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Prepared by and return to:
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Raleigh, North Carolina 27609

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REGISTERED
WAKE COUNTY

DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
DOGWOOD RIDGE

THIS DECLARATION, made on the date hereinafter set forth by
MJK DEVELOPMENTS, LLC, a North Carolina limited liability company,
hereinafter referred to as "Declarant".

W I T N E S S E T H A T:

WHEREAS, Declarant is the owner of certain Property described
hereinafter located in White Oak Township, County of Wake, State
of North Carolina; and,

WHEREAS, the Property is a planned unit development approved
by the appropriate governmental authorities of the Town of Apex,
North Carolina, now known as Dogwood Ridge; and,

WHEREAS, in accordance with such approved planned unit
development, Declarant contemplates developing Dogwood Ridge in
phases as a residential development; and,

WHEREAS, although Declarant contemplates that separate
easements, covenants, conditions and restrictions (which may
include easements, covenants, conditions and restrictions similar
to those contained herein) may be imposed in regard to the Cluster
Home Community described hereinafter, Declarant desires to impose

pursuant hereto, easements, covenants, conditions and restrictions upon all of the Property, with the understanding that at the option of Declarant, certain thereof may be changed and additional and/or supplemental restrictions may be imposed in regard to the Cluster Home Community;

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

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Dogwood Ridge Homeowner's Association, Inc., its successors and assigns.

Section 2. "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 Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Property" shall mean and refer to that certain real property more particularly described on Exhibit A attached hereto and incorporated herein by this reference, and such

additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean that certain portion of the Property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners, including any recreational facility or area, landscaping, parks or trails. The initial Common Area to be owned by the Association upon completion by Declarant of the initial improvements thereto is described with greater particularity on Exhibit B attached hereto and incorporated herein by this reference.

Section 5. "Lot" shall mean and refer to any numbered or lettered plot of land shown upon any recorded subdivision map of the Property which is intended for residential purposes, including those intended for detached and attached residential structures.

Section 6. "Lot in Use" shall mean and refer to any Lot on which a residential structure has been fully constructed and is being or to be occupied as a residence.

Section 7. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 8. "Declarant" shall mean and refer to MJK DEVELOPMENTS, LLC, a North Carolina limited liability company, 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 Declarant may impose in the transfer thereof.

Section 9. "Landscaped Rights-of-Way" shall mean the medians and other areas within street rights-of-way within the Property that are to be initially landscaped and improved by the Declarant and conveyed by the Declarant to the Association and thereafter, maintained by the Association in accordance with this Declaration.

Section 10. "Cluster Home Community" shall mean that portion of the Property described on Exhibit C attached hereto and incorporated herein by this reference and upon which Declarant reserves the right to develop at a higher density than the remainder of the Property, with Lots intended for detached or attached residential dwelling structures being located therein.

Section 11. "Entry Features" shall mean those portions of the Common Area upon which permanent identification signs or monuments shall be initially installed and erected by Declarant at the various entrances of Dogwood Ridge and upon conveyance of such portions of the Common Area to the Association, the Entry Features shall be maintained by the Association in accordance with this Declaration.

ARTICLE II

PROPERTY

Section 1. Property Made Subject to Declaration. The Property is hereby made subject to this Declaration and the Property shall be owned, held, leased, transferred, sold, mortgaged and/or conveyed by Declarant, the Association and each Owner subject to this Declaration and the controls, covenants, conditions, restrictions, easements, development guidelines,

charges and liens set forth in this Declaration. Declarant intends to develop the Property and, upon annexation in accordance with Article IX, Section 5 (a), the real property described as Tract One on Exhibit D attached hereto, in phases, containing up to three hundred seventy five (375) Lots, including those which may be developed within the Cluster Home Community.

Section 2. Cluster Home Community. At such time as Declarant desires to develop the Cluster Home Community, it may do so by filing of record a supplemental declaration ("Supplemental Declaration") which shall include such specific additional controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens as may be set forth in the Supplemental Declaration; provided, however, it is to be expressly understood that the Supplemental Declaration may change or amend certain of the provisions set forth in this Declaration as necessary to accommodate differences in the plan of development for the Cluster Home Community from the remainder of the Property. It is to be expressly understood that Declarant reserves the right to develop the Cluster Home Community at a higher density than the remainder of the Property, with Lots intended for detached or attached residential dwelling structures being located therein.

Section 3. Supplemental Declaration. Notwithstanding anything contained in this Declaration to the contrary, it is expressly understood and agreed that the Supplemental Declaration may supplement, modify and/or amend the terms and provisions of this Declaration as is necessary due to the different nature of

the development of the Cluster Home Community from the remainder of the Property.

ARTICLE III

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to and right of ingress and egress over the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to permit the use of and to charge reasonable admission and other fees for the use of any of the recreational facilities which constitute a portion of the Common Area;

(b) the right of the Association to suspend the voting rights and right to use of any of the recreational facilities which constitute a portion of the Common Area 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 its published rules and regulations;

(c) the right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and its facilities, and in aid thereof to deed in trust the Common Area, which lien of such deed of trust shall be subject to the rights and easements of every Owner created herein;

(d) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or

utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of Members has been recorded; and,

(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 regulations may further restrict the use of the Common Area.

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 the members of his family, his lawful tenants, or contract purchasers who reside on such Owner's Lot and, to his quests, invitees and licensees.

Section 3. General Easements and Associated Undertakings. All of the Property, including Lots and Common Area, shall be subject to such easements for private roads or drives, public streets, water lines, sanitary sewers, storm drainage facilities, gas lines, cable communication transmission, telephone and electric power lines and other public utilities, whether above or below ground, as shall be established by the Declarant, by its predecessor in title prior to the subjecting of the Property to this Declaration or as shown on any recorded subdivision map of any portion of the Property. The Association shall have the power and authority to grant and establish upon, over, under and across the Common Area conveyed to it, such further easements as

are requisite for the convenient use and enjoyment of the Property. Sight easements, if any, as may be shown upon any recorded subdivision map of the Property are hereby reserved by the Declarant.

An easement is hereby established for the benefit of the Town of Apex and any agency or utility performing any of the following services over all Common Area and over an area of all Lots within the Property five (5) feet from the curb line of any street or roadway established within the Property hereby or hereafter established for the setting, removal, and reading of water and electricity meters, the maintenance and replacement of water, electricity, sewer and drainage facilities. In addition thereto, an easement is hereby established over all of the Property for the benefit of the Town of Apex and all other agencies and personnel performing any of the following duties and services for the fighting of fires, mail delivery, collection of garbage, ambulance services and police protection.

Section 4. Temporary Construction Access and Disturbance Easement. An easement over, through and to the Common Area is hereby reserved, conveyed and established in favor of Declarant and all Owners of any Lot to be used for purposes of ingress, egress, regress, conduct of construction activity, storage of construction materials, the necessary disturbance of land for construction on any Lot, and installation of driveways, sidewalks, underground drainage and utility conduits and hookups. This easement shall be used only as and when necessary to facilitate

the construction of improvements at any time on a Lot by Declarant or Owner as well as the extension of driveways, sidewalks, underground drainage and utility conduit and hookups to any residential dwelling structure situated on a Lot. In using and taking the benefits of said easement, Declarant or its designate and Owners shall use their best efforts to minimize any soil or land disturbance activities, and shall restore the land to a condition which is graded smooth and in harmony with surrounding areas. Should Declarant, its designate or an Owner fail to restore the disturbed land as required above, the Association may restore the land to the required condition and Declarant, its designate or Owner, as the case may be, shall indemnify the Association for the reasonable expense incurred in performing such restoration. Where any Owner shall seek 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. Anything in the foregoing to the contrary notwithstanding, every Owner shall obtain the approval of the Architectural Control Committee before commencing any construction as required in Article VI of this Declaration.

Section 5. Title to the Common Area. The Declarant hereby covenants for itself, its heirs and assigns that it will convey fee simple title to the Common Area described on Exhibit B hereto to the Association, free and clear of all encumbrances and liens, except public streets, private roads or drives, utility easements

and any use restrictions of record, including this Declaration, upon completion by Declarant of the initial improvements thereto.

Section 6. Club Association and Club Declaration. Each Owner, by virtue of ownership of a Lot and membership in the Association, shall also be a member of Olive Chapel Swim and Tennis Club, Inc. ("the Club Association") and entitled to the benefits of, and subject to the restrictions of, that certain Declaration of Covenants, Conditions and Restrictions for Olive Chapel Swim and Tennis Club recorded in Book 6811, Page 258, Wake County Registry, which is incorporated herein by this reference ("the Club Declaration"). Membership in the Club Association is mandatory for each Owner and each Class A and Class B Member of the Association shall be a Class A Member of the Club Association. Declarant for so long as Declarant is a Class C Member of the Association shall be a Class B Member of the Club Association. The Association shall be responsible for collection of all assessments due from each Owner pursuant to the Club Declaration and the annual assessments due the Club Association pursuant to the Club Declaration shall be included within and paid and collected as a part of the annual assessment set forth in this Declaration. Each Owner of a Lot, by virtue of acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to be bound by the terms of the Club Declaration.

