

WAKE COUNTY, NC 500
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
12/15/2006 AT 14:50:55

BOOK:012313 PAGE:01261 - 01336

Prepared by and after recording return to:
Kilpatrick Stockton LLP (LJG)
3737 Glenwood Ave., Suite 400
Raleigh, NC 27612

NORTH CAROLINA

COUNTY OF WAKE

MASTER DECLARATION

FOR RAMBLEWOOD

THIS MASTER DECLARATION FOR RAMBLEWOOD ("**Declaration**"), made on this 6th day of December, 2006 by RAMBLEWOOD 2005 LLC, a North Carolina limited liability company, hereinafter referred to as the "**Declarant**,"

WITNESSETH:

THAT WHEREAS, the Declarant is the owner of certain property located in Wake County, North Carolina, constituting approximately twenty and 05/100 (20.05) acres, more or less, which is more particularly described on Exhibit A attached hereto and incorporated herein by this reference;

WHEREAS, Declarant desires to create on such property an exclusive residential community of single-family and/or multifamily dwellings to be known as Ramblewood (the "**Development**");

WHEREAS, although Declarant contemplates that separate easements, covenants, conditions and restrictions (which may include easements, covenants, conditions and restrictions similar to those herein contained) may be imposed in regard to the various phases of the Properties (as determined by Declarant) and that separate homeowners or property owners associations may (but shall not be required to) be established for the various phases of the Properties, Declarant desires to impose pursuant hereto easements, covenants, conditions and

restrictions upon all of the Properties, with the understanding that at the option of Declarant, changed, additional and/or supplemental restrictions may be imposed in regard to the various phases of the Properties.

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the real property. These easements, covenants, restrictions, and conditions shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in the described properties or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

[NOTE THAT CERTAIN OTHER DEFINED TERMS RELATING TO PROVISIONS OF THIS DECLARATION REQUIRED BY THE CITY OF RALEIGH APPEAR IN THE DEFINITIONS SECTION OF ARTICLE XIV, IN SECTION 14.1. IF THERE IS A CONFLICT BETWEEN THE PROVISIONS OF THIS ARTICLE AND ARTICLE XIV, THE PROVISIONS OF ARTICLE XIV SHALL CONTROL.]

Section 1. “**Act**” shall mean the North Carolina Planned Community Act, as contained in Chapter 47F of the North Carolina General Statutes (or as contained in any successor portion of the North Carolina General Statutes), as the same exists from time to time. The Act is referred to herein from time to time as G.S.47F, with the particular section number following the G.S.47F reference (for example, G.S.47F-1-101). Words and terms used in this Article that are defined in the Act but not defined in the Code (for example, the term special declarant rights), have the definition contained in the Act. *See also Article XIV, Part A, Section 1(a).*

Section 2. “**Additional Property**” shall have the meaning set forth in Section 2.2 below.

Section 3. “**Amenities**” shall mean the facilities constructed, erected or installed on the Common Areas, as the same may change or be added to from time to time.

Section 4. “**Annexation Declaration**” shall mean a document, by whatever name denominated, that is recorded for the purposes of annexing Annexed Property to this Declaration and causing such Annexed Property to be subject to the scheme of covenants, charges, conditions and restrictions contained in this Declaration and including any additional covenants, charges, conditions and restrictions contained in the Annexation Declaration. *See also Article XIV, Part A, Section 1(b).*

Section 5. “**Annexed Property**” shall mean all real property annexed or subjected (those two terms being used interchangeably herein) to any part or all of the terms of this Declaration following the initial recording of this Declaration in the Wake County registry. *See also Article XIV, Part A, Section 1(c).*

Section 6. “**Architectural Committee**” shall mean and refer to a committee of up to three (3) Persons, appointed as described in Section 8.2.

Section 7. “**Architectural Guidelines**” shall have the meaning set out in Section 8.2 below.

Section 8. “**Association**” shall mean and refer to the Ramblewood Property Owners Association, Inc., a North Carolina non-profit corporation formed, or to be formed by Declarant, incorporated under the Non-Profit Act to serve as the Association under this Declaration together with its successors and assigns. *See also Article XIV, Part A, Section 1(d).*

Section 9. “**Attached Dwelling Unit**” shall mean a Dwelling Unit (excluding apartment units, if any) that is located in a building which contains one or more attached Dwelling Units. Attached Dwelling Units may include condominiums and townhomes, and each Attached Dwelling Unit is located on a Lot.

Section 10. “**Board of Directors**” or “**Board**” shall mean those persons elected or appointed and acting collectively as the Directors of the Association, unless a contrary intent is evident. The Board shall constitute not less than three (3) persons. Unless a vote of the Members of the Association is required therefore, or unless otherwise specifically provided in applicable Legal Requirements, all rights, powers, easements, functions, services, and duties of the Association shall be performed, determined not to be performed, directed or authorized on behalf of the Association by the Board (or, where appropriate, by the officers of the Association). *See also Article XIV, Part A, Section 1(e).*

Section 11. “**Bound Parties**” shall have the meaning set out in Section 15.1 below.

Section 12. “**Building**” shall mean and refer to a residential structure, constructed or erected on a Lot.

Section 13. “**Bylaws**” shall mean and refer to the bylaws of the Association, as they may now or hereafter exist and may change from time to time.

Section 14. “**CAS**” shall have the meaning set out in Section 15.3 below.

Section 15. “**City**” or “**City of Raleigh**” is defined as the City of Raleigh, North Carolina, a North Carolina municipal corporation. *See also Article XIV, Part A, Section 1(f).*

Section 16. “**Claim**” shall have the meaning set out in Section 15.1 below.

Section 17. “**Claimant**” shall have the meaning set out in Section 15.3 below.

Section 18. “**Code**” shall mean the Raleigh City Code of Ordinances as it exists from time to time, and includes all duly adopted regulations, rules, directives, and policies of the City pursuant to or in furtherance of the Code. *See also Article XIV, Part A, Section 1(g).*

Section 19. **“Common Area”** shall mean and refer singularly or collectively, as applicable, to all land, improvements and other properties now or hereafter owned by or in the possession of the Association or Declarant and being specifically designated by Declarant by plat, supplemental declaration, deed or other written instrument as Common Area for the Properties, such land, improvements and other properties being subject to this Declaration and/or any applicable supplemental declaration, and being subject to control and maintenance assessments by the Association. Common Area shall also include any waterlines and sewer lines that may be located within the Common Area and not within municipal sanitary sewer easements. *See also Article XIV, Part A, Section 1(h).*

Section 20. **“Common Expenses”** shall mean (i) expenses of maintenance of the Common Area, including repair, restoration and replacement thereof; (ii) expenses declared to be or described as Common Expenses by the provisions of this Declaration; (iii) ad valorem property taxes and public assessments, if any, levied against the Common Area or other assets of the Association; (iv) premiums for hazard, liability or other insurance insuring the Association, the Common Area or other Association assets; (v) all other expenses incurred by the initial Association in performing its functions and providing services under this Declaration, including Association operating, management and administrative expenses, and unexpected contingencies; and (vi) expenses determined by the Board to be Common Expenses of the Association. *See also Article XIV, Part A, Section 1(i).*

Section 21. **“Declarant”** shall mean and refer to Ramblewood 2005 LLC, a North Carolina limited liability company, and its successors and assigns to whom the rights of Declarant hereunder are expressly transferred, in whole or in part, and subject to such terms and conditions as the Declarant may impose. *See also Article XIV, Part A, Section 1(j).*

Section 22. **“Declarant Control Period”** means the period commencing on the date hereof and continuing until the later of (i) two (2) years after the date of the first conveyance of a Unit to an Owner other than a Declarant; (ii) 120 days after conveyance of seventy-five percent (75%) of the Units (including any Units which may be created pursuant to Special Declarant Rights) to Unit Owners other than Declarant; (iii) two years after Declarant has ceased to offer Units for sale in the ordinary course of business; (iv) two years after any development right to add new Units was last exercised, or (v) the date upon which Declarant voluntarily surrenders control of the Properties. *See also Article XIV, Part A, Section 1(l).*

Section 23. **“Declaration”** shall mean and refer to this Declaration of Covenants, Conditions and Restrictions, and all subsequent valid amendments thereto. *See also Article XIV, Part A, Section 1(m).*

Section 24. **“Exempt Claims”** shall have the meaning set out in Section 15.2 below.

Section 25. **“Fiscal Year”** is defined as the calendar year until such time as the Board, by appropriate resolution, establishes a different Fiscal Year for the Association.

Section 26. **“Governing Documents”** is defined as all of the following: this Declaration; the Articles of Incorporation and Bylaws of the Association; architectural guidelines and bulletins and rules and regulations of the Association; Annexation Declarations; and other declarations of restrictive or protective covenants applicable to the Properties; and all Sub-Association documents (with respect to those portions of the Properties subject to such Sub-Association documents), as the same may be amended, restated or supplemented from time to time. *See also Article XIV, Part A, Section 1(o).*

Section 27. **“Governmental Entity”** is defined as the City, the County of Wake, North Carolina, the State of North Carolina, the United States of America and all other governmental entities and quasi-governmental entities that have jurisdiction over the Properties or any part thereof, and all applicable departments and agencies of any of them, whichever Governmental Entity or entities is/are applicable. *See also Article XIV, Part A, Section 1(p).*

Section 28. **“Legal Requirement”** shall mean any duly adopted and applicable law, ordinance, regulation or requirement of the United States of America, the State of North Carolina, the County of Wake, or the City of Raleigh, or any other governmental entity or quasi-governmental entity or agency having jurisdiction over the portion of the Properties.

Section 29. **“Limited Common Area”** shall mean and refer to the real property, together with any improvements thereon, either (i) owned by a Subassociation (as herein defined) whether in fee, by easement or otherwise, (ii) in the case of a condominium segment of the Properties, common elements of the condominium; or (iii) common elements associated for the use of the single family residential Lots; all for the common use and enjoyment by the Owners of Lots and Units subject to assessment by such Subassociation, including but not limited to, open space, private streets, recreational facilities, pedestrian access easements and the area within any storm water easements identified as Limited Common Area and facilities constructed thereon, which easements and facilities serve more than one Lot or Unit and are not located with a public street right-of-way. Limited Common Area shall be maintained by the Subassociation or its successors in interest unless dedicated to public use as set forth herein.

Section 30. **“Limited Common Expenses”** shall mean all those expenses of the types included within the term Common Expenses that are related solely and specifically to the Limited Common Area. The Limited Common Expenses shall be paid for solely by those Members of the Association who own portions of the Properties located in the particular phase, section or subdivision of the Properties, or who own the particular Lot for, or on which, the associated Limited Common Area has been established.

Section 31. **“Lot”** shall mean and refer to any plot of land shown upon any recorded map of a portion of the Properties with the exception of the Common Area and area designated as open space. In the event that a portion of the Properties is subjected to a condominium regime, for purposes of this Declaration each such condominium unit shall be treated as a Lot for establishing voting rights, assessment obligations and other rights and obligations described herein. Owners of Lots shall also include Owners of single family residences and owners of Townhome Units. *See also Article XIV, Part A, Section 1(r).*

Section 32. “**Maintain**”, “**Maintenance**”, “**Maintaining**”, or any similar term used herein is defined to include any one or more of the following, as the context requires: acquisition, purchase, construction, re-construction, installation, maintenance, inspection, examination, upkeep, cleaning, renewal, alteration, repair, replacement, repainting, remodeling, restoration, removal, improvement, administration, operation, use, planting, mowing, cutting, trimming, pruning, fertilizing, watering and preservation.

Section 33. “**Member**” shall mean and refer to every person or entity who holds membership in the Association. *See also Article XIV, Part A, Section 1(t).*

Section 34. “**Non-Profit Act**” shall mean the “North Carolina Nonprofit Corporation Act” currently contained in Chapter 55A of the North Carolina General Statutes, and including all amendments, supplements and replacements as enacted from time to time.

Section 35. “**Notice**” shall have the meaning set out in Section 15.3 below.

Section 36. “**Open Space**” shall mean open space areas shown on preliminary subdivision plans filed with the City and delineated on any recorded plat of the Properties or the open space areas required by the Code or by the conditional use zoning of the Properties for the perpetual benefit of the Owners. Open Space areas required under the Code are required as compensation for the flexible lot dimensions allowed on part or all of the Properties and Open Space areas in Conditional Use Zoning Districts may be required as consideration for such conditional use zoning. Accordingly, Open Space may not be conveyed except in strict compliance with the Code. Under the Code, Open Space may be owned by the Association, a Sub-Association, or by the City. Open Space owned by the Association or a Sub-Association is Common Area or Sub-Association Common Area, as appropriate. *See also Article XIV, Part A, Section 1(v).*

Section 37. “**Operating Deficit**” is defined as the difference between the total amount of the annual assessments for a Fiscal Year levied on all Lots and the amount of actual expenditures by the Association during the Fiscal Year for Common Expenses, including funding of reserves, but excluding (i) amounts levied against a Lot, but which are not paid, and (ii) special assessments for capital improvements. *See also Article XIV, Part A, Section 1(w).*

Section 38. “**Owner**” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation. For the purposes of this Declaration, each owner of a condominium Unit shall be considered an “Owner”. *See also Article XIV, Part A, Section 1(x).*

Section 39. “**Parties**” shall have the meaning set out in Section 15.3 below.

Section 40. “**Person**” shall mean and refer to any individual, corporation, partnership, association, trustee, or other legal entity. *See also Article XIV, Part A, Section 1(y).*

Section 41. “**Private Drainage Easements**” shall be private drainage easements designated on maps of portions of the Property now or hereafter recorded.

Section 42. **“Properties”** shall mean and refer to that certain real property described on **Exhibit A** hereto, and such additions thereto as may hereinafter be brought within the jurisdiction of the Association. *See also Article XIV, Part A, Section 1(z).*

Section 43. **“Recreational Amenities”** shall mean those portions of the Common Area that will be or are developed into recreational amenities, including, for example, a pool and tennis courts, to the exclusive use of the Members.

Section 44. **“Respondent”** shall have the meaning set out in Section 15.3 below.

Section 45. **“Settlement Demand”** shall have the meaning set out in Section 15.3 below.

Section 46. **“Settlement Offer”** shall have the meaning set out in Section 15.3 below.

Section 47. **“Stormwater Agreement”** is defined as any agreement recorded in the Registry among the Declarant, the Association, and the City, or between the Declarant and the City, or between the Association and the City, relating to Stormwater Control Measures for the Properties, as more particularly described in Article 14, Part B of this Declaration. *See also Article XIV, Part A, Section 1(ab).*

Section 48. **“Stormwater Control Measures”** or **“Stormwater Control Facilities”**, such terms being used interchangeably herein and in the Stormwater Agreement, is defined as one or more of the following devices and measures, together with associated private stormwater drainage easements (however identified on a plat or in a document) that serves the Properties: conduits, inlets, channels, pipes, level spreaders, ditches, grassed swales, sand filters, wetponds, dry detention basins, wetlands, permanently protected undisturbed open space areas, bio-retention areas, retention or detention ponds, and other devices and measures, necessary to collect, convey, store, and control stormwater runoff and pollutants for more than one (1) Lot in the Properties, and which are located outside public street rights-of-way and City drainage easements. Private stormwater drainage easements that serve more than one (1) Lot in the Properties, however identified on a recorded plat or in a recorded document, are deemed to be dedicated to the Association for the benefit of the Properties or applicable portion thereof. All Stormwater Control Measures are Common Area or Limited Common Area, or Sub-Association Common Area or Sub-Association Limited Common Area, as applicable. *See also Article XIV, Part A, Section 1(ac).*

Section 49. **“Street Repair Deposit”** shall have the meaning set forth in Section 8.2 below.

Section 50. **“Structure”** shall have the meaning set forth in Section 8.2 below.

Section 51. **“Subassociation”** shall mean a North Carolina non-profit corporation organized and existing under the Non-Profit Act (or such other legal entity allowed for such purposes by applicable Legal Requirements) for the purpose of owning, managing or maintaining that Subassociation Common Area (including, any Limited Common Area and with respect to a condominium, its common elements). The term Subassociation includes a property

owner's association for a single family component, or a townhome and a condominium unit owners association. Any and all assessments imposed upon the Members of the Association by the documents establishing or governing a Subassociation or subjecting the applicable portion of the Properties thereto shall be in addition to any and all assessments imposed upon such Members of the Association by this Declaration.

Section 52. **"Subdivision Declaration"** shall have the meaning set forth in Section 2.7 below.

Section 53. **"Supplemental Declaration"** shall have the meaning set forth in Section 2.2 below.

Section 54. **"Termination of Mediation"** shall have the meaning set out in Section 15.3 below.

Section 55. **"Termination of Negotiations"** shall have the meaning set out in Section 15.3 below.

Section 56. **"Unit"** or **"Dwelling Unit"** shall mean and refer to any building or portion thereof within the Properties which is designated and intended for use and occupancy as a residence by a single family, whether by Owner(s) of such Unit or by tenants of the Owner(s) thereof.

ARTICLE II

PROPERTIES; ANNEXATION OF ADDITIONAL PROPERTIES

[NOTE THAT THE TERMS OF THIS SECTION ARE ALSO SUBJECT TO THE PROVISIONS REQUIRED BY THE CITY OF RALEIGH, WHICH APPEAR IN ARTICLE XIV, PART A, SECTION 14.13 OF THIS DECLARATION. IF THERE IS A CONFLICT BETWEEN THE PROVISIONS OF THIS ARTICLE AND ARTICLE XIV, THE PROVISIONS OF ARTICLE XIV SHALL CONTROL.]

Section 1. Property Made Subject To Declaration. The Properties are hereby made subject to this Declaration and (subject to the right of Declarant to, as hereinafter described, amend and/or supersede in whole or in part, this Declaration by Supplemental Declarations) the Properties shall be owned, held, leased, transferred, sold, mortgaged and/or conveyed by Declarant, the Association and each Owner subject to this Declaration and the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens set forth in this Declaration.

Section 2. Annexation of Additional Property. If Declarant is the Owner from time to time of any property contiguous to the Properties or directly across a street from the Properties (**"Additional Property"**) which it desires to add to the scheme of this Declaration, it may do so

by filing of record a **"Supplemental Declaration"** (herein so called) which shall extend the scheme of this Declaration to such Additional Property; provided, however, that:

- (a) any development of the Annexed Property must first be approved by the City;
- (b) the annexation of such Annexed Property must meet any other applicable requirements of this Declaration; and
- (c) contemporaneously with either the development of the Annexed Property or the recording of the plat of the Annexed Property, whichever first occurs, an Annexation/Supplemental Declaration shall be recorded in the Registry.

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; and if a person or entity other than Declarant desires to add property to the scheme of this Declaration, such property may only be so added if the Declarant gives written consent thereto and if such consent is given, such property shall be considered Additional Property. No Annexation Declaration shall be valid with respect to those terms and conditions required by the City of Raleigh, as more particularly set forth in Article 14, Part A, Section 13 hereof, without the prior written approval of the Raleigh City Attorney or his/her deputy. Evidence of such approval shall be indicated by the signature of the City Attorney or his/her deputy on the recorded original or copy of the Annexation Declaration.

Section 3. Contents of Supplemental Declaration. Supplemental Declarations may set forth the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens to which the Additional Property covered thereby shall be subject. Such controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens may contain additions, deletions and modifications from those contained in this Declaration, as the parties subjecting such Additional Property to the scheme of 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 controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens established by this Declaration or a previously filed Supplemental Declaration as it applies or they apply to the original Properties or to previously added portions of Additional Property.

Section 4. Conveyance of Common Area Upon Annexation. No later than the time of the conveyance of the first Lot within the Annexed Property, the Declarant shall deliver to the Association one or more deeds conveying any Common Area within the Additional Property annexed as such Common Area is developed, as set forth in Article V, Section 5.4 of this Declaration; and any Open Space in the Annexed Property shall be conveyed in fee simple without any encumbrances except drainage, greenway, utility and conservation easements and this Declaration. Open Space in the Annexed Property is subject to all Code and Declaration

provisions relating to Open Space. Each Annexation Declaration shall state the amount of the Stormwater Assessment for Lots in the annexed Property when required by Section 14.13 hereof.

