

HOLD FOR DOUGLASS & DOUGLASS, BOX 54

Wake County, NC 498
Laura H Riddick, Register Of Deeds
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**DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
MEADOWOOD CROSSING**

THIS DECLARATION, made on the date hereinafter set forth by Douglass & Barham, 3700 Computer Drive, Raleigh, North Carolina 27609, a North Carolina general partnership.

WITNESSETH THAT:

WHEREAS, Declarant is the owner of the Properties, as hereinafter defined in Article I, upon which it intends to develop a residential townhouse community known as Meadowood Crossing (hereinafter "Meadowood Crossing"); and

WHEREAS, Declarant desires to convey the Properties to Owners and the Association, subject to certain protective covenants, conditions, restrictions, reservations, liens and easements as hereinafter set forth.

NOW, THEREFORE, Declarant hereby declares that all of the Properties, including the Lots and Common Area, are and shall be held, transferred, sold, conveyed, leased, mortgaged, occupied, used and otherwise disposed of subject to the following easements, restrictions, covenants, conditions, charges and liens as hereinafter set forth, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Properties and Meadowood Crossing. These easements, restrictions, covenants, conditions, charges and liens shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in the Properties, or any part thereof, and shall inure to the benefit of each Owner.

ARTICLE I
DEFINITIONS

Unless the context shall prohibit or otherwise require, each of the following words or terms, whenever use herein with an initial capital letter, shall have the following meaning in this Declaration, the Articles and the Bylaws.

(a) "Amenities" mean any facility constructed, erected, or installed on or within the Common Area for the use, benefit and enjoyment of the Members.

(b) "Architectural Committee" means the Architectural Committee appointed by the Board of Directors, pursuant to the Bylaws, or in the absence of such Committee, the Board of

Directors.

(c) "Articles" mean the Articles of Incorporation for the Association, including any amendments thereto, filed with the Office of the North Carolina Secretary of State.

(d) "Assessment" means a levy imposed, from time to time, against the Owner and his Lot by the Association in the manner hereinafter provided.

(e) "Association" means the Meadowood Crossing Homeowners Association, a North Carolina non-profit corporation, and its successors.

(f) "Board of Directors" or "Board" means the Association's Board of Directors, the governing body of the Association.

(g) "Building" means a multi-unit structure on the Properties and containing more than one Townhouse.

(h) "Bylaws" means the bylaws, from time to time adopted by the Association, to govern the Association's administration and operation.

(i) "City" means the City of Raleigh, North Carolina.

(j) "Common Area" means, singularly and collectively, all real property, improvements and Amenities thereto and thereon, owned or leased by the Association for the common use or enjoyment by the Owners, including without limitation, all private streets and parking areas outside the boundaries of a Lot, the Open Space, as identified on the Plat, the storm water detention pond and storm drainage pipes serving more than one Townhouse and which are not maintained by a governmental entity, all utility lines serving Meadowood Crossing when such lines serve more than one Townhouse and are not maintained by a governmental entity and are located outside City utility easements or public street rights of way, and such other portions of or interests in the Properties as the Declarant shall, from time to time, designate as Common Areas on a recorded plat. Utility lines located within the boundaries of a Lot which exclusively serve that Lot are not part of the Common Area.

(k) "Common Expense" and "Common Expenses" means all sums lawfully assessed by the Association, including expenses: for the administration of the Association; for the maintenance, utility charges, repair or replacement of the Common Area, including the Amenities and City required landscaping thereon, and the detention pond, private streets, and other improvements in the

Common Areas; for maintenance of the trees, lawns, shrubbery, roofs and their gutters, downspouts, and eaves, and exterior of the Townhouses as set forth in Article V; for such hazard, liability and other insurance premiums as the Association elects to maintain; for ad valorem taxes and governmental assessments levied against the Common Area owned in fee; for unpaid homeowner assessments resulting from the purchase of a Townhouse at a foreclosure sale (such assessment shall be collectible from all Members, including the purchaser at the foreclosure sale, his successors and assigns); expenses declared as a Common Expense by this Declaration or Bylaws; or otherwise agreed upon by the Members as a Common Expense.

(l) "Declarant" means Douglass & Barham, a North Carolina general partnership, and any successor or assignee of Douglass & Barham's rights, powers and authorities as Declarant hereunder (in whole or in part).

(m) "Declaration" means this Declaration of Covenants, Conditions and Restrictions for Meadowood Crossing, and all amendments thereto filed for the record in the Office of the Register of Deeds of Wake County, North Carolina, as permitted hereunder.

(n) "Lender" shall mean any bank, savings and loan association, insurance company, mortgage lender or Person.

(o) "Lot" means any numbered or lettered plot of land, as shown upon any recorded subdivision map of the Properties, which is zoned and intended for residential use and on which a Townhouse will be constructed. The Lot specifically excludes any Common Area.

(p) "Lot in Use" means any Lot on which a Townhouse has been constructed and for which a certificate of occupancy has been issued by the City. A Lot shall be a Lot in Use as of the first day of the month next following the day on which the certificate of occupancy has been issued for the Lot by the City.

(q) "Member" means each Owner of a Lot, including Declarant so long as it owns any Lot. No Owner shall have more than one membership per Lot.

(r) "Owner" means the record owner, whether one or more Persons, of the fee simple, or undivided fee simple, interest in a Lot, as shown by the public records of Wake County, North Carolina, but excluding Persons having such interest merely as security for the performance of an obligation.

(s) "Person" means any individual, partnership, limited liability company, corporation, trustee, association or other legal entity.

(t) "Plat" means that subdivision plat, entitled "Meadowood Crossing, a Townhouse Community, Raleigh, N. C.", recorded in book of Maps 2000, Pages 543-546, Wake County Registry.

(u) "Property" or "Properties" mean that certain real property more particularly described in Exhibit A, and any additional real property made subject to this Declaration pursuant to Article X, Section 5, hereof, together with all improvements which may at any time be located thereon.

(v) "Townhouse" means a resident dwelling unit constructed upon a Lot, and constituting a part of a Building, including any garage or storage building, whether attached to the Building or unattached.

ARTICLE II PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of use and enjoyment in and to the Common Area, which shall be appurtenant to and shall not be separated from title to the Owner's Lot, subject to the Easements of Article III and to the following provisions:

(a) The right of the Association to require the use of, and to charge reasonable admission and other fees for the use of, Common Area and Amenities.