Section 7. Landscaped Rights-of-Way and Entry Features. At all times during the term of this Declaration, the Association

shall maintain and/or improve Landscaped Rights-of-Way and Entry Features created within the Property in a manner at least comparable to the initial creation and construction thereof.

Section 8. Landscape Buffer. All portions of the Property within Phase 1 of Dogwood Ridge adjoining White Dogwood Road, including all Lots within such Phase 1 adjoining White Dogwood Road, are subject to a twenty five (25) foot wide landscape easement as shown on any recorded subdivision map of such portion of the Property. An easement is hereby reserved and established in favor of Declarant and the Association over such area for the purpose of landscaping, planting and maintaining such area in a well maintained and harmonious manner. Declarant and the Association shall also have an easement and right to construct, erect and maintain identification signs or monuments pertaining to Dogwood Ridge within such area. Each Owner of a Lot over which the easement is reserved and established herein shall have the option and privilege, subject to standards therefor as may be established by Declarant or the Association, as the case may be, to maintain such area in harmony with the remainder of such Owner's yard so as to give the appearance of the continuation of the yard within such easement area; provided, however, in taking advantage of such option and privilege, no such Owner shall have the right, option or privilege to construct any Improvements as defined in Article VII, Section 6 of this Declaration within such area, with the exception of the driveway for each such Lot and a mailbox which each such Owner shall have the right to locate,

construct and maintain within such area provided same are approved in accordance with Article VII of this Declaration, or to alter or remove any signage or planting placed within such easement area by Declarant or the Association. In the event the Declarant or the Association, as the case may be, determine in their sole discretion that an Owner taking advance of such option and privilege is not maintaining such easement area of such Owner's Lot in a manner which is in keeping and harmony with the maintenance and upkeep of the remainder of such easement area and the standards therefor imposed by Declarant or the Association, as the case may be, the Declarant or the Association, as the case may be, shall have an easement and the right to maintain such easement area in accordance with the standards imposed therefor so as to create and insure harmony and consistency in the manner in which such entire easement area is maintained. Subject to compliance with Article VII of this Declaration and receipt of the approval required therein, an Owner may erect a fence within such Owner's yard to separate such easement area from the remainder of such Owner's yard. The landscape easement herein shall run to the benefit of Declarant for so long as Declarant maintains Class C membership in the Association and at such time as such Class C membership shall finally cease, such easement shall run to the benefit of the Association.

Section 9. Maintenance of Cemetery. Declarant shall construct and erect a fence around the small, private cemetery located within the Property and the Association shall keep such

cemetery and any designated access or easement thereto mowed and the appearance thereof neat and orderly.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot which is subject to assessment.

Section 2. The Association shall have three classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Declarant and Owners within the Cluster Home Community, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any such Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote or a fractional vote be cast with respect to any Lot.

Class B. Class B Members shall be all Owners within the Cluster Home Community, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any such Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote or a fractional vote be cast with respect to any Lot.

Class C. The Class C Member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The

Class C membership shall cease and be converted to Class A or Class B membership, as the case may be, on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A and Class B membership equal the total votes outstanding in the Class C membership; provided, however, in the event the Class C membership shall cease and be converted to Class A or Class B membership, as the case may be, because the Declarant no longer owns the number of Lots required to keep such Class C membership in effect, such Class C membership shall be reinstated by the recordation of a subdivision map of the Property which creates additional Lots, but in no event shall such Class C membership extend beyond the time stated in subparagraph (b) of this Section; or
- (b) on January 1, 2003.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual

and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Property and for the improvement and maintenance of the Common Area, for the establishment of adequate reserves for the replacement of capital improvements, if any, located within the Common Area, payment of insurance premiums for contracts of hazard and liability insurance on the Common Area and payment of local ad valorem taxes or governmental charges, if any, on the Common Area, maintenance of Landscaped Rights-of-Way, Entry Features and landscape easement areas and to pay assessments owed by the Owner to the Club Association. The Association shall cooperate and coordinate with the Club Association with respect to the inclusion of the annual assessment due the Club Association within the amount of the budgeted annual assessment established hereunder and upon collection thereof, the payment thereof by the Association to the Club Association. It shall be expressly understood that due

to differences which may exist with respect to the plan of development for the Cluster Home Community from the remainder of the Property, there may be certain assessments which are unique to the Lots created within the Cluster Home Community, and if such exist, they shall be included in the assessments for the Lots created within the Cluster Home Community and not within the assessments for Lots created within the remainder of the Property.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Four Hundred Twenty and NO/100 Dollars (\$420.00) per Lot, exclusive of a Lot created within the Cluster Home Community. The initial maximum annual assessment for a Lot created within the Cluster Home Community shall be set forth in the Supplemental Declaration.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased by the Association each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote by the Members.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above ten percent (10%), by a vote of two-thirds (2/3) of the appropriate and affected class of Members who are voting in person or by proxy, at a meeting duly called for this purpose. Class A Members shall be entitled to vote only with respect to such increases in annual assessments for

Class A Members and Class B Members shall be entitled to vote only with respect to such increases in annual assessments for Class B Members.

(c) The Board of Directors of the Association may fix the annual assessment at an amount not in excess of the maximum.

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 cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto; provided, however, any such assessment shall have the assent of two-thirds (2/3) of the votes of each appropriate and affected class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 or this Article shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each appropriate and affected class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the

required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots owned by each class of Member and annual assessments may be collected on a monthly basis; provided, however, annual and special assessments for all Lots owned by Declarant and not occupied as a residence shall be twenty-five percent (25%) of such assessments for other similarly located Lots. Special assessments may be collected on a monthly basis. Notwithstanding anything in the foregoing to the contrary, the Association shall have the power, right and authority to issue a special assessment against any Lot and its Owner if such Owner shall fail to reimburse the Association or the Declarant, as the case may be, pursuant to the provisions of Article IX, Section 11 of this Declaration.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence and shall be due and payable as to all Lots on the first day of the month following the platting of record of such Lot and shall continue on the first day of each calendar year thereafter. Such amount due and payable on the first day of each such calendar year shall be as set forth and established pursuant to Section 3 of this Article. The first annual assessment applicable to a Lot shall be adjusted according to the number of months remaining in

the calendar year. There shall be paid at the time of the initial sale of each Lot at least two (2) months' assessments in order to provide a working capital fund for the initial months of the Association's and the Club Association's operation. For the purpose of establishing such working capital fund, a sale by Declarant to a purchaser who intends solely to acquire such Lot in order to construct a residential dwelling structure thereon for resale purposes shall not be considered the initial sale; provided, however, the sale at which time a Lot shall become a Lot in Use shall be considered the initial sale for such purpose. Amounts paid into such fund shall be in addition to and shall not be considered as advance payment of any portion of the annual assessment. The Board of Directors shall fix the amount of the annual assessment against each Lot 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. The due date shall be as previously set forth herein, unless otherwise established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments Remedies of the Association. Any assessment not paid within thirty (30) days after the due date 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 Twenty Five and No/100 Dollars (\$25.00). The Association may bring an action at law against the Owner personally obligated to pay the same for such delinquent assessment, interest costs, late charges and reasonable attorney's fees of any such action, or foreclose the lien against the Lot. For purposes of this Section 8, the amount of delinquent assessment, plus accrued interest, shall be considered evidenced by this Section 8 and therefore, evidence of indebtedness shall exist hereby. No owner may waive or otherwise escape liability for the assessments 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 mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure 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 assessments thereafter becoming due or from the lien thereof.

ARTICLE VIINSURANCE

Section 1. Ownership of Policies. Contracts of insurance upon the Common Area shall be purchased by the Association for the benefit of the Association and its mortgagees, if any, as their interests may appear. The Association may re-evaluate its coverage from time to time and may provide, subject to Section 2 of this Article, for such insurance coverage as it deems appropriate.

Section 2. Coverage. All improvements and personal property included in the Common Area shall be insured in an amount equal to at least one hundred percent (100%) of their insurable replacement value as determined annually by the Association with the assistance of the insurance company underwriting the 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 thereto. In addition, the Association shall acquire and maintain in full force and effect a policy of insurance which insures against any public liability arising out of its ownership of the Common Area and the use and operation thereof with limits of liability therefor of not less than One Million Dollars (\$1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall also be obtained such other insurance coverage as the Association shall from time to time

determine to be desirable and necessary or as may be required by the Federal Housing Authority, Veterans Administration or Federal National Mortgage Association. Such policies shall contain clauses providing for waiver of subrogation, if possible.

Section 3. Fidelity Insurance or 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 annual assessment plus reserves accumulated.

Section 4. Premiums. Premiums for contracts of insurance purchased by the Association shall be paid by the Association and charged ratably to the Owners as an assessment according to the provisions of Article IV above.

Section 5. Proceeds. All contracts of insurance purchased by the Association shall be for the benefit of the Association and its mortgagees, if any, as their interests may appear, and the Owners, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. The sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein.