Section 5. Annexation of the Annexed Property shall be effective upon the later of the recording of the Annexation Declaration in the Registry or such later date as specified in the Annexation Declaration, and the Annexed Property described therein shall be subject to all of the provisions of this Declaration to the extent made applicable by the Annexation Declaration, and to the jurisdiction of the Association pursuant to the terms of this Declaration and other governing documents of the Association. Each Owner of a Lot in Annexed Property shall be a Member of the Association, and the Annexed Property and each Owner of any portion thereof shall be subject to assessment by the Association in accordance with the terms of this Declaration, the Annexation Declaration, other governing documents of the Association, the Code, and the Stormwater Agreement, as applicable. The Association shall have the duties, responsibilities and powers set forth in this Declaration and other governing documents of the Association with respect to Annexed Property. Except as may otherwise be expressly provided in this Declaration or any Annexation Declaration, the Properties, including the Annexed Property, shall be managed and governed by the Association as an entirety. Assessments for Common Expenses collected from Owners in the Annexed Property may be expended by the Association for Common Expenses anywhere in the Properties without regard to the particular phase, area or subdivision from which such assessments came.

Section 6. Additional Amenities. It is expressly understood that the Association may, from time to time, add to or alter the Amenities, including additions of capital nature. Such addition could potentially include, by way of example, a picnic area, tennis courts, swimming pool, or an exercise trail. This Section shall not require or even infer any such additions to the Amenities, such potential additions being at the pleasure of the Association. The cost of such additional Amenities may be paid for through a special assessment.

Section 7. Subdivision Declaration. It is contemplated by the Declarant that within the Properties there may be separate and distinct residential phases, sections or subdivisions that will be subjected to this Declaration. It is further contemplated by the Declarant that because of varying lot sizes, marketing considerations, and other factors, it may be necessary or desirable to impose additional and different covenants and restrictions on such phases, sections or subdivisions which are applicable solely to such phase, section or subdivision (the foregoing being referred to herein as a “**Subdivision Declaration**”). Accordingly, Declarant or other Person who owns any such phase, section or subdivision of the Properties, may subject such phase, section or subdivision to such Subdivision Declaration as the Declarant or other Person, in its sole discretion, may from time to time determine. Provided, however, for so long as there is Class B membership, in accordance with Section 4.1, no person other than the Declarant may subject any phase, section or subdivision of the Properties to any Subdivision Declaration unless the Declarant consents in writing thereto. More than one phase, section or subdivision may be subjected to the same Subdivision Declaration. Any Subdivision Declaration may specify such use restrictions and may contain such other terms, covenants, restrictions, easements, affirmative obligations, assessments, charges and liens, not inconsistent with this Declaration, as the Person subjecting such real property to the Subdivision Declaration may determine, which provision

may be more, but not less, restrictive than the provisions of this Declaration. Except for such more restrictive provisions, this Declaration shall control over any provision of any Subdivision Declaration that conflicts or is inconsistent with this Declaration.

Section 8. Common Area Becoming Limited Common Area. To the extent permitted by applicable law, Declarant may recategorize areas initially treated as Common Area as Limited Common Area from time to time as phases of the development are built out.

ARTICLE III

MEMBERSHIP

[NOTE THAT THE TERMS OF THIS SECTION ARE ALSO SUBJECT TO THE PROVISIONS REQUIRED BY THE CITY OF RALEIGH, WHICH APPEAR IN ARTICLE XIV, PART A, SECTION 6 OF THIS DECLARATION. IF THERE IS A CONFLICT BETWEEN THE PROVISIONS OF THIS ARTICLE AND ARTICLE XIV, THE PROVISIONS OF ARTICLE XIV SHALL CONTROL.]

Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject to the Declaration, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership. Membership shall be appurtenant to and may not be separated from ownership of the Member's Lot. Upon termination of ownership, an Owner's membership with respect to the transferred Lot shall automatically terminate and be automatically transferred to the new Owner of the Lot. The Board of Directors may make reasonable rules relating to the proof of ownership of a Lot.

ARTICLE IV

VOTING RIGHTS

Section 1. Voting Classes. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all the Owners with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article III. When more than one Person holds such interest in any Lot, all such Persons shall be Members, and the votes allocated to that Lot shall be cast only in accordance the agreement of a majority in interest of the multiple Owners unless otherwise provided in the governing documents of the Association, but in no event shall more than one vote be cast with respect to any Lot and no fractional vote may be cast with respect to any Lot. A majority agreement is conclusively presumed if only one of the multiple Owners casts the

votes allocated to that Lot, unless any of the other Owners of the Lot protest such co-Owner's vote to the Person presiding at the meeting within two (2) days of such meeting.

Class B. The Class B member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot in which he holds the interest required for membership by Article III, provided, that Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first;

(a) When the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership, but provided that the Class B membership shall be reinstated if thereafter and before the time stated in subparagraph (b) below, such Additional Property is annexed to the Properties or new Lots are created within the Properties (for example, the establishment of a new phase of development within the Properties or the establishment of a condominium in a new phase) such that the total votes outstanding in Class B membership again exceeds the total votes outstanding in Class A membership, or

(b) On December 31, 2015.

Where not otherwise stated in this Declaration, for the purpose of determining voting quorum and sufficiency requirements, the votes of the Class A Members and the Class B Members shall be aggregated. Thus a 'majority of all votes entitled to be cast' shall mean, during such time as there remains a Class B membership, a majority of the total number of votes that are entitled to be cast by the Class A members plus the total number of votes that are entitled to be cast by the Class B member.

Section 2. Suspension of Voting Rights. The right of any Member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations as they may now or hereafter exist and may change from time to time.

Section 3. Proxies. Votes may be cast in person or by proxy. All proxies must be dated, duly executed by the Owner, and delivered to the Secretary of the Association or to the property management company authorized by the Board to receive proxies prior to the opening of the meeting for which it is first intended to be used. No proxy shall exceed a term of eleven (11) months from its date except as otherwise provided in the Act. Revocation of a proxy shall be made by actual notice to the Person presiding over the Association meeting.

Section 4. Quorum. Except as otherwise provided in its governing documents, a quorum is present throughout any meeting of the Association whenever Persons entitled to cast ten percent (10%) of the votes are present in person or by proxy at the beginning of the meeting. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy. Notwithstanding any provision to the contrary in the governing documents of the Association, the quorum requirements at the next meeting shall be one-half (1/2) of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous

meeting, as previously reduced, until such time as a quorum is present and business can be conducted.

ARTICLE V

PROPERTY RIGHTS

Section 1. Members' Easements of Enjoyment. Every Member shall have a non-exclusive right and easement of enjoyment in and to the Common Area, including the rights of ingress and egress, and such easement shall be appurtenant to and shall pass with the right to every Lot, subject to each of the following provisions:

(a) The right of the Association, in accordance with its articles and Bylaws, to borrow money for the purpose of improving the Common Area and in aid thereof to mortgage the Common Area, or any portion thereof, provided the rights of such mortgagee in said Common Area Properties shall be subordinate to the rights of the owners hereunder.

(b) The right of the Association to dedicate or transfer all or any part of the Common Area for utility, drainage, pedestrian walkway and cable television easements and other similar purposes.

(c) The right of the Association to prescribe regulations governing the use, operation and maintenance of the Common Area and their Amenities (including limiting the number of guests of Members who may use the Common Area) subject to limitations established by Declarant on such right to impose regulations.

(d) The right of the Association to take such steps as are reasonably necessary to protect the Common Area within the jurisdiction of the Association against foreclosure.

(e) The right of the Association to charge reasonable admission and other fees for the use of recreational facilities and other Amenities on the Common Area within the jurisdiction of the Association.

(f) Actions contemplated under subparagraph (a) and (b), above shall not be taken until the following action occurs: Members entitled to cast eighty percent (80%) of all the votes of the Association have voted in person or by proxy for such action at a meeting duly called for said purpose, notice of which was sent to every Member not less than fifteen (15) nor more than thirty (30) days in advance of the meeting.

The instrument effecting such dedication, transfer, conveyance or mortgage shall be sufficient if executed by appropriate officers of the Association and contains a recital of the above provisions, and that they have been complied with.

Section 2. Declaration of Use. Subject to reasonable rules that may be promulgated from time to time by the Association, any Member may delegate his right of enjoyment to the

Common Area to the members of his family, his tenants, or contract purchasers who reside on the Property and, when accompanied by the Member, to his guests and invitees.

Section 3. Suspension of Rights of Use. Any Member's right to use and enjoyment of Common Areas may be suspended during any period in which that member is in default in payment of any annual or special assessment levied by the Board of Directors, as provided in the Bylaws. Such rights may also be suspended, after notice and hearing, for a period not to exceed 30 days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area; provided that no suspension of rights shall occur without first providing notice of the charge, opportunity to be heard and to present evidence, and notice of the decision as required by G.S. 47F-3-107.1 of the Act. However, the right of access and support, the right to drain stormwater and the right to use Stormwater Control Measures, private streets, private utility services provided to the Lot through easements in Common Area, and any assigned parking areas shall not be suspended for violation of the Association's rules and regulations.

Section 4. Title to the Common Area. Declarant shall dedicate and convey (by deed without warranty) the fee simple title to the Common Area 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 encumbrances and mineral interests outstanding and of record in Wake County, North Carolina, on or (at Declarant's sole option) prior to December 31, 2015. Common Area may be conveyed by Declarant to the Association in whole or in part from time to time.

Section 5. Leases Subject to this Declaration. 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 this Declaration, and that any failure by the lessee to comply with the terms hereof shall be a default under the terms of the lease.

Section 6. Ingress and Egress. 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.

ARTICLE VI

COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and every other Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association:

- (a) Annual assessments or charges which are common expenses; and
- (b) Special assessments for capital improvements.

Notwithstanding any provision herein to the contrary the assessment for each Lot owned by Declarant shall be twenty-five percent (25%) of the assessment which is applicable for a Lot titled in a name other than the Declarant; provided, however, that Declarant shall pay the full assessment on any Lot which has been leased by Declarant and on which an occupiable Building is located. Furthermore, any provision of this Declaration to the contrary notwithstanding, the Declarant may, at its sole election and discretion, postpone, in whole or in part, the date on which the assessment shall commence as to a Lot or Lots provided the Declarant maintains the Common Areas for which no assessment is being collected during the period of such postponement. Notwithstanding the above, in order to ensure that adequate funds are available to fund the maintenance and budget obligations associated with the Stormwater Control Measures, the full stormwater assessment amount (as described in Article XIV) shall be payable on all Lots, regardless of ownership, including lots owned by the Declarant.

Such assessments shall be fixed, established, and collected from time to time as hereinafter provided.

The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall constitute a lien upon the Lot and improvements thereon when filed of record in the appropriate office of Wake County. Each such assessment, together with such interest and costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of the Lot at the time the assessment fell due. All assessments shall be shared equally by the Owners of each Lot, except as otherwise provided in this section.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used for the purposes of enforcing and carrying out the terms and provisions hereof and of any Supplemental Declaration applicable to the Properties and promoting the enjoyment and welfare of the Owners of Lots, and in particular, but without limitation, for the (i) development and maintenance of the Common Area; (ii) payment of premiums for hazard insurance in connection with the Common Area, and any Amenities thereon and public liability and other insurance of such Association; (iii) paying the costs of labor, equipment (including the expense of leasing any equipment) and material required for, and management and supervision of, the Common Area; (iv) carrying out the duties of the Board of such Association; and (v) carrying out the purposes of such Association as stated in its Articles of Incorporation, Bylaws, and as stated herein or in any applicable Supplemental Declaration. Notwithstanding the foregoing, costs associated with Limited Common Areas will be the responsibility of the applicable Subassociation. Without limiting the above, assessments levied shall be used to maintain and support the Stormwater Control Measures and the Stormwater Control Facilities, as set forth in the Stormwater Agreement.

Section 3. Amount of Annual Assessment.

(a) Initial Assessment. To and including December 31, 2007, the initial annual assessment shall not be in excess of \$1,212.00 per Lot, the exact amount of which shall be determined from time to time as provided in this Article VI.

(b) Budget and Increase of Assessment by Board of Association. The "Maximum Annual Assessment" for each subsequent Fiscal Year for purposes of voting percentages to ratify the budget is 110% of the amount of the annual assessment for the immediately preceding Fiscal Year. The Board of Directors shall adopt a proposed budget for the Association at least annually. Within thirty (30) days after the adoption of the proposed budget, the Board of Directors shall send a copy of the proposed budget to the Members and shall give written notice to the Members of a meeting of the Members to consider ratification of the budget, such meeting to be held not sooner than ten (10) days nor more than sixty (60) days after the mailing of such notice. Such meeting may, but need not be, combined with the annual meeting of the Members. There shall be no requirement that a quorum be present to vote on ratification of the budget (although a quorum must be present to vote on other matters). The budget shall be deemed ratified unless at that meeting Members having a majority of the votes of the entire membership (not just a majority of those present at the particular meeting) vote to reject the budget; provided, however, if the budget provides for an annual assessment per Lot not in excess of the Maximum Annual Assessment in effect for that Fiscal Year of the Association, such budget shall be deemed ratified unless Members having at least eighty percent (80%) of the votes of the entire membership (not just a majority of those present at the particular meeting) vote to reject the budget. If any proposed budget is rejected by the Members, the budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board..

(c) Increase by Members. From and after December 31, 2007, the annual assessment may be increased by a percentage greater than permitted by this Article by an affirmative vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting duly called for such purpose, written notice of which, setting forth the purpose of the meeting, shall be sent to all Members not less than ten (10) day nor more than thirty (30) days in advance of the meeting. There shall be no requirement that a quorum be present to vote on the increase of the Assessment (although a quorum must be present to vote on other matters). The limitations herein set forth shall not apply to an increase in assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(d) Criteria for Establishing Annual Assessments. The Association is required to set the annual assessment high enough to enable the Association to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Areas. The fund shall be maintained out of annual assessments for Common Expenses as provided for in this Article. In establishing the annual assessment for any assessment year, the Board of Directors shall set the annual assessment high enough to cover all current costs and expenses of the Association, any accrued debts, and reserves for future needs.

(e) Decrease of Annual Assessment. The Board of Directors may decrease the annual assessment from time to time if in its opinion such decrease is prudent.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the costs of construction or reconstruction, unexpected repair, or replacement of a described capital improvement upon the Common Area, including the Amenities, the necessary 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 Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which, setting forth the purpose of the meeting, shall be sent to all Members not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting. The amount of the proposed assessment need not be stated.

Section 5. Uniform Rate of Assessments. Subject to Section 6.1 above, the annual assessment and special assessments must be fixed at a uniform rate for all Lots, on a per Lot basis, and may be collected on a quarterly, semi-annual or annual basis in the discretion of the Board.

Section 6. Date of Commencement of Annual Assessments. Unless postponed by the Declarant, as provided in section 6.2 of this Article, the annual assessments provided for herein shall commence as to any Lot on the first day of the first month following the subjection of the Lot of this Declaration. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year. Subject to the requisite approval of the Members, the Board of Directors shall fix the amount of the annual assessment against each Lot in accordance with the provisions of Section 6.3(b) hereof, at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto not later than thirty (30) days following each approval thereof. The due dates and appropriate penalties for late payment shall be established by the Board of Directors. The Association shall upon demand at any time furnish a certification in writing signed by an officer of Association setting forth whether the assessments on a specified Lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been made and shall be binding upon the Association as of the date of its issuance.

Section 7. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessments are not paid within thirty (30) days after the due date, assessments shall bear interest from the date of delinquency at the lesser of the highest lawful rate or twelve (12%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment.

Section 8. Declarant's Obligation to Fund Deficits; Assessment Credit. During the Declarant Control Period, Declarant shall be obligated to fund any Operating Deficit. Declarant, at its option, may fund the Operating Deficit by any one or more of the following means: (i)

payment to the Association; (ii) payment directly to a person or entity providing the services or materials to the Association, or (iii) providing, directly or indirectly, to or for the Association, services or materials related to Common Expenses (the value of which shall be determined by the Board in its reasonable discretion, giving due consideration to what the fair market value of such services or materials would be if they had been furnished by a Person other than Declarant).

Declarant's obligation to fund Operating Deficits may be enforced against the Declarant and collected by the Association in the same manner as enforcement and collection of assessments applicable to other Owners.

After the end of the Declarant Control Period, the Declarant, at its sole option, may receive an assessment credit toward payment of annual assessments due and payable by Declarant thereafter for Lots owned by Declarant, in an amount equal to aggregate of the Operating Deficits paid by Declarant as provided herein. Declarant may not charge or collect interest or any other charge or fee on any monies paid by the Declarant, for Operating Deficits. As determined by Declarant, the assessment credit may be applied to payment of all annual assessments due from Declarant after the end of the Declarant Control Period until it has been credited in full.

Section 9. Subordination of Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. A sale or any transfer of any Lot shall not affect the assessment liens; provided, however, that the sale or transfer of any Lot pursuant to foreclosure of a first mortgage or deed of trust or any proceeding in lieu of foreclosure thereof shall extinguish the lien of such assessments as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from the liability for any assessment thereafter becoming due or from the lien thereof.

Section 10. Assessments to be Collected at Closing. At the closing of each sale of a Lot to a party other than Declarant, the Board may dictate that a sum shall be collected from the purchaser of such Lot equal to the total assessment for such Lot for the remaining portion of that year and such sum shall be contributed to the accounts of the Association to insure that the Association will have sufficient funds to meet unforeseen expenditures. This contribution shall not be considered an advance against assessments to become due or a refundable deposit.

Section 11. Management of Funds. All funds collected through assessments shall be managed by the Association subject to the provisions of this Declaration. Disbursement of funds collected from Lot Owners shall be as directed by the Board of Directors.

Section 12. Lien and Foreclosure. All unpaid sums that have been assessed in the manner provided herein shall, together with interest as provided herein, plus the cost of collection (including reasonable attorneys' fees), become a continuing lien and charge on the Lot and all Buildings and Structures thereon owned by the Owner as of the assessment due date, which shall bind such Lot, Building and Structures 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. The Board shall have the power to subordinate the aforesaid lien to any other 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 a description of the Lot, and may record same in the applicable Office of Register of Deeds. The lien for payment of assessment may be enforced by the foreclosure of the defaulting Owner's Lot 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 assessment, 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, judicial or non-judicial, the defaulting Owner shall be required to pay the costs, expenses and reasonable attorneys' fees incurred by the Association. The Association shall have the power and right to bid on the Owner's Lot at the foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey, or otherwise deal with same.

Section 13. Auto Withdraw for Assessment. Declarant or the Association may establish a system in which assessments shall be automatically withdrawn from the applicable bank account of the Owner and, to the extent permitted under applicable law, may require the use of such automatic withdrawal system.

Section 14. Replacement Reserve Fund. Declarant, on behalf of the Association, shall establish a replacement reserve fund (the "**Replacement Reserve Fund**") to meet the needs for regular replacement and repair of portions of the Properties as such replacement and repair is necessary. The initial amount of the Replacement Reserve Fund shall be set by Declarant not later than the end of the second year following the date hereof. The amount of the Replacement Reserve Fund shall be based upon a quantified amortization schedule related to those items and systems within the Properties that will require replacement.

ARTICLE VII

MAINTENANCE OF PROPERTIES; CONVEYANCE OF COMMON AREA

Section 1. Common Elements and Private Streets. The Association shall maintain and keep in good repair all plant material, site furnishings, private roads and rights of way and other improvements and facilities located on the Common Areas. Maintenance of private streets as shown on any recorded plat of the Properties shall rest with the Association pursuant to the provisions of the Code.

Section 2. Declarant's Inaction. Neither the execution and recordation of this Declaration, nor the recordation of any other instrument subjecting any land in the Properties to protective covenants, conditions or restrictions or other provisions shall obligate or require (i) Declarant to grant any right, power, duty or privilege of any nature or kind to the Association or to any other entity except as expressly set forth herein, or (ii) Declarant to perform any act permitted by this Declaration or by any other recorded instrument, or to enforce any covenant, condition, restriction or other provision hereof or thereof, or to do anything which it does not, in its sole discretion, elect to do so.