(b) The right of the Association to suspend the voting rights, and the right to use any Common Area and Amenities, by an Owner for any period during which any Assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of it published rules and regulations; provided that no Owner will be denied access to his Lot and the right to park his vehicles in the Common Area designated for parking.

(c) The right of the Association, with the written assent of two-thirds (2/3) of each class of Members, to borrow money for the purpose of improving the Common Area; provided, any deed of trust permitted by law shall be subject to the rights and easements of the Owners and the Association in the Common Area.

(d) the right of the Association, in accordance with the City Code and Bylaws, to dedicate, transfer or exchange all

or any part of the Common Area.

(e) the right of the Association to formulate, publish, impose and enforce rules and regulations for the use and enjoyment of the Common area, which rules and regulations may further restrict the use of the Common Area.

(f) the right of the Association to dedicate, sell or transfer all, or any part, of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members, with written assent of two-thirds (2/3) of each class of Members.

Section 2. Delegation of Use. Subject to Section 1 above, any Owner may delegate, in accordance with the Bylaws, his rights of use and enjoyment in and to the Common Area, to a member of his family, his lawful tenants, guests, invitees or others who reside on such Owner's Lot.

Section 3. Title to the Common Area. Declarant, and others subjecting real property to this Declaration, hereby covenant for themselves, their heirs and assigns that, prior to the time of the conveyance of the first Lot within Meadowood Crossing, it will convey to the Association fee simple title to the Common Area then existing, and all improvements thereon, free and clear of all encumbrances and liens except water and sewage easements, drainage and utility easements, the City of Raleigh access easement and easements for streets and parking.

ARTICLE III EASEMENTS

Section 1. General Easements and Association Undertakings. All of the Properties, including the Lots and Common Area, shall be subject to such easement for streets, utility lines, telecommunication lines, storm drainage, facilities and other public utilities, landscape easements and buffers, as established by Declarant prior to subjecting the Properties to this Declaration, including, without limitation, those shown on the Plat. The Association shall in accordance with the Articles and Bylaws have the power and authority to grant and establish in, upon, over, under and across the Common Area such further easement as are requisite for the convenient use and enjoyment of the Properties and the Owners.

Section 2. Easement for Government Agencies. An easement is hereby established, for the benefit of any governmental agency, public utility company and public service agency, over all the

Common Area and Lots as necessary for the setting, removal, and reading of water meters, the operation, maintenance and replacement of gas, water, sewer, electrical, telephone and communication lines and facilities (including the sewer lift station on the Properties), the fighting of fires, collection of garbage, postal delivery, police protection and emergency and rescue activities.

Section 3. Temporary Construction Easement. Subject to such reasonable rules and regulations as may be established by the Association for the protection of the Common Area, a temporary easement over, through and to the Common Area is hereby reserved, conveyed and established in favor of Declarant and each Owner to be used for the conducting of construction activities on a Lot or Common Area, including the storage of construction materials. This easement shall be used only as and when necessary to facilitate the construction, by Declarant or an Owner, of improvements on a Lot or the Common Area. In using and taking the benefits of this easement, Declarant, or its designate, and Owners or their designates shall use their best efforts to minimize any land, improvements, or vegetation disturbance within the Common Area, and shall restore such land, improvements and vegetation therein to a condition substantially as that which existed prior to such disturbance. Should Declarant, its designate, or an Owner or their designate fail to restore the disturbed Common Area, as required above, the Association may restore the land and vegetation to the required condition and Declarant, its designate, or Owner, as the case may be, shall indemnify the Association for the reasonable expenses incurred in performing such restoration. When any Owner seeks to take advantage of the easement herein conveyed, such Owner's rights of use shall be restricted to that Common Area which shall be reasonably servient and proximate to his Lot.

Section 4. Easement for Minor Encroachments. Each Lot and the Common Area shall be subject to a perpetual easement for the encroachment of initial improvements constructed on adjacent Lots by Declarant to the extent that such initial improvements actually encroach, including, without limitation, such items as overhanging eaves, roofs, gutters, downspouts, chimneys, exterior storage rooms, bay windows, stoops, heating and air conditioning units, decks, patios, porches, steps and walls. In addition, if any encroachment shall occur as result of settling or shifting of any improvement or as a result of any permissible repair, construction, reconstruction, or alteration, there is hereby created, and there shall be, a valid easement for such encroachment and for the perpetual maintenance of the same.

Every Lot shall be subject to an easement for entry and encroachment by the Declarant, for a period not to exceed eighteen (18) months following conveyance of the Lot to an Owner, for the purpose of correcting any problems that may arise regarding grading, drainage, streets and utility lines installed or constructed by the Declarant. Declarant, upon making such entry for such purpose shall restore the affected Lot to as near the original condition as possible.

Section 5. Structural Support. Every portion of a Townhouse which contributes to the structural support of the Building shall be burdened with an easement of structural support for the benefit of all Townhouses within the Building.

Section 6. Access Easement. All private streets within the Properties 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 such Lot shall be entitled to use them as a means of ingress, egress and regress and for such other uses as shall have been designated. Such easement shall be superior to the lien of every deed of trust against such Lot.

Section 7. Emergencies and Entrance. Each 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 the Lot and/or that endangers the Common Area, any other Lot, or any improvement thereon, and for the purpose of performing and ensuring the proper maintenance and operation of the Lots and Townhouses as required to be performed by the Association by this Declaration, including, without limitation, the exterior and party wall maintenance as provided in Articles V and VI hereof.

Section 8. Maintenance Activities. Each Lot shall be subject to an easement for entry by the Association for the purpose of undertaking maintenance activities set forth in Article V hereof.

ARTICLE IV COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant and each Lot Owner (by acceptance of a deed to a Lot), hereby covenants and agrees to pay to the Association:

- (a) the annual Assessments;
- (b) any special Assessment for capital improvements; and,
- (c) any special Assessments for purchase and reconstruction of Townhouses;
- (d) fines.

Notwithstanding any provision herein to the contrary, until a Lot becomes a

Lot in Use, the Assessment for such Lot shall be ten percent (10%) of the Assessment of a Lot in Use. All Assessments shall be established and collected, from time to time, as hereinafter provided.

The annual and special Assessments, together with interest, costs, fines, and reasonable attorney's fees incurred by the Association in connection therewith, shall be a charge and continuing lien upon the Lot against which such Assessment is made and also the personal obligation of the Owner of the Lot at the time when such Assessment fell due. The personal obligation for delinquent obligations shall not pass to the Owner's successor in title unless expressly assumed by such successor.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the payment of Common Expenses and for the establishment of reserves for future needs.