Section 6. Distribution of Insurance Proceeds. Proceeds of contracts of insurance received by the Association as insurance trustee shall be distributed to or for the benefit of the beneficiary or beneficiaries thereof in the following manner:

(a) The proceeds shall be paid first to defray the cost of reconstruction and repair of casualty or liability so covered.

(b) Any expense of the insurance trustee may be paid from proceeds after payment of reconstruction or repair expenses or liability. Any proceeds remaining thereafter shall be distributed to the beneficiary or beneficiaries of the trust.

ARTICLE VII

ARCHITECTURAL AND APPEARANCE CONTROL

Section 1. General. Anything contained in this Declaration which may be construed to the contrary notwithstanding, no tree removal, site preparation on any Lot or change in grade or slope of any Lot or erection of buildings or exterior additions or alterations to any building situated upon the Property or erection of or changes or additions in fences, hedges, walls and other structures, or construction of any swimming pools or other Improvements, shall be commenced, erected or maintained on any Lot until the Architectural Control Committee (herein called the "Architectural Control Committee") appointed as hereinafter provided, has approved the plans and specifications therefor and the location of such Improvements.

Section 2. Composition. For so long as Declarant owns Lots, Declarant shall annually appoint the members of the Architectural Control Committee which will be composed of three (3) individuals, 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 Dogwood Ridge.

In the event of the death or resignation of any member of the Architectural Control Committee, Declarant, for so long as it has the authority to appoint the members of the Architectural Control Committee, and thereafter, the remaining members of the Architectural Control Committee, shall have full authority to designate and appoint a successor. No member of the Architectural Control 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. Upon final termination of Declarant's membership in the Association, the Board of Directors of the Association shall appoint the members of the Architectural Control Committee on an annual basis. At any time Declarant may elect not to appoint the members of the Architectural Control Committee and may assign this right to the Board of Directors of the Association.

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

- (i) quality of workmanship and materials, adequacy of site dimensions, adequacy of structural design, and facing of main elevation with respect to nearby streets;
- (ii) conformity and harmony of the external design, color, type and appearance of exterior surfaces;

(iii) location with respect to topography and finished grade elevation and effect of location and use on neighboring Lots and improvements situated thereon and drainage arrangement; (iv) location of all trees having a diameter of ten (10) inches or greater which are proposed for removal; and, (v) the other standards set forth within this Declaration (and any amendments hereto) or as may be set forth within bulletins promulgated by the Architectural Control Committee, or matters in which the Architectural Control Committee has been vested with the authority to render a final interpretation and decision.

With respect to the initial Improvements to be constructed on a Lot, the final plans and specifications required hereunder shall include a site plan with building footprints showing distance of the Improvements from the Lot boundaries and location of all trees having a diameter of ten (10) inches or greater proposed for removal from locations other than within such footprint and the driveway to be constructed and shall include construction drawings showing exterior elevations and a schedule of exterior materials and color scheme. For Improvements other than initial Improvements, the detail of the plans and specifications required therefor shall be as determined necessary by the Architectural Control Committee based on the circumstances of the proposed Improvements. Final plans and specifications for all Improvements proposed to be constructed on a Lot shall be submitted in

duplicate to the Architectural Control Committee for approval or disapproval. The Architectural Control Committee is authorized to request the submission of samples of proposed construction materials. At such time as the plans and specifications meet the approval of the Architectural Control Committee, one complete set of plans and specifications will be retained by the Architectural Control Committee and the other complete set of plans and specifications will be marked "Approved" and returned to the Lot Owner or his designated representative. Such plans and specifications as are so retained by the Architectural Control Committee shall be kept and considered as strictly confidential and shall be utilized to monitor and insure compliance therewith and for no other purpose. If found not to be in compliance with these covenants, conditions and restrictions, or if found to be otherwise unacceptable to the Architectural Control Committee pursuant hereto, one set of plans and specifications shall be returned to the Lot Owner marked "Disapproved", accompanied by a reasonable statement of items found not to be in compliance with these covenants, conditions and restrictions or otherwise being so unacceptable. Any modification or change to the Architectural Control Committee approved set of plans and specifications must again be submitted to the Architectural Control Committee for its inspection and approval. The Architectural Control Committee's approval or disapproval, as required herein, shall be in writing.

The Architectural Control Committee may, but shall not be so required, from time to time publish and promulgate architectural

standards bulletins which shall be fair, reasonable and uniformly applied in regard to the Lots and shall carry forward the spirit and intention of these covenants, conditions and restrictions. Although the Architectural Control Committee shall not have unbridled discretion with respect to taste, design and any standards specified herein, the Architectural Control Committee shall be responsive to technological advances or general changes in architectural designs and materials and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand). Such bulletins, if any, shall supplement these covenants, conditions and restrictions and are incorporated herein by reference.

Section 4. Jurisdiction. The Architectural Control Committee is authorized and empowered to consider and review any and all aspects of the construction of any Improvements on a Lot which may, in the reasonable opinion of the Architectural Control Committee, adversely affect the living enjoyment of one or more Owners or the general value of the Property.

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

violating or attempting to violate any such provisions contained in this Article of this Declaration.

Section 6. Definition of "Improvement". The term "Improvement" shall mean and include all buildings, storage sheds or areas, roofed structures, parking areas, loading areas, trackage, fences, walls, hedges, mass plantings, poles, driveways, ponds, lakes, changes in grade or slope, site preparation, swimming pools, tennis courts, signs, exterior illumination, changes in any exterior color or shape and any new exterior construction or exterior improvement exceeding \$1,000.00 in cost which may not be included in any of the foregoing. The definition of Improvement does not include shrub or tree replacements or any other replacement or repair of any magnitude which ordinarily would be expensed in accounting practice and which does not change exterior colors or exterior appearances. The definition of Improvements does include both original Improvements and all later changes to Improvements.

Section 7. Failure of the Architectural Control Committee to Act. If the Architectural Control Committee fails to approve or disapprove any plans and specifications and other submittals which conform (and which relate to Improvements which will conform) with the requirements hereof or to reject them as being inadequate or unacceptable within thirty (30) days after submittal thereof, it shall be conclusively presumed that the Architectural Control Committee has approved such conforming plans and specifications and other submittals. If plans and specifications or other

submittals are not sufficiently complete or are otherwise inadequate, the Architectural Control Committee may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject the balance.

Section 8. Limitation of Liability. Neither the Architectural Control Committee nor the members thereof nor Declarant shall be liable in damages or otherwise to anyone submitting plans and specifications and other submittals for approval or to any Owner by reason of mistake of judgment, negligence, except for gross negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any plans or specifications.

Section 9. Miscellaneous. No member of the Architectural Control Committee shall be entitled to compensation for services performed pursuant to this Article. The Association shall reimburse members of the Architectural Control Committee for reasonable out-of-pocket expenses.

ARTICLE VIII

USE RESTRICTIONS

Section 1. Rules and Regulations. 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 each Lot and the Common Area.

Section 2. Use of Property. No portion of the Property (except for a model home which may be used by a builder for sales purposes and the Common Area) shall be used except for residential

purposes incidental or accessory thereto. Each Lot and the Common Area shall be occupied and/or used as follows:

(a) Outside clothes lines shall not be permitted upon any Lot at locations where they can be viewed from any street or an adjacent Lot.

(b) No sign of any kind shall be displayed to the public view on any Lot except one professional sign of not more than six (6) square feet (i) advertising the Lot for sale or rent, (ii) advertising the building contractor constructing improvements on the Lot during the initial construction and sales period, and (iii) identifying the sales office and/or model home of a building contractor who owns the Lot; however, the foregoing shall not act to restrict or prohibit Declarant from erecting and maintaining signs and billboards advertising Dogwood Ridge or portions thereof. Notwithstanding the foregoing, all signs erected and maintained on any Lot must conform with all applicable governmental requirements.

(c) No house trailers shall be permitted on any Lot, with the exception of a trailer which may be used during the period of initial construction on a Lot which shall be moved immediately upon the completion of such construction. * Boats, trailers, campers, not including those attached to the body of a truck, tents or temporary buildings shall not be permitted on any Lot except in areas where they can not be viewed from the streets.

(d) No lumber, brick, stone, cinder block, concrete or any other building materials, scaffolding, mechanical devices or any

other thing used for building purposes shall be stored on any Lot in an exposed location except for the purpose of construction on such Lot and shall not be stored on such Lot for longer than the length of time reasonably necessary for the construction in which same is to be used.

(e) No exposed above-ground tanks will be permitted for the storage of fuel or water or any other substance, except that such tanks may be placed above-ground provided they are kept in a screened enclosure must exceed in height by at least one (1) foot any such tank as may be placed therein.

(f) No exterior antennae, earth satellite station or dish, microwave dish or other similar improvement may be constructed, placed or maintained on any Lot without the prior written consent of the Architectural Control Committee.

(g) A resident of the residential structure constructed on a Lot engaging in a home occupation therein shall comply with all of the provisions of the Town of Apex Zoning Ordinance then applicable thereto and in addition to any provisions which may be contained therein, no home occupation shall be permitted which generates a significantly greater volume of vehicular traffic or on street parking than would normally occur within a residential neighborhood.