Section 3. Storm Water Management. Except for the maintenance responsibilities placed on Owners by this Declaration or assumed or undertaken by other Persons, the Association, as a Common Expense, shall: (i) maintain all Stormwater Control Facilities (also referred to herein as "storm water drainage easements" or "drainage easements") in the Properties that are shown on plats of the Properties recorded in the Wake County Registry or established by written instruments recorded in the Wake County Registry, and which benefit or serve more than one (1) Lot; and (ii) maintain the Stormwater Control Facilities, if any, on or serving the Properties, which are part of the storm water management system for the Properties as shown on approved subdivision plans or other plans approved by the applicable municipality. Terms of contribution for the maintenance of the Stormwater Control Facilities are set forth more particularly in Sections 14-B-1 through 14-B-9 of this Declaration. Except where otherwise assumed by the Association, the Owner of any portion of the Properties on or over which a storm water drainage easement (or portion thereof) is located shall be responsible for maintenance of that easement (or portion thereof), including any one or more of the following: (i) mowing of grass with reasonable frequency, where applicable; (ii) removal of debris and other matter to the best of the Owner's ability, where such debris or matter has impeded or threatens to impede the free flow of storm water over or through the easement or any storm water management facilities. Such Owner's responsibility shall include notification of the Association of any defects in any fencing, if any surrounding or within a storm water drainage easement or Stormwater Control Facility, any debris or other matter which the Owner feels is beyond the Owner's reasonable ability to remove, and any excessive erosion within a storm water drainage easement. The Owner of any portion of the Properties on which a storm water drainage easement is located shall not obstruct that easement in any manner. The Owner of any portion of the Properties served by a storm water drainage easement shall keep such portion of the Properties clear of all debris and other matter which, if carried by water flow into or onto the area of the storm water drainage easement, might significantly impede the free flow of storm water over or through the easement or any storm water drainage facilities. Notwithstanding anything to the contrary herein, each Owner of a Lot, and not the Association, shall be responsible for maintenance of all storm water drainage facilities and equipment used exclusively in connection with such Lot or the improvements thereon, including guttering, and pipes and drains for transportation of storm water into a storm water drainage easement or into a storm water management facility that is part of the storm water management system for the Properties.

Drainage easements situated on the Property may be relocated only by a written agreement signed by the Association - upon approval of the Board of Directors without vote of the Members - and by the Owners of all portions of the Properties on which the drainage easement then is located, and by the Owners of all portions of the Properties on which the drainage easement is to be relocated. The consent of tenants and Mortgagees of the affected Lots shall not be required for the relocation to be effective. All relocations of a drainage easement shall be accompanied with a letter sealed by a Professional Engineer licensed in the State of North Carolina stating that the relocated drainage easement will not cause any adverse stormwater runoff unto adjoining properties. Notwithstanding anything herein to the contrary, no relocation of any drainage easement shall be valid without the prior approval of the City's Director of Public Works or his/her Deputy. City approval shall be evidenced by the signature of

the City's Director of Public Works or his/her Deputy on the recorded plat or other instrument of the relocation.

Section 4. Exchange or Conveyance of Common Area. The Association, without the consent of the Members, and subject to applicable legal requirements, may convey portions of the Common Area for any one or more of the following purposes: (i) to eliminate unintentional encroachments of improvements or easements; (ii) to correct any building or other setback violations; (iii) to adjust boundary lines of portions of the Properties; and (iv) as otherwise determined by the Board to facilitate the orderly subdivision and development of the Properties, subject to the following: (i) no such transfer shall reduce the portion of the Common Area that constitutes Open Space below the minimum amount of Open Space required by the City; (ii) if the conveyance of Common Area results in a material reduction of the Common Area, then the Declarant, or other Person to whom the Common Area is conveyed, shall transfer or cause to be transferred to the Association such real property as may be necessary to keep the amount of the Common Area at the level previously existing, or the Association shall be otherwise reasonably compensated; (iii) the applicable municipality, if required, approves any boundary line adjustment; (iv) any boundary line adjustment is approved by the Owners of all portions of the Properties affected by the adjustment; (v) each portion of the Properties previously contiguous to Common Area (excluding easements) remains contiguous to Common Area, unless otherwise approved by the Owner thereof (vi) the transfer does not materially conflict with any applicable master plan or subdivision plan; and (vii) any conveyance of real property to the Association must be free and clear of all encumbrances except for this Declaration and any applicable Supplemental Declaration or subdivision declaration, street rights of way or access easements, greenway easements and easements for utilities and storm water drainage.

Any of the foregoing real property 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 all provisions of this Declaration (or any applicable supplemental declaration or subdivision declaration) except those applicable to the Common Area. The portion of the Common Area acquired by the Declarant 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 or subdivision declaration) that would have been applicable to such real property had it not been Common Area, except that, if required by the applicable municipality, such portion of the Common Area may be conveyed by the Association to the applicable municipality free and clear of all of the terms of this Declaration or any applicable Supplemental Declaration or subdivision declaration.

ARTICLE VIII

GENERAL POWERS AND DUTIES OF THE BOARD; ARCHITECTURAL CONTROL AND INSPECTION

Section 1. Powers and Duties of the Board of an Association. In addition to those rights and duties set forth in Article V, the Board of the Association, for the mutual benefit of the Owners of such Association, shall have the following powers and duties:

(a) To improve, maintain or cause to be maintained the Common Area, including, but not limited to, planting, moving, pruning, fertilizing, preservation and replacement of the landscaping and the upkeep and maintenance of sidewalks and other Amenities in such Common Area, and the upkeep and maintenance of sprinklers, sprinkler mains and laterals, sprinkler heads, equipment, water pumps, wells, signs, lighting and planting boxes located in such Common Area.

(b) To enter into agreements with the appropriate governmental authorities to enable the Association to improve and maintain the Common Area;

(c) 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 if such amendment is proposed prior to December 31, 2015, for so long as Declarant continues to hold a membership interest in the Association, such amendment must also be approved by Declarant before it may become effective;

(d) To enter into agreements or contracts with insurance companies with respect to insurance coverage relating to the Common Area;

(e) To enter into agreements or contracts with utility companies with respect to utility installation, consumption and service matters relating to the Common Area;

(f) To borrow funds to pay costs of operation of such Association, which borrowings may be secured by assignment or pledge of rights against Owners who are in default in regard to the payment of assessments due to the Association or by liens on other Association assets, if the Board of the Association sees fit;

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

(h) To sue or defend in any court of law on behalf of the Association and to provide adequate reserves for repairs and replacements;

(i) To make available to each Member of the Association within sixty (60) days after the end of each year an annual report and, upon the written request of the Members of the Association holding at least three-fourth (3/4) of the eligible votes of the Association at such time, to have such report audited (at the expense of such Association) by an independent certified public accountant, which audited report shall be made available to each Member of the Association within thirty (30) days after completion;

(j) Subject to the terms hereof to adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Members of the Association in proportionate amounts to cover the deficiency;

(k) To exercise for the Association all powers, duties and authority vested in or delegated by this Declaration, the Bylaws of the Association, or the Articles of Incorporation of the Association to the Association and not reserved to the Members of such Association or Declarant by other provisions of this Declaration any applicable Supplemental Declaration, the Bylaws of such Association or the Articles of Incorporation of such Association;

(l) To declare the office of a member of the Board of the Association to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of such Board;

(m) To employ a manager or firm to manage the affairs and property of the Association, to employ independent contractors, or such other employees as the Board of such Association may deem necessary, and to prescribe their duties and to set their compensation;

(n) To retain the services of legal and accounting firms;

(o) To enforce the provisions of this Declaration, and any applicable Supplemental Declaration and any rules made hereunder or under any such applicable Supplemental Declaration and to enjoin and/or, in its discretion, seek damages or other relief from any Member of such Association for violation of such provisions or rules;

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

(q) 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 or under any applicable Supplemental Declaration, for the operational protection of the Association or for the enforcement of the controls, covenants, conditions, restrictions and development standards contained herein; and

(r) To set assessments, whether annual or special, as provided herein.

Section 2. Architectural Control.

(a) Declarant may establish and from time to time modify, architectural standards and guidelines for the control of the design of all Structures and other work within the Properties (the “**Architectural Guidelines**”). Except for initial improvements by Declarant, no construction, erection, or installation of any improvements, including, but not limited to, Buildings, outbuildings, garages, carports, gazebos, swimming pools, tennis courts, fences, walls, screen (whether by plants or structures) and other structures (individually a “**Structure**” and collectively “**Structures**”), shall be undertaken upon the Properties unless the site plans, building plans, and specifications therefore, showing the nature, kind, shape, height, materials and

location of the proposed improvements shall have been submitted to the Architectural Committee or its agent and expressly approved in writing. Approval shall depend in part on consistency with the Architectural Guidelines if then promulgated. No grading, excavation, tree removal (except as provided herein) or change of exterior color, change of front door, change of windows or shutters, or other work which in any way alters the exterior appearance of any Structure or Lot be done without the prior approval of the Architectural Committee. No subsequent alteration or modification of any existing improvements nor construction, erection, or installation of additional improvements may be undertaken on any of the Properties without prior review and express written approval of the Architectural Committee.

Each Owner shall, prior to the commencement of any construction, submit in sequence to Architectural Committee the following materials: (i) a "preliminary concept plan" which shall include schematic site plans, floor plans and exterior elevations and materials; (ii) "design proposals" which shall include more detailed building and site design plans and specifications sufficient and definite in detail so that there can be determined the character, exterior appearance, exterior materials and colors, and the quality and kind of building and landscape materials proposed; and (iii) "construction plans and specifications" which shall be a true extension of the preliminary concept plan and design proposals, including a sealed plot plan, in detail and to scale. The Architectural Committee shall, in writing, within thirty (30) days after receipt of each fully completed and adequate required submittal which it deems complete, approve, reject or approve, subject to change, such plans, proposals and specifications as are submitted to it as required above. If the submittal is deemed not complete or rejected by the Architectural Committee it shall notify the Owner thereof, and provide a listing of such materials that would make the submission complete, or, if applicable, the reasons the submission was rejected, within such thirty (30) day period; and the Owner shall be required to resubmit at such time as it has a complete and/or acceptable submission. All resubmissions shall be treated the same as original submissions under this Article 8, Section 2(a) for the purpose of review times, incomplete submissions and denied submissions. After approval, any change in location, plot plan, exterior colors or exterior materials must be re-submitted for approval. Failure to obtain approval of Architectural Committee of all such plans, proposals, specifications and plot plan prior to the commencement of any construction shall be deemed a material breach hereof and Architectural Committee shall then have the right, in addition to any other rights permitted by law or in equity, to proceed in the courts to obtain a mandatory injunction requiring any construction done without said approval to be torn down or removed forthwith.

At the time the Owner makes its initial submittal to the Architectural Committee as provided above, the Architectural Committee or the Board may require that Owner submit a street repair deposit (the "**Street Repair Deposit**") in an amount reasonably established by the Architectural Committee or the Board. The Street Repair Deposit shall be used to repair any damage to any street or adjoining Common Area Amenities caused by the construction activity, including without limitation, damaged curbs, damaged street paving, and/or damaged foliage. The Architectural Committee or the Board shall refund any unused portion of the Street Repair Deposit promptly following any repairs necessitated by such construction activity.

In general, no exterior alterations or additions to Buildings or other Structures shall be considered for approval unless such alterations or additions are in harmony with existing Structures, as to style, shape, color and size. The architectural plans for such alteration or addition must be drawn and sealed by a registered architect or engineer.

In general, the construction of fences, walls and other Structures and the planting of screens will not be permitted if in the opinion of the Architectural Committee such construction or planting constitutes an unreasonable obstruction of the view of another Owner.

In the event that the Architectural Committee fails to approve or disapprove the site or design or any proposed improvements within thirty (30) days after plans and specifications therefore have been submitted and received, approval will not be required, and the requirements of this Article will be deemed to have been fully met; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Declarant or the Association if they contain erroneous data or fail to present adequate information upon which the Declarant or the Association, as the case may be, can arrive at a decision.

The Declarant and/or the Architectural Committee shall have the right, at its election, but shall not be required, to enter upon any of the Properties during site preparation or construction, erection, or installation of improvements to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plans and specifications and in a good and workmanlike manner, utilizing approved methods and good quality materials.

(b) For so long as there is Class B membership, Declarant shall annually appoint the members of the Architectural Control 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 Properties. 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. At such time as there is no longer Class B membership (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. Liability Limitations. Neither Declarant, nor any Member nor any Board nor any directors on any Board (or any one of them) nor the officers (if any) of Declarant or of the Association nor any member of the Architectural Committee and/or any other committee established by 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 an Association or otherwise. Neither Declarant, the Association, nor the directors, officers, agents or employees of either thereof shall be liable for any actual, incidental or consequential damages for failure to inspect any premises, improvements of portions thereof or for failure to repair or maintain the same. Declarant, the Association or any other person, firm or association 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 of the Association and all members of the Architectural Committee 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 of the Association and/or such Architectural Committee 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 who is to be indemnified.

Section 4. Articles of Incorporation and Bylaws. The Articles of Incorporation and Bylaws of the Association, as the same may be amended from time to time, are fully incorporated into this Declaration by reference.

Section 5. Declarant Rights in the Association. For so long as the Declarant owns one or more Lots in the Properties, the Board shall have no authority to, and shall not undertake any action, without the prior written consent of the Declarant or its agent expressly authorized for such purpose, which shall:

(a) Prohibit or restrict in any manner the sales and marketing program of the Declarant or restrict or limit in any manner the use by the Declarant of any portion of the Properties for the sale and/or resale of Lots or improvements thereupon;

(b) Decrease the level of maintenance services of the Association provided by the Board so long as Class B voting rights exist;

(c) Make any special or individual assessment or impose any fine upon the Declarant's Lots or the Declarant;

(d) Modify, amend or alter the recorded plats of the Properties;

(e) Terminate or cancel any contracts of the Association entered into by the Board during the period which any Class B voting membership exists;

- (f) Terminate or waive any rights of the Association under this Declaration;
- (g) Convey, lease, mortgage, alienate or pledge any easements or any part of the Common Area;
- (h) Accept the conveyance, lease, mortgage, alienation or pledge of any real or personal property to the Association;
- (i) Terminate or cancel any easements granted hereunder or by the Association;
- (j) Terminate or impair in any fashion any easements, powers, or rights of the Declarant hereunder;
- (k) Restriction the Declarant's right of the use, access, and enjoyment of any the Properties;
- (l) Cause the Association to default on any obligation under any contract or this Declaration;
- (m) Restrict in any respect the use by the Declarant of any office or other facility in the Properties for any purpose, including managing or operating the Association.

Section 6. Notice of Meetings. Except as otherwise specifically set forth herein, notice of all Association meetings shall be provided to all Members by hand delivery or U.S. Mail not less than ten (10) days nor more than thirty (30) days in advance of the applicable meeting. Each Member shall be responsible for insuring that the Member has provided the Association with the Member's current notice address.

ARTICLE IX

RULES AND REGULATIONS

Section 1. Common Area. The Board of Directors of the Association shall have the power to formulate, amend, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Area. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a book of resolutions which shall be maintained in a place convenient to the Owners and available to them for inspection during normal business hours.

Section 2. Rules and Regulations for Parking of Vehicles. The Board of Directors of the Association shall have the power to formulate, publish, amend and enforce reasonable rules and regulations concerning the parking of any type of vehicle on the Properties, including Common Areas. Said rules may provide, without limitation, the following:

- (a) A definition of a "recreational vehicle" and regulations covering the parking of recreational vehicles on private streets;

(b) That campers, motor scooters, motorcycles, motorbikes, boats, trailers, trucks and commercial vehicles of any kind that the Board designates cannot be parked on a private street, in any Common Area or on any Lot, except in areas designated for that purpose, if any; and

(c) Limitations on the period of time and extent to which a motor vehicle may be repaired on the premises, and that all motor vehicles parked on private streets or in Common Area are to have currently valid license plates issued by a state in the United States and insurance coverage which satisfies North Carolina Department of Transportation requirements for insurance coverage of motor vehicles licensed in the State of North Carolina.

ARTICLE X

RESTRICTIVE COVENANTS; MAINTENANCE

Section 1. Residential Use. All Lots shall be used for residential purposes only. Notwithstanding the foregoing, Declarant may maintain any Lot owned by Declarant as a sales office or model unit. An Owner may conduct ancillary business activities within the Units so long as (i) the existence or operation of the business activity is not apparent nor detectible by sight, sound, or smell from outside of the Unit; (ii) the business activity does not involve visitation of the Unit by employees, clients, customers, suppliers or other business invitees in greater volume than would normally be expected for guest visitation to the Unit without business activity; (iii) the business activity is legal and conforms to all zoning requirements; (iv) the business activity does not unreasonably increase traffic in the Properties in excess of what would normally be expected for Lots in the Properties without business activity; (v) the business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage; (vi) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as determined in the Board's discretion; and (vii) the business activity does not result in a materially greater use of Common Area facilities.

Section 2. Nuisance. No obnoxious, offensive or unlawful activity shall be conducted within any Lot or on or about the Common Areas, nor shall anything be done thereon or therein which may be or which may become an annoyance or nuisance to the other Owners or endanger the health and safety of any Owner. In addition, no Owner may use or allow the use of a Lot or the Common Area in any manner which creates disturbing noises, including, without limitation, use of stereo speakers or equipment that will in the sole discretion of the Board interfere with the rights, comfort or convenience of the other Owners. Nothing shall be done or kept in any Lot or in the Common Areas that will result in the termination of, or an increase in the premium for, the policy of property insurance for the Properties.

Section 3. Prohibitions on Use of Common Areas; Abandoned Personal Property. The Common Areas (other than storage areas, if any, designated by the Association) shall not be used for the storage of personal property of any kind. Stairs, entrances, lobbies, hallways, sidewalks, yards, driveways and parking areas shall not be obstructed in any way or used for other than their

intended purposes. In general, no activity shall be carried on nor conditions maintained by any Owner either on his Lot or upon the Common Areas which detracts from the appearance of the Properties. If the Board determines that personal property impermissibly remains upon any portion of the Common Areas without prior written permission of the Board, then, not less than two (2) days after written notice is placed on the personal property and/or on the front door of the property Owner's Unit, if known, the Board may remove and either discard or store the personal property in a location which the Board may determine and shall have no obligation to return, replace or reimburse the Owner of the property. The Board, in its discretion, may further determine that an emergency situation exists and may exercise its removal rights hereunder without prior notice to the property Owner. Neither the Association or any officer or agent thereof shall be liable to any Person for any claim of damage resulting from the removal activities described above. The Board may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

Section 4. Garbage. Trash, garbage and other waste shall be kept in sanitary containers within each Unit, and deposited only in the common trash receptacles, if any, or as otherwise directed by the Association.

Section 5. Parking. No Owner or any employee, agent or invitee of any Owner shall park, store or keep any vehicle on the Properties except wholly within the designated parking areas, and in particular shall not block any entrances, drive aisles or fire lanes. Street parking shall be limited to guests. Declarant may designate certain parking areas as being for the sole benefit of certain portions of the Properties. No boat, boat trailer, motor home, travel trailer, camper, or recreational vehicle may be stored on the Properties at any time. No significant automobile repair shall be allowed in the parking areas on the Properties. Further, no Owner may store an unused vehicle for more than one (1) month at the Properties. Trucks, vans, commercial vehicles and vehicles with commercial writing on their exteriors shall be allowed temporarily in the parking areas during normal business hours for the purpose of making deliveries or serving any Lot; provided no such vehicle shall remain overnight or for any purpose unless consent of the Board is first obtained. The Association shall have the right to tow any vehicle in violation of this Section 10.5 at its owner's expense.

Specifically, but not by way of limitation, the Association shall have the right, and so intends, to enforce the parking restrictions in this Section 10.5. In addition to having the right to tow any vehicle in violation of this Section, the Association shall have the right to levy fines as follows: (i) Fifty and No/100 Dollars (\$50.00) for the first offense during any twelve (12) month period; (ii) Seventy Five and No/100 Dollars (\$75.00) for the second offense during any twelve (12) month period; and (iii) One Hundred and No/100 Dollars (\$100.00) for more than two (2) violations in any twelve (12) month period. Fines imposed for violation of the parking restrictions shall be considered special assessments and shall be due and payable upon receipt of the parking violation. The Association shall have the right to enforce payment of such special assessment in the same manner as it may enforce the collection of any assessments under this Declaration and the Bylaws including charging of interest, payment of late fees and imposing of a lien against the Unit. Each Owner shall be responsible for any parking violation by Owner or anyone in Owner's family, or by any guests or invitees of the Owner.

Notwithstanding anything to the contrary set forth herein, any restriction on the right to park vehicles on public streets contained in this Declaration shall only be applicable to the Owners and their family members and tenants.

Section 6. No Timeshares. No interest in any Unit may be subjected to a time share program as that term is defined in N.C. Gen. Stat. §93A-41(10).