Section 3. Amount of Assessment.

(a) Initial Assessment. Until January 1, 2002, the initial annual Assessment shall not exceed \$1,500.00 for each Lot in Use, the exact amount of which shall be determined, from time to time, as provided in subsection (d) of this Section 3.

(b) Increase by Association. From and after December 31, 2001, the annual Assessment for any year may be increased by the Board, without a vote of the Members, by a percentage not in excess of ten percent (10%) of the previous year's annual Assessment.

(c) Increase by Members. From and after December 31, 2001, the annual assessment may be increased by a percentage greater than ten percent (10%) by the affirmative vote of at least two-thirds (2/3) of each class of Members who are voting, in person or by proxy, at a duly called special meeting as provided in the Bylaws.

(d) Criteria for Establishing Annual Assessment. The Association is required to establish and maintain an adequate reserve fund for the Common Expenses. The fund shall be maintained out of annual Assessments for Common Expenses. In establishing the annual Assessment for any year, the Board shall set the annual Assessment high enough to cover all current Common Expenses, any accrued debts, and reserves for future needs.

Section 4. Special Assessments. In addition to the annual Assessment, 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 any construction, maintenance, reconstruction, repair or replacement of any improvement or vegetation upon the Common Area, including the necessary fixtures and personal property related thereto; provided, however, any such Assessment shall have the assent of at least two-thirds (2/3) of each class of Members who are voting, in person or by proxy, at a duly called special meeting as provided in the Bylaws.

Section 5. Special Assessment for Purchase or Reconstruction of Townhouse. If any Townhouse is substantially destroyed by fire or other casualty, the Owner shall give written notice to the Association, within thirty (30) days of the occurrence of such destruction of other casualty, of whether to repair or reconstruct the Townhouse; and if the Owner to timely give such notice, it shall be conclusively considered, for purposes of this Section, as notice that he does not intend to repair or reconstruct the Townhouse. For purposes of this Section, "substantially destroyed" shall mean that the costs of replacement or repair equals at least fifty percent (50%) of the ad valorem tax value of the improvements on the Lot before they were damaged. If the Owner elects not to repair or reconstruct the Association shall have first right and option to purchase such Townhouse and Lot, as hereinafter provided. The purchase option shall be effective for a period of ninety (90) days following notice of the Owner's election not to repair or reconstruct.

(a) Exercise of Option. The Board shall designate the Architectural Committee, to determine whether failure to reconstruct the damaged Townhouse will result in substantial pecuniary injury or diminution in value to the Association and other Townhouses in Meadow Crossing. The Architectural Committee may employ such persons as are reasonably necessary to make its determination and shall report its conclusions, with supporting data, in writing to the Board within thirty (30) days. The report shall set forth such matters as the Board and the Architectural Committee deem pertinent, including the estimate of costs to purchase or reconstruct such Townhouse. If the Board determines that it would be advantageous for the Association to purchase and reconstruct the Townhouse, it shall call a special meeting of Members. Upon an affirmative vote of at least two-thirds (2/3) of each class of Members who are voting in person or by proxy, as provided in the Bylaws, the Board will be authorized to purchase and reconstruct the Townhouse and to assess all Lots equally for all costs and expenses arising out of such purchase and reconstruction. The Board, in its discretion, may require that the Assessment be paid in a lump sum or in installments over a period not in excess of two (2) years. Such an Assessment shall be in addition to, and not in lieu of, the annual Assessment provided for in Section 3 and the special Assessments provided for in Section 4 of this Article.

(b) Determination of Value. The Owner of the Townhouse shall convey marketable title thereto to the Association upon the Association's payment to the Owner of the fair market value of the Lot and Townhouse in its damaged condition. Fair market value shall be determined in any manner agreed upon by the Association and the Owner. In the absence of such agreement, each shall appoint an appraiser and those two appraisers shall appoint a third appraiser. The fair market value, as determined by any two of the three appraisers, shall be final and binding upon all parties. Each

Each party shall pay the fee of the appraiser selected by it or him and (½) of the third appraiser's fee. If the Board and Owner reach agreement upon a single appraiser, each shall pay one-half (½) the fee of such appraiser.

(c) Application of Insurance Proceeds. The Owner of the Townhouse, prior to conveyance to the Association, shall apply or cause to be applied, so much of the proceeds of any hazard insurance paid by reason of the damage or destruction of the Townhouse as shall be necessary to pay all liens, deeds of trusts, taxes and encumbrances upon the Lot so that the fee simple marketable title thereto may be conveyed free and clear of all liens and encumbrances. If the insurance proceeds are not sufficient to pay all liens, encumbrances and obligations upon the Lot, the purchase price shall be reduced by an amount adequate to pay any such deficiency.

(d) Failure to Exercise Option. If the Association does not exercise the purchase option herein provided, the Owner may retain the Lot or may transfer or convey it, upon such terms and conditions as he determines, to any person, to be used solely as a site of an attached, residential townhouse and subject to the terms of this Declaration. The reconstructed or repaired Townhouse shall be substantially identical to the destroyed or damaged Townhouse, unless a change shall be approved by the Architectural Committee, and shall be constructed in conformity with plans submitted to and approved by the Architectural Committee prior to construction.

(e) Retention by Owner. If a Townhouse is not habitable by reason of damage, and the Owner gives notice of his election to repair or reconstruct the Townhouse, the obligation of the Owner to pay Assessments shall not be suspended. In the event a Townhouse is damaged or destroyed, or the owner does not begin repair or reconstruction within forty-five (45) days of such damage or destruction, he shall cause to be removed, at his expense, all debris from the Lot so that it shall be placed in a neat, clean and safe condition and if he fails to do so, the Association may cause the debris to be removed and the cost of such removal shall constitute a lien upon the Townhouse and its Lot until paid by the Owner, unless the Lot is thereafter acquired by the Association.

(f) Reconstruction by the Association. Upon acquisition of title to the Lot and Townhouse, the Association is authorized to arrange such financing and execute such notes, deeds of trust and other instruments, to enter into such contracts and to do and perform such other acts and things as necessary to accomplish the reconstruction of the Townhouse; provided, however, that only that Townhouse which is to be repaired or reconstructed shall stand as security for any liens, deeds of trust or obligations arising out of said purchase or reconstruction of the Townhouse, and no other portion of the Properties, including the Common Area, shall be

pledged, hypothecated, deeded in trust, or otherwise given as security for any obligation arising out of said purchase or reconstruction, and no Member shall be required to become personally obligated thereafter.