(h) No Lot and no Improvements thereon may be used for hotel or other transient residential purposes. Each lease relating to any Lot or any Improvements thereon (or any part thereof) must be for a term of at least sixty (60) days and must provide that the

tenant is obligated to observe and perform all of the terms and provisions of this Declaration applicable to such Lot and/or Improvements.

(i) Each Lot shall be used exclusively for single family residential purposes.

Section 3. Hobbies and Activities. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles, which might tend to cause disorderly, unsightly or unkept conditions, shall not be pursued or undertaken on any part of any Lot at locations where they can be viewed from any street or upon any portion of the Common Area.

Section 4. Animals and Pets. No stable, poultry house or yard or other similar structure shall be constructed or allowed to remain on any Lot, nor shall livestock of any nature or classification whatsoever be kept or maintained on any Lot without the express written permission of the Association first had and obtained. However, a reasonable number of household pets as determined by the Board of Directors of the Association shall be permitted, provided they are not raised for commercial purposes.

Section 5. Prohibited Activities. Noxious, offensive or loud activities shall not be carried on upon any Lot. Each Owner shall refrain from any act or use of his Lot which could reasonably cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. Each Owner shall keep and maintain his Lot in a neat, orderly and well kept manner.

Section 6. Governmental Regulations. All governmental building codes, health regulations, zoning restrictions and the like applicable to the Property shall be observed. In the event of any conflict between any provision of such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provision shall apply.

Section 7. Required Land Area. No Lot may be subdivided by sale or otherwise so as to reduce the total area thereof below that as shown upon any recorded subdivision map of the Property; provided, however, adjustments may be made in the line between any two (2) Lots so long as the area of any Lot is not reduced by more than ten percent (10%) and so long as all other restrictions herein set forth are observed and such adjustment or recombination is approved by the Town of Apex Planning Department. Upon any recombination of Lots, the setbacks and side line clearances from new Lot lines shall be applicable and setbacks from former Lot lines shall no longer be required. No recombination of Lots may be made in a manner which results in any increase in the number of Lots in excess of and shown on any recorded subdivision map of the Property.

Section 8. Utilities Easements. Declarant reserves an easement for and the right at any time in the future to grant a right-of-way and easement for the purpose of drainage, underground or above ground installation, repair and maintenance of poles, lines, conduits, pipes and other equipment necessary to or useful in furnishing electric power, gas, sewer, telephone service, cable

services and any other utilities for or to the Lots or Common Areas as may be shown upon any recorded subdivision map of the Property, and over the rear ten (10) feet of each Lot, exclusive of the Lots in the Cluster Home Community, unless shown in excess of such distance on any recorded subdivision map of the Property. In addition thereto, a storm water drainage easement is hereby reserved and established over the side five (5) feet of each Lot, exclusive of the Lots in the Cluster Home Community, for the drainage of storm water from streets, the Common Area and from other Lots. No structures, plantings or other materials shall be placed or permitted to remain in such storm water drainage easements which may interfere with such drainage or change the direction of the flow, obstruct or retard the flow of surface water through drainage channels which may be constructed within such easements.

Section 10. Erosion Control. During the period of Lot grading and construction of the Improvements thereon and thereafter, each Owner shall exercise and maintain such erosion control measures, including the erection of silt fences, as may be required by the Declarant in order to minimize erosion and runoff. Compliance with the applicable erosion control ordinance shall not constitute automatic approval by Declarant, and Declarant reserves the right to impose requirements and standards in excess of those required by law.

Section 11. Setbacks. Lots shall be subject to setbacks, if at all, as may be shown on any recorded subdivision map of the

Property and which are shown thereon as specifically pertaining to and affecting the subject Lot. The Architectural Control Committee is hereby vested with the authority to grant waivers or variances with respect to violations of such setbacks as are imposed hereby; provided, however, with respect to setbacks imposed by municipal authority, nothing herein shall relieve the requirement to comply therewith, such relief being available solely from the municipal authority imposing same.

ARTICLE IX

GENERAL PROVISIONS

Section 1. Enforcement. The Association, Declarant or 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. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants, conditions and restrictions of this Declaration shall run with and bind the Property, for a term of twenty (20) 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 during the first twenty (20) year period by an instrument approved by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument approved by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. Amendment Form. If any amendment to these covenants, conditions and restrictions is so approved, 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 validly approved 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 COVENANTS
CONDITIONS AND RESTRICTIONS OF
DOGWOOD RIDGE

By authority of its Board of Directors, Dogwood Ridge Homeowner's Association, Inc., hereby certifies that the foregoing instrument has been duly approved by the Owners of _____ percent of the Lots of Dogwood Ridge and is, therefore, a valid amendment to the existing covenants, conditions and restrictions of Dogwood Ridge.

This the ____ day of _____, ____.

DOGWOOD RIDGE HOMEOWNER'S
ASSOCIATION, INC.

President

ATTEST:

Secretary

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

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 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.

Section 5. Annexation of Additional Property. At any time during the effective term of this Declaration, Declarant may propose that the Association annex additional properties which have been or will be developed in conformity with the general plan of development for Dogwood Ridge as follows:

(a) Additions by Declarant. Additional land within the area described in Exhibit D attached hereto, may be annexed by the Declarant without the consent of Members within seven (7) years from the date of this Declaration provided that the HUD, FNMA or VA, as the case may be, determine that the annexation is in accord with the general plan heretofore approved by them. Portions of the property described on Exhibit D may be developed in general accordance with the plan of development for the Cluster Home Community and portions thereof may be developed in general accordance with the plan of development for the remainder of the Property, exclusive of the Cluster Home Community. In any event, if the property or portions thereon described on Exhibit D is annexed, upon such annexation, the owners of lots created therein shall be assigned membership in the Association in keeping with

the character of the development of such property as may be so annexed. Therefore, if the character of such development or portions thereof is in keeping with the character of the development of the Cluster Home Community, owners of lots created therein shall be assigned the same class of membership in the Association as the Class B Members who own Lots in the Cluster Home Community and likewise, if the character of such development or portions thereof is in keeping with the remainder of the Property, owners of lots created therein shall be assigned the same class of membership in the Association as the Class A Members who own Lots in the remainder of the Property. Declarant shall be a Class C Member of the Association for lots owned therein in the same manner as set forth in this Declaration hereinbefore.

The additions authorized under this and the succeeding subsection, shall be made by filing of record an amendment with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property or by adopting this Declaration in whole or in part by reference.

Such amendment may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration.

(b) Other Additions. Annexation of additional properties not set forth on Exhibit D shall require the assent of two-thirds

(2/3) of the votes of the Class A and Class B membership of the Association and two-thirds (2/3) of the votes of the Class C membership of the Association, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The presence of Members or of written proxies entitled to cast sixty-six and two-thirds percent (66 2/3%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not present at any meeting, another meeting may be called subject to the notice requirement set forth above and the required quorum at such subsequent meeting shall be the same. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In the event that two-thirds (2/3) of the Class A and Class B membership or two-thirds (2/3) of the Class C membership are not present in person or by proxy, Members not present may give their written assent to the action taken thereat.

Section 6. Contract Rights of Association. As long as there is a Class C 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 upon the giving of not more than thirty (30) days written notice to the other party or parties.

Section 7. Lender's Notice. Upon written request to the Association, identifying the name and address of the holder,

insurer or guarantor and the Lot number or address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

- (a) Any condemnation or casualty loss that affects either a material portion of the project or the Lot securing its mortgage.
- (b) Any sixty (60) day delinquency in the payment of assessments owed by the Owner of the 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 mortgage holders.
- (e) The Association's financial statement for the immediately preceding fiscal year.

Section 8. HUD/VA/FNMA/ Approval. As long as there is a Class C membership, the following actions will require the prior approval of the Department of Housing and Urban Development ("HUD"), the Veterans Administration ("VA") or the Federal National Mortgage Association ("FNMA"): Annexation of additional properties, dedication of Common Area, deeding in trust the Common Area, mergers and consolidations, recordation of the Supplemental Declaration and amendment of this Declaration. Notwithstanding anything to the contrary contained in Article IX, Section 3 of this Declaration, Declarant reserves the right to make such

changes and amendments to this Declaration as may be required by HUD, VA or FNMA in conjunction with the initial approval of this Declaration by such entity; provided, however, such right and reservation shall lapse and expire upon the earlier to occur of the initial approval of this Declaration by any of such entities or the closing of the initial loan underwritten, guaranteed or insured by any of such entities which is secured by the lien of a deed of trust encumbering a Lot.

Section 9. Limitation Of Town's Liability. The maintenance responsibility of private streets and drives, if any, shall rest with the Association and in no case shall the Town of Apex or any agency thereof which provides emergency or regular fire, police or other public service to and for the Property, be responsible for failing to provide any such service to the Property or any of its occupants when such failure is due to the lack of access to such area due to inadequate design or construction, blocking of access routes, or any other factor within the control of Declarant, the Association, or any occupants.

