time may establish architectural guidelines for one or more types of Improvements to be constructed on a Lot, which guidelines shall be fair and reasonable, and shall carry forward the spirit and intention of this Declaration. Although the Architectural Committee shall not have unbridled discretion with respect to taste, design and any standards specified herein or in such guidelines, the Committee shall be responsive to technological advances or general changes in architectural designs and materials and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand). Subject to the specific terms and conditions of this Declaration, different architectural guidelines may be promulgated and applied to different phases, or subdivisions, within the Project. Such guidelines shall supplement, but not supersede, the provisions of this Declaration and may be more (but not less) restrictive than the specific provisions of this Declaration.

Section 4. Jurisdiction. In addition to the foregoing, the Architectural Committee is authorized and empowered to consider and review any and all aspects of the construction of any

Improvements on a Lot which may, in the reasonable opinion of the Architectural Committee, adversely affect the living enjoyment of one or more Owners or the general value of the Property or the Subdivision.

Section 5. Enforcement. The Architectural Committee shall have a specific, nonexclusive right (but not obligation) to enforce the provisions contained in this Article of this Declaration and/or to prevent any violation of the provisions contained in this Article of this Declaration by a proceeding at law or in equity against the person or persons violating or attempting to violate any such provisions.

Section 6. Failure of the Architectural Committee to Act. If the Architectural Committee fails to approve or disapprove any plans, specifications and other submittals which conform with the requirements for such submittals established as provided herein or to reject them as being inadequate or unacceptable within thirty (30) days after submittal thereof to the Architectural Committee, and provided such submittal was a full and complete submittal of all items required by this Declaration and any applicable architectural guidelines to have been submitted to the Architectural Committee, it shall be conclusively presumed that the Architectural Committee has approved such conforming plans and specifications and other submittals, except that the Architectural Committee has no right or power, either by action or failure to act, to waive or grant any variances relating to any mandatory requirements specified in this Declaration, in any applicable Supplemental Declaration, or of any applicable governmental entity. If plans and specifications or other submittals are not sufficiently complete or are otherwise inadequate, the Architectural Committee may reject them as being inadequate or may approve or disapprove the same in part, conditionally or unconditionally, and reject the balance.

Section 7. Limitation of Liability. Neither the Architectural Committee nor the members thereof, nor Declarant, nor the Association, shall be liable in damages or otherwise to anyone submitting plans and specifications and other submittals for approval or to any Owner by reason of mistake of judgment, negligence or nonfeasance arising out of or in connection with the approval of disapproval or failure to approve or disapprove any plans or specifications.

Section 8. Miscellaneous. No member of the Architectural Committee shall be entitled to compensation for, or be liable for claims, causes of action or damages (except where occasioned by gross negligence or arbitrary and capricious conduct) arising out of, services performed pursuant to this Declaration. The Association may reimburse members of the Architectural Committee for reasonable out-of-pocket expenses.

ARTICLE X**EASEMENTS****Section 1. Easements Reserved by Declarant.**

(a) Easements for installation, maintenance, repair, replacement, use, operation and removal of utilities, drainage facilities and impoundments are reserved by Declarant for itself, its successors and assigns, over, under and across the Lots (other than the portions thereof used as building sites), and in any event over no less than a five (5) foot strip inside of and adjacent to the front, rear and side property boundaries of each Lot. Full right of ingress and egress shall be had by Declarant at all times over the Lots (other than the portions thereof used as building sites) for the installation, use, operation, maintenance, repair, replacement or removal of any utility, drainage facility or impoundment, together with the right to remove any obstruction that may be placed in any easement that would constitute interference with the use of such easement, or with the use, installation, maintenance, repair, replacement, removal or operation of same. Assignees to whom Declarant reserves the right to assign and convey, in whole or in part, the easements reserved by it hereunder shall include, without limitation, the Association and one or more governmental entities or public utility companies.

(b) Declarant and the Association reserve the right to subject the Property to a contract with Carolina Power And Light Company for the installation of above ground or underground electric cables and lines and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Carolina Power And Light Company by each Owner.

Section 2. Easement Reserved for the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon each Lot for the maintenance and repair of each Lot in accordance with the provisions hereof and for the carrying out by the Association of its rights, powers, duties and obligations hereunder; provided, that any such entry by the Association upon any Lot shall be made with as minimum inconvenience to the Owner as reasonably practical, and any damage caused as a result of the gross negligence of the Association's employees or agents shall be repaired by the Association at the expense of the Association.