The Association shall hold title to the Lot for the benefit of all Members. The Board may lease or sell the Lot, and improvements thereon, upon such terms and conditions as it, in its discretion, deems most advantageous to the Members. The lease rental shall be applied in the following order of priority: (I) to the payment of taxes, assessments, liens, encumbrances and obligations on or secured by the Lot; (ii) to the maintenance, upkeep and repair of the Townhouse; (iii) to the payment to the Members, pro rata, of the special Assessment, if any, for purchase and reconstruction of the Townhouse; and, (iv) to the Common Expenses. In the event the Lot is sold, the purchase price shall be applied in the following order of priority: (I) to the payment of taxes, assessments, liens, encumbrances and obligations on or secured by the Lot; (ii) to the payment to the Members, pro rata, of the special Assessment if any, for purchase and reconstruction of the Townhouse; and, (iii) to the Common Expenses. Any payment to Members of the special Assessment may be in cash, or may be applied to the annual Assessment due or to become due.

(g) Application of Declaration and Bylaws. Any Townhouse (including the Lot on which it was constructed) which is destroyed and not subsequently restored or reconstructed and any Townhouse which has been destroyed, in whole or in part, by fire or other casualty, and is subsequently restored or reconstructed, shall be subject to the provisions of this Declaration and the Bylaws.

Section 6. Uniform Rate of Assessment. Both annual and special Assessments shall be fixed at a uniform rate for all Lots, subject, however, to the reduced rate established in Section 1 of this Article for any Lot which is not a Lot in Use. All assessments may be collected on a monthly basis, as determined by the Board.

Section 7. Date of Commencement of Annual Assessments: Due Dates. Unless otherwise provided by the Board or herein, each annual Assessment shall be paid in equal monthly installments, on the first day of each month, commencing with the month next following the month in which the Lot becomes a Lot in Use. The first annual Assessment shall be adjusted according to the number of months remaining in that calendar year.

The Association, upon request from a Member, shall furnish a written certificate, signed by an officer of the Association, setting forth whether the Assessments on a specified Lot have been paid. A properly executed certificate shall be binding upon the Association as of the date of

its issuance. A reasonable charge shall be made by the Association where more than one certificate is issued in a calendar year as to a Lot.

Section 8. Effect of Nonpayment of Assessments. Any Assessment or other charge not paid when due shall be delinquent. If the Assessment is not paid within thirty (30) days after the due date, it shall bear interest, from the due date, at the rate of ten percent (10.0%) per annum, and shall be subject to a late charge of \$25.00. In addition, the Association shall be entitled to recover, from the Owner and/or the Lot, its reasonable attorneys fees incurred in connection with such default. The Association may bring an action at law against the Owner to collect such delinquent Assessment, along with any late charges, fines and reasonable attorney's fees of any such action (collectively hereinafter called additional charges), or foreclose its lien against the Lot for such Assessment and additional charges. No Owner may waive or otherwise escape liability for the Assessments and other charges provided for herein by non-use of the Common Area or abandonment of his Lot.

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

Section 10. Fines Designated as Assessments. The Board may impose fines against any Lot for violation of this Declaration, the Articles or Bylaws, and such fines shall be treated as an Assessment otherwise due to the Association, and, as such, shall be the personal obligation of the Lot Owner and a lien against the Owner's Lot.' Fines shall be paid not later than thirty (30) days after notice of the assessment of the fines. These fines shall not be construed to be exclusive and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; however, any fine paid by the offending owner shall be deducted from or offset against any damages that the Association may otherwise be entitled to recover from such Owner. The fines that the Board may impose shall be as follows:

(a) First non-compliance or violation: a fine not in excess of Fifty Dollars (\$50.00).

(b) Second non-compliance or violation: a fine not in excess of One Hundred Dollars (\$100.00).

(c) Third and subsequent non-compliance or violation or violations that are of a continuing nature: a fine not in excess of One Hundred Dollars (\$100.00) for each week of continued violation or non-compliance.

Section 11. Utility Charges for the Common Area. The Association shall pay any and all fee, charges and expenses arising by virtue of the use of utilities provided to and used in connection with any of the Common Area and improvements thereon. Such costs and expenses shall be a Common Expense.

Section 12. The presence at the meeting of Members entitled to cast, or proxies entitled to cast, one-third (1/3) of the votes of each class of Members shall constitute a quorum for purposes of the actions to be taken pursuant to Section 3(c), section 4 and Section 5(a).

ARTICLE V EXTERIOR MAINTENANCE

In addition to maintenance of the Common Area, the Association shall provide maintenance, as required, of the exterior of each Townhouse, including, but without limitation, its exterior walls, window and door sills and frames, roof, chimneys, gutters, downspouts, exterior doors and hardware, lighting fixtures, steps and railing, decks, porches and patios, walks, trees, shrubs, grass and other vegetation, and all other exterior improvements initially installed by Declarant or the Association. Such exterior maintenance shall include the cleaning of all gutters but shall not include the repair or replacement of glass surfaces.

Any Owner who fences or otherwise encloses or screens, by plants or structures, the rear portion of his Lot (which fence, enclosure and/or screen, and the location thereof, shall require the prior approval of the Architectural Committee), may plant trees, shrubs, grass and other vegetation in the enclosed portion as he elects and shall maintain the enclosed portion at his own expense, provided, that such maintenance does not hinder the Association in performing its maintenance duties as to the Townhouse, the Lot's remaining yard space, or the Common Area, and, provided further, no such maintenance by an Owner shall reduce the Assessment payable by him to the Association. If, in the Association's opinion, any such Owner fails to maintain his rear yard in a neat and orderly manner, the Association may revoke, from time to time, the Owner's maintenance rights for a period not to exceed one (1) year and the Association shall perform such maintenance at Owner's expense during the revocation period. The Owner shall not plant any vegetation in front of his Townhouse except with the Architectural Committee's prior approval.

In the event that the need for maintenance or repair of a Lot, or the improvements thereon, is caused through the willful or negligent act of its Owner, or his family, tenant, guests or invitees; the cost of such maintenance or repair shall be added to and become a part of the Annual Assessment to which such Lot is subject. In the event that the need for maintenance and repair of a Lot or the improvements thereon is caused by

fire or other casualty, as defined in a standard North Carolina fire and extended coverage insurance policy, the cost of such maintenance and repair shall be the sole responsibility of the Owner.