Section 10. Duty of Maintenance. The Owner of each Lot in the Property shall have the duty and responsibility, at such Owner's sole cost and expense, to keep that part of the Property so owned, including Improvements, ground and drainage easements or other rights-of-way incident thereto, in accordance with the terms and provisions of the Declaration and in a well-maintained, safe, clean and attractive condition at all times. Such maintenance includes, but is not limited to, the following:

- (1) Prompt removal of all litter, trash, refuse and wastes;
- (2) Lawn mowing on a regular basis;
- (3) Tree and shrub pruning;
- (4) Watering by means of a lawn sprinkler system or hand watering as needed;
- (5) Keeping exterior lighting and mechanical facilities in working order;
- (6) Keeping lawn and garden areas alive;
- (7) Removing and replacing any dead plant material;
- (8) Keeping vacant land well maintained and free of trash and weeds;
- (9) Keeping parking areas and driveways in good repair;
- (10) Complying with all governmental health and police requirements;
- (11) Repainting of Improvements; and
- (12) Repair of exterior damage to Improvements.

Section 11. Enforcement. If any such Owner or occupant has failed in any of the duties or responsibilities of such Owner as set forth in Article IX, Section 10 of this Declaration, then the Board of Directors of the Association or Declarant may give such person written notice of such failure and such person must within ten (10) days after receiving such notice (which notice shall be deemed to have been received upon deposit in an official depository of the United States mail, addressed to the party to whom it is intended to be delivered, and sent by certified mail, return receipt requested), perform the care and maintenance

required or otherwise perform the duties and responsibilities of such Owner. Should any such 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 without any liability for damages for wrongful entry, trespass or otherwise to any person. The Owner of a Lot on which such work is performed shall be liable for the cost of such work together with interest on the amounts expended by the Association or the Declarant in performing such work computed at the highest lawful rate from the date(s) such amounts are expended until repaid to the 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 the Association or the Declarant, as the case may be, on demand for such costs and expense (including interest as above provided). If such Owner shall fail to reimburse the Association or the Declarant, as the case may be, within thirty (30) days after mailing to such Owner of a statement for such costs and expense by the Association or Declarant, the Association may issue a special assessment against such Owner pursuant to Article V, Section 6 of this Declaration. Notwithstanding anything contained in this Section 11 which may be construed to the contrary, maintenance by Declarant or the Association, as the case may be, of the area within the landscape easement created in

Article III, Section 8 of this Declaration shall not subject an Owner to any reimbursement obligation or liability hereunder.

Section 12. OBLIGATION TO IMPROVE PROPERTY AND WAIVER THEREOF. IF ANY OWNER (OR ITS SUCCESSORS OR ASSIGNS) OF A LOT DOES NOT, WITHIN TWO (2) YEARS AFTER CONVEYANCE OF TITLE TO SUCH LOT FROM DECLARANT BEGIN THE CONSTRUCTION OF A PERMANENT RESIDENCE ON SUCH LOT AND WHICH IS APPROVED BY THE ARCHITECTURAL CONTROL COMMITTEE, DECLARANT SHALL HAVE AN OPTION (BUT NOT AN OBLIGATION) TO REPURCHASE SUCH LOT FOR A CASH PRICE EQUAL TO THE PURCHASE PRICE PAID TO DECLARANT FOR SUCH LOT. THIS OPTION TO REPURCHASE MUST BE EXERCISED IN WRITING WITHIN SIX (6) MONTHS AFTER THE EXPIRATION OF THE ABOVE-REFERENCED TWO (2) YEAR PERIOD. CLOSING OF THE REPURCHASE SHALL TAKE PLACE WITHIN NINETY (90) DAYS AFTER THE EXERCISE OF THE OPTION TO REPURCHASE AND SHALL BE HELD AT THE OFFICE OF THE DECLARANT. THE SUBJECT LOT SHALL BE RECONVEYED TO DECLARANT BY GENERAL WARRANTY DEED SUBJECT ONLY TO THE EXCEPTIONS TO TITLE INCLUDED IN THE DEED FROM DECLARANT TO THE PURCHASER OF SUCH LOT FROM DECLARANT AND SUCH OTHER EXCEPTIONS, IF ANY, AS DECLARANT MAY SPECIFICALLY APPROVE IN WRITING AT THE CLOSING OF SUCH SALE.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 5th day of January, 1996.

MJK DEVELOPMENTS, LLC, a North Carolina limited liability company (SEAL)

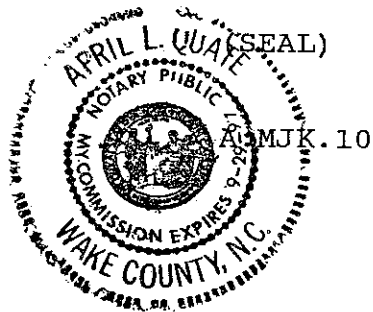
By: *Milton E Petty* (SEAL)

STATE OF NORTH CAROLINA
COUNTY OF Wake

I, a Notary Public of the County and State aforesaid, certify that Milton E Petty of MJK Developments, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal this 5 day of JANUARY, 1996.

My Commission Expires: 9-29-97

April L Quate
Notary Public



NORTH CAROLINA — WAKE COUNTY

The foregoing certificate of *April L. Quate*
Notary 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.

KENNETH C. WILKINS, Register of Deeds

By *Regina C. Simmons*
Asst. Deputy Register of Deeds

EXHIBIT A

All that certain tract or parcel of land located in the Town of Apex, White Oak Township, Wake County, North Carolina, and being more particularly described as follows:

BEGINNING at a point located South 08 degrees 57 minutes 46 seconds East 66.55 feet from an existing iron pipe located in the southern margin of the right-of-way of Olive Chapel Road and designated as the control corner and having N.C. Grid N.A.D. 1983 Coordinates N=723,244.51 and E=2,037,139.73; running thence from such point of BEGINNING, South 08 degrees 57 minutes 46 seconds East 349.42 feet to an existing iron pipe; thence South 18 degrees 29 minutes 23 seconds West 392.54 feet to a point; thence North 68 degrees 51 minutes 29 seconds West 229.61 feet to a point; thence North 78 degrees 45 minutes 55 seconds West 117.38 feet to a point; thence along a curve to the right having a radius of 390.00 feet and a chord bearing and distance of South 39 degrees 24 minutes 00 seconds West 368.18 feet to a point; thence South 67 degrees 33 minutes 56 seconds West 336.15 feet to a point; thence along a curve to the left having a radius of 330.00 feet and a chord bearing and distance of South 25 degrees 42 minutes 02 seconds West 440.47 feet to a point; thence South 16 degrees 09 minutes 52 seconds East 283.05 feet to a point; thence South 66 degrees 34 minutes 57 seconds West 60.48 feet to a point; thence South 35 degrees 05 minutes 09 seconds West 92.67 feet to a point; thence South 63 degrees 43 minutes 21 seconds West 49.61 feet to a point; thence South 79 degrees 50 minutes 19 seconds West 76.37 feet to a point; thence South 61 degrees 14 minutes 06 seconds West 70.26 feet to a point; thence South 69 degrees 57 minutes 54 seconds West 106.46 feet to a point; thence South 49 degrees 35 minutes 34 seconds West 107.30 feet to a point; thence South 56 degrees 16 minutes 17 seconds West 47.74 feet to a point; thence South 63 degrees 53 minutes 49 seconds West 102.37 feet to a point; thence South 33 degrees 48 minutes 31 seconds West 228.53 feet to a point; thence South 51 degrees 09 minutes 44 seconds West 50.76 feet to a point; thence North 49 degrees 20 minutes 21 seconds West 85.88 feet to a point; thence North 56 degrees 41 minutes 42 seconds West 215.34 feet to a point; thence North 00 degrees 10 minutes 10 seconds West 577.75 feet to an existing iron pipe; thence North 45 degrees 59 minutes 50 seconds East 797.04 feet to a point; thence North 03 degrees 43 minutes 14 seconds East 44.00 feet to a point; thence South 86 degrees 16 minutes 46 seconds East 40.00 feet to a point; thence North 45 degrees 59 minutes 50 seconds East 19.49 feet to a point; thence South 43 degrees 57 minutes 08 seconds East 59.57 feet to a point; thence South 48 degrees 27 minutes 31 seconds East 315.07 feet to a point; thence along a curve to the right having a radius of 390.00 feet and a chord bearing and distance of North 47 degrees 14 minutes 20 seconds East 270.95 feet to a point; thence North 67 degrees 33 minutes 56 seconds East 336.15 feet to a point; thence along a curve to the left having a