Section 3. Easement Reserved for Governmental Entities and Public Utilities. An easement is hereby established for municipal, state or public utilities serving the Project, and their agents and employees, over all Common Areas hereby or hereafter established, for the purpose of setting, removing and reading utility meters, maintaining, repairing and replacing utility or drainage connections, and acting for other purposes consistent with the public safety and welfare, including, without limitation, police and fire protection.

ARTICLE XI

MAINTENANCE

Section 1. Duty of Maintenance. The Owner of each Lot in the Property shall have the duty and responsibility, at such Owner's sole cost and expense, to keep and maintain such Lot, including all Improvements thereon, ground and drainage easements or other rights-of-way incident thereto, in accordance with the terms and provisions of the Declaration and in a well-maintained, safe, clean and attractive condition at all times. Such maintenance includes, but is not limited to, the following:

- (a) Prompt removal of all litter, trash, refuse and wastes;
- (b) Lawn mowing and maintenance on a regular basis;
- (c) Tree and shrub pruning and removal of dead or diseased trees and shrubs;
- (d) Watering by means of a lawn sprinkler system or hand watering as needed;
- (e) Keeping exterior lighting and mechanical facilities in working order;
- (f) Keeping lawn and garden areas alive;
- (g) Removing any dead plant material;
- (h) Keeping vacant land well maintained and free of trash and weeds;
- (i) Keeping parking areas and driveways in good repair;
- (j) Complying with all governmental health and police requirements;
- (k) Repainting of Improvements; and
- (l) Repair of exterior damage to Improvements.

Section 2. Owner's Obligations to Repair. Except for those portions, if any, of each Lot which the Association is required to maintain or repair hereunder, each Owner shall, at such Owner's sole cost and expense, maintain and repair such Owner's Lot and the Improvements situated thereon, keeping the same in good condition and repair and in compliance with the terms, covenants, conditions and restrictions herein contained. In the event that any Owner shall fail to maintain and repair such Owner's Lot and/or such Improvements as required hereunder, the Association, in addition to all other remedies available to it hereunder or at law or in equity, and without waiving any of such alternative remedies, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the Lot and the

exterior of the buildings and any other improvements (including, without limitation, all Improvements) erected thereon; and each Owner (by acceptance of a deed for a Lot) hereby covenants and agrees to repay to the Association the cost thereof immediately upon demand, and the failure of any such Owner to pay the same shall carry with it the same consequences as the failure to pay any assessment hereunder when due. The Association, at the cost of the Owner of the affected Lot, shall, if the Owner of such affected Lot fails to promptly (and in any event, within sixty (60) days following the date of the casualty) do so following the date of occurrence of the hereinafter described damage, cause any and all improvements situated upon a Lot which are damaged or destroyed by fire or other casualty to be repaired and/or removed so as not to present an unsightly appearance and/or unsafe condition, with the cost of same to be charged to and collected from the Owner in the manner provided in this Section.

Section 3. Enforcement. If any such Owner (or occupant of such Owner's Lot) has failed in any of the duties or responsibilities of such Owner as set forth in this Declaration, then the Association or Declarant may give such Owner written notice of such failure and such Owner must, within ten (10) days after receiving such notice (which notice shall be deemed to have been received upon deposit in an official depository of the United States mail, addressed to the party to whom it is intended to be delivered, and sent by certified mail, return receipt requested), perform the care and maintenance required or otherwise perform the duties and responsibilities of such Owner. Should any such Owner fail to fulfill this duty and responsibility within such period, then the Association or the Declarant, acting through its authorized agent or agents, shall have the right and power to enter onto the premises and perform such care and maintenance without any liability to any Person for damages for wrongful entry, trespass or otherwise. The Owner of a Lot on which such work is performed shall be liable to the Declarant or the Association for the cost of such work, together with interest on the amounts expended by the Association or the Declarant in performing such work computed at the highest lawful rate from the date(s) such amounts are expended until repair, as the case may be, and for all costs and expenses (including attorney fees) incurred by Declarant or the Association in seeking the compliance of such Owner with the duties and responsibilities of Owners hereunder, and shall reimburse the Association or the Declarant, as the case may be, on demand for such costs and expense (including attorney fees and interest). If such Owner shall fail to reimburse the Association or the Declarant, as the case may be, within thirty (30) days after mailing to such Owner of a statement for such costs and expense by the Association or the Declarant, then, without limitation of any other rights of the Association or Declarant, the Association may issue a special assessment against such Owner, and may enforce and collect the same, as provided in the Sections of this Declaration relating to assessing, enforcing and collecting assessments.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 1. Duration. This Declaration and the terms, covenants, restrictions and provisions set forth herein shall run with and bind the Property and shall inure to the benefit of