ARTICLE VI
PARTY WALLS

Section 1. General Rules to Apply. Each wall which is built as a part of the original construction of a Townhouse and placed on the dividing line between two Lots shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party wall and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair, reconstruction and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owner to call for a larger contribution from other Owners under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who, by his or his tenant's, contractor's or family member's negligent or willful act, causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution. The right of any Owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title. Each Owner, upon reasonable request from any interested party, shall furnish a written, executed certificate setting forth whether any contribution is due from an adjoining Lot. A properly executed certificate shall be binding upon the responding owner as of the date of its issuance. Such certificate shall be furnished, without charge, in a timely manner.

Section 6. Easement for Repair. Every Owner shall have an easement and right of entry upon the Lot of any other Owner to the extent reasonably necessary to perform repair, maintenance or reconstruction of a party wall and those improvements belonging to one Lot which encroach on an adjoining Lot or Common Area. 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 commencement of the work as is reasonably practicable; and such Owner shall be reimbursed as set forth in Section 2 of this Article.

Section 7. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, such dispute shall be settled by arbitration as provided under the laws of the State of North Carolina.

ARTICLE VII
INSURANCE

Section 1. Common Area Policies. All insurance policies upon the Common Area shall be for the benefit of the Association, the Owners and their mortgagees, as their interest may appear.

Section 2. Association Coverage. The Board shall procure and maintain public liability and property damage insurance insuring each Board member, the officers and the Association against any liability to the public or to Owners (and their invitees, agents and employees) arising out of or incident to the ownership an/or use of the Common Areas, or such other areas for which the Association is responsible. 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 prejudiced with respect to his action against another named insured. The amount of such public liability insurance shall be determined by the Board but, in no event, shall be less than \$1 million per occurrence with regard to the Association and each individual director and officer. The Board shall also obtain such other insurance coverage as it determines, from time to time, to be desirable and reasonable including, without limitation, fire and other hazards insurance, with extended coverage endorsement, equal to the maximum insurable replacement value on any Townhouse or other building owned by the Association and the Common Area. Premiums upon insurance policies obtained by the Board shall be a Common Expense.

Section 3. Fidelity Bond. All persons responsible for or authorized to expend funds or otherwise deal in the assets of the Association, shall first be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties in an amount equal to at least one-half the total annual Assessment. The cost of such coverage and bonds shall be a Common Expense.

Section 4. Proceeds. The proceeds of all contracts of insurance purchased by the Association shall be payable to the Board as insurance trustee under this Declaration.

Section 5. Owners' Coverage. Every Owner shall maintain, in full force and effect and at all times, fire and other hazards insurance, with extended coverage endorsement, in an amount equal to the full insurable value of his Townhouse, except that the amount shall not be required to exceed the replacement cost of the Townhouse. An Owner shall exhibit to Board, upon request, evidence that such insurance is in effect. If any Owner fails to maintain such coverage, the Board may obtain such insurance, in the Owner's name, and the cost of such insurance shall be included in the Owner's annual Assessment.

(Recommendation To Owners: If a Townhouse is damaged by fire or other casualty, and if such damage results in damage to an adjacent Townhouse, there may be prolonged disputes between the insurance carriers (which may, in turn, delay the settlement of the claims) unless the insurance protection on both Townhouses is provided by the same carrier. It is recommended that the Owners of all Townhouses located within the same building purchase fire and casualty insurance from the same insurance carrier.)

ARTICLE VIII
ARCHITECTURAL AND APPEARANCE CONTROL

No site preparation or construction, erection or installation of any exterior improvements including, but not limited to, a Townhouse, outbuilding, sign, fence, screen (whether by vegetation or structures) outside lighting, walk, driveway, antenna, satellite dish, solar panel, window treatment, decorative lawn ornaments, number, name sign or other structure or planting shall be constructed, erected, installed or planted upon any Lot, or the exterior of the Townhouse, or other structure thereon, until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme, and location with respect to topography and finished ground elevation, and other specifics thereof, shall have been submitted to and approved, in writing, by a majority of the Architectural Committee.

The Architectural Committee may refuse to approve any such exterior alterations or additions to a Lot unless such alterations or additions are in harmony with existing structures and improvements within Meadow Crossing, as to style, shape, color and size. However, this shall not be construed to mean that the Architectural Committee is required to approve a proposed alteration or addition that meets this criteria.

In the event the Architectural Committee shall fail to specifically approve or disapprove the plans and specifications submitted in final, accurate and complete form, within thirty (30) days after its receipt thereof, such plans and specifications shall be deemed approved.

There is specifically reserved unto the Architectural Committee the right of entry and inspection upon any Lot for the purpose of determining whether the work being undertaken conforms with the approved plans and specifications and is in a good and workmanlike manner.

The Association is specifically empowered to enforce the provisions of this Declaration by any legal or equitable remedy, and in the event it becomes necessary to resort to litigation to determine the propriety of any constructed improvement, or to remove any unapproved improvements, the prevailing party shall be entitled to recover all court costs, expenses and

reasonable attorney's fees in connection therewith. The Association, Declarant, Architectural Committee or any officer, employee, director or member thereof shall not be liable for damages to any persons submitting plans and specifications for approval by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval, disapproval or failure to approve any plans and specifications. Every person who submits plans and specifications for approval agrees, by submission of such plans and specifications, that he will not bring any action or suit against the Association, Declarant, or Architectural Committee to recover any such damages.

ARTICLE IX
LOT USE RESTRICTIONS

Section 1. Rules and Regulations. The Board and the Architectural Committee shall, from time to time, formulate, publish, amend and enforce reasonable rules and regulations concerning the use and enjoyment of each Lot and the Common Area. Such rules and regulations, along with all policy resolutions and actions taken by the Board shall be recorded in a Book of Rules and Resolutions which shall be maintained in a place convenient to the Owners and available to them and their agents for inspection during normal business hours.

Section 2. Use. Each Building, Lot, Townhouse and/or the Common Area shall be used and subject to the following restrictions and, in addition, to those set forth in the Bylaws:

(a) All Buildings and the Common Area shall be used for residential and related purposes. Each Lot and Townhouse shall be used as a single-family residence, provided, nothing herein shall preclude Declarant, or its assigns, from using a Townhouse as a temporary office or model home, subject to the laws of the City.