Section 7. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on the Properties or in any dwelling located thereon except that small, common, domestic household pets (less than fifty (50) pounds each, except as may be reasonable and customary for certain large breeds of domesticated dogs) may be kept or maintained in each Unit, provided they are not kept or maintained for commercial purposes and provided that no Owner may have more than three (3) such pets at any one time (excluding fish). Fish tanks shall be limited to the lesser of fifty-five (55) gallon tanks or five hundred fifty (550) pounds (when full). No potbellied pigs, snakes, pit bulls, rottweilers, or Doberman pinchers may be brought onto or kept on the Properties at any time. In addition, other animals determined in the Board's sole discretion to be dangerous shall not be brought onto or kept on the Properties at any time. No pet shall be permitted upon the Common Areas unless carried or leashed by a person that can control the pet. All pets shall be controlled so as not to create a nuisance or unreasonable disturbance (including loud and excessive barking) on the Properties. Each Owner shall clean up immediately after his pet's defecation. All pets shall be registered, licensed and inoculated as required by law. Each Owner shall hold the Association harmless from any claim resulting from any action of his pet and shall repair at his expense any damage caused by his pet. If any Owner violates these rules more than twice in any twelve (12) month period, then in addition to any fines provided in the Bylaws, the Association shall have the right to require the Owner to remove the pet permanently from the Property upon not less than ten (10) days written notice. The Board may, in its discretion, make exceptions to the above rules on a case by case basis.

Section 8. Utilities. Total electrical usage in any Unit shall not exceed the capacity of the circuits for that Unit as labeled on the circuit breaker boxes and no electrical device causing overloading of the standard circuits may be used in any Unit without permission of the Association. All clothes dryers will have lint filters and all stove hoods will have grease screens. Such screens and filters shall be used at all times and kept clean and in good order and repair by the Owner of the Unit in which they are located.

Section 9. Windows. No curtains or draperies shall be installed or hung in any window of any Unit unless they have a white lining or backing on the side exposed to the window. No storm windows shall be installed in any Unit.

Section 10. Yard Art, Signs and Flags. No signs or other advertising devices shall be displayed on or about the exterior of any Unit or on a Lot except in the case of a condominium building one building standard name plate or sign not exceeding twenty four (24) square inches in area on the main door to each Unit, marquis identification signage on the ground floor of the Building, and security system call box signage. In the case of a condominium building, the security system call box signage may have space for contact information to be listed by Owners

leasing or selling Units in the building, and each Owner shall have the right to have his Selling Agent or Managing Agent for his Unit listed in lieu of the Owner. Notwithstanding the foregoing, Declarant shall have the right to maintain upon the Property advertising signs independent of this standard, provided those signs comply with applicable government regulations. No yard art (garden gnomes, lawn jockeys, etc.) or birdhouses or bird feeders shall be permitted unless approved by the Board. Further, no pole or other device for the display of decorative flags shall be erected or displayed on or about the exterior of any Unit or in the Common Elements unless approved in advance by the Association, excluding the display of one (1) standard sized (not to exceed three feet by five feet) flag of the United States of America or the State of North Carolina, not to hang or extend over any perimeter vertical plane of any balcony railing, if applicable, which form of attachment shall be approved or disapproved by the Association. In the event that the Association approves installation of a pole or device for the display of decorative flags, any such flags displayed by an Owner shall be in good taste and shall not contain lewd or offensive displays or material.

Section 11.Maintenance. Unless such responsibilities are delegated to and accepted by a Subassociation under a Subdivision Declaration, the Owner of each Lot is responsible for maintaining his Lot. Each Owner shall keep his respective Lot in a clean, neat and orderly condition and in a good state of maintenance and repair. If an Owner fails to comply with the standards or requirements of the Association relative thereto, the Association shall assess the defaulting Owner the cost thereof and shall undertake to effect said compliance.

Section 12.Rules and Regulations. In addition to the use restrictions set forth in this Declaration, reasonable rules and regulations governing the use of the Properties may be made and amended from time to time by the Association. Copies of such regulations and amendments thereto shall be posted prominently prior to their effective date and shall be furnished by the Association to all Owners upon request.

Section 13.Satellite Dishes and Antennas. *In no event shall any exterior television antenna or satellite dish be mounted or placed on the exterior surface or patio balcony of any condominium or townhome Unit without the Association's prior written approval, to be granted in the Association's sole discretion. In the case of a condominium building, a rooftop exterior television antenna and satellite dish area may be established for placement of these devices and shall then be the only area in and around the building that such devices shall be permitted. In addition, the Board may require that in the event a condominium Association contracts with one (1) satellite service vendor to provide building-wide subscription services for the Unit owners, then all Owners shall obtain satellite service solely from this vendor. In all instances, any antenna or satellite dish located on this rooftop area must be screened from public view. Only in the event there is no Association authorized service vendor available to provide service as described above, then prior to installing the antenna or satellite dish, the Owner shall furnish to the Board a copy of the Owner's installation plans. The Association shall have the right to perform any portion of the installation work at the expense of the Owner, or to require that any portion of the work be performed by contractors designated by the Board and in ways consistent with the existing infrastructure, shafts, and penetrations in the building. The Owner shall also be responsible for removal of any antenna or satellite dish and associated mounting and wiring*

if and when services for the device are cancelled. In addition, the Owner shall be responsible for any damage caused by the removal of the antenna or satellite dish and associated mounting and wiring, including the sealing of conduits or other roof penetrations. Any Owner installing an antenna or satellite dish under this Section 10.14 shall indemnify, defend and hold the Association harmless from and against any loss, damage, claim or other liability resulting from the installation, maintenance, repair, use and/or removal of the antenna or satellite dish, including but not limited to any damage to the corridor walls and ceilings as well as the roof of the building or other property damage caused by installation or use or roof leaks.

Section 14.Firearms and Fireworks. The display or discharge of firearms or fireworks on the Properties outside any Unit, is prohibited; provided, however, the display of firearms is permitted by law enforcement officers and also is permitted for the limited purpose of transporting the firearms across the Common Areas to or from the Owner's Unit. The term "firearm" includes BB guns, pellet guns, and other firearms of all types, regardless of size.

Section 15.Garage Sales. Garage sales, yard sales, flea markets or similar activities are prohibited unless approved in writing by the Board.

Section 16.Colors. No exterior colors on any Structure shall be permitted that, in the sole judgment of Declarant or the Architectural Committee, would be inharmonious or discordant or incongruous. Any future exterior color changes desired by an Owner must be first approved by the Architectural Committee.

Section 17.Factory Built Structures. No structure of any kind of what is commonly known as "factory built", "panelized", or "mobile home" type construction shall be erected on any Lot. Only on-site stick built homes are allowed.

Section 18.Subdivision and Recombination of Lots. No Lot shall be subdivided without the written consent of Declarant, or following the Declarant Control Period, by the decision of the Board. 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 19.No Implied Waiver. The above restrictions on the use and development of Lots by Owners shall not be construed as limiting the right of review and analysis afforded Declarant and the Architectural Committee. The failure of Declarant to object to an Owner or another person's failure to comply with the covenants and restrictions contained herein shall in no event be deemed a waiver by Declarant, or any other Person having an interest herein, of its rights to object to the same and to seek compliance therewith in accordance with the provisions of this Declaration.

ARTICLE XI

RIGHTS OF FIRST MORTGAGEES AND INSURERS OF FIRST MORTGAGES

Any institutional holder of any mortgage on a Lot will, upon request in writing to the Association, shall be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive written notice of all meetings of the Association and the right to designate a representative to attend all such meetings, (c) receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the Lot securing its mortgage, (d) receive written notice of any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Lot on which it holds the mortgage, (e) receive written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association, (f) receive written notice of any proposed action that requires the consent of a specified percentage of mortgage holders, (g) be furnished with a copy of any insurance policy owned by the Association, and (h) to be furnished with at least one copy of the annual financial statement and report of the Association, prepared by a certified public accountant designated by the Association, including a detailed statement of annual carrying charges or income collected and operating expenses. The Association may require the payment of expenses incurred in preparing copies and mailing of documents furnished to mortgage holders pursuant to this Article.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Enforcement. In addition to rights granted elsewhere herein, if any Owner or occupant has failed in any of the duties or responsibilities of such Owner as set forth in this Declaration (to the extent applicable) or in any applicable Supplemental Declaration, then the Board of the Association or Declarant may give such person written notice of such failure and such person must within ten (10) business 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,) perform the care and maintenance required or otherwise perform the duties and responsibilities of such Owner. Should any such person fail to fulfill this duty and responsibility within such period, then the Association, acting through its authorized agent or agents, 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 otherwise to any person. The Owner of Lot on which such work is performed shall be liable for the cost of such work together with interest on the amounts expended by such Association or the declarant in performing such work computed at the highest lawful rate from the date(s) such amounts are expended until repaid to such Association or the Declarant, as the case may be, and for all costs and expenses incurred in seeking the compliance of such Owner with his duties and responsibilities hereunder and shall reimburse such Association or the Declarant, as the case may be, on demand for such costs and expenses (including interest as above provided). If such Owner shall fail to reimburse such 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 such Association or the Declarant, then, without limitation of any other rights of such Association or Declarant, such Association may issue a special assessment against such Owner. In addition to the above, and without limiting any similar rights herein granted, the Board may impose fines against any Lot for a violation of any of the terms and covenants as set forth in this Declaration. Said fines shall be treated as a special assessment due to the Association, and as such will be a lien against the Owner's Lot. Fines shall be paid not less than thirty (30) days after notice of the imposition or assessment of the fines. The fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Association may otherwise be entitled. The Board may impose a fine not to exceed One Hundred and No/100 Dollars (\$100.00) per day for a violation of the terms and covenants of this Declaration, said violations may include, without limitation, violations of the rules and regulations of the Architectural Committee, violations of the Declaration regarding the proper procedures for obtaining architectural approval, failure to construct any Structure in accordance with approved plans or in the timely manner required hereunder, or failure to properly maintain the Structures or landscaping on one's Lot.

Section 2. Insurance. In the event the Association becomes the Owner of any buildings, or other improvements, or personal property, located within the Common Area, the Board of Directors shall obtain hazard insurance (if available) in an amount equal to the maximum insurable replacement value as determined annually by the Board of Directors with the assistance of the insurance company providing such coverage. Such coverage shall provide protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and such other risks as from time to time shall be customarily covered with respect to buildings and properties similar in construction, location and use.

Commencing not later than the time of the first conveyance of a Lot to a Person other than the Declarant, the Association shall procure and Maintain (i) hazard insurance on the Common Area, insuring against all risk of loss commonly insured against, including fire and extended coverage of peril, and (ii) liability insurance, insuring each member of the Board of Directors; the manager, if any; and the Association against any liability to the public or to homeowners (and their invitees, agents, and employees) arising out of or incident to the ownership and/or use of the Common Area and facilities, or such other areas for which the Association is responsible, in an amount of not less than one million dollars (\$1,000,000.00), covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use ownership or Maintenance of Common Area. The Association shall obtain and Maintain such other insurance as required in this Declaration or such other forms of insurance, and in such coverage amounts, as determined by the Board to be required or beneficial for the protection or preservation of the Common Area and other property of the Association or otherwise is in the best interests of the Association. The premiums for such insurance shall be a Common Expense paid from the annual assessments as established pursuant to this Declaration. The insurance shall be issued on a comprehensive liability basis and shall contain a cross liability endorsement under which the rights of each named insured under the policy shall not be prejudice with respect to his action against another named insured. There shall also be obtained such other insurance coverage as the Board of Directors shall determine from time to time to be desirable and necessary.

Section 3. Severability. Invalidation of any one or more of the covenants, conditions or restrictions of this Declaration by judgment or court order by a court of competent jurisdiction shall in no way affect any other provisions of this Declaration, which shall remain in full force and effect to the full extent under applicable law.

Section 4. FHA/VA Approval. Notwithstanding any provisions in this instrument to the contrary, as long as there is a Class B membership, and if Declarant desires to qualify sections of the Properties for Federal Housing Administration or Veterans Administration approval (but not otherwise), the following actions will require the prior approval of Federal Housing Administration or the Veterans Administration: Annexation of additional properties, amendment of the Declaration of Covenants, Conditions and Restrictions, merger and consolidations, dissolution and exchange of Common Areas.

Section 5. Term of Declaration; Amendment. The covenants, conditions and restrictions of this Declaration shall run with and bind the Properties for a term of thirty (30) years from the date this Declaration is recorded in the Wake County Registry, after which time they shall be automatically extended for an unlimited number of successive periods of ten (10) years each, unless the Members, by an eighty percent (80%) vote, elect not to so continue the Declaration and record an instrument to that effect. This Declaration may be amended by an instrument signed by the Owners of not less than two-thirds (2/3) of the voting authority hereunder, as described in Article IV.

Furthermore, the Declarant, for so long as it controls the Board, and thereafter, the Board of Directors, may amend this Declaration without the consent of the Owners and hereby reserves the right to act on behalf of the owners to conform this Declaration to the requirements of any law or governmental agency having legal jurisdiction over the Properties or to qualify the Properties or any units therein for mortgage or improvement loans made, guaranteed or insured by a governmental agency, including, without limitation, Veterans Administration, Federal Housing Administration, Federal National Mortgage Association, Housing and Urban Development and Federal Home Loan Mortgage Corporation, or to comply with the requirements of law or regulations of any governmental corporation or agency regarding purchase of mortgage interests in units by such agency. A letter from any such agency stating that a change is desired or necessary in order to qualify the Properties or any units for loans eligible to be guaranteed by, insured by or purchased by such agency, shall be sufficient authority for the amendment of this Declaration.

No Amendment affecting the Private Drainage Easements, the maintenance of the Stormwater Control Measures situated therein, the payment of assessments and the annual replacement contribution to the City of Raleigh, or any provisions of or powers granted by Article XIV shall be made without the prior written consent of the Raleigh City Attorney or his or her Deputy. *See also Article XIV, Part A, Section 4.*

In the event that the Association becomes insolvent, is dissolved or, for any reason whatsoever, loses the ownership of any of the Stormwater Maintenance Facilities or Common Areas, the Owners of Lots having an interest in such Common Areas and Stormwater

Maintenance Facilities shall, so long as shared stormwater control measures are required by the City of Raleigh, form a non-profit corporation and assign to it the duty and authority to assess on a per lot basis all Lots using such Common Area and Stormwater Maintenance Facilities, whereupon such corporation shall maintain such Common Area and Stormwater Maintenance Facilities in the same manner that the Association is empowered to do by this instrument with the same right of lien for assessments provided for herein.

Section 6. Certification of Amendment. If any amendment to this Declaration is executed, each such amendment shall be delivered to the Board of Directors of the Association. Thereupon, the Board of Directors, shall, within thirty (30) days do the following:

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

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

CERTIFICATION OF VALIDITY OF AMENDMENT TO
MASTER DECLARATION OF RAMBLEWOOD

By authority of its Board of Directors, _____ hereby certifies that the foregoing instrument has been duly executed by the Owners of _____ percent of the voting authority of Lots of Ramblewood and is, therefore, a valid amendment to the existing covenants, conditions and restrictions of the Declaration of Covenants, Conditions and Restrictions for Ramblewood.

President

ATTEST:

Secretary

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

All amendments shall be effective from the date of recordation in the Wake County Registry. When any instrument purporting to amend the covenants, conditions and restrictions has been certified by the Board of Directors, recorded and indexed as provided by this Section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to all persons thereafter purchasing any Lots in Ramblewood.

Notwithstanding the foregoing, an amendment which requires the approval of the applicable governmental attorney (City Attorney or County Attorney) shall not be effective until approved, in writing, by said attorney.

Section 7. Prohibition Against Association Entering Into Long Term Contract While Declarant in Control of the Board of Directors. Until such time as the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership, or December 31, 2015, whichever occurs first, the Association is not bound either directly or indirectly to contracts or leases (including a management contract) unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after the occurrence of one of the above events, upon not more than 90 days notice to the other party.

Section 8. Notice. 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.

Section 9. 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 10.No Exemption. No Owner or other party may exempt himself from the coverage hereof or obligations imposed hereby by non-use of such Owner's Lot(s) of the Common Area.

Section 11.Statutory Authority. To the extent specific statutory authority for the making of this Declaration shall be deemed necessary, this Declaration shall be construed in accordance with Chapter 47F of the North Carolina General Statutes. Liens for assessments would be asserted as a lien under N.C.G.S. 47F-3-116 if statutory authority is deemed necessary.

Section 12.No Reversionary Interest. No provision hereof shall be deemed to vest in Declarant or any other person any reversionary interest in any lot.

Section 13.Assignment. Declarant specifically reserves the right, in its sole discretion, to at any time assign (temporarily or permanently) any or all of its rights, privileges, and powers under this Declaration or under any Supplemental Declaration.

ARTICLE XIII

EASEMENTS

Section 1. Easements Reserved by Declarant. Easements for installation, maintenance, repair and removal of utilities and drainage facilities 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). 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, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility. Declarant shall have the right to assign and convey, in whole or in part, the easements reserved by it hereunder to one or more public utility companies. No new easements shall be established hereafter without consent of the Owner of the Lot which is subjected to such an easement. It is understood and agreed that Declarant has the right to impose other easements on Lots which it owns.

Section 2. Easements Appurtenant to Lots. All Common Area, shall be subject to an easement in favor of every Lot to which they are adjacent or which they are designated to serve and shall be deemed appurtenant to each such Lot, whereby the Owner of each such Lot shall be entitled to use them as a means of ingress, egress and regress and such other uses shall have been designated. Such easement shall be superior to the lien of every mortgage or deed of trust.

Section 3. Emergencies. Every Lot shall be subject to an easement for entry by the Association for the purpose of correcting, repairing, or alleviating any emergency condition which arises upon any Lot and that endangers any building or portion of the Common Area.

Section 4. Easement for Governmental Agencies. An easement is hereby established over the Common Area for the benefit of applicable governmental agencies, public utilities companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical, telephone, gas and cable antenna lines, fire fighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities.

Section 5. Emergency Vehicle Access. Neither the Association nor Members shall restrict emergency vehicle access.

Section 6. Easement and Right of Entry for Repair, Maintenance and Reconstruction. If any dwelling is located closer than five (5) feet from its lot line, the Owner thereof shall have a perpetual access easement over the adjoining lot to the extent reasonably necessary to perform repair, maintenance or reconstruction of his Dwelling. Such repair, maintenance or reconstruction shall be done expeditiously and, upon completion of the work, the Owner shall restore the adjoining lot to as near the same condition as that which prevailed prior to the commencement of the work as is reasonably practicable.

Section 7. [Intentionally Omitted].

Section 8. Access Easement for Repair of Structures. A perpetual access easement over an adjoining Lot hereby is established in favor of each Owner or tenant of a residence or business, and the contractors of such Owner or tenant, whose residence or business is located closer than five (5) feet from an adjoining Lot line, for the purpose of allowing the residence or business to be Maintained. No fence, wall, storage shed, or similar structure or any other kind of

obstruction shall be permitted in the easement area that will obstruct access to the residence or business.

Section 9. Access for Governmental Agencies. A non-exclusive, perpetual right of access over all Lots and Common Areas (including private streets, if any) in the Properties is hereby established for the benefit of Governmental Entities for installing, removing and reading water meters, Maintaining and replacing water and sewer facilities, fire lines, and acting for other purposes consistent with public safety and welfare, including law enforcement, fire protection, animal control, emergency services, garbage collection and the delivery of mail.

Section 10. Conveyance or Dedication of Common Areas. Common Areas, including Open Space, shall either be conveyed to the Association in fee simple without any encumbrances except this Declaration, drainage, greenway, utility and conservation easements of record at the time of conveyance, and the lien of real property taxes not yet due and payable, or conveyed to the City as allowed or required under the Code. Common Areas may be conveyed to the City free of part or all of the provisions of this Declaration, as determined by the Declarant and the City. Title to Common Areas shall be conveyed to the Association or to the City no later than the time of the conveyance of the first Lot within the applicable phase of the Properties. The Association shall accept all Common Areas, including the improvements installed thereon by the Declarant, deeded to it and/or dedicated to it on any recorded plat of the Properties, whether or not the conveyance or dedication occurs prior to the time of the conveyance of the first Lot within the applicable phase of the Properties.