radius of 330.00 feet and a chord bearing and distance of North 13 degrees 08 minutes 05 seconds East 536.85 feet to a point; thence North 41 degrees 17 minutes 46 seconds West 197.60 feet to a point; thence along a curve to the right having a radius of 300.00 feet and a chord bearing and distance of North 38 degrees 05 minutes 20 seconds West 33.57 feet to a point; thence along a curve to the right having a radius of 300.00 feet and a chord bearing and distance of North 17 degrees 56 minutes 42 seconds West 174.79 feet to a point; thence North 88 degrees 37 minutes 54 seconds West 160.43 feet to a point; thence North 88 degrees 07 minutes 37 seconds West 286.78 feet to a point; thence North 87 degrees 48 minutes 44 seconds West 135.48 feet to a point; thence North 02 degrees 30 minutes 16 seconds West 65.22 feet to a point located in the southern margin of the right-of-way of Olive Chapel Road; thence along the southern margin of the right-of-way of Olive Chapel Road South 87 degrees 48 minutes 44 seconds East 140.64 feet to a point; thence continuing along the southern margin of the right-of-way of Olive Chapel Road South 88 degrees 07 minutes 37 seconds East 286.32 feet to a point; thence continuing along the southern margin of the right-of-way of Olive Chapel Road South 88 degrees 37 minutes 54 seconds East 381.79 feet to a point; thence continuing along the southern margin of the right-of-way of Olive Chapel Road South 88 degrees 36 minutes 21 seconds East 208.44 feet to a point; thence continuing along the southern margin of the right-of-way of Olive Chapel Road South 88 degrees 29 minutes 14 seconds East 101.43 feet to a point; thence continuing along the southern margin of the right-of-way of Olive Chapel Road South 87 degrees 43 minutes 02 seconds East 33.21 feet to a point; thence leaving the southern margin of the right-of-way of Olive Chapel Road South 02 degrees 29 minutes 39 seconds West 49.47 feet to a point; thence South 16 degrees 03 minutes 46 seconds East 42.70 feet to a point; thence South 03 degrees 10 minutes 57 seconds East 89.67 feet to a point; thence along a curve to the right having a radius of 45.00 feet and a chord bearing and distance of South 68 degrees 40 minutes 08 seconds East 37.34 feet to a point; thence North 45 degrees 50 minutes 42 seconds East 171.96 feet to a point, being the point and place of BEGINNING, and being all of TRACT 1, containing 30.46 acres, as shown on that certain unrecorded plat of survey entitled "Tract Map, Dogwood Ridge Subdivision" dated January 9, 1996, prepared by Michael E. Dickerson, RLS L-3639, to which unrecorded plat of survey reference is hereby made for a more accurate description of the metes, bounds, courses and distances of such property.

Declarant reserves the right to dedicate an additional strip approximately fifteen (15) feet wide to be added to the existing right-of-way of Olive Chapel Road as may be required in conjunction with the development of Dogwood Ridge.

[continued]

CLUSTER HOME COMMUNITY

All that certain tract or parcel of land located in the Town of Apex, White Oak Township, Wake County, North Carolina, and being more particularly described as follows:

BEGINNING at a point located South 02 degrees 30 minutes 16 seconds East 382.66 feet from a tie, which tie is located South 02 degrees 30 minutes 16 seconds East 65.22 feet from a point located in the southern margin of the right-of-way of Olive Chapel Road, which point is located South 87 degrees 48 minutes 44 seconds East 140.64 feet from a point located in the southern margin of the right-of-way of Olive Chapel Road, which point is located South 88 degrees 07 minutes 37 seconds East 286.32 feet from a point located in the southern margin of the right-of-way of Olive Chapel Road, which point is located South 88 degrees 37 minutes 54 seconds East 381.79 feet from a point located in the southern margin of the right-of-way of Olive Chapel Road, which point is located South 88 degrees 36 minutes 21 seconds East 208.44 feet from a point located in the southern margin of the right-of-way of Olive Chapel Road, which point is located South 88 degrees 29 minutes 14 seconds East 101.43 feet from a point located in the southern margin of the right-of-way of Olive Chapel Road, which point is located South 87 degrees 43 minutes 02 seconds East 33.21 feet from a point located in the southern margin of the right-of-way of Olive Chapel Road, which point is located South 87 degrees 43 minutes 02 seconds East 82.36 feet from a point located in the southern margin of the right-of-way of Olive Chapel Road, which point is located South 86 degrees 35 minutes 21 seconds East 80.28 feet from an existing iron pipe located in the southern margin of the right-of-way of Olive Chapel Road and designated as the control corner and having N.C. Grid N.A.D. 1983 Coordinates N=723,244.51 and E=2,037,139.73; running thence from such point of BEGINNING, South 02 degrees 30 minutes 16 seconds East 43.63 feet to a point; thence South 00 degrees 44 minutes 31 seconds West 439.37 feet to an existing iron pipe; thence South 45 degrees 59 minutes 50 seconds West 183.77 feet to a point; thence South 43 degrees 57 minutes 08 seconds East 59.57 feet to a point; thence South 48 degrees 27 minutes 31 seconds East 315.07 feet to a point; thence along a curve to the right having a radius of 390.00 feet and a chord bearing and distance of North 47 degrees 14 minutes 20 seconds East 270.95 feet to a point; thence North 67 degrees 33 minutes 56 seconds East 336.15 feet to a point; thence along a curve to the left having a radius of 330.00 feet and a chord bearing and distance of North 13 degrees 08 minutes 05 seconds East 536.85 feet to a point; thence North 41 degrees 17 minutes 46 seconds West 197.60 feet to a point; thence along a curve to the right having a radius of 300.00 feet and a chord bearing and distance of North 38 degrees 05 minutes 20 seconds West 33.57 feet to a point; thence South 60 degrees 21 minutes 28 seconds West 274.05 feet to a point; thence South 88 degrees 12 minutes 46 seconds West 383.72 feet to a point, being the point and place of BEGINNING, and being all of TRACT 3,

containing 13.50 acres, as shown on that certain unrecorded plat of survey entitled "Tract Map, "Dogwood Ridge Subdivision" dated January 9, 1996, prepared by Michael E. Dickerson, RLS L-3639, to which unrecorded plat of survey reference is hereby made for a more accurate description of the metes, bounds, courses and distances of such property.

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EXHIBIT B

All that certain tract or parcel of land located in the Town of Apex, White Oak Township, Wake County, North Carolina, and being more particularly described as follows:

BEGINNING at an existing iron pipe located South 02 degrees 30 minutes 16 seconds East 15.05 feet from an existing iron pipe located in the southern margin of the right-of-way of Olive Chapel Road (NCSR 1160) and designated as the control corner and having N.C. Grid N.A.D. 1983 Coordinates N=723,285.48 and E=2,035,825.95; running thence from such point of BEGINNING, South 87 degrees 48 minutes 45 seconds East 139.45 feet to an iron pipe set; thence South 88 degrees 07 minutes 37 seconds East 286.43 feet to an iron pipe set; thence South 88 degrees 37 minutes 54 seconds East 129.95 feet to an iron pipe set; thence along a curve to the right having a radius of 30.00 feet and a chord bearing and distance of South 43 degrees 37 minutes 54 seconds East 42.43 feet to an iron pipe set; thence South 01 degrees 22 minutes 06 seconds West 7.56 feet to an iron pipe set; thence along a curve to the left having a radius of 300.00 feet and a chord bearing and distance of South 00 degrees 10 minutes 48 seconds West 12.44 feet to an iron pipe set; thence North 88 degrees 37 minutes 54 seconds West 160.42 feet to an iron pipe set; thence North 88 degrees 07 minutes 37 seconds West 286.79 feet to an iron pipe set; thence North 87 degrees 48 minutes 45 seconds West 135.48 feet to an iron pipe set; thence North 02 degrees 30 minutes 16 seconds West 50.17 feet to an existing iron pipe, being the point and place of BEGINNING, and being all of a fifty foot (50') thoroughfare buffer and common area, containing 0.666 acres, as shown on that certain unrecorded plat of survey entitled "Survey for Olive Chapel Swim and Tennis Club" dated September 5, 1995, revised January 8, 1996, prepared by James M. Grant, RLS L-3753, to which unrecorded plat of survey reference is hereby made for a more accurate description of the metes, bounds, courses and distances of such fifty foot (50') thoroughfare buffer.

EXHIBIT CCLUSTER HOME COMMUNITY

All that certain tract or parcel of land located in the Town of Apex, White Oak Township, Wake County, North Carolina, and being more particularly described as follows:

BEGINNING at a point located South 02 degrees 30 minutes 16 seconds East 382.66 feet from a tie, which tie is located South 02 degrees 30 minutes 16 seconds East 65.22 feet from a point located in the southern margin of the right-of-way of Olive Chapel Road, which point is located South 87 degrees 48 minutes 44 seconds East 140.64 feet from a point located in the southern margin of the right-of-way of Olive Chapel Road, which point is located South 88 degrees 07 minutes 37 seconds East 286.32 feet from a point located in the southern margin of the right-of-way of Olive Chapel Road, which point is located South 88 degrees 37 minutes 54 seconds East 381.79 feet from a point located in the southern margin of the right-of-way of Olive Chapel Road, which point is located South 88 degrees 36 minutes 21 seconds East 208.44 feet from a point located in the southern margin of the right-of-way of Olive Chapel Road, which point is located South 88 degrees 29 minutes 14 seconds East 101.43 feet from a point located in the southern margin of the right-of-way of Olive Chapel Road, which point is located South 87 degrees 43 minutes 02 seconds East 33.21 feet from a point located in the southern margin of the right-of-way of Olive Chapel Road, which point is located South 87 degrees 43 minutes 02 seconds East 82.36 feet from a point located in the southern margin of the right-of-way of Olive Chapel Road, which point is located South 86 degrees 35 minutes 21 seconds East 80.28 feet from an existing iron pipe located in the southern margin of the right-of-way of Olive Chapel Road and designated as the control corner and having N.C. Grid N.A.D. 1983 Coordinates N=723,244.51 and E=2,037,139.73; running thence from such point of BEGINNING, South 02 degrees 30 minutes 16 seconds East 43.63 feet to a point; thence South 00 degrees 44 minutes 31 seconds West 439.37 feet to an existing iron pipe; thence South 45 degrees 59 minutes 50 seconds West 183.77 feet to a point; thence South 43 degrees 57 minutes 08 seconds East 59.57 feet to a point; thence South 48 degrees 27 minutes 31 seconds East 315.07 feet to a point; thence along a curve to the right having a radius of 390.00 feet and a chord bearing and distance of North 47 degrees 14 minutes 20 seconds East 270.95 feet to a point; thence North 67 degrees 33 minutes 56 seconds East 336.15 feet to a point; thence along a curve to the left having a radius of 330.00 feet and a chord bearing and distance of North 13 degrees 08 minutes 05 seconds East 536.85 feet to a point; thence North 41 degrees 17 minutes 46 seconds West 197.60 feet to a point; thence along a curve to the right having a radius of 300.00 feet and a chord bearing and distance of North 38 degrees 05 minutes 20 seconds West 33.57 feet to a point; thence South 60 degrees 21 minutes 28 seconds West 274.05 feet to a point; thence South 88

degrees 12 minutes 46 seconds West 383.72 feet to a point, being the point and place of BEGINNING, and being all of TRACT 3, containing 13.50 acres, as shown on that certain unrecorded plat of survey entitled "Tract Map, Dogwood Ridge Subdivision" dated January 9, 1996, prepared by Michael E. Dickerson, RLS L-3639, to which unrecorded plat of survey reference is hereby made for a more accurate description of the metes, bounds, courses and distances of such property.

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EXHIBIT DTRACT ONE

All that certain tract or parcel of land located in the Town of Apex, White Oak Township, Wake County, North Carolina, and being more particularly described as follows:

BEGINNING at a point located South 18 degrees 29 minutes 23 seconds West 392.54 feet from an existing iron pipe, which existing iron pipe is located South 08 degrees 57 minutes 46 seconds East 415.97 feet from an existing iron pipe located in the southern margin of the right-of-way of Olive Chapel Road and designated as the control corner and having N.C. Grid N.A.D. 1983 Coordinates N=723,244.51 and E=2,037,139.73; running thence from such point of BEGINNING, South 18 degrees 29 minutes 23 seconds West 1142.13 feet to an existing iron pipe; thence South 50 degrees 45 minutes 24 seconds East 1347.13 feet to an existing iron pipe; thence South 50 degrees 53 minutes 19 seconds East 795.21 feet to an existing iron pipe; thence South 02 degrees 27 minutes 14 seconds West 236.14 feet to an existing iron pipe located in the centerline of Lawrence Prong Branch; thence along the centerline of Lawrence Prong Branch the following calls:

North 72 degrees 48 minutes 01 seconds West 87.65 feet to a point; thence North 37 degrees 09 minutes 22 seconds West 101.34 feet to a point; thence North 66 degrees 41 minutes 46 seconds West 72.46 feet to a point; thence South 21 degrees 37 minutes 51 seconds West 56.55 feet to a point; thence South 59 degrees 01 minutes 21 seconds West 43.83 feet to a point; thence South 55 degrees 47 minutes 49 seconds West 33.32 feet to a point; thence North 78 degrees 15 minutes 23 seconds West 43.51 feet to a point; thence South 05 degrees 29 minutes 06 seconds West 39.77 feet to a point; thence South 50 degrees 38 minutes 05 seconds West 50.93 feet to a point; thence North 79 degrees 19 minutes 01 seconds West 59.20 feet to a point; thence North 34 degrees 39 minutes 33 seconds West 34.28 feet to a point; thence South 82 degrees 27 minutes 46 seconds West 57.96 feet to a point; thence North 17 degrees 30 minutes 25 seconds West 75.39 feet to a point; thence North 65 degrees 46 minutes 16 seconds West 25.69 feet to a point; thence North 74 degrees 39 minutes 37 seconds West 31.99 feet to a point; thence North 19 degrees 55 minutes 27 seconds West 30.10 feet to a point; thence North 73 degrees 42 minutes 38 seconds West 63.69 feet to a point; thence North 54 degrees 56 minutes 56 seconds West 44.12 feet to a point; thence North 60 degrees 31 minutes 22 seconds West 56.58 feet to a point; thence South 07 degrees 15 minutes 14 seconds West 31.40 feet to a point; thence South 88 degrees 59 minutes 40 seconds West 35.61 feet to a point; thence North 28 degrees 48 minutes 47 seconds East 41.65 feet to a point; thence South 85 degrees 16 minutes 38 seconds West 106.19 feet to a point; thence South 01 degrees 50 minutes 24 seconds East 30.60 feet to a point; thence South 25 degrees 02 minutes 29

seconds West 36.55 feet to a point; thence South 19 degrees 43 minutes 17 seconds East 27.45 feet to a point; thence South 49 degrees 16 minutes 59 seconds West 51.72 feet to a point; thence South 54 degrees 02 minutes 28 seconds West 24.86 feet to a point; thence North 44 degrees 42 minutes 21 seconds West 30.14 feet to a point; thence North 82 degrees 14 minutes 18 seconds West 67.96 feet to a point; thence South 53 degrees 25 minutes 25 seconds West 28.26 feet to a point; thence North 61 degrees 55 minutes 40 seconds West 22.20 feet to a point; thence South 49 degrees 29 minutes 31 seconds West 30.98 feet to a point; thence South 30 degrees 46 minutes 36 seconds East 32.51 feet to a point; thence North 74 degrees 08 minutes 18 seconds West 108.41 feet to a point; thence North 33 degrees 47 minutes 08 seconds West 89.98 feet to a point; thence North 59 degrees 37 minutes 10 seconds West 25.10 feet to a point; thence North 21 degrees 22 minutes 47 seconds West 45.62 feet to a point; thence South 87 degrees 43 minutes 33 seconds West 28.06 feet to a point; thence North 44 degrees 43 minutes 49 seconds West 86.65 feet to a point; thence South 66 degrees 28 minutes 21 seconds West 33.99 feet to a point; thence North 55 degrees 39 minutes 29 seconds West 30.12 feet to a point; thence North 16 degrees 43 minutes 10 seconds East 37.10 feet to a point; thence South 89 degrees 52 minutes 39 seconds West 64.24 feet to a point; thence South 45 degrees 12 minutes 26 seconds West 25.25 feet to a point; thence South 83 degrees 38 minutes 33 seconds West 58.91 feet to a point; thence North 20 degrees 30 minutes 43 seconds West 20.77 feet to a point; thence North 55 degrees 08 minutes 57 seconds West 64.57 feet to a point; thence South 51 degrees 51 minutes 46 seconds West 85.65 feet to a point; thence South 03 degrees 52 minutes 37 seconds West 47.38 feet to a point; thence North 84 degrees 25 minutes 50 seconds West 45.99 feet to a point; thence North 45 degrees 00 minutes 05 seconds West 41.56 feet to a point; thence North 70 degrees 12 minutes 13 seconds West 29.97 feet to a point; thence North 27 degrees 43 minutes 16 seconds West 74.09 feet to a point; thence North 50 degrees 40 minutes 21 seconds West 26.04 feet to a point; thence South 86 degrees 28 minutes 17 seconds West 32.55 feet to a point; thence North 62 degrees 58 minutes 42 seconds West 26.83 feet to a point; thence North 86 degrees 34 minutes 47 seconds West 165.27 feet to a point; thence North 86 degrees 34 minutes 47 seconds West 6.90 feet to a point; thence North 16 degrees 32 minutes 18 seconds West 18.26 feet to a point; thence North 45 degrees 14 minutes 34 seconds East 18.60 feet to a point; thence North 04 degrees 42 minutes 29 seconds West 53.13 feet to a point; thence North 83 degrees 05 minutes 46 seconds East 26.86 feet to a point; thence North 02 degrees 52 minutes 26 seconds East 48.92 feet to a point; thence North 72 degrees 11 minutes 59 seconds West 24.77 feet to a point; thence North 50 degrees 01 minutes 04 seconds West 30.27 feet to a point; thence North 27 degrees 47 minutes 48 seconds East 26.67 feet to a point; thence North 65 degrees 27 minutes 48 seconds West 76.80 feet to a point; thence North 31 degrees 49 minutes 15 seconds West 26.40 feet to a point; thence South 62 degrees 23 minutes 53 seconds West 19.66 feet to a point; thence

