

STATE OF NORTH CAROLINA
COUNTY OF WAKE

DECLARATION OF COVENANTS FOR
COMMON PROPERTIES IN MALLARD
CROSSING SUBDIVISION AND PROVISIONS
OF MALLARD CROSSING HOMEOWNERS'
ASSOCIATION, INC.

THIS DECLARATION OF COVENANTS FOR COMMON PROPERTIES
made this 19th day of November, 1984, by BERN BULLARD
INDUSTRIES, INC., a North Carolina Corporation, herein
called "Declarant",

WITNESSETH:

WHEREAS, Declarant is the owner of the real property
described as follows:

See Exhibit "A" attached hereto and incorporated herein
by reference.

No additional land attached hereto shall be deemed to
be subjected to these covenants except by express written
declaration to that effect.

WHEREAS, the Declarant desires to create a "Consolidated
Open Space Development" with certain active and passive
recreational facilities and those structures necessary for
the operation of a water and a waste water system more particularly
described as Common Properties for the benefit of said
community and for the benefit of all the lots set forth
hereinabove; and

WHEREAS, the Declarant desires to provide for the
preservation of the value, amenities and conceptual intent
of the said community and for the maintenance of the said
Common Properties; and, to this end, desires to subject
the said real property above described, together with such
additions as may hereafter be made, to the covenants,
restrictions, easements, affirmative obligations, charges
and liens, hereinafter set forth, each and all of which is
and hereby declared to be for the benefit of said property
and each and every owner of any and all parts thereof; and

WHEREAS, the Declarant has deemed it desirable for
the efficient preservation of the values and amenities in
said community to create an agency to which should be
delegated and assigned the power and authority of maintaining
and administering the Common Properties and administering
and enforcing of the covenants and restrictions governing
the same, and collecting and disbursing all assessments
and charges necessary for such maintenance, administration
and enforcement, as hereinafter created; and

WHEREAS, Declarant has caused or will later cause to be
incorporated under the Laws of the State of North Carolina,
as a non-profit corporation, MALLARD CROSSING HOMEOWNERS'
ASSOCIATION, INC., for the purpose of exercising the
functions aforesaid, and which are hereinafter more fully
set forth.

NOW, THEREFORE, in consideration of the premises and
covenants contained herein, the Declarant declares that
the real property described above, and such additions
thereto as may hereinafter be made, is and shall be held,
transferred, sold, conveyed, leased, occupied and used
subject to the covenants, restrictions, conditions,

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easements, charges, assessments, affirmative obligations, and liens (sometimes referred to as "The Covenants") herein-after set forth, and said covenants shall run with the land and be binding on all persons claiming under and through the Declarant.

ARTICLE I

DEFINITIONS:

Section 1. The following words and terms, when used in this Declaration, or any Supplemental Declaration, shall have the following meanings:

(a) "Association" shall mean and refer to the Mallard Crossing Homeowners' Association, Inc., a North Carolina non-profit corporation.

(b) "Owner" shall mean and refer to the record owner, whether one or more persons, firms, associations, corporations, or other legal entities, of the fee simple title to any tract situated upon the Properties, but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee, its successors or assigns, unless and until such mortgagee has acquired title pursuant to foreclosure or a proceeding in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an owner.

(c) "Properties" shall mean and refer to that certain real property heretofore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association, as are subjected to this Declaration or any Supplemental Declaration.

(d) "Common Properties" shall mean and refer to those areas of land which are deeded to the Association and designated in said Deed as "Common Properties." The term "Common Properties" shall also include any personal property acquired by the Association if said property is designated as "Common Property." All Common Properties are to be devoted to and intended for the common use and enjoyment of the owners, subject to the fee schedules and operating rules adopted by the Association.

(e) "Lot" shall mean and refer to any improved or unimproved parcel of land, shown upon any recorded subdivision map of the Properties, intended for the construction of a detached single family dwelling, excluding any "Common Properties", as heretofore defined.

(f) "Member" shall mean and refer to all owners as heretofore defined.

(g) "Declarant" shall mean and refer to Bern Bullard Industries, Inc., a North Carolina Corporation, its successors and assigns.

ARTICLE II

Section 1. Existing Property. The real property which is subject to these covenants is located in Wake County, North Carolina, and is more particularly described hereinabove. All of the real property hereinabove described shall hereinafter be referred to as "Existing Property."

Section 2. Additions to Existing Property. Additional lands may become subject to this Declaration in the following manner:

(a) Additions. The Declarant, its successors and assigns, including the Association, shall have the right to bring within the plan and operation of this Declaration, additional properties, whether currently owned or hereafter acquired, at future stages of the development.