Section 11. Private Utility Lines. Any water or sewer line that serves more than one Lot and which is either located outside of any public street right-of-way or outside of any City utility easement shall be owned and Maintained by the Association as Common Area. In no case shall the City or the State of North Carolina be responsible for Maintaining any such private utility line or be responsible for the consequences for any blockage, backflow, break or leak in said utility line. Such responsibility shall rest with the Association (or applicable Sub-Association) and Owners of Lots within the Properties. Accordingly, the City shall not be responsible for failing to provide regular or emergency utility services to any cluster unit development, unit Ownership (condominium) development, group housing development, townhouse development, or manufactured home park or their occupants when such failure is due to inadequate design or construction, blockage, backflow, leakage, inadequate maintenance, or any other factor within the control of the Declarant, the Association, or the Owners or occupants of the Properties. The provisions of this Section shall be incorporated into all conveyances of any part or all of the Properties, which incorporation may be by reference to this Declaration. Provided, however, the provisions of this Section and all other provisions of this Declaration are applicable to the portions of the Properties conveyed and the Owners thereof, whether or not any such provisions are incorporated into the conveying documents.

Section 12. Landscape Easements. The Association shall be responsible for Maintaining and replanting any shrub or tree located within any area designated on a recorded map of the Properties as a landscape easement or similar designation. Association expenses for Maintaining or replanting any shrub or tree located in a landscape easement or similar designation are

Common Expenses. Whenever a slope easement co-exists, in whole or in part, within a designated landscape easement, and any future public improvement adjacent to the slope easement removes or causes any of the shrubs or trees within the slope easement to die or become unhealthy (as defined in Part 10 Chapter 2 of the Code), it shall be the responsibility of the Association to replace the shrubs and trees in accordance with the minimum applicable quantity, size and spacing requirements of the Code within one-hundred and eighty days of completion of the public improvement. Within any area designated on recorded maps of the Properties as a landscape easement or similar designation, no vegetation shall be removed without the prior written consent of the Association. Notwithstanding the foregoing, no Governmental Entity shall be required to obtain the consent of the Association when working within slope easements, greenway easements or construction easements.

Section 13. Sight Triangles. No sight obstructing or partially obstructing wall, fence, foliage, berm, parked vehicle or sign between two feet and eight feet tall, as measured above the curb line elevation or the nearest traveled way if no curb exists, shall be placed within any area designated on a recorded map of the Properties as a sight triangle or other similar designation. An easement over sight triangles is reserved for the benefit of the Declarant, the Association, and the City, and their respective agents and contractors for the purpose of removing any such obstruction, and a Person entering onto a Lot pursuant to such easement for the purpose of removing such obstruction shall not be deemed a trespasser and shall not be liable for damages to the Association or the Owner of the Lot with respect to the obstruction removed from the site triangle. It shall be the responsibility of the Association (as to Common Area) or Owner of the Lot, as soon as reasonably practicable following removal of any obstruction from the sight triangle, to restore the portion of the Properties previously occupied by the removed obstruction to the condition required or permitted by the Code and the Governing Documents.

Section 14. Drainage Easement. The Declarant dedicates, establishes and declares to and for the benefit of each Lot, the Common Area and each Owner hereof:

(a) a perpetual, irrevocable and nonexclusive easement, right and privilege to discharge and store surface water drainage from such Lot or Common Area into the Stormwater Control Measures situated in private drainage easements that serve the Properties, whether located on or off of the Properties, and

(b) a perpetual, irrevocable and non-exclusive easement, right and privilege to use and Maintain Stormwater Control Measures, including the right of access to and from the private drainage easements and other portions of the Properties as reasonably necessary to Maintain the Stormwater Control Measures.

Section 15. Relocation of Drainage Easements. Drainage easements situated on the Properties may be relocated only by a written agreement signed by the Association - upon approval of the Board of Directors without vote of the Members - and by the Owners of all portions of the Properties on which the drainage easement then is located, and by the Owners of all portions of the Properties on which the drainage easement is to be relocated. The consent of tenants and Mortgagees of the affected Lots shall not be required for the relocation to be effective. All relocations of a drainage easement shall be accompanied with a letter sealed by a

Professional Engineer licensed in the State of North Carolina stating that the relocated drainage easement will not cause any adverse stormwater runoff unto adjoining properties.

Notwithstanding anything herein to the contrary, no relocation of any drainage easement shall be valid without the without the prior approval of the City's Director of Public Works or his/her Deputy. City approval shall be evidenced by the signature of the City's Director of Public Works or his/her Deputy on the recorded plat or other instrument of the relocation. Any relocation, without the required City signature is void *ab initio*. Relocation of a drainage easement is valid from the later of the time of either recording of the plat or other instrument of relocation in the Registry or such later date specified therein

ARTICLE XIV

RALEIGH CITY CODE REQUIREMENTS

PART A DEFINITIONS AND GENERAL REQUIREMENTS

Section 1. Definitions. As used in this Article, the following words and terms have the following definitions, unless the context in which they are used clearly indicates otherwise (when any of these and other defined words or terms in this Article have an initial capital letter, however, it is not required that their use have initial capital letters in order to have the defined meaning). Some or all of the following words and terms may have the same definitions in other portions of this Declaration; if so, they are being repeated here for convenience; if not, as used in this Article, they have the definitions contained in this Article. Words and terms defined in other portions of this Declaration and not defined in this Article but used in this Article have the definition defined for them in such other portions of this Declaration, unless those definitions are superseded or modified as a result of the conflict rules set forth in Section 3 of this Part A (for example, words and terms defined by the Code and used in this Declaration have the definitions contained in the Code, notwithstanding that they may be defined differently in this Article or other portions of this Declaration; however, to the extent that a word or term is defined in this Article or other portions of this Declaration differently from how it is defined in the Code, and the definitions do not conflict, then both definitions are applicable). With respect to words and terms used herein, the singular shall include the plural, the plural shall include the singular, and one gender shall include all.

(a) "Act" is defined as the North Carolina Planned Community Act, as contained in Chapter 47F of the North Carolina General Statutes (or as contained in any successor portion of the North Carolina General Statutes), as the same exists from time to time. The Act is referred to herein from time to time as G.S.47F, with the particular section number following the G.S.47F reference (for example, G.S.47F-1-101). Words and terms used in this Article that are defined in the Act but not defined in the Code (for example, the term special declarant rights), have the definition contained in the Act.

(b) "Annexation Declaration" is defined as a document, by whatever name denominated, that is recorded for the purposes of annexing Annexed Property to this Declaration and causing such

Annexed Property to be subject to the scheme of covenants, charges, conditions and restrictions contained in this Declaration and including any additional covenants, charges, conditions and restrictions contained in the Annexation Declaration.

(c) “Annexed Property” is defined as all real property annexed or subjected (those two terms being used interchangeably herein) to any part or all of the terms of this Declaration following the initial recording of this Declaration in the Registry.

(d) “Association” is defined as the nonprofit corporation organized and operated under the laws of the State of North Carolina as the property Owners association for the Properties. Sub-Association (if applicable) is defined as a nonprofit corporation organized and operated under the laws of the State of North Carolina as the property Owners association for a portion of, but not all of, the Properties. There may be one or more Sub-Associations (if applicable) with respect to the Properties. An example of a Sub-Association is a property Owners association for a townhouse development that is part of a cluster unit development which has an Association for the cluster unit development. All references herein to an Association that is, in fact, a Sub-Association, are deemed corrected accordingly.

(e) “Board” is defined as the board of directors of the Association, and is the Executive Board as defined in the Act. The Board is responsible for the management and administration of the Association as provided for in this Declaration and in the Act.

(f) “City” or “City of Raleigh” is defined as the City of Raleigh, North Carolina, a North Carolina municipal corporation.

(g) “Code” is defined as the Raleigh City Code of Ordinances as it exists from time to time, and includes all duly adopted regulations, rules, directives, and policies of the City pursuant to or in furtherance of the Code.

(h) “Common Area” is defined as real property, together with any improvements situated thereon, intended for the common use and benefit of Owners and occupants of the Properties, however such real property is described on a plat or document recorded in the Registry. Common Area may be owned or leased by the Association or it may be owned by another Person with the Association having a right or easement therein (for example, part or all of a private stormwater drainage easement located on either a Lot or real property that is not part of the Properties and that serves more than one (1) Lot in the Properties or a right of the Association to use of a portion of a public street right-of-way pursuant to an encroachment agreement with the City). Common Areas include all of the following:

- (1) any private street and private walkways in the Properties (but excluding private walkways on and solely for the benefit of an individual Lot);
- (2) Stormwater Control Measures;
- (3) any water or sewer utility line that serves more than one Lot and which is either located outside public street rights-of-way or outside any City utility easement;

- (4) any site or facility designated a common area, common property open space, open space common area, amenity area, or other similar designation on any recorded plat or map of the Properties, or in this Declaration;
- (5) any Code-required shared facility or Open Space for the Properties, except for Open Space owned by the City;
- (6) any public road right-of-way dedicated to the public on plats and maps of the Properties recorded in the Registry but not accepted for public Maintenance by the appropriate Governmental Entity. Provided, however, that the fact that a street or road has not been accepted by the applicable Governmental Entity shall not relieve the Declarant of the obligation to take such action as is necessary to have it accepted. The Association has the right to enforce this Declarant obligation, and the Declarant shall be liable to the Association for all costs and expenses, including court costs and reasonable attorney's fees, incurred by the Association in connection with such unaccepted street improvements and enforcement of its rights against Declarant hereunder; and
- (7) any object or improvement located on, under, in or over public property or public right-of-way which object or improvement is subject to an encroachment agreement with a Governmental Entity that is recorded in the Registry, and may include: signs, landscaping, irrigation facilities, drain pipes, decorative surfaces and brick pavers.

Common Area that is owned by or subject to being Maintained by a Sub-Association is Sub-Association Common Area, even if it is referred to in this Declaration or in any recorded plat of the Properties as Common Area instead of Sub-Association Common Area. Common Area, if any, established by the Declarant or the Association for the benefit of fewer than all of the Owners and occupants of the Properties is Limited Common Area, and such Limited Common Area and the Owners and occupants of the applicable portion of the Properties for whose benefit the Limited Common Area exists are subject to the same Code provisions as those applicable to Common Area. All references herein or in any recorded plat of the Properties to Common Area that is, in fact, Limited Common Area, are deemed corrected accordingly. Sub-association Common Area, if any, owned by or subject to being Maintained by a Sub-Association for the benefit of fewer than all of the Owners and occupants of the applicable portion of the Properties is Sub-Association Limited Common Area, and such Sub-Association Limited Common Area and the Owners and occupants of the applicable portion of the Properties for whose benefit the Sub-Association Limited Common Area exists are subject to the same Code provisions as those applicable to Sub-Association Common Area. All references herein or in any recorded plat of the Properties to Limited Common Area or Sub-Association Limited Common Area that is, in fact, Common Area or Sub-Association Common Area, are deemed corrected accordingly.

(i) "Common Expense" is defined as all of the expenses incurred by the Association in furtherance of its rights and responsibilities under the Act, the Code, and the Governing Documents and including specifically, but without limitation, all of the following: (Expenses for the Maintenance of Limited Common Area are Limited Common Expenses, which is a subcategory of Common Expense.)

- (1) All sums lawfully assessed by the Association against its Members;

- (2) Expenses of the Common Area and administration, inspection and Maintenance of the Common Area;
- (3) Expenses classified as Common Expenses under the Act, the Code, or under the provisions of this Declaration or other Governing Documents;
- (4) Expenses for acquisition, Maintenance, repair, restoration, replacement, use and operation of personal property owned or leased by the Association for the benefit of the Members;
- (5) Premiums for property, liability or such other insurance premiums as this Declaration or other Governing Documents may require the Association to purchase;
- (6) Ad valorem taxes and public assessment and charges lawfully levied against any Common Area owned in fee simple by the Association;
- (7) Fees or charges for utilities used in connection with the Common Area;
- (8) Any unpaid Association assessment following the foreclosure of a first mortgage or first deed of trust or an assessment lien;
- (9) Allocations to reserve funds;
- (10) Payments owed to the City pursuant to any Stormwater Agreement, except for payments in such Stormwater Agreement owed to the City by the Declarant;
- (11) Fees for services engaged by the Association;
- (12) Costs and expenses for which the Association is obligated under any encroachment agreement or other agreement with the City or other Governmental Entity;
- (13) Financial obligations of the Association or financial obligations of Members with respect to which the Association has responsibility for collection and payment;
- (14) Expenses incurred by the Association in performing its functions and providing services, including operating, management, enforcement and administrative expenses; and
- (15) Expenses agreed by the Members to be Common Expenses of the Association.

(j) "Declarant" is defined as Ramblewood 2005, LLC, its successors and assigns.

(k) "Declarant Annexation Date" is defined as the last date and time on which the Declarant has the right to annex real property to this Declaration without the consent or joinder of any Person other than the City, which date is 5:00 p.m. on December 31, 2012 (or, if no date is entered in the blank space, is 5:00 p.m. on the date that is seven (7) years following the date of the recording of this Declaration). The timeliness of an Annexation Declaration is determined by the date of its recordation as stamped by the Registry notwithstanding its date of execution.

(l) "Declarant Control Period" is defined as any period of Declarant control of the Association, as provided in 47F-3-103(d) of the Act and established in this Declaration (which may include a vote allocation that gives Declarant, by itself, sufficient voting power to elect members of the Board).

(m) "Declaration" is defined as the document, however denominated, which contains this Article, together with all exhibits and amendments to the document.

(n) "Fiscal Year" is defined as the calendar year until such time as the Board, by appropriate resolution, establishes a different Fiscal Year for the Association.

(o) "Governing Documents" is defined as all of the following: this Declaration; the Articles of Incorporation and Bylaws of the Association; architectural guidelines and bulletins and rules and regulations of the Association; Annexation Declarations; and other declarations of restrictive or protective covenants applicable to the Properties; and all Sub-Association documents (with respect to those portions of the Properties subject to such Sub-Association documents), as the same may be amended, restated or supplemented from time to time.

(p) "Governmental Entity" is defined as the City, the Counties of Wake and Durham, North Carolina, the State of North Carolina, the United States of America and all other governmental entities and quasi-governmental entities that have jurisdiction over the Properties or any part thereof, and all applicable departments and agencies of any of them, whichever Governmental Entity or entities is/are applicable.

(q) "Include" or "Including" is defined as being inclusive of, but not limited to, the particular matter described, unless otherwise clearly obvious from the context.

(r) "Lot" is defined as any numbered or lettered portion of the Properties, together with any improvements thereon, which is shown upon any recorded plat of any part or all of the Properties, and which is not any of the following: dedicated street rights-of-way; Common Area; Open Space owned in fee simple by the Association; greenway or park lands owned in fee simple by the City.

(s) "Maintain", "Maintenance", "Maintaining", or any similar term used herein is defined to include any one or more of the following, as the context requires: acquisition, purchase, construction, re-construction, installation, maintenance, inspection, examination, upkeep, cleaning, renewal, alteration, repair, replacement, repainting, remodeling, restoration, removal, improvement, administration, operation, use, planting, mowing, cutting, trimming, pruning, fertilizing, watering and preservation. Provided, however, this definition is not applicable to Section 8 of Part A of this Article.

(t) "Member" is defined as each Person who or which holds membership in the Association.

(u) "Mortgagee" is defined as the beneficiary or payee under any mortgage or deed of trust, and the terms mortgage and deed of trust are deemed to refer to both mortgages and deeds of trust.

(v) "Open Space" is defined as open space areas shown on preliminary subdivision plans filed with the City and delineated on any recorded plat of the Properties or the open space areas required by the Code or by the conditional use zoning of the Properties for the perpetual benefit of the Owners. Open Space areas required under the Code are required as compensation for the flexible lot dimensions allowed on part or all of the Properties and Open Space areas in Conditional Use Zoning Districts may be required as consideration for such conditional use

zoning. Accordingly, Open Space may not be conveyed except in strict compliance with the Code. Under the Code, Open Space may be owned by the Association, a Sub-Association, or by the City. Open Space owned by the Association or a Sub-Association is Common Area or Sub-Association Common Area, as appropriate.

(w) "Operating Deficit" is defined as the difference between the total amount of the annual assessments for a Fiscal Year levied on all Lots and the amount of actual expenditures by the Association during the Fiscal Year for Common Expenses, including funding of reserves, but excluding (i) amounts levied against a Lot, but which are not paid, and (ii) special assessments for capital improvements.

(x) "Owner" is defined as the record Owner, whether one or more Persons, of fee simple title to any Lot, and shall include Declarant as to any Lot owned by Declarant. "Owner" shall not include any Person who holds an interest in a Lot merely as security for the performance of an obligation or as a tenant.

(y) "Person" is defined to include any natural person, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, Governmental Entity (including the City), or other entity.

(z) "Properties" is defined as all of the real property subject to any part or all of the terms of this Declaration. The amount of acreage of the Properties at the time of the recording of this Declaration is 19.24 acres.

(aa) "Registry" is defined as the office of the Register of Deeds (or any successor office under applicable law) for the North Carolina County or Counties in which deeds, plats, easements, mortgages and deeds of trust for the Properties are recorded. All references herein to recording or to any requirement to record a document or plat refer to recording in the Registry of the County or Counties in which the applicable portion of the Properties is situated.

(ab) "Stormwater Agreement" is defined as any agreement recorded in the Registry among the Declarant, the Association, and the City, or between the Declarant and the City, or between the Association and the City, relating to Stormwater Control Measures for the Properties or any part thereof, and includes all amendments and supplements to such agreements. A Stormwater Agreement with the City includes the Stormwater Replacement Protection Easement and Access Maintenance Agreement and Installment Replacement Contribution Contract and the Stormwater Replacement Protection Easement and Access Maintenance Agreement and Lump Sum Replacement Contribution Contract (those names being subject to change from time to time under the Code).

(ac) "Stormwater Control Measures" or "Stormwater Control Facilities", such terms being used interchangeably herein and in the Stormwater Agreement, is defined as one or more of the following devices and measures, together with associated private stormwater drainage easements (however identified on a plat or in a document) that serves the Properties: conduits, inlets, channels, pipes, level spreaders, ditches, grassed swales, sand filters, wetponds, dry detention

basins, wetlands, permanently protected undisturbed open space areas, bio-retention areas, retention or detention ponds, and other devices and measures, necessary to collect, convey, store, and control stormwater runoff and pollutants for more than one (1) Lot in the Properties, and which are located outside public street rights-of-way and City drainage easements. Private stormwater drainage easements that serve more than one (1) Lot in the Properties, however identified on a recorded plat or in a recorded document, are deemed to be dedicated to the Association for the benefit of the Properties or applicable portion thereof. All Stormwater Control Measures are Common Area or Limited Common Area, or Sub-Association Common Area or Sub-Association Limited Common Area, as applicable.

(ad) "Stormwater Operations Maintenance Manual and Budget" is defined as that manual; however named, attached to and incorporated into the Stormwater Agreement as an exhibit for the Maintenance of Stormwater Control Measures and the payment of the costs thereof.

Section 2. Applicability. The Properties, this Declaration and the other Governing Documents are subject to the ordinances, regulations, and rules of the City, and shall be construed in accordance with all of the applicable provisions of the Code, whether or not such Code provisions are specifically referenced in this Declaration. There may be certain provisions of the Code that apply to all of the Properties and certain provisions of the Code that apply only to certain portions of the Properties (for example, provisions of the Code relating to private streets apply only to those portions of the Properties that contain private streets). It shall be the responsibility of the Association and each Owner of each portion of the Properties to comply with all provisions of the Code applicable to such portion of the Properties, whether or not any approval, disapproval, waiver or variance of the terms of this Declaration with respect to such portion of the Properties has been given by the Declarant or its authorized agent, the Board, any committee of the Board, or any other Person who has the authority to give such approval, disapproval, waiver or variance.

Section 3. Conflicts.

(a) Some or all of the Properties may be subject to the provisions of the Act. To the extent that Properties are subject to the Act, the provisions of the Act control over any inconsistent provisions of this Declaration, any Annexation Declaration or any other Governing Documents.

(b) The provisions of the Code control over any inconsistent provisions of this Declaration, any Annexation Declaration or any other Governing Documents. As applicable provisions of the Code are amended, modified, revised, deleted, or moved to different sections, this Declaration and all Annexation Declarations are deemed to be revised so as to conform to the provisions of the Code as they exist from time to time and are applicable to the Properties or any part thereof. Provided, however, any provision of this Declaration or any Annexation Declaration that is more restrictive than an applicable provision of the Code (for example, a building setback distance required by this Declaration or an Annexation Declaration that is greater than that required by the Code) is not an inconsistent provision of this Declaration unless the Code specifically provides otherwise, and is not deemed revised to conform to the Code.

(c) The provisions of this Article control over any inconsistent provisions of any other portion of this Declaration, any Annexation Declaration or any other Governing Documents.