every Owner of a Lot in the Property, including Declarant, and their respective heirs, successors, and assigns, for a term beginning on the date this Declaration is recorded and continuing through and including December 31, 2050. At such time, the easements, covenants, conditions and restrictions herein shall be automatically extended for successive period(s) of ten (10) years each unless, at a duly called annual or special meeting of the Association at which a quorum is present held prior to the expiration of the applicable time period, termination of this Declaration is approved by the affirmative vote of seventy-five percent (75%) or more of the votes entitled to be cast by the Members present or represented by proxy. A vote by the membership on termination of this Declaration may be held only upon presentation to the Association of a petition for termination signed by Members possessing no less than twenty-five percent (25%) of the total eligible vote of the membership of the Association, which petition, in the case of an annual meeting of the Association, shall be presented to the Association prior to the date that notice of the annual meeting is sent to the Members. The Association shall give written notice of any annual or special meeting at which termination of this Declaration is to be considered and voted upon to all Owners at least thirty (30) days in advance of the date of such meeting, which notice shall set forth that termination of this Declaration will be considered and voted upon at such meeting. If the membership votes to terminate this Declaration, such termination shall be effective upon the expiration of the then applicable time period for which the Declaration is in existence, or shall be effective on such date thereafter as may be specified in the resolution of termination passed by the membership as required herein (it being the intention of this Section, notwithstanding anything to the contrary appearing herein, that if the membership has voted to terminate this Declaration, the membership may set a date of termination that may result in this Declaration continuing to be in effect for a period of less than ten (10) years following the expiration of a preceding time period in which this Declaration was in effect).

The quorum required at any annual or special meeting at which termination of this Declaration is to be considered by the membership shall be the presence of Members plus proxies entitled to cast sixty percent (60%) or more of the total vote of the membership. If such quorum is not present, subsequent meeting(s) may be called until a quorum is present, subject to the same notice requirements, and the required quorum at such subsequent meeting(s) shall be one-half (1/2) of the required quorum at the immediately preceding meeting.

If the Members vote to terminate this Declaration in accordance with the foregoing requirements, then the President and Secretary of the Association shall execute in recordable form a certificate which shall set forth at least the following information: the Resolution of Termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted; the date that notice of such meeting was given, the total number of votes required to constitute a quorum at such meeting; the total number of votes present at such meeting; the total number of votes necessary to adopt the resolution terminating the Declaration; the total number of votes cast in favor of such resolution; and the total number of votes cast against the resolution. Such certificate shall be recorded in the Wake County, North Carolina Registry no later than thirty (30) days following the date such the resolution of termination is passed by the membership, and such certificate may be relied upon for the correctness of the

facts contained therein as they relate to the termination of this Declaration.

Section 2. Amendment. Subject to the limitations hereinafter contained, this Declaration or any Supplemental Declaration may be amended or modified at any time by the affirmative vote of seventy-five percent (75%) of the votes of each class of membership entitled to be cast by the Members present or represented by proxy at a duly called annual or special meeting of the Association at which a quorum is present. Written notice of any such meeting shall be given to all Members at least thirty (30) days in advance of the date of such meeting, which notice shall set forth the amendments to be voted upon at such meeting. Notwithstanding anything contained hereinabove, it is understood and agreed that the consent of Declarant in writing to any amendment or modification of this Declaration or of any Supplemental Declaration must first be obtained if such amendment or modification is to be effective prior to December 31, 2007. Notwithstanding the foregoing requirements for amending this Declaration, Declarant may make minor amendments or modifications hereof which do not involve a change which materially affects the rights, duties or obligations specified herein if Declarant first obtains the affirmative vote of a majority of the total number of votes entitled to be cast by all Members present or represented by proxy at a duly called annual or special meeting of the Association at which a quorum is present. If any amendment to this Declaration is approved as required herein, the President and Secretary of the Association shall execute an amendment to this Declaration which shall set forth the amendment, the effective date of the amendment (which in no event shall be less than thirty (30) days following the date of the meeting at which such amendment was adopted by the membership), the date of the meeting at which such amendment was adopted, the date that notice of such meeting was given, the total number of votes required to constitute a quorum at such meeting, the total number of votes present at such meeting, the total number of votes necessary to adopt the amendment, the total number of votes cast in favor of such amendment and the total number of votes cast against the amendment. Such amendment shall be recorded in the Wake County, North Carolina Registry within thirty (30) days following the date of the meeting at which such amendment was adopted. The foregoing shall not limit the rights of Declarant under Article II of this Declaration. In addition to the foregoing rights, and notwithstanding anything to the contrary that may appear herein, Declarant may (at Declarant's option) at any time and from time to time amend or modify this Declaration and any Supplemental Declaration without obtaining the consent or approval of the Members or any other person or entity if such amendment or modification is necessary for any one or more of the following purposes: to correct an obvious typographical error; to cause this Declaration or any such Supplemental Declaration to comply with the requirements of FHA (Federal Housing Administration), VA (Veterans Administration), Fannie Mae (Federal National Mortgage Administration) or other similar agency; or as may be necessary to establish or maintain the tax exempt status of the Association under the laws of the United States or the State of North Carolina.