South 36 degrees 23 minutes 57 seconds West 47.84 feet to a point; thence South 21 degrees 51 minutes 41 seconds East 15.52 feet to a point; thence South 60 degrees 59 minutes 23 seconds East 17.79 feet to a point; thence South 51 degrees 53 minutes 06 seconds West 44.47 feet to a point; thence North 81 degrees 48 minutes 13 seconds West 31.35 feet to a point; thence South 53 degrees 47 minutes 44 seconds West 22.80 feet to a point; thence North 84 degrees 41 minutes 04 seconds West 47.19 feet to a point; thence North 45 degrees 26 minutes 39 seconds West 6.36 feet to a point; thence North 00 degrees 00 minutes 26 seconds East 33.80 feet to a point; thence North 64 degrees 01 minutes 02 seconds West 27.01 feet to a point; thence South 75 degrees 40 minutes 51 seconds West 17.27 feet to a point; thence South 00 degrees 33 minutes 31 seconds East 28.67 feet to a point; thence South 23 degrees 39 minutes 11 seconds East 25.99 feet to a point; thence South 52 degrees 28 minutes 45 seconds West 12.49 feet to a point; thence North 77 degrees 50 minutes 39 seconds West 16.90 feet to a point; thence North 45 degrees 02 minutes 21 seconds West 54.53 feet to a point; thence North 64 degrees 34 minutes 29 seconds West 25.15 feet to a point; thence North 20 degrees 35 minutes 45 seconds West 31.12 feet to a point; thence South 70 degrees 46 minutes 11 seconds West 36.38 feet to a point; thence North 85 degrees 45 minutes 54 seconds West 13.04 feet to a point; thence North 31 degrees 40 minutes 06 seconds West 14.44 feet to a point; thence North 05 degrees 18 minutes 57 seconds West 27.10 feet to a point; thence North 40 degrees 00 minutes 44 seconds East 28.82 feet to a point; thence North 01 degrees 41 minutes 30 seconds East 12.12 feet to a point; thence North 67 degrees 08 minutes 25 seconds West 42.47 feet to a point; thence North 42 degrees 38 minutes 14 seconds West 37.46 feet to a point; thence North 08 degrees 50 minutes 00 seconds East 39.73 feet to a point; thence North 44 degrees 50 minutes 04 seconds West 21.88 feet to a point; thence South 76 degrees 35 minutes 07 seconds West 85.62 feet to a point; thence North 28 degrees 06 minutes 48 seconds West 24.64 feet to a point; thence North 11 degrees 38 minutes 03 seconds East 37.64 feet to a point; thence North 83 degrees 39 minutes 03 seconds West 32.20 feet to a point; thence South 53 degrees 29 minutes 20 seconds West 27.13 feet to a point; thence North 57 degrees 39 minutes 58 seconds West 22.71 feet to a point; thence North 05 degrees 35 minutes 18 seconds West 30.21 feet to a point; thence North 45 degrees 21 minutes 50 seconds West 48.25 feet to a point; thence North 61 degrees 46 minutes 58 seconds West 26.76 feet to a point; thence South 71 degrees 57 minutes 02 seconds West 39.91 feet to a point; thence North 52 degrees 14 minutes 54 seconds West 22.41 feet to a point; thence North 00 degrees 56 minutes 39 seconds West 19.20 feet to a point; thence North 45 degrees 39 minutes 50 seconds West 14.96 feet to a point; thence South 79 degrees 32 minutes 21 seconds West 57.52 feet to a point; thence North 50 degrees 55 minutes 42 seconds West 18.26 feet to a point; thence North 28 degrees 54 minutes 18 seconds West 18.78 feet to a point; thence North 53 degrees 44 minutes 16 seconds West 25.72 feet to a point; thence North 15 degrees 47 minutes 41 seconds West

34.22 feet to a point; thence North 63 degrees 10 minutes 52 seconds West 45.40 feet to a point; thence North 73 degrees 43 minutes 34 seconds West 54.74 feet to a point; thence North 52 degrees 09 minutes 36 seconds West 109.12 feet to a point; thence North 31 degrees 24 minutes 18 seconds West 47.75 feet to a point; thence North 49 degrees 02 minutes 32 seconds West 62.22 feet to a point; thence North 23 degrees 14 minutes 03 seconds West 22.67 feet to a point; thence North 57 degrees 17 minutes 16 seconds East 37.62 feet to a point; thence North 48 degrees 51 minutes 18 seconds West 39.13 feet to a point; thence South 83 degrees 10 minutes 23 seconds West 39.18 feet to a point; thence North 59 degrees 03 minutes 02 seconds West 16.72 feet to a point; thence North 12 degrees 36 minutes 48 seconds West 15.76 feet to a point; thence North 50 degrees 07 minutes 42 seconds West 32.68 feet to a point;

thence leaving the centerline of Lawrence Prong Branch North 00 degrees 10 minutes 10 seconds West 21.20 feet to an existing iron pipe; thence North 00 degrees 10 minutes 10 seconds West 39.95 feet to a point; thence South 56 degrees 41 minutes 42 seconds East 215.34 feet to a point; thence South 49 degrees 20 minutes 21 seconds East 85.88 feet to a point; thence North 51 degrees 09 minutes 44 seconds East 50.76 feet to a point; thence North 33 degrees 48 minutes 31 seconds East 228.53 feet to a point; thence North 63 degrees 53 minutes 49 seconds East 102.37 feet to a point; thence North 56 degrees 16 minutes 17 seconds East 47.74 feet to a point; thence North 49 degrees 35 minutes 34 seconds East 107.30 feet to a point; thence North 69 degrees 57 minutes 54 seconds East 106.46 feet to a point; thence North 61 degrees 14 minutes 06 seconds East 70.26 feet to a point; thence North 79 degrees 50 minutes 19 seconds East 76.37 feet to a point; thence North 63 degrees 43 minutes 21 seconds East 49.61 feet to a point; thence North 35 degrees 05 minutes 09 seconds East 92.67 feet to a point; thence North 66 degrees 34 minutes 57 seconds East 60.48 feet to a point; thence North 16 degrees 09 minutes 52 seconds West 283.05 feet to a point; thence along a curve to the right having a radius of 330.00 feet and a chord bearing and distance of North 25 degrees 42 minutes 02 seconds East 440.47 feet to a point; thence North 67 degrees 33 minutes 56 seconds East 336.15 feet to a point; thence along a curve to the left having a radius of 390.00 feet and a chord bearing and distance of North 39 degrees 24 minutes 00 seconds East 368.18 feet to a point; thence South 78 degrees 45 minutes 55 seconds East 117.38 feet to a point; thence South 68 degrees 51 minutes 29 seconds East 229.61 feet to a point, being the point and place of BEGINNING, and being all of TRACT 2, containing 78.19 acres, as shown on that certain unrecorded plat of survey entitled "Tract Map, Dogwood Ridge Subdivision" dated January 9, 1996, prepared by Michael E. Dickerson, RLS L-3639, to which unrecorded plat of survey reference is hereby made for a more accurate description of the metes, bounds, courses and distances of such property.

TRACT TWO

All that certain tract or parcel of land located in White Oak Township, Wake County, North Carolina, and being more particularly described as follows:

BEING all of Tracts A and B containing a total of 102.042 acres, including 1.10 acres located within the right-of-way of N.C.S.R. No. 1162 (Apex-Barbecue Road), as shown on survey entitled "Survey for Pete V. Seagroves, Et Al", dated March 9, 1995, prepared by Smith and Smith Surveyors, Project No. 95-16, recorded in Book of Maps 1995, Page 430, Wake County Registry, to which recorded plat reference is hereby made for a more accurate description of the metes, bounds, courses and distances of such Tracts A and B containing 102.042 acres.

TRACT THREE

All that certain tract or parcel of land located in the Town of Apex, White Oak Township, Wake County, North Carolina, and being more particularly described as follows:

BEGINNING at an existing iron pipe located in the southern margin of the right-of-way of Olive Chapel Road and designated as the control corner and having N.C. Grid N.A.D. 1983 Coordinates N=723,244.51 and E=2,037,139.73; running thence from such point of BEGINNING, South 08 degrees 57 minutes 46 seconds East 66.55 feet to a point; thence South 45 degrees 50 minutes 42 seconds West 171.96 feet to a point; thence along a curve to the left having a radius of 45.00 feet and a chord bearing and distance of North 68 degrees 40 minutes 08 seconds West 37.34 feet to a point; thence North 03 degrees 10 minutes 57 seconds West 89.67 feet to a point; thence North 16 degrees 03 minutes 46 seconds West 42.70 feet to a point; thence North 02 degrees 29 minutes 39 seconds East 49.47 feet to a point located in the southern margin of the right-of-way of Olive Chapel Road; thence along the southern margin of the right-of-way of Olive Chapel Road South 87 degrees 43 minutes 02 seconds East 82.36 feet to a point; thence along the southern margin of the right-of-way of Olive Chapel Road South 86 degrees 35 minutes 21 seconds East 80.28 feet to an existing iron pipe, being the point and place of BEGINNING, and being a certain tract of land shown on that certain unrecorded plat of survey entitled "Tract Map, Dogwood Ridge Subdivision" dated January 9, 1996, prepared by Michael E. Dickerson, RLS L-3639, to which unrecorded plat of survey reference is hereby made for a more accurate description of the metes, bounds, courses and distances of such property.