(d) The provisions of this Declaration control over any inconsistent provisions of any other Governing Documents, except as to matters of compliance with the North Carolina Nonprofit Corporation Act, in which event the Articles shall control.

Section 4. Amendment of Declaration. Amendments to this Declaration are valid from the later of the time of recording in the Registry or such later date specified in the amendment. When City approval of an amendment is required by the Code or by a provision of this Declaration (including this Article), City approval shall be evidenced by the signature of the Raleigh City Attorney or his/her Deputy on the recorded original or copy of the amendment. Any amendment of this Article of this Declaration must have prior City approval. Any amendment of this Article or any other provision of this Declaration that requires City approval is void *ab initio* if recorded without the required City signature.

Section 5. Assessments.

(a) Obligation for Assessments. Each Owner, by execution of this Declaration or by acceptance of a deed or other instrument conveying title to a Lot, whether or not it shall be so expressed therein, is deemed to consent and agree to pay to the Association (or to any Person who may be designated by the Association to collect such monies) all assessments and other charges required by this Declaration, including the following: (1) annual assessments; (2) working capital assessments; (3) stormwater assessments created and established pursuant to Part B of this Article; (4) special assessments; (5) fines for violations of the provisions of this Declaration or other Governing Documents or assessments levied against Owners for misuse and damage to the Common Areas by the Owners or their family members, tenants, agents, contractors and guests; (6) individual assessments for any expense under the Code or this Declaration which the Association becomes obligated to pay and pays on behalf of an Owner; (7) late payment charges, interest on unpaid assessments, costs of collection, including without limitation, court costs, service charges, and attorney's fees as provided in the Act, and charges for dishonored checks; all as established by the Board from time to time; and (8) all other assessments and charges imposed or allowed to be imposed by this Declaration.

The Association at all times has the right to include as part of the assessments or other charges applicable to the Properties and the Owners thereof such amounts as are required to pay all Common Expenses and all financial obligations of the Association imposed by the Code either (i) directly on the Association, or (ii) indirectly on the Association by imposition of the financial obligation on some or all of the Owners, with the Association having responsibility for collection and payment to the City.

(b) Purpose of Assessments. The annual assessment primarily is for the purpose of funding the Common Expenses of the Association, including monies allocated for reserve funds, for the Fiscal Year to which it applies and in accordance with the budget for that Fiscal Year adopted by the Association, although such assessments may be used for payment of any Common Expenses as determined by the Board. All budgets of the Association shall be proposed in good faith and

with the intent to cover all reasonably necessary Common Expenses for the applicable Fiscal Year of the Association, including monies allocated for reserve funds.

(c) Budgets; Amount of Assessments. The Association is at all times empowered to levy assessments against the Lots and the Owners of Lots within the Properties for the payment of Common Expenses.

Notwithstanding the foregoing, for calendar year 2007, the annual assessment per Lot is \$1,212.00. The "Maximum Annual Assessment" for each subsequent Fiscal Year for purposes of voting percentages to ratify the budget is 110% of the amount of the annual assessment for the immediately preceding Fiscal Year.

The Board of Directors shall adopt a proposed budget for the Association at least annually. Within thirty (30) days after the adoption of the proposed budget, the Board of Directors shall send a copy of the proposed budget to the Members and shall give written notice to the Members of a meeting of the Members to consider ratification of the budget, such meeting to be held not sooner than ten (10) days nor than sixty (60) days after the mailing of such notice. Such meeting may, but need not be, combined more with the annual meeting of the Members. There shall be no requirement that a quorum be present to vote on ratification of the budget (although a quorum must be present to vote on other matters). The budget shall be deemed ratified unless at that meeting Members having a majority of the votes of the entire membership vote to reject the budget; provided, however, if the budget provides for an annual assessment per Lot not in excess of the Maximum Annual Assessment in effect for that Fiscal Year of the Association, such budget shall be deemed ratified unless Members having at least eighty percent (80%) of the votes of the entire membership vote to reject the budget. If any proposed budget is rejected by the Members, the budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board.

The provisions of this subsection shall not apply to, nor shall they be a limitation upon, any change in the annual assessment or the Maximum Annual Assessment incident to a merger or consolidation as provided in §47F-2-121 of the Act.

(d) Effect of Non-Payment; Remedies. No Owner shall be exempt from liability for any assessment provided for herein for reason of non-use of the Common Area or such Owner's Lot, or abandonment or leasing of such Owner's Lot, or unavailability of the use or enjoyment of the Common Area.

All assessments and other charges shall be established and collected as provided in this Declaration. All assessments and other charges remaining unpaid for thirty days (30) days or longer, together with late charges, interest, and the costs of collection thereof, including attorney's fees, shall be a charge on the Owner's Lot as provided in G.S.47F-3-116 of the Act and, upon filing of a claim of lien in the office of the clerk of superior court of the county in which the Lot is located in the manner provided in G.S.47F-3-116(g), shall be a continuing lien upon the Lot against which such assessment is made until paid in full. The lien may be foreclosed by the Association in any manner permitted under the Act or by law. When the

holder of a first mortgage or first deed of trust of record or other purchaser of a Lot who obtains title to the Lot as a result of a foreclosure of a first mortgage or first deed of trust, such purchaser and its heirs, successors, and assigns shall not be liable for the assessments and other charges against such Lot which became due prior to the acquisition of title to such Lot by such purchaser. Each assessment and other charges due hereunder, together with late charges, interest, the costs of collection thereof, including attorney's fees, shall also be the personal obligation or corporate obligation of each Person who was Owner of the Lot at the time when the assessment or other charge first became due and payable and may be collected by appropriate action at law. If more than one Person held an ownership interest in the Lot at the time the assessment or other charge first became due, then each Person shall be both jointly and severally liable. An Owner's personal obligation for payment of such assessments and other charges shall not become the personal obligation of a subsequent Owner unless expressly assumed by the subsequent Owner, although the lien shall continue against the Lot until the amounts due are paid.

(e) Classes of Membership. This Declaration may allow different classes of membership in the Association and may allow different levels of annual assessments and other assessments to be imposed for different classes of membership.

(f) Declarant's Obligation to Fund Deficits; Assessment Credit. During the Declarant Control Period, Declarant shall be obligated to fund any Operating Deficit. Declarant, at its option, may fund the Operating Deficit by any one or more of the following means: (i) payment to the Association; (ii) payment directly to a person or entity providing the services or materials to the Association, or (iii) providing, directly or indirectly, to or for the Association, services or materials related to Common Expenses (the value of which shall be determined by the Board in its reasonable discretion, giving due consideration to what the fair market value of such services or materials would be if they had been furnished by a Person other than Declarant).

Declarant's obligation to fund Operating Deficits may be enforced against the Declarant and collected by the Association in the same manner as enforcement and collection of assessments applicable to other Owners.

After the end of the Declarant Control Period, the Declarant, at its sole option, may receive an assessment credit toward payment of annual assessments due and payable by Declarant thereafter for Lots owned by Declarant, in an amount equal to aggregate of the Operating Deficits paid by Declarant as provided herein. Declarant may not charge or collect interest or any other charge or fee on any monies paid by the Declarant, for Operating Deficits. As determined by Declarant, the assessment credit may be applied to payment of all annual assessments due from Declarant after the end of the Declarant Control Period until it has been credited in full.

(g) Certificate of Payment. The Association shall, within ten (10) business days after receipt of a written request from an Owner or the Owner's authorized agent, and for such reasonable charge as the Board may determine, furnish a certificate signed by an officer of the Association, or by a Person or employee of any Person employed by the Association and to whom the Association has delegated the authority to issue such certificates, setting forth whether the

assessments and other charges against a specified Lot have been paid. If such certificate states that an assessment has been paid, such certificate shall be conclusive evidence of payment and is binding on the Association, the Board, and every Owner.

Section 6. Membership and Governance.

(a) Membership. The Declarant and every Owner within the Properties shall be a Member of the Association, and by execution of this Declaration or by acceptance of a deed conveying to such Owner title to any Lot, each Owner consents to be a Member of the Association, subject to the terms of the Governing Documents. Membership shall be appurtenant to and may not be separated from ownership of the Member's Lot. The foregoing is not intended to include any Person that holds an interest merely as security for the performance of an obligation. Upon termination of ownership, an Owner's membership with respect to the transferred Lot shall automatically terminate and be automatically transferred to the new Owner of the Lot.

(b) Members' Rights of Use. Each Member and lawful occupant in the Properties shall have a non-exclusive right of use and enjoyment and easement in the Common Areas, including the right rights of ingress and egress to and from all Common Areas throughout the Properties, subject to such rules and regulations as are allowed under the Governing Documents to be imposed by the Association and subject to suspension of use rights allowed in the Governing Documents; provided that no suspension of rights shall occur without first providing notice of the charge, opportunity to be heard and to present evidence, and notice of the decision as required by G.S. 47F-3-107.1 of the Act. But, the right of access and support, the right to drain stormwater and the right to use Stormwater Control Measures, private streets, private utility services provided to the Lot through easements in Common Area, and any assigned parking areas shall not be suspended for violation of the Association's rules and regulations.

(c) Voting Rights. Each Member shall have those voting rights established in this Declaration, which may be different for different classes of membership. If a Lot is owned by multiple Owners, the votes allocated to that Lot shall be cast only in accordance the agreement of a majority in interest of the multiple Owners unless otherwise provided in the Governing Documents. A majority agreement is conclusively presumed if only one of the multiple Owners casts the votes allocated to that Lot, unless any of the other Owners of the Lot protest such co-Owner's vote promptly to the Person presiding at the meeting.

(d) Proxies. Votes may be cast in person or by proxy. All proxies must be dated, duly executed by the Owner, and delivered to the Secretary of the Association or to the property management company authorized by the Board to receive proxies prior to the opening of the meeting for which it is first intended to be used. No proxy shall exceed a term of eleven (11) months from its date except as otherwise provided in the Act. Revocation of a proxy shall be made by actual notice to the Person presiding over the Association meeting.

(e) Quorum. Except as otherwise provided in the Governing Documents, a quorum is present throughout any meeting of the Association whenever Persons entitled to cast ten percent (10%) of the votes are present in person or by proxy at the beginning of the meeting. In the event

business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy. Notwithstanding any provision to the contrary in the Governing Documents, the quorum requirements at the next meeting shall be one-half (1/2) of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.

Section 7. Permanently Protected Undisturbed Open Space Areas. Within any permanently protected undisturbed open space areas shown on any recorded plat of the Properties, there must not be any land disturbing activity, any placement of impervious surfaces, any tree disturbing activity (as defined in Part 10, Chapter 2 of the Code), any new development or expansion thereof, or new use, construction, or encroachment without first obtaining a watercourse permit from the City. Permanently Protected Undisturbed Open Space may or may not be Open Space as defined in this Declaration.

Section 8. Tree Conservation. The Association shall have a conservation easement for the planting of trees and for the protection and Maintenance of the trees situated within any tree conservation areas shown on any recorded plat of the Properties. No tree disturbing activity, as defined in Part 10, Chapter 2 of the Code, shall be permitted in tree conservation areas in violation of the Code. Any tree disturbing activity undertaken in tree conservation areas or in permanently protected undisturbed open space areas shown on recorded plats of the Properties without a permit from the City or otherwise in violation of the Code is a violation of the Code and may result in significant financial consequences to the Owner and to the Person responsible for such tree disturbing activity. Owners and their agents may, however, with the consent of both the City and of the Association, enter tree conservation areas to perform active tree protection measures (as defined in the Code), to plant trees, to remove dead or diseased trees, or to plant replacement trees, provided, however, that Association consent shall not be required, unless otherwise required by other provisions of this Declaration or Governing Documents, if the tree conservation area in which the Owner desires to perform active tree protection measures or plant trees, remove dead or diseased trees and to plant replacement trees is located on that Owner's Lot.

Section 9. Insurance. Commencing not later than the time of the first conveyance of a Lot to a Person other than the Declarant, the Association shall procure and Maintain (i) hazard insurance on the Common Area, insuring against all risk of loss commonly insured against, including fire and extended coverage of peril, and (ii) liability insurance, in an amount of not less than one million dollars (\$1,000,000.00), covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use ownership or Maintenance of Common Area. The Association shall obtain and Maintain such other insurance as required in this Declaration or such other forms of insurance, and in such coverage amounts, as determined by the Board to be required or beneficial for the protection or preservation of the Common Area and other property of the Association or otherwise is in the best interests of the Association. The premiums for such insurance shall be a Common Expense paid from the annual assessments as established pursuant to this Declaration.

Section 10. Indemnification. No immunity, exculpation or indemnification provision of this Declaration shall relieve one or more Owners from its liabilities as an Owner under this Declaration and other Governing Documents.

Section 11. On-Street Parking. Any restriction on the right to park vehicles on public streets contained in this Declaration shall only be applicable to the Owners and their family members and tenants.

Section 12. Sight Triangles. No sight obstructing or partially obstructing wall, fence, foliage, berm, parked vehicle or sign between two feet and eight feet tall, as measured above the curb line elevation or the nearest traveled way if no curb exists, shall be placed within any area designated on a recorded map of the Properties as a sight triangle or other similar designation. An easement over sight triangles is reserved for the benefit of the Declarant, the Association, and the City, and their respective agents and contractors for the purpose of removing any such obstruction, and a Person entering onto a Lot pursuant to such easement for the purpose of removing such obstruction shall not be deemed a trespasser and shall not be liable for damages to the Association or the Owner of the Lot with respect to the obstruction removed from the site triangle. It shall be the responsibility of the Association (as to Common Area) or Owner of the Lot, as soon as reasonably practicable following removal of any obstruction from the sight triangle, to restore the portion of the Properties previously occupied by the removed obstruction to the condition required or permitted by the Code and the Governing Documents.

Section 13. Annexed Property. Real property which was not part of the City-approved development, or real property that was part of the City-approved development but which was not subjected to this Declaration at the time of its initial recording, may be annexed to this Declaration and made part of the Properties as Annexed Property, provided that all of the following conditions are met with respect to the real property to be annexed:

- (a) the Annexed Property is contiguous to the Properties or directly across a street from the Properties;
- (b) any development of the Annexed Property is first approved by the City;
- (c) annexation of such Annexed Property meets any other applicable requirements of this Declaration; and
- (d) contemporaneously with either the development of the Annexed Property or the recording of the plat of the Annexed Property, whichever first occurs, an Annexation Declaration shall be recorded in the Registry.

No Annexation Declaration shall be valid without the prior written approval of the Raleigh City Attorney or his/her deputy. Evidence of such approval shall be indicated by the signature of the City Attorney or his/her deputy on the recorded original or copy of the Annexation Declaration. Any Annexation Declaration recorded without the required City approval is void *ab initio*. An Annexation Declaration may contain such complementary additions and modifications to the terms of this Declaration as may be necessary or desirable to reflect the different character, if any, of the Annexed Property and as are not inconsistent with the general scheme of this Declaration. Each Annexation Declaration shall state that title to the Common Area that is

included within the Annexed Property shall be conveyed to the Association no later than the time of the conveyance of the first Lot within the Annexed Property, and any Open Space in the Annexed Property shall be conveyed in fee simple without any encumbrances except drainage, greenway, utility and conservation easements and this Declaration. Open Space in the Annexed Property is subject to all Code and Declaration provisions relating to Open Space. Each Annexation Declaration shall state the amount of the Stormwater Assessment for Lots in the annexed Property when required by Part B, Section 6 of this Article.

Annexation of the Annexed Property shall be effective upon the later of the recording of the Annexation Declaration in the Registry or such later date as specified in the Annexation Declaration, and the Annexed Property described therein shall be subject to all of the provisions of this Declaration to the extent made applicable by the Annexation Declaration, and to the jurisdiction of the Association pursuant to the terms of this Declaration and other Governing Documents of the Association. Each Owner of a Lot in Annexed Property shall be a Member of the Association, and the Annexed Property and each Owner of any portion thereof shall be subject to assessment by the Association in accordance with the terms of this Declaration, the Annexation Declaration, other Governing Documents, the Code, and the Stormwater Agreement, as applicable. The Association shall have the duties, responsibilities and powers set forth in this Declaration and other Governing Documents with respect to Annexed Property. Except as may otherwise be expressly provided in this Declaration or any Annexation Declaration, the Properties, including the Annexed Property, shall be managed and governed by the Association as an entirety. Assessments for Common Expenses collected from Owners in the Annexed Property may be expended by the Association for Common Expenses anywhere in the Properties without regard to the particular phase, area or subdivision from which such assessments came.

Section 14. Access Easement for Repair of Structures. A perpetual access easement over an adjoining Lot hereby is established in favor of each Owner or tenant of a residence or business, and the contractors of such Owner or tenant, whose residence or business is located closer than five (5) feet from an adjoining Lot line, for the purpose of allowing the residence or business to be Maintained. No fence, wall, storage shed, or similar structure or any other kind of obstruction shall be permitted in the easement area that will obstruct access to the residence or business.

Section 15. Access for Governmental Agencies. A non-exclusive, perpetual right of access over all Lots and Common Areas (including private streets, if any) in the Properties is hereby established for the benefit of Governmental Entities for installing, removing and reading water meters, Maintaining and replacing water and sewer facilities, fire lines, and acting for other purposes consistent with public safety and welfare, including law enforcement, fire protection, animal control, emergency services, garbage collection and the delivery of mail.

Section 16. Conveyance or Dedication of Common Areas. Common Areas, including Open Space, shall either be conveyed to the Association in fee simple without any encumbrances except this Declaration, drainage, greenway, utility and conservation easements of record at the time of conveyance, and the lien of real property taxes not yet due and payable, or conveyed to the City as allowed or required under the Code. Common Areas may be conveyed to the City free of part or all of the provisions of this Declaration, as determined by the Declarant and the

City. Title to Common Areas shall be conveyed to the Association or to the City no later than the time of the conveyance of the first Lot within the applicable phase of the Properties. The Association shall accept all Common Areas, including the improvements installed thereon by the Declarant, deeded to it and/or dedicated to it on any recorded plat of the Properties, whether or not the conveyance or dedication occurs prior to the time of the conveyance of the first Lot within the applicable phase of the Properties.

Section 17. Private Utility Lines. Any water or sewer line that serves more than one Lot and which is either located outside of any public street right-of-way or outside of any City utility easement shall be owned and Maintained by the Association as Common Area. In no case shall the City or the State of North Carolina be responsible for Maintaining any such private utility line or be responsible for the consequences for any blockage, backflow, break or leak in said utility line. Such responsibility shall rest with the Association (or applicable Sub-Association) and Owners of Lots within the Properties. Accordingly, the City shall not be responsible for failing to provide regular or emergency utility services to any cluster unit development, unit Ownership (condominium) development, group housing development, townhouse development, or manufactured home park or their occupants when such failure is due to inadequate design or construction, blockage, backflow, leakage, inadequate maintenance, or any other factor within the control of the Declarant, the Association, or the Owners or occupants of the Properties.

The provisions of this Section shall be incorporated into all conveyances of any part or all of the Properties, which incorporation may be by reference to this Declaration. Provided, however, the provisions of this Section and all other provisions of this Declaration are applicable to the portions of the Properties conveyed and the Owners thereof, whether or not any such provisions are incorporated into the conveying documents.

Section 18. Landscape Easements. The Association shall be responsible for Maintaining and replanting any shrub or tree located within any area designated on a recorded map of the Properties as a landscape easement or similar designation. Association expenses for Maintaining or replanting any shrub or tree located in a landscape easement or similar designation are Common Expenses. Whenever a slope easement co-exists, in whole or in part, within a designated landscape easement, and any future public improvement adjacent to the slope easement removes or causes any of the shrubs or trees within the slope easement to die or become unhealthy (as defined in Part 10 Chapter 2 of the Code), it shall be the responsibility of the Association to replace the shrubs and trees in accordance with the minimum applicable quantity, size and spacing requirements of the Code within one-hundred and eighty days of completion of the public improvement. Within any area designated on recorded maps of the Properties as a landscape easement or similar designation, no vegetation shall be removed without the prior written consent of the Association. Notwithstanding the foregoing, no Governmental Entity shall be required to obtain the consent of the Association when working within slope easements, greenway easements or construction easements.