Section 3. Dissolution or Insolvency of the Association. The Association shall be dissolved upon the termination of this Declaration, or upon the written assent given in writing and signed by not less than two-thirds (2/3) of the Members of each class of membership, or upon such conditions and in such manner provided by the laws of the State of North Carolina.

Upon dissolution or insolvency of the Association or upon loss of ownership of the Common Area (once such ownership has been acquired) by the Association for any reason whatsoever (except for exchange or dedication of any part or all of the Common Area as allowed by this Declaration or by reason of merger and/or consolidation with any other association as allowed by this Declaration), any portion of the Common Area not under the jurisdiction of and being maintained by another association substantially similar to the Association, together with all other assets of the Association, shall be offered to the Town of Cary, North Carolina, or to some other appropriate governmental entity or public agency (as determined by the Board) to be dedicated for public use for purposes similar to those to which the Common Area and such assets were required to be devoted by the Association. If the Town of Cary or such other appropriate governmental entity or public agency accepts the offer of dedication, such portion of the Common Area and assets shall be conveyed by the Association to the Town of Cary or such other appropriate governmental entity or public agency, subject to the superior right of the Owner of each Lot to an easement (if necessary) for reasonable ingress and egress to and from such Owner's Lot and the public or private street(s) on which such Lot is located, and subject to all other applicable rights of way and easements and subject to ad valorem property taxes subsequent to the date of such conveyance.

In the event that the Town of Cary or such other appropriate governmental entity or public agency refuses the offer of dedication and conveyance, the Association may transfer and convey such Common Area and assets to any nonprofit corporation, association, trust or other entity which is or shall be devoted to purposes and uses that would most nearly conform to the purposes and uses to which the Common Area was required to be devoted by this Declaration.

Section 4. Enforcement. Declarant, the Association, and every Owner shall have the right to Enforce the terms, covenants, conditions, restrictions, easements, charges and liens for which provision is made in this Declaration, which enforcement shall be by any proceeding at law or in equity (or otherwise, as provided in this Declaration) against any Person violating or attempting to violate any such term, covenant, condition, restriction, easement, charge or lien either to restrain violation or to recover damages, and/or against the Lot of such non-complying or defaulting Owner to enforce any lien created by these covenants; and failure by the Association, Declarant or any Owner to enforce any such term, covenant, condition, restriction, easement, charges or lien shall in no event be deemed a waiver of the right to do so thereafter or a waiver of any other or future violation of same.

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 of this Declaration shall continue in full force and effect and shall not be affected thereby. It is hereby declared that said remaining paragraphs, sections, sentences, clauses and phrases would have been and are imposed 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. Except as otherwise provided herein, whenever written notice to an Owner (including Declarant) is required hereunder, such notice shall be given by the mailing of same, postage prepaid, to the address of such Owner appearing on the records of the Association. If notice is given in such manner, such notice shall be conclusively deemed to have been given by placing same in the United States mail properly addressed, with postage prepaid, whether received by the addressee or not. It shall be the duty of each Owner to keep the Association informed of such Owner's current mailing address and telephone number. If an Owner has not provided the Association with the Owner's current mailing address the Association may use the street address of such Owner's Lot for that Owner's 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. Number and Gender. Whenever the context of this Declaration requires, the singular shall include the plural and one gender shall include all.

Section 9. No Exemption. No Owner or other party may exempt himself from the coverage hereof or obligations imposed hereby by non-use or abandonment of such Owner's Lot(s) or the Common Area.