The additions authorized under this and the succeeding subsection, shall be made by filing of record Supplementary Declarations of Covenants for Common Properties with respect to the additional property which shall extend the operation and effect of these Covenants to such additional property.

The Supplementary Declarations may contain such complementary additions and modifications of the covenants contained in this Declaration as may be necessary or convenient, in the judgment of the Declarant, to reflect the different character, if any, of the added properties.

(b) Other Additions. Upon approval in writing of the Association pursuant to two-thirds of the vote at a duly called meeting, the owner of property other than the Declarant who desires to add it to the plan of these covenants and to subject it to the jurisdiction of the Association, may record a Supplementary Declaration of Covenants with respect to the additional property which shall extend the operation and effect of the covenants to such additional property.

The Supplementary Declaration may contain such complementary additions and modifications of the covenants contained in this Declaration as may be necessary or convenient, in the judgment of the Declarant, to reflect the different character, if any, of the added properties.

(c) Mergers. Upon a merger or consolidation of the Association with another association as provided for in the By-Laws of the Association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or, in the alternative, the properties, rights and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration, together with the covenants and restrictions established upon any other properties as one plan. No such merger or consolidation, however, shall effect any revocation, change of or addition to the Covenants established by this Declaration as herein provided.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION:

Section 1. Membership. The Declarant and every person or entity who is a record owner of a fee simple or undivided fee simple interest in any lot which is subject by the Covenants Association, provided that any such person or entity who holds such title or interest merely as a security for the performance of an obligation shall not be a member of the Association; membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

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Section 2. Voting Rights. The Association shall have two (2) classes of voting membership:

CLASS "A" - Class A members shall be all those owners as defined in Section One (1) of this Article III, and they shall be entitled to one (1) vote per lot owned.

CLASS "B" - The Class B member shall be the Declarant. The Class B member shall be entitled to one vote for each vote held by a Class A member; this right of an additional vote for each vote held by a Class A member shall terminate when the Declarant has sold ninety-eight (98%) percent of all lots affected by these Covenants. Thereafter, the Declarant shall be entitled to one (1) vote per lot owned.

The total vote of the Association shall consist of the sum of the votes of Class A members and the votes of Class B members. When more than one person holds an interest in any lot, all such persons shall be members; and the vote for such lot shall be exercised as they among themselves determine, but in no event may more than one vote be cast with respect to any lot owned by Class A members. When one or more co-owners sign a proxy or purports to vote for his or her co-owners, such vote shall be counted unless one or more of other co-owners is present and objects to such vote, or if not present, submits a proxy or objects in writing delivered to the Secretary of the Association before a vote is counted. If co-owners disagree as to the vote, it shall be split equally among the co-owners.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTIES:

Section 1. Member's Easements of Enjoyment. Subject to the provisions of these covenants and the rules and regulations of the Association, every member shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title of every lot.

Section 2. Delegation of Use. Any member may delegate in accordance with the By-Laws, his right of enjoyment to the Common Properties and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Title to Common Properties. The Declarant hereby covenants, for itself, its successors and assigns, that it shall convey, bargain and sell, free and clear of all outstanding liens and encumbrances, the Common Properties to the Association on or before the date the Declarant has sold all the lots as shown, or to be shown, on the recorded maps of the subdivision.

Section 4. Extent of Member's Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association, in accordance with its By-Laws, to borrow money for the purpose of improving the Common Properties and in aid thereof to mortgage said properties.

(b) The right of the Association to take such steps as are reasonably necessary to protect the above-described properties against foreclosures; and

(c) The right of the Association, as provided in its By-Laws, to suspend the enjoyment of rights of any member or any tenant of any member for any period during which any assessment remains unpaid; and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations, it being understood that any suspension for either non-payment of any assessment or a breach of the rules and regulations of the Association shall not constitute a waiver or discharge of the Member's obligations to pay the assessment; and

(d) The right of the Association to charge members' guests reasonable admission and other fees for the use of the Common Properties and/or facilities therein; and

(e) The right of the Association to give, sell or lease all or any part of the Common Properties to any public agency, authority, or utility or private concern for such purposes and subject to such conditions as may be agreed to by the members, provided that no such gift, sale or lease shall be effective unless authorized by the vote of two-thirds (2/3) of the vote at a duly called meeting and unless written notice of this proposed action is sent to every member at least twenty (20) days in advance of any action taken. A true copy of such resolution together with a certificate of the result of the vote taken and a certificate of mailing executed by the Secretary of the Association thereon shall be made and acknowledged by the President or Vice-President and Secretary or Assistant Secretary of the Association and such certificate shall be annexed to any instrument affecting the Common Properties, prior to the recording thereof. Such certificates shall be conclusive evidence of authorization by the membership.