PART B
STORMWATER
(CODE SECTIONS 10-5007 and 10-9027)

Section 1. Stormwater Control Measures. The Code requires that stormwater runoff from the Properties be controlled and nitrogen loading from stormwater runoff from the Properties be reduced. To comply with the Code, Stormwater Control Measures will be installed by the Declarant and Maintained by the Association as Common Area in strict compliance with the Stormwater Operations and Maintenance Manual and Budget attached to the Stormwater Agreement for the Properties so that, at all times, the Stormwater Control Measures shall perform as designed and shall comply with the Stormwater Agreement, the Code and applicable regulations, rules and directives of the City. The expenses for Maintenance of Stormwater Control Measures shall be Common Expenses for the Association. The parties acknowledge that portions of the Stormwater Facilities are located upon (or under) certain land owed by the other segments of the Development, particularly, but not limited to the condominium portion of the Development. The Association's obligations to maintain the Stormwater Facilities shall include the cost of any maintenance (and restoration after such maintenance) of such Stormwater Facilities located on other portions of the Development. Should such maintenance require the demolition of any parking areas of the condominium development, then the Association shall conduct said maintenance and restoration in a manner that minimizes disruption to such parking area, and the Association shall be responsible for the restoration of such areas to substantially the same condition as they were in prior to such maintenance. Alternate parking will be provided to affected condominium residents for any period where condominium parking is rendered unavailable for use due to maintenance of the Stormwater Control Measures. Failure to Maintain the Stormwater Control Measures is a violation of the Code potentially subjecting each Owner of a Lot to significant daily civil penalties and other enforcement actions.

Section 2. Creation of Stormwater Assessments. Each Owner, by execution of this Declaration or by acceptance of a deed or other instrument conveying title to a Lot, whether or not it shall be so expressed therein, is deemed to covenant and agree to pay to the Association (or to any Person who may be designated by the Association to collect such monies) a Stormwater Assessment, as hereinafter defined, established and collected as hereinafter provided, and each Owner of a Lot, by acceptance of a deed or other instrument conveying title to a Lot, whether or not it shall be so expressed therein, is deemed to covenant and agree to pay to the Association (or to any person who may be designated by the Association to collect such monies) such Stormwater Assessment. For calendar year 2007, the annual Stormwater Assessment shall be \$207.18 per Lot. Stormwater Assessments shall commence with respect to each Lot on the later of the date on which this Declaration or applicable Annexation Declaration is recorded or the date on which a plat is recorded establishing the Lot. The annual budget for the Association shall include a line item evidencing the Stormwater Assessments, and the amount budgeted shall be sufficient to satisfy the total annual inspection, management and Maintenance budget for the Stormwater Control Measures as set forth in the Stormwater Operations and Maintenance Manual and Budget attached to the Stormwater Agreement as an exhibit, and any replacement contribution payment owed to the City pursuant to the Stormwater Agreement. The Association shall honor its obligations under the Stormwater Agreement, and the Association shall assess the Stormwater Assessment. The Declarant and each Owner of a Lot shall be obligated to pay the Stormwater Assessment, whether or not the annual budget contains the required line item for the Stormwater Assessment, and whether or not the annual budget is ratified by the Members of the Association. No vote of the Owners is required to levy, collect, or foreclose a Stormwater

Assessment. Stormwater Assessments shall be paid to the Association at the same time annual assessments are due.

In the event of nonpayment of any Stormwater Assessment for a period of thirty (30) days or longer after the payment due date, such Stormwater Assessment, together with interest at a rate not to exceed the highest rate allowed by North Carolina law, as computed from the date the delinquency first occurs, late charges, and costs of collection thereof, including reasonable attorney's fees, shall be a charge on the land upon the filing of a claim of lien, in the manner provided in G.S.47F-3-116(g), in the office of Clerk of Superior Court in the County in which the Lot is located and shall be a continuing lien upon each Lot against which the assessment is made until paid in full. The lien may be foreclosed in accordance with North Carolina law, or in any other manner permitted under the Act or by law. When the holder of a first mortgage or first deed of trust of record or other purchaser of a Lot who obtains title to the Lot as a result of a foreclosure of a first mortgage or first deed of trust, such purchaser and its heirs, successors, and assigns shall not be liable for the Stormwater Assessments against such Lot which became due prior to the acquisition of title to such Lot by such purchaser. In such instances, such unpaid assessments shall be deemed Common Expenses collectible from all Owners, including the new Owner.

Each Stormwater Assessment, together with late charges, interest, the costs of collection thereof, including attorney's fees, shall also be the personal obligation or corporate obligation of each Person who was the Owner of the Lot at the time when the Stormwater Assessment first became due and payable. If more than one Person held an ownership interest in the Lot at the time the Stormwater Assessment first became due, then each Person shall be both jointly and severally liable. An Owner's personal obligation for payment of Stormwater Assessments shall not become the personal obligation of a subsequent Owner unless expressly assumed by the subsequent Owner, although the lien shall continue against the Lot until the amount due is paid.

The creation of the Stormwater Assessments is for the benefit of the City, and the Stormwater Assessments may be collected and enforced by the City as provided herein and in the Code.

Section 3. Purpose of Stormwater Assessments. The Stormwater Assessments to be levied by the Association against each Lot shall be used as follows:

(a) to pay the actual and estimated expenses incurred or anticipated to be incurred by the Association, including any reasonable reserve funds, under any Stormwater Agreement, including Maintenance of the Stormwater Control Measures in strict compliance with the Stormwater Operations and Maintenance Manual and Budget attached to the Stormwater Agreement as an exhibit, so that, at all times, the Stormwater Control Measures shall perform as designed and shall comply with the Stormwater Agreement, the Code, applicable regulations and rules and directives of the City;

(b) to pay all legal, engineering and other professional fees incurred by the Association in carrying out its duties as set forth herein, or in the Governing Documents, or in the Stormwater Agreement in connection with the Stormwater Control Measures; and

(c) payments to the City pursuant to the Stormwater Agreement.

Section 4. Assignment of Collection Rights and Lien Rights the City. Pursuant to the Stormwater Agreement and G.S.47F-3-102(15) of the Act, the Association has assigned to the City its rights to collect Stormwater Assessments, its rights to file liens against the Lots, and the right to foreclose on those liens for monies owed by the Association to the City pursuant to the Stormwater Agreement. The Association shall have a license to collect Stormwater Assessments, to file liens against the Lots, and to foreclose on those liens for monies owed by the Association to the City pursuant to the Stormwater Agreement until such time as the City notifies the Association in writing that it has elected to exercise its right to collect Stormwater Assessments, to file liens against the Lots, and/or to foreclose on those liens for monies owned by the Association to the City pursuant to the Stormwater Agreement. Declarant hereby irrevocably authorizes and directs each Owner to rely upon any written notice sent to such Owner by the Association that the City has elected to exercise its rights hereunder and thereafter to pay Stormwater Assessments directly to the City without any obligation or right to inquire otherwise until such time such Owner receives written notice from the City to pay the Stormwater Assessments directly to the Association. As the assignee of the Association's collection and lien rights, upon the filing of a claim of lien by the City, any such lien may be foreclosed in like manner as a mortgage on real estate pursuant to power of sale under Articles 2A of Chapter 45 of the General Statutes from and after the time of recording a claim of lien in the office of the clerk of superior court of the county in which the Lot is located; which claim of lien shall state the description of the Lot(s) encumbered by the claim of lien, the name and address of the Association and of the City, the record Owner(s) of the encumbered Lot(s) at the time the claim of lien is filed, and the amount of the lien claim. The claim of lien shall be filed any time after a period of thirty (30) days or longer of default and the lien shall continue in effect until all sums secured by the lien as herein provided shall have been fully paid. Such claims of lien shall include all sums that are due and payable when the claim of lien is filed, plus late charges, interest at the rate set forth in the Stormwater Agreement, but not to exceed eighteen percent (18%) per year, collection costs, and reasonable attorney's fees. Any lien claim filed by the City shall be signed by the City Manager. Upon full payment of all sums secured by such claims of lien, the same shall be satisfied of record.

Section 5. Effect of Assignment. Each Owner of a Lot, by acceptance of a deed or otherwise, vests in the City, as the assignee of the Association's collection and lien rights for the Stormwater Assessments, the right and power, upon nonpayment of the Stormwater Assessments by the Association, to bring all actions against each Owner, personally, for the collection of such charges as a debt or to foreclose the lien, which charges and lien amounts shall equal a pro-rata share of the Stormwater Assessments for each Owner. The lien provided for in this Article shall be in favor of the City and shall be for the benefit of all Owners.

Section 6. Annexation of Additional Property. As set forth in this Declaration, additional real property from time to time may be annexed to the Properties and subjected to this Declaration. Such Annexed Property shall also be subjected to existing Stormwater Agreements and/or new Stormwater Agreements, in accordance with the following:

In connection with the recording of an Annexation Declaration, either a new Stormwater Agreement and/or an amendment to an existing Stormwater Agreement (as determined by the City) shall be entered into among the City, Declarant, and Association to address the Stormwater Control Measures of the Annexed Property. Except in those instances where the Stormwater Agreement already contains contribution payments for the Annexed Property, the Annexation Declaration shall establish a new Stormwater Assessment for the Lots in the Annexed Property with respect to all new Stormwater Control Measures located in or serving such Annexed Property, and such new Stormwater Control Measures shall be designated as Common Area or Limited Common Area, as appropriate, on the recorded plat(s) of the Annexed Property. The new Stormwater Assessment shall be sufficient to Maintain the new or additional Stormwater Control Measures in or serving the Annexed Property and to pay the applicable replacement contribution payments to the City under the new or amended Stormwater Agreement, and such Stormwater Assessment shall be assessed against the Owners of the Lots of the Annexed Property and Owners of the existing or future Lots served by the same Stormwater Control Measures.

Section 7. Drainage Easement. The Declarant dedicates, establishes and declares to and for the benefit of each Lot, the Common Area and each Owner hereof:

(a) a perpetual, irrevocable and nonexclusive easement, right and privilege to discharge and store surface water drainage from such Lot or Common Area into the Stormwater Control Measures situated in private drainage easements that serve the Properties, whether located on or off or the Properties, and

(b) a perpetual, irrevocable and non-exclusive easement, right and privilege to use and Maintain Stormwater Control Measures, including the right of access to and from the private drainage easements and other portions of the Properties as reasonably necessary to Maintain the Stormwater Control Measures.

Section 8. Joint and Several Liability. Each Owner of any portion of the Properties served by Stormwater Control Measures is jointly and severally responsible for Maintenance of such Stormwater Control Measures, including payment of any unpaid *ad valorem* taxes, public assessments for improvements, and unsafe building and public nuisance abatement liens charged against the Stormwater Control Measures, and including all interest charges thereon, together with the costs and expenses of collection incurred by the City or other collecting Person, including court costs and reasonable attorney's fees actually incurred. Each Owner of any portion of the Properties served by the Stormwater Control Measures has a right of contribution against all other Owners of other portions of the Properties served by the same Stormwater Control Measures for payment of such costs and expenses to the extent that the Owner having such right of contribution pays more than such Owner's prorata share thereof, such prorata share being determined either by other assessment provisions of this Declaration or by dividing the

acreage of such Owner's portion of the Properties served by the Stormwater Control Measures by the total acreage of the Properties served by the same Stormwater Control Measures.

Section 9. Relocation of Drainage Easements. Drainage easements situated on the Properties may be relocated only by a written agreement signed by the Association - upon approval of the Board of Directors without vote of the Members - and by the Owners of all portions of the Properties on which the drainage easement then is located, and by the Owners of all portions of the Properties on which the drainage easement is to be relocated. The consent of tenants and Mortgagees of the affected Lots shall not be required for the relocation to be effective. All relocations of a drainage easement shall be accompanied with a letter sealed by a professional engineer licensed in the State of North Carolina stating that the relocated drainage easement will not cause any adverse stormwater runoff unto adjoining properties.

Notwithstanding anything herein to the contrary, no relocation of any drainage easement shall be valid without the prior approval of the Raleigh Chief Engineer or his/her Deputy. City approval shall be evidenced by the signature of the Raleigh Chief Engineer or his/her Deputy on the recorded plat or other instrument of the relocation. Any relocation, without the required City signature is void *ab initio*.

Relocation of a drainage easement is valid from the later of the time of either recording of the plat or other instrument of relocation in the Registry or such later date specified therein.

PART C CLUSTER UNIT DEVELOPMENT (CODE SECTIONS 10-2101, 10-3071 and 10-3073)

Any portion of the Properties that is part of a "cluster unit development", as that term is defined in the Code, is subject to all of the following:

Section 1. Open Space. In addition to other provisions of this Article (*see e.g., Part A, Sections 6, 16 and 17*), all Open Space is subject to the following:

(a) **Preservation.** Open Space and private streets shall be preserved for the perpetual benefit of the Owners of the Lots within the Properties, and shall be restricted against private or public ownership for any other purpose except acquisition by condemnation or in lieu of condemnation and the granting of utility, drainage, conservation and greenway easements.

(b) **Exchange.** Open Space shall not be subsequently subdivided or conveyed by the Association. However, nothing herein shall prevent the exchanging of Open Space for other properties when all of the following are met:

- (1) written notice of the exchange is given to each Member of the Association;
- (2) after the notice is given, those Members having the minimum percentage of votes in the Association required by the Act or any greater percentage required by this Declaration gives written approval of the exchange;

- (3) the exchanged properties and other considerations are of like value and utility;
- (4) the acreage and configuration of the remaining Open Space (including real property to be received by the Association in such exchange) equals or exceeds the requirements of the Code; and
- (5) the exchange is approved by the Planning Director of the City.

(c) **Dissolution.** If the Association is dissolved, the Open Space shall first be offered to the City, and, if accepted, deeded to the City.

(d) **Recreation.** Recreational uses located in Open Space and other Common Areas shall comply with the provisions of Code Section 10-2072 related to recreational use related to a residential development, other than a single-family dwelling unit. Membership fees shall not be charged to non-members of the Association for any recreation facility located in a residential zoning district unless the facility is owned by a non-profit entity and a special use permit is first obtained from the Raleigh Board of Adjustment in accordance with Code Section 10-2144(b), "Recreational Use Restricted to Membership - Not for Profit".

(e) **Mortgaging of Open Space.** Open Space may be subjected to a security interest with the written approval by those Members who have the minimum percentage of votes in the Association required by the Act or any greater percentage required by this Declaration, and provided that the rights of the mortgagee are subordinate to the rights of the Owners and the Association.

Section 2. Residential Density Transfers. The Properties are developed as a cluster unit development approved by the City. Residential density transfers are permitted in a cluster unit development as allowed in the Code. Accordingly, even though some Lots may appear to contain enough land area to construct additional dwelling units or create additional Lots, prior density transfers approved within the cluster unit development may, in fact, preclude City approval of additional dwellings or further subdividing of Lots.

Section 3. Development Rights. Development rights retained by the Declarant as special Declarant rights, including the right to add real estate to the cluster unit development, to add dwelling units, to add Common Areas, to change dwelling unit types within the cluster, or to reallocate units within the cluster, as well as all conditions and limitations applied to the exercise of any such development rights, are described in other Articles and Sections of this Declaration. Exercise of any of the development rights described in this Section is subject to the prior approval of the City.

Section 4. Addition of Land. The maximum amount of land that can be added to the cluster unit development is as follows: 0 acres.

Section 5. Number of Dwelling Units. The maximum number of dwelling units and the maximum number of dwelling units per acre that can be contained in the cluster unit development, or transferred to portions of the cluster unit development without rezoning the real

property to another zoning classification for additional dwelling units, are as follows (for purposes of this Section, the cluster unit development includes all portions of the Properties initially subjected to this Declaration that are part of the cluster unit development, together with all Annexed Property that becomes subject to this Declaration and is part of the cluster unit development):

- (a) maximum number of dwelling units allowed in the cluster unit development is 192;
- (b) maximum number of dwelling units per acre allowed in the cluster unit development is 10.

Section 6. Common Party Walls. All common party walls between individual residences shall conform to the requirements of the North Carolina State Building Code. The following rules also apply to common party walls between individual residences:

(a) Each wall which is shared by residences and placed on the dividing line between the residences shall constitute a common party wall and, to the extent not inconsistent with the provisions of this Section or the Code, the general rules of law regarding common party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) The cost of reasonable Maintenance of a common party wall shall be shared by the Owners of the residences that share the common party wall, in proportion to such use. Provided, however, each Owner is responsible for usual and routine Maintenance (for example, painting) of the portion of any party wall on the inside of such Owner's residence.

(c) If a common party wall is destroyed or damaged by fire or other casualty, any Owner of a residence which shares such common party wall may restore or repair it, and the Owners of the other residences which share the restored or repaired common party wall shall, within twenty-one (21) days of the receipt of a request for payment and invoices showing the cost of such restoration or repair, contribute to the cost of the restoration or repair thereof (or reimburse the Owner who has paid such costs) in proportion to their use of the common party wall, without prejudice, however, to the right of any such Owner to demand a larger contribution from the other Owners under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Notwithstanding any other provision of this Section, an Owner of a residence which shares a common party wall who, by such Owner's negligent or willful act or omission, damages or causes the common party wall to be exposed to the elements shall bear the entire cost of the necessary repair or restoration.

(e) The right of any Owner to contribution from any other Owner under this Section with respect to all matters occurring prior to the transfer of title of the Lot to a subsequent Owner may be retained by the transferring Owner to the extent that the transferring Owner paid any expenses for which contribution is available; otherwise, the right of contribution shall be transferred to the subsequent Owner. The amount owed shall constitute the personal debt of the Owner from

whom it is owed, and the Owner to whom the contribution is owed shall have all remedies available at law or in equity to enforce such Owner's right of contribution. An Owner's obligation for contribution is appurtenant to and shall run with title to such Owner's Lot.

(f) An Owner who desires to sell a residence, or the prospective purchaser of such residence, may request the Owners of each other residence which shares that common party wall to provide a certificate stating whether or not such certifying Owner has any right or obligation of contribution with respect to such common party wall against the Owner who desires to sell. Each certifying Owner from whom such certificate is requested, shall, within ten (10) days after receipt of a written request for certification, furnish same to the requesting Owner or purchaser, as applicable, either confirming that no right of contribution exists or stating the amount of and reasons for the contribution claimed against the requesting Owner. A certificate signed by any one or more of the Owners of a residence which shares a common party wall with the residence of the requesting Owner shall be conclusive evidence of its contents with respect to all other Owners of that residence and with respect to third parties.

(g) Each Owner of a residence which shares a common party wall with one or more other residences and such Owner's contractors and subcontractors shall have an easement and right of entry upon such other residences or businesses to the extent reasonably necessary to repair, restore, Maintain or reconstruct the common party wall. Such repair, restoration, Maintenance or reconstruction shall be done expeditiously and, promptly upon completion of the work, the Owner on whose behalf the work is being done shall restore all portions of the adjoining residences or businesses damaged as a result thereof to substantially the same condition as that which existed at the time the work commenced.

PART D TOWNHOUSE DEVELOPMENT (CODE SECTIONS 10-2109, 10-3072 AND 10-3073)

Any portion of the Properties that is part of a "townhouse development", as that term is defined in the Code, is subject to all of the following. A townhouse development may be, but is not required to be, part of a cluster unit development. Any townhouse development that is part of a cluster unit development is also subject to the provisions of the Code applicable to cluster unit developments (some of which may be identical to the following provisions), except as otherwise provided in the Code:

Section 1. Open Space. In addition to other provisions of this Article (*see e.g.*, Part A, Sections 6, 16 and 17), all Open Space is subject to the following:

(a) **Townhouse Open Space.** Townhouse Open Space and private streets used for the exclusive benefit of townhouse residents are Limited Common Area or Sub-Association Common Area when the townhouse development is part of a cluster unit development containing other housing types.

(b) Preservation. Open Space and private streets shall be preserved for the perpetual benefit of the Owners of the Lots within the Properties, and shall be restricted against private or public Ownership for any other purpose, except acquisition by condemnation or in lieu of condemnation and the granting of utility, drainage, conservation and greenway easements.

(c) Exchange. Open Space shall not be subsequently subdivided or conveyed by the Association. However, nothing herein shall prevent the exchanging of Open Space for other properties when all of the following are met:

- (1) written notice of the exchange is given to each Member of the Association;
- (2) after the notice is given, those members having the minimum percentage of votes in the Association required by the Act or any greater percentage required by this Declaration gives written approval of the exchange;
- (3) the exchanged properties and other considerations are of like value and utility;
- (4) the acreage and configuration of the remaining Open Space (including real property to be received by the Association in such exchange) equals or exceeds the requirements of the Code; and
- (5) the exchange is approved by the Planning Director of the City.