(b) No outside clothes lines, television or other communication antenna or dish, except as herein provided, shall be located upon a Lot by an Owner. A dish antenna not exceeding eighteen (18) inches in diameter may be installed at a location on a Lot approved by the Architectural Committee.

(c) standard size Realtor's "For Sale" or "For Rent" sign, may be placed on a Lot within public view without the Architectural Committee's prior approval and, subject to the laws of the City, Declarant may erect and maintain temporary signs for its temporary offices and for the marketing of the Lots and Townhouses in Meadowood Crossing.

(d) No construction materials, equipment, machinery or any other thing used for construction purposes shall be stored on a Lot, except as may relate to construction on the Lot or for longer than the length of time reasonably necessary for such construction.

(e) Nothing shall be kept, and no activity shall be carried on, within a Townhouse or on a Lot or the Common Area, which will increase the rate of insurance for the Common Area or result the cancellation of any such insurance, or which will be in violation of any law, ordinance, or regulation.

(f) All garbage receptacles and containers shall be properly screened from public view, except as otherwise required by law.

(g) No structure on the Lot, other than the Townhouse shall be used for human habitation, either temporarily or permanently.

(h) Each Owner shall provide adequate off-street parking areas for his motor vehicles and those of his family, tenants and guests, and shall not permit any such vehicles to be regularly parked on the streets within Meadowood Crossing.

(i) No inoperative vehicle, boat, trailer, camper or other recreational vehicle shall be regularly parked on a Lot except within a garage which is part of such Lot.

(j) Nothing shall be done in or to any Lot or Townhouse or the Common Area which will impair the structural integrity of any Building, Townhouse or portion of the Common Area, or which would impair or alter the exterior of any Building or Townhouse, except in the manner provided in this Declaration.

(k) The pursuit of hobbies or other activities which tend to cause disorderly, unsightly or unkept conditions, shall not be permitted or undertaken on a Lot or within a Townhouse.

(l) Not more than two household pets, each not exceeding twenty-five pounds in weight, except as permitted by the Board, shall be permitted to remain on a Lot, provided they are not raised or kept for commercial purposes.

(m) No immoral, noxious, offensive or loud activities shall be carried on upon the Lot or within a Townhouse; each Owner shall refrain from any act or use of the Lot or Townhouse which could reasonably cause embarrassment, discomfort, annoyance, or become a nuisance, to the residents of Meadowood Crossing; and, no industry, business trade, occupation or profession of any kind, whether commercial or otherwise, shall be conducted on a Lot, except that Declarant, and/or its assigns, may use the Lot for sales or display purposes as hereinabove provided.

Section 3. Governmental Regulations. All governmental laws, rules and regulations applicable to a Lot shall be observed at all

times, by the Owner. In the event of any conflict between any provision of such governmental laws, rules and regulations, and any provision of this Declaration, the more restrictive provision shall apply.

ARTICLE X
MEMBERSHIP

Every person who is a record owner of the fee simple, or undivided fee simple, interest in a Lot in Meadowood Crossing, which by this Declaration is subject to assessment by the Meadowood Homeowner's Association, shall be a Member of the Association. The foregoing is not intended to include Persons who hold an interest in any Lot merely as security for the performance of an obligation. Membership shall be appurtenant to, and may not be separated from, ownership of a Lot which is subject to assessment by the Association.

ARTICLE XI
VOTING RIGHTS

The Meadowood Homeowner's Association shall have two classes of membership:

Class A. Class A Members shall be all Owners, with the exception of Declarant, and shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members and the vote for such Lot shall be exercised as they determine, but in no event shall more one (1) vote be cast with respect to any Lot. Cumulative voting shall not be permitted.

Class B. The Class B member shall be the Declarant (or the assignee of the rights of the Declarant) who shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership; but provided that Class B membership shall be reinstated if thereafter, and before the time stated in subparagraph (b), below, additional land are annexed to the Property without the assent of the Class A Members on account of the development of such additional lands by the Declarant (or the assignee of the rights of the Declarant), all as provided for in this Declaration; or,

(b) January 1, 2005.

ARTICLE XII
GENERAL PROVISIONS

Section 1. Enforcement. The Association, Declarant and any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, Declarant or any Owner to enforce any covenant or restriction herein contained shall, in no event, be deemed a waiver of the right to do so thereafter.

Section 2. Traffic Flow. It shall be the responsibility of the Association to maintain uninterrupted pedestrian and vehicular traffic flow along all private streets within the Properties. If it is necessary for "No Parking" signs, street lights or other necessary traffic aides to be erected in order to accomplish this, this shall be done as a Common Expense. In no case shall the City, or other agency which provides emergency or regular fire, police, sanitation, medical or other public service be responsible for failing to provide any such service to the Properties, or any occupants of the Townhouses in Meadow Crossing, when such failure is due to lack of access to such areas due to inadequate design or construction, blocking of access routes, inadequate maintenance or any other factor within the control of the Association or occupants.

In no case shall the City or the State of North Carolina be responsible for maintaining any private street or drive within the Properties. Such responsibility shall rest with the Association and occupants of the Properties, in that such streets will not be construed to the minimum standards sufficient to allow their inclusion for public maintenance.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgement or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 4. Amendment. The covenants, conditions and restrictions of this Declaration shall run with and bind the Properties, Lots and the Common Area for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument approved by not less than three-fourths (3/4) of each Class of

Members, provided the Board may amend this Declaration, at any time and without such consent to correct any obvious error or inconsistency.

If any amendment to this Declaration is so approved, each such amendment shall be delivered to the Board and the City's Attorney. Thereupon, the Board shall, within thirty (30) days, do the following:

(a) Reasonably assure itself that the amendment has been validly approved by the Owners and the City's Attorney, or his staff. 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 form of certification shown on Exhibit B, attached hereto, is suggested.

All amendments shall be effective from the date of their recordation in the Wake County Registry, provided, however, that no such instrument shall be valid until it has been indexed in the name of the Association. When any instrument purporting to amend the Declaration 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 Owners and the Lots.

Anything herein to the contrary notwithstanding, Declarant, without the consent or approval of the Members, shall have the right to amend this Declaration to conform it to the requirements of any law or regulation or governmental agency or corporation having jurisdiction over the Properties or to qualify the Properties, or any Lots and improvements thereon, for mortgage or improvement loans made, insured or guaranteed by a governmental or quasi-governmental agency, including, without limitation, ecological controls, construction standards, aesthetics and matters affecting the public health, safety and general welfare.