Section 10. FHA/VA Approval. Notwithstanding any provision in this Declaration to the contrary, through and including December 31, 2002, the following actions shall require the approval of the Federal Housing Administration (FHA) or Veterans Administration (VA) if the Declarant desires to qualify parts or all of the Property for FHA or VA approvals: (i) annexation of Additional Property; (ii) amendment of this Declaration or of any applicable Supplemental Declaration; (iii) mergers and consolidations involving the Association; (iv) mortgaging of Common Area; (v) dissolution of the Association; and (vi) exchange of Common Area.

Section 11. Subdivision, Combination of Lots. No Lot shall be subdivided without the written consent of Declarant. One or more Lots may be combined into a single Lot with the written consent of Declarant and, upon such combination and consent of Declarant, the resulting Lot shall be considered as one Lot for the purposes of this Declaration. Provided, the foregoing shall not prohibit or restrict the right (which is hereby reserved) of Declarant to subdivide, combine, resubdivide, recombine, or re-record maps relating to, any Lots subject to this Declaration.

Section 12. Conflict Between Declaration and Articles, Bylaws. Whenever there exists a conflict between the provisions of this Declaration and the Articles or Bylaws, the provisions of this Declaration shall control, and whenever there is a conflict between the provisions of the Articles and Bylaws, the provisions of the Articles shall control.

Section 13. Laws of North Carolina. This Declaration shall be subject to and construed in accordance with the laws of the State of North Carolina and all applicable laws and regulations of the United States of America.


Section 14. Assignment. Declarant specifically reserves the right, in its sole discretion, at any time and from time to time, to assign (temporarily or permanently) any or all of its rights, privileges and powers under this Declaration or under any Supplemental Declaration.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this Declaration to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed, all by authority of its Board of Directors, the day and year first above written.

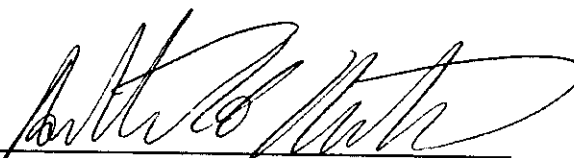
Normandies Limited Partnership,
a Delaware limited partnership (SEAL)

By: Normandies, Inc.,
a Delaware corporation,
General Partner

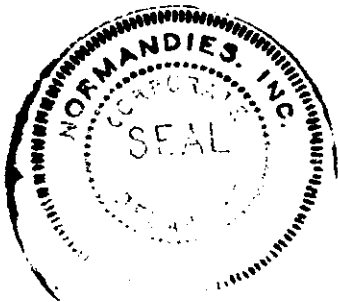
Attest:



ASSISTANT Secretary
(affix corporate seal here)

By: 

President



BK5194 PG0822

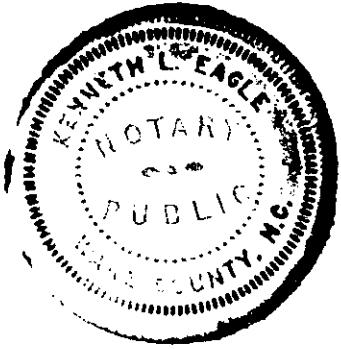
Normandie Declaration, page 34

State of North Carolina

County of Wake

I, Kenneth L. Eagle, a Notary Public of the County and State aforesaid, certify that Richard D. Barnhill personally appeared before me this day and acknowledged that he is Assistant Secretary of Normandies, Inc., a Delaware corporation and general partner of Normandies Limited Partnership, a Delaware limited partnership, and that by authority duly given and as the act of the corporation as such general partner, the foregoing instrument was signed in its corporate name by its President, sealed with its corporate seal, and attested by him Assistant Secretary.

Witness my hand and official stamp or seal, this 7th day of May, 1992.



Kenneth L. Eagle
Notary Public
My Commission Expires: 7-10-95

The foregoing certificate of Kenneth L. Eagle is certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

Kenneth C. Wilkins, Register of Deeds for Wake County, North Carolina

By: Shyette G. Randle Deputy ~~Assistant~~ Register of Deeds

**EXHIBIT A
TO
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR NORMANDIE**

Lying and being in or near the Town of Cary, Wake County, North Carolina, adjoining the eastern margin of the right of way of Lake Pine Drive, and being more particularly described as follows:

ALL of Tract A, consisting of 30.42 acres, as said tract is shown on a map by Withers and Ravenel Engineering and Surveying, Inc., entitled "Plat Of Recombination And Minor Subdivision Property of SD PARTNERS", dated October 16, 1991, and recorded in the Wake County, North Carolina Registry in Map Book 1991, page 1201, said map being incorporated by reference as if fully set out herein.