(d) Dissolution. If the Association is dissolved, the Open Space shall first be offered to the City, and if accepted, deeded to the City.

(e) Recreation. Recreational uses located in Open Space and other Common Areas shall comply with the provisions of Code Section 10-2072 related to recreational use related to a residential development, other than a single-family dwelling unit. Membership fees shall not be charged to non-members of the Association for any recreation facility located in a residential zoning district unless the facility is owned by a non-profit entity and a special use permit is first obtained from the Raleigh Board of Adjustment in accordance with Code Section 10-2144(b), "Recreational Use Restricted to Membership - Not for Profit".

(f) Mortgaging of Open Space. Open Space may be subjected to a security interest with the written approval by those Members having the minimum percentage of votes in the Association required by the Act or any greater percentage required by this Declaration, and provided that the rights of the mortgagee are subordinate to the rights of the Owners and the Association.

Section 2. Common Party Walls. All common party walls between individual residences shall conform to the requirements of the North Carolina State Building Code. The following rules also apply to common party walls between individual residences:

(a) Each wall which is shared by residences and placed on the dividing line between the residences shall constitute a common party wall and, to the extent not inconsistent with the provisions of this Section or the Code, the general rules of law regarding common party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) The cost of reasonable Maintenance of a common party wall shall be shared by the Owners of the residences that share the common party wall, in proportion to such use. Provided, however, each Owner is responsible for usual and routine Maintenance (for example, painting) of the portion of any party wall on the inside of such Owner's residence.

(c) If a common party wall is destroyed or damaged by fire or other casualty, any Owner of a residence which shares such common party wall may restore or repair it, and the Owners of the other residences which share the restored or repaired common party wall shall, within twenty-one (21) days of the receipt of a request for payment and invoices showing the cost of such restoration or repair, contribute to the cost of the restoration or repair thereof (or reimburse the Owner who has paid such costs) in proportion to their use of the common party wall, without prejudice, however, to the right of any such Owner to demand a larger contribution from the other Owners under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Notwithstanding any other provision of this Section, an Owner of a residence which shares a common party wall who, by such Owner's negligent or willful act or omission, damages or causes the common party wall to be exposed to the elements shall bear the entire cost of the necessary repair or restoration.

(e) The right of any Owner to contribution from any other Owner under this Section with respect to all matters occurring prior to the transfer of title of the Lot to a subsequent Owner may be retained by the transferring Owner to the extent that the transferring Owner paid any expenses for which contribution is available; otherwise, the right of contribution shall be transferred to the subsequent Owner. The amount owed shall constitute the personal debt of the Owner from whom it is owed, and the Owner to whom the contribution is owed shall have all remedies available at law or in equity to enforce such Owner's right of contribution. An Owner's obligation for contribution is appurtenant to and shall run with title to such Owner's Lot.

(f) An Owner who desires to sell a residence, or the prospective purchaser of such residence, may request the Owners of each other residence which shares that common party wall to provide a certificate stating whether or not such certifying Owner has any right or obligation of contribution with respect to such common party wall against the Owner who desires to sell. Each certifying Owner from whom such certificate is requested, shall, within ten (10) days after receipt of a written request for certification, furnish same to the requesting Owner or purchaser, as applicable, either confirming that no right of contribution exists or stating the amount of and reasons for the contribution claimed against the requesting Owner. A certificate signed by any one or more of the Owners of a residence which shares a common party wall with the residence of the requesting Owner shall be conclusive evidence of its contents with respect to all other Owners of that residence and with respect to third parties.

(g) Each Owner of a residence which shares a common party wall with one or more other residences and such Owner's contractors and subcontractors shall have an easement and right of entry upon such other residences or businesses to the extent reasonably necessary to repair, restore, Maintain or reconstruct the common party wall. Such repair, restoration, Maintenance or reconstruction shall be done expeditiously and, promptly upon completion of the work, the

Owner on whose behalf the work is being done shall restore all portions of the adjoining residences or businesses damaged as a result thereof to substantially the same condition as that which existed at the time the work commenced.

PART F
CITY GREENWAYS
(CODE SECTIONS 10-3003 AND 10-3022)

Notwithstanding any other provision of this Declaration, without the prior written consent of the City, none of the following is allowed in any City-owned greenway or greenway easement: grading; excavation; dredging; the addition or removal of soil or other materials; the erection of buildings, signs, fences, drainage devices or structures; or any tree disturbing activity (as defined in Part 10, Chapter 2 of the Code). The City, in its sole discretion, at any time and from time to time, may erect paved or unpaved trails, trail markers, and place litter receptacles and other convenience facilities, within the greenway boundaries. The City, in its sole discretion, may adopt and amend regulations concerning the use of greenway (including, by way of example, limiting hours of operation), which shall be equally applicable to the general public and to the Owners and their occupants and guests.

PART G
PRIVATE STREETS
(CODE SECTION 10-3074)

Section 1. Private Streets. Pursuant to Code Section 10-3074 (b) and (c), all of the following are applicable to private streets in the Properties:

(a) In no case shall the City be responsible for failing to provide any emergency or regular fire, police or other public service to any cluster unit development, unit Ownership (condominium) development, group housing development, townhouse development, or manufactured home park or to the occupants of same when such failure is due to lack of access to such areas due to inadequate design, construction or blocking of access routes, inadequate Maintenance, or any other factor within the control of the Declarant, the Association, the Owners or the occupants of the Properties.

(b) In no case shall the City or the State of North Carolina be responsible for Maintaining any private street. Such responsibility shall rest with the Association (or applicable Sub-Association) and Owners of Lot within the Properties, in that such private streets will not be constructed to the minimum standards sufficient to allow their inclusion for public Maintenance.

(c) The provisions of this Section shall be incorporated into all conveyances of any part or all of the Properties, which incorporation may be by reference to this Declaration; provided, however, the provisions of this Section and all other provisions of this Declaration are applicable to the portions of the Properties conveyed and the Owners thereof, whether or not any such provisions are incorporated into the conveying documents.

ARTICLE XV

DISPUTE RESOLUTIONS AND LIMITATIONS ON LITIGATION

Section 1. Agreement to Avoid Costs of Litigation and to Limit Rights to Litigate Disputes.

The Association, Declarant, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, “**Bound Parties**”) agree to encourage the amicable resolution of disputes involving the Properties in order to avoid the emotional and financial costs of litigation. Accordingly, to the extent permitted under applicable law, each Bound Party covenants and agrees that all claims, grievances or disputes between such Bound Party and any other Bound Party involving the Property including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of this Declaration, the Bylaws, the Association rules, or the Articles (collectively “**Claim**”), except for those Claims authorized in Section 15.2, shall be resolved using the procedures set forth in Section 15.3 in lieu of filing suit in any court or initiating proceedings before any administrative tribunal seeking redress or resolution of such Claim.

Section 2. Exempt Claims. The following Claims (“**Exempt Claims**”) shall be exempt from the provisions of Section 15.1:

(a) Any suit by the Association against any Bound Party to enforce the provisions relating to Assessments;

(b) Any suit by the Association to obtain a temporary restraining order or equivalent emergency equitable relief and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association’s ability to enforce the provisions relating to architectural control or use restrictions;

(c) Any suit between Owners (other than Declarant) seeking redress on the basis of a Claim which would constitute a cause of action under federal law or the laws of the State of North Carolina in the absence of a claim based on the Declaration, Bylaws, Articles or rules of the Association, if the amount in controversy exceeds \$5,000.00;

(d) Any suit arising out of any written contract between Owners and which would constitute a cause of action under the laws of the State of North Carolina in the absence of the Declaration, Bylaws, and Articles of the Association; and

(e) Any suit in which all parties are not Bound Parties.

Any Bound Party having an Exempt Claim may submit it to the alternative dispute resolution procedures set forth in Section 15.3, but there shall be no obligation to do so. The submission of an Exempt Claim involving the Association to the alternative dispute resolution procedures of Section 15.3 shall require the approval of the Association.

Section 3. Mandatory Procedures for All Other Claims. To the extent permitted under applicable law, all claims other than Exempt Claims shall be resolved using the following procedures:

(a) Notice. Any Bound Party having a claim (“**Claimant**”) against any other Bound Party (“**Respondent**”), other than an Exempt Claim, shall notify each respondent in writing of the Claim (the “**Notice**”), stating plainly and concisely:

(i) The nature of the Claim, including date, time, location, persons involved and respondent’s role in Claim;

- (ii) The basis of the Claim (i.e., the provisions of this Declaration, the Bylaws, the Articles or rules or other authority out of which the claim arises);
 - (iii) What Claimant wants Respondent to do or not to do to resolve the Claim;
 - (iv) That the Claimant wishes to resolve the Claim by mutual agreement with Respondent and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.
- (b) Negotiation.
- (i) Each Claimant and Respondent (the “**Parties**”) shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good negotiation.
 - (ii) Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in resolving the dispute by negotiation, if it believes its efforts will be beneficial to the Parties and to the welfare of the community.
- (c) Mediation.
- (i) If the Parties do not resolve the Claim through negotiation within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties) (“**Termination of Negotiations**”), Claimant shall have 30 additional days within which to submit the Claim to mediation under the auspices of any dispute resolution center or other such independent agency providing similar services in the same geographical area upon which the Parties may mutually agree.
 - (ii) If Claimant does not submit the Claim to mediation within 30 days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons not a Party to the foregoing proceedings.
 - (iii) If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation process, or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings (“**Termination of Mediation**”). The Termination of Mediation notice shall set forth when and where the Parties met, that the parties are at an impasse, and the date that mediation was terminated.
 - (iv) Each Party shall, within five days of the Termination of Mediation, make a written offer of settlement in an effort to resolve the Claim. The Claimant shall make a final written settlement demand (“**Settlement Demand**”) to the Respondent. The Respondent shall make a formal written settlement offer (“**Settlement Offer**”) to the Claimant. If the Claimant fails to make a

Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

(d) Final and Binding Arbitration. To the extent permitted under applicable law, any and all claims, disputes and controversies by and between the Declarant, Association and/or Owners or any combination thereof arising from or related to the Properties (including Townhouse Units and Common Elements), any improvements to the Land, the sale of the Land, including, without limitation, any claim of breach of contract or warranty, negligence, negligent or intentional misrepresentation or nondisclosure in the inducement, execution or performance of any contract, including this arbitration agreement, and breach of any alleged duty of good faith and fair dealings, shall be submitted to arbitration by and pursuant to the rules of Construction Arbitration Services, Inc. (hereinafter "CAS") in effect at the time of the request for arbitration or by such other arbitration service as Declarant shall, in its sole discretion select, and pursuant to the rules of that arbitration service in effect at the time of the request for arbitration. This arbitration agreement shall inure to the benefit of, and be enforceable by, all successors and assigns of the parties. Any party shall be entitled to recover reasonable attorneys' fees and costs incurred in enforcing this arbitration agreement, and the arbitrator shall have sole authority to award such fees and costs. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any state or federal court of competent jurisdiction. This arbitration agreement shall be deemed to be a self executing arbitration agreement. Any disputes concerning interpretation or the enforceability of this arbitration agreement, including without limitation, its revocability or voidability for any cause, the scope of arbitrable issues, and any defense based on waiver, estoppel or laches shall be decided by the arbitrator. The initiation of or participation by any party in any judicial proceedings concerning this arbitration agreement or any matter arbitrable hereunder shall not be deemed a waiver of the right to enforce this arbitration agreement and, notwithstanding provision of law to the contrary, shall not be asserted or accepted as a reason to delay, to refuse to participate in, or to refuse to enforce this arbitration agreement. Any party who shall commence a judicial proceeding concerning a dispute that is arbitrable, however, shall also be deemed a party requesting arbitration within the meaning of this arbitration agreement. The arbitrator's compensation shall be borne equally by the arbitrating parties. Any additional fees may be assessed in accordance with the arbitration rules and fees. Parties expressly agree that this arbitration agreement involves and concerns interstate commerce and is governed by the provisions of the Federal Arbitration Act (9 USC §1 *et seq.*) now in effect as the same may from time to time be amended, supplanted or replaced, to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule; and to the extent that any local law, ordinance or judicial rule may be inconsistent with any provision of the rules of the arbitration service under which the arbitration proceeding shall be conducted, the latter rule shall govern the conduct of the proceedings. If any provision of this arbitration agreement shall be determined by arbitrator or by any court to be (i) non-enforceable or (ii) have been waived, the remaining provision shall be deemed to be severable therefrom and enforceable according to their terms.

(e) Enforcement of Resolution. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with the above and any Party thereafter fails to abide by the terms of such agreement, or if any Party fails to comply with the terms of any Award following arbitration, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth above and, in such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs

incurred in enforcing such agreement or Award, including, without limitation, attorneys fees and court costs.

Section 4. Litigation. To the extent permitted under applicable law, (a) any litigation by the Association other than the Exempt Claims set out above, or (b) any arbitration against the Declarant shall both require an affirmative vote of seventy-five percent (75%) of the Members of the Association prior to the institution of such litigation. If and to the extent allowed by applicable law, no lawsuit shall be permitted against the Declarant.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be duly executed the day and year first above written.

DECLARANT:

RAMBLEWOOD 2005 LLC,
a North Carolina limited liability company

By: *[Signature]*
Its: Manager
John M. Kane

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned, a Notary Public of the County and State aforesaid, certify that
John M. Kane, who is the Manager of
Ramblewood 2005 LLC, a North Carolina limited liability company, whose identity has been
proven by satisfactory evidence, said evidence being:

- ☒ I have personal knowledge of the identity of the principal(s)
☐ I have seen satisfactory evidence of the principal's identity, by a current state
or federal identification with the principal's photograph in the form of a _____

☐ A credible witness has sworn to the identity of the principal(s); personally
came before me this day and acknowledged that he is _____ President of Ramblewood
2005, LLC, a North Carolina limited liability company, and that he, in such capacity
and being authorized to do so, voluntarily executed the foregoing on behalf of the
corporation for the purpose stated therein and in the capacity indicated.

Witness my hand and seal, this the 4th day of December, 2006.

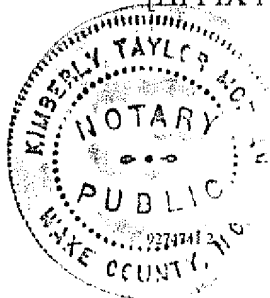
Kimberly Taylor Morgan

Notary Public

Print Name: Kimberly Taylor Morgan

My Commission Expires: 5/28/2007

[AFFIX NOTARY SEAL BELOW - NOTE THAT SEAL MUST BE **FULLY LEGIBLE**]



LENDER'S CONSENT TO SUBORDINATION

Branch Banking & Trust Company hereby consents to the subordination of its deed of trust lien as recorded in Book 11936, Page 1730, Wake County Registry to the terms of this Master Declaration for Ramblewood.

LENDER:

BRANCH BANKING & TRUST COMPANY

BY: [Signature]
Name: Brad Pollock
Title: Vice President

TRUSTEE:

BB&T COLLATERAL SERVICE
CORPORATION

BY: [Signature]
Name: G. Gray Reed
Title: Vice President

STATE OF North Carolina
COUNTY OF Wake

I certify that the following person(s) personally appeared before me this day, and

- ☒ I have personal knowledge of the identity of the principal(s)
☐ I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a _____
☐ A credible witness has sworn to the identity of the principal(s);

each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Brad Pollock

Date: 12/5/06

Ann Marie Proper
Ann Marie Proper, Notary Public
(print name)

My commission expires: 9/23/09



STATE OF North Carolina
COUNTY OF _____

I certify that the following person(s) personally appeared before me this day, and

- ☒ I have personal knowledge of the identity of the principal(s)
☐ I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a _____
☐ A credible witness has sworn to the identity of the principal(s);

each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: G. Gray Reed

Date: 12/5/06

Ann Marie Proper
Ann Marie Proper, Notary Public
(print name)

My commission expires: 9/23/09

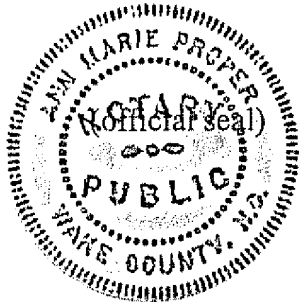


EXHIBIT A

Tract 1 - north of Ramblewood Drive (a 60' public right of way):

Beginning at a concrete monument on the eastern right of way of Six Forks Road, said monument being located South 19° 15' 43" East 446.03 (ground) feet from NCGS Grid Monument "Mall" Northing=758,964.7091 and Easting=2,107,101.1204 feet, thence from said **POINT OF BEGINNING**; and with the eastern margin of said right of way South 31° 55' 18" East 185.62 feet to a point, thence South 15°59'07" West, a distance of 97.70 feet to an existing iron pipe; thence North 63°06'08" West, a distance of 4.08 feet to an existing concrete monument on the northern right of way of Ramblewood Drive (a 60 foot public right of way); thence with the northern right of way of Ramblewood Drive the following two calls: (1) North 32°53'32" West, a distance of 229.39 feet to an existing concrete monument; and (2) thence with a curve to the left having a radius of 564.48 feet and a central angle of 09°53'08"; an arc length of 97.39 feet, a chord bearing of North 37°50'06" West, and a chord distance of 97.27 feet to an existing concrete monument; thence leaving said right of way North 30°22'09" East, a distance of 18.17 feet to an existing concrete monument; thence South 71°43'25" East, a distance of 113.16 feet to an existing concrete monument on the southern right of way of Six Forks Road to the **POINT OF BEGINNING**, containing 0.48 acres, more or less.

Tract 2 - south of Ramblewood Drive (a 60' public right of way):

Beginning at NCGS Grid Monument "Mall" Northing=758,964.7091 and Easting=2,107,101.1204 feet thence traveling South 19° 15' 43" East 446.03 (ground) feet to a concrete monument on the eastern right of way of Six Forks Road, thence North 71° 43' 25" West 113.16 feet to a concrete monument, thence South 30° 22' 09" East 18.17 feet to a concrete monument on the western margin of Ramblewood Drive (a 60' public right of way), thence crossing said right of way South 31° 17' 17" West 62.70 feet to the **POINT OF BEGINNING**; thence with the western margin of Ramblewood Drive (a 60' public right of way) with a non tangent curve to the right having a radius of 504.48 feet, a central angle of 07°55'48", an arc length 69.82 feet, a chord bearing of South 36°51'27" East, and a chord length of 69.77 feet to an existing iron pipe; thence continuing with said right of way South 32°53'32" East, a distance of 287.09 feet, thence leaving said right of way South 15°59'07" West, a distance of 1,038.77 feet to an existing iron pipe; thence South 86°23'12" West, a distance of 618.65 feet to an existing iron pipe; thence South 87°18'12" West, a distance of 28.99 feet to an existing iron pipe; thence North 06°29'28" West, a distance of 324.87 feet to an existing iron pipe; thence North 44°58'20" West, a distance of 154.96 feet to an existing iron pipe; thence South 85°15'06" West, a distance of 125.04 feet to an existing iron pipe; thence North 04°18'49" West, a distance of 265.83 feet to an existing iron pipe; thence North 85°12'14" East, a distance of 256.10 feet to an existing iron pipe; thence North 04°46'55" West, a distance of 189.99 feet to an existing iron pipe; thence North 55°10'37" East, a distance of 80.28 feet to an existing iron pipe; thence North 85°16'50" East, a distance of 186.62 feet to an existing iron pipe; thence South 09°46'43" West, a distance of 186.30 feet to an existing iron pipe; thence South 66°03'23" East, a distance of 114.54 feet to an existing iron pipe; thence North 83°42'06" East, a distance of 194.81 feet to an existing iron pipe; thence North 01°30'33" East, a distance of 151.74 feet to an existing iron pipe; thence North 31°17'17" East, a distance of 507.59 feet to the **POINT OF BEGINNING**, containing 19.57 acres, more or less.

EXHIBIT A
(continued)

Also show on sheets 1 through 10 of that certain plat entitled "Subdivision of Ramblewood II", prepared by The John R. McAdams Company, Inc., and bearing the seal of John R. Pickens, North Carolina licensed surveyor No. L-3297, and having a Survey Date of August 18, 2006, and recorded at Book of Maps 2006, Pages 2555-2564, Wake County Registry.

23.00+1/20/06

This Document
of Pages 176
New Time Stamp

This Customer Group
of Time Stamps Needed

Wake County Register of Deeds
Laura M. Riddick
Register of Deeds



Yellow probate sheet is a vital part of your recorded document.
Please retain with original document and submit for rerecording.

BOOK:012313 PAGE:01261 - 01336