No Amendment shall be recorded in the Wake County Registry without the prior approval of the City Attorney or his deputy.

Section 5. Annexation of Additional Properties. At any time during the effective term of this Declaration, Declarant may propose that the Association annex additional real property which has been or will be developed as a part of the general plan of development for Meadow Crossing as follows:

(a) Additions by Declarant. If, prior to January 1, 2005, Declarant shall develop any land adjoining the Properties, such additional land may be annexed by Declarant without the consent of Members, provided that, the City determines that the annexation is in accord with the general plan hereafter approved by it, if any.

(b) Other Additions. Annexation, by Declarant or others, of additional land other than that described in subsection (a) above, shall require the assent of two-thirds (2/3) of the votes of each class of Members, at a special meeting of Members.

(c) Declaration of Annexation. The additions authorized under this section shall be made by filing of record a declaration of annexation, with respect to the additional land, which shall extend the scheme of the covenants conditions and restrictions of this Declaration to such land or by adopting this Declaration in whole or in part by reference. Such declaration of annexation shall be approved, in advance of its recordation, by the City Attorney or his deputy, and may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the annexed land and as are not inconsistent with the scheme of this Declaration.

(d) Conveyance of Common Area. Subsequent to recordation of the declaration of annexation, but prior to the conveyance of the first Lot within the annexed land, Declarant, or others, shall deliver to the Association a deed, conforming to Article II, Section 3, conveying any Common Area within the lands annexed.

Section 6. Leasing. No Townhouse shall be leased for transient or hotel purposes, nor may any owner lease less than the entire Townhouse nor shall any lease of a Townhouse be for a period of less than twelve (12) months. Any lease must be in writing and provide that the terms of the lease and occupancy of the Townhouse shall be subject to this Declaration and the Bylaws and any failure by a lessee to comply with such shall be a default under the lease.

Section 7. Contract Rights of Association. As long as there is a Class B membership, any contract entered into by or on behalf of the Association shall contain a provision giving the Association, or the other party thereto, the right to terminate such contract, without penalty, upon the giving of not more than thirty (30) days written notice to the other contracting party.

Section 8. Lender's Rights. So long as any Lender holds any deed of trust upon a Lot, then upon its written request to the Association, identifying the Owner and the Lot, Lender shall be entitled to timely written notice of:

(a) any condemnation or casualty loss that affects such Lot or a substantial portion of the Common Area;

(b) any sixty (60) day delinquency in the payment of any Assessment owed by the Owner of such Lot, on which it holds the mortgage;

(c) a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) any proposed action that requires the consent of a specified percentage of Lenders;

(e) the Association's financial statement for the immediately preceding fiscal year; or,

(f) the call of any meeting of the Members to be held for the purpose of considering any proposed amendment to the Declaration, the Articles or Bylaws.

Section 9. FHA/VA/City Approval. Notwithstanding any provision in this Declaration to the contrary, as long as there is a Class B Member, and if Declarant desires to qualify any of the Properties for Federal Housing Administration ("FHA") or Veterans Administration ("VA") approval (but not otherwise), the following actions will require the prior approval of the Federal Housing Administration, the Veterans Administration or the City, as the case may be, if either has given its prior approval to the development of the Properties: annexation of additional properties, dedication or mortgaging of any Common Area, mergers or dissolution of the Association and amendment of this Declaration.

Section 11. Private Streets Within City Sanitary Sewer Easement. The Owners of the Property of Meadowood Crossing, including the Meadowood Crossing Homeowners Association, and not the City shall be responsible for the costs of any and all repairs and patching of private street located within any City sanitary sewer easement located on the Property when City utility repair work therein is necessary. The Owners of the Property of Meadowood Crossing and not the City shall be liable for any and all property damage or injury to or death of any person arising out of or resulting from the failure to promptly or adequately patch or otherwise repair any such private street located within any such City sewer easement following any and all such utility repair work, including, without limitation, actions alleging negligence, omission, defect in pavement or any other theory of recovery. The Owners of the Property of Meadowood Crossing shall indemnify and hold harmless the City, and its officers, councilmen, employees and contractors, from and against any and all such liability and loss resulting therefrom, such indemnity to include payment of all attorneys fees incurred by the City or its officers, councilmen, employees and contractors in defending against any actions or claims seeking to impose such liability.

The City shall not be responsible for any repairs, resurfacing or patching of any private street within the City sanitary sewer easement. In the event that repairs or patching of any private street within the City sanitary sewer easement is not promptly initiated and completed by the Owners of the Property of Meadowood Crossing, including the Meadowood Crossing Homeowners Association, the City shall have the right, but not the obligation, to undertake and complete necessary repairs and patching at the expense of the party responsible for such repair. If payment is not received by the City within thirty (30) days following written notice for reimbursement, the City shall have both a lien on the property of the party owing the maintenance obligation in the amount of the delinquency (which

shall continue until paid in full) and a personal cause of action against the delinquent party. The City may foreclose its lien against the party with the maintenance obligation and its property. Each party expressly vests in the City the right and power to bring an action against the party personally for the collection of the debt and to enforce the lien by all methods available to the enforcement of such liens, including foreclosure by action brought in the name of the City in a like manner as a mortgage or deed of trust lien on real property. Each party also expressly grants to the City a power of sale in connection with the foreclosure. In any cause of action for collection, the City shall be entitled to interest at six percent (6%) per annum, plus attorneys' fees.

Section 12. Detention Pond Maintenance & Operation Manual. Attached as Exhibit C to this Declaration is the Detention Pond Maintenance & Operation Manual (Manual) for the detention pond located in the Common Area. The Manual contains a general overview; maintenance procedures for the earthen embankment, spillway and storm sewer outfall point; and operating procedures and budget

Section 13. Special Highway Overlay District (SHOD). A portion of the Common Area of Meadowood Crossing lies within the SHOD. Uses within the SHOD are regulated by the City, so that among other things, the construction of buildings, vehicle surface areas and loading areas are prohibited on the SHOD, and the SHOD is to be planted and maintained as regulated by the City. Destruction, injury or removal of City required landscaping within the SHOD is a violation of the City Code, punishable by fines and imprisonment. Any destruction, injury or removal of such landscaping is also a violation of this Declaration. An easement within the SHOD is hereby granted to the Association to enter the SHOD for the purpose of planting, pruning, watering, spraying and maintaining the plantings within the SHOD.

Section 14. Limitations on Governmental Responsibility. All approvals, permits or certificates granted for the use of Meadowood Crossing townhouse development are subject to the limitations of governmental responsibility set forth in Section 2 above and all conveyances made with respect to the Meadowood Crossing townhouse development shall be expressly subject to such limitations.

Section 15. Conflicts. In the event of a conflict between the terms and provisions of this Declaration and the Bylaws or Articles, the terms and provisions of this Declaration shall control. In the event of a conflict between the terms and provision of the Bylaws and the Articles, the terms and provisions of the Articles shall control.

Section 16. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply, either to corporations or other entities or to individuals, men or women, shall, in all cases, be assumed as though in each case fully expressed.

Section 17. Authorized Action. All action that the Association is allowed to take under this Declaration shall be authorized actions of the Association if approved by the Board in the manner provided in the Bylaws, unless the terms of this Declaration or the Articles or Bylaws expressly require the approval of the Members.

Section 18. Binding Effect. All of the terms, conditions provisions and limitations of this Declaration shall be binding upon, and inure to the benefit of, Declarant, the Association, each Owner, and its or his successors, assigns, invitees, agents, tenants, employees and guests, as the case may be.

Every Lot shall be subject to an easement for entry and encroachment by Declarant, for a period of not to exceed eighteen (18) months following conveyance of a Lot to an Owner, for the purpose of correcting any problems that may arise regarding grading, drainage, streets and utility lines installed or constructed by Declarant. Declarant, upon making such entry for such purpose shall restore the affected Lot to as near the original condition as possible.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by it general partners and its seal inscribed, as of the 10 day of April, 2000.

DOUGLASS & BARHAM (SEAL)
A General Partnership

By: Clyde A. Douglass, III
Clyde A. Douglass, III,
General Partner

By: Charles D. Barham, Jr.
Charles D. Barham, Jr.,
General Partner

By: Barham Partners, a general partnership
General Partner

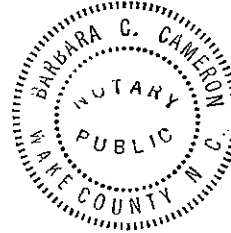
By: Charles D. Barham, Jr.
Charles D. Barham, Jr
Managing General Partner of
Barham Partners

STATE OF NORTH CAROLINA
WAKE COUNTY

I, Barbara C. Cameron, a Notary Public for the County and State aforesaid, certify that Clyde A. Douglass, III, and Charles D. Barham, Jr., general partners of Douglass & Barham, a North Carolina general partnership, personally came before me this day and acknowledged the due execution of the foregoing instrument. Witness my hand and notarial seal/stamp, this 10 day of April, 2000.

Barbara C. Cameron
Notary Public

My Commission expires: 2-25-2005



STATE OF NORTH CAROLINA
WAKE COUNTY

I, Barbara C. Cameron, a Notary Public for the County and State aforesaid, certify that Charles D. Barham, Jr., as managing general partner of Barham Partners, a North Carolina general partnership and a general partner of Douglass & Barham, a North Carolina general partnership, personally came before me this day and acknowledged the due execution of the foregoing instrument. Witness my hand and notarial seal/stamp, this the 10 day of April, 2000.

Barbara C. Cameron
Notary Public

My commission expires: 2-25-2005

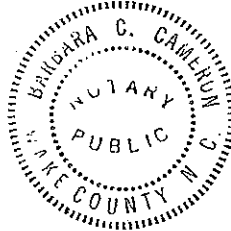


EXHIBIT A

To Declaration of Covenants, Conditions and Restrictions
for Meadowood Crossing

Beginning at an existing iron pipe in the eastern right of way line of Avent Ferry Road and the southern right of way line of Interstate 40/440, said existing iron pipe being a control corner and being located South 00 degrees 28 minutes 50 seconds East 329.44 feet from N.C.G.S. "LAJOHN", N=222,569.123 (meters), E=635,188.999 (meters), CGF=0.9998957, (NAD '83); thence from said Beginning Point with the southern right of way line of Interstate 40/440 South 65 degrees 36 minutes 08 seconds East 155.03 feet to an existing iron pipe; thence with the southern right of way line of Interstate 40/440 South 63 degrees 02 minutes 33 seconds East 421.34 feet to an existing iron pipe; thence with the southern right of way line of Interstate 40/440 South 58 degrees 09 minutes 59 seconds East 266.43 feet to a nail in the base of a fence post; thence with the southern right of way line of Interstate 40/440 South 58 degrees 45 minutes 48 seconds East 305.26 feet an iron pipe; thence with the southern right of way line of Interstate 40/440 South 60 degrees 11 minutes 04 seconds East 86.06 feet to an existing iron pipe in the western line of property now owned or formerly owned by NHS Group; thence with the western line of NHS Group South 01 degree 27 minutes 38 seconds West 658.71 feet to an existing iron pipe; thence with a northern line of NHS Group North 89 degrees 25 minutes 39 seconds West 248.98 feet to an existing iron pipe; then with the Northern line of NHS Group South 88 degrees 44 minutes 47 seconds West 548.02 feet to an exiting iron pipe, a common corner with A. B. Perry; thence with the Northern line of A. B. Perry North 85 degrees 43 minutes 03 seconds West 545.48 feet to a DOT concrete monument in the eastern right of way line of Avent Ferry Road; thence with the eastern right of way line of Avent Ferry Road North 06 degrees 07 minutes 39 seconds West 135.84 feet to a DOT concrete monument; thence with the eastern right of way line of Avent Ferry Road along a curve 713.77 feet to a DOT concrete monument (the chord of which curve is 709.27 feet and bears North 05 degrees 01 minutes 54 seconds East from the previous monument); thence with the eastern right of way line of Avent Ferry Road North 26 degrees 13 minutes 24 seconds East 448.87 feet to the point of Beginning; containing 30.83 acres and shown on a plat of the property of Douglass & Barham appearing of record in Book of Maps 1999, Page 1311, Wake County Registry.

Laura M Riddick
Register of Deeds
Wake County, NC



Book : 008568 Page : 01353 - 01380

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



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

North Carolina - Wake County

The foregoing certificate 5 of _____

Barbara C. Cameron

____ Notary(ies) Public is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the first page hereof.

Laura M. Riddick, Register of Deeds

By: *[Signature]*

~~Assistant~~ Deputy Register of Deeds

This Customer Group
_____ # of Time Stamps Needed

This Document
_____ New Time Stamp
28 # of Pages