ARTICLE V

COVENANTS FOR MAINTENANCE ASSESSMENTS:

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each owner of any lot shall, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and provisions of these Covenants and to pay to the Association: (1) Annual assessments or charges; (2) Special Assessments for the purposes set forth in Section 4 of this Article, such assessments to be fixed, established and collected from time to time as hereinafter provided. The Annual and Special Assessments together with such interest thereon and costs of collection therefor as hereinafter provided, shall be a charge and continuing lien on the property against which such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. In the case of co-ownership of a lot, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the improvement, maintenance, and operation of the Common Properties, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions

thereof, and for the cost of labor, equipment, materials, management and supervision thereof and any other additions, replacements and repair of structures used for the common benefit of Mallards Crossing Subdivision. The Special Assessments shall be used for the purposes set forth in Section 4 of this Article.

Section 3. Maximum Annual Assessment. The maximum annual assessment for the calendar year 1985 shall be One Hundred Sixty and No/100 (\$160.00) Dollars per lot.

(a) After calendar year 1985, the maximum annual assessment may be increased each calendar year not more than ten percent (10%) above the maximum assessment for the previous calendar year without a vote of the membership.

(b) After calendar year 1984, the maximum annual assessment may be increased above ten percent (10%) by a vote of two thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum. However, the Board of Directors may, after consideration of current maintenance costs and future needs of the Association, fix the annual assessment for any year at a lesser amount, but such action shall not constitute a waiver by the Association of its right to revert to the full assessment for future years as provided hereinabove.

Section 4. Special Assessments for Improvements and Additions. In addition to the annual assessments authorized by Section 4 hereof, the Association may levy special assessments, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto or addition to the Common Property, provided that any such assessment shall have the assent of two thirds (2/3) of the vote at a duly called meeting, written notice of which shall be sent twenty (20) days in advance and shall set forth the purpose of the meeting. For the purpose of acting under this Section 4, the presence at the meeting of members or of proxies, entitled to cast sixty percent (60%) of the total vote of the Class A membership shall constitute a quorum. For the purposes of this subsection only, no vote shall be cast under Class B.

Section 5. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement.

The first annual assessment shall be made for the balance of the calendar year and shall be payable in full within thirty (30) days after the first day of the month fixed for commencement. The assessments for any year after the first year, shall similarly be payable in full within thirty (30) days after the first day of January of said year.

The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 3 hereto, as the

remaining number of months in the year bear to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any property which is hereafter added to the properties now subject to assessment at a time other than the beginning of any assessment period.

The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

The pro-rating of any annual or special assessment due to change in ownership of any lot during a calendar year shall be the responsibility of the individuals involved and not the Association.

Section 6. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against all lots for each assessment period and shall at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any owner.

Written notice of the assessment shall thereupon be sent to every owner subject thereto.

The Association shall upon demand at any time furnish to any owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 7. Effect of Non-Payment of Assessment. The Personal Obligation of the Owner, the Lien; Remedies of Association. If the annual assessment or any special assessment is not paid on the date when due (being the dates specified in Section 5 hereof), then such assessment shall become delinquent and shall, together with interest thereon at the rate of ten (10%) percent per annum from the due date and cost of collection thereof as hereinafter provided, thereupon become a charge and continuing lien on the land and all improvements thereon, against which each assessment is made, in the hands of the then owner, his heirs, devisees, personal representatives, successors in title and assigns.

If the annual assessment or any special assessment is not paid within thirty (30) days after the due date, the Association may bring an action at law against the owner personally and/or foreclose the lien against the property, and there shall be added to the amount of such assessments the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or Deed of Trust now or hereafter placed upon the properties subject to assessment.

Section 9. Exempt Property. The following property, individuals, partnerships or corporations, subject to this Declaration shall be exempted from the assessment, charge

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and lien created herein:

(a) The grantees in conveyances made for the purpose of granting utility easements;

(b) All Common Properties as defined in Article I, Section 1, hereof;

(c) All properties exempted from taxation by the Laws of the State of North Carolina, upon the terms and to the extent of such legal exemptions;

(d) All properties owned by Declarant; however, Declarant agrees to subsidize at its discretion the operation of the Association in order to show good faith and to help assure the maintenance and operation of the Common Properties;

(e) Properties owned by builders, who acquire such lots for the purpose of engaging in the business of constructing residential buildings, for a period of one year from the date the Deed to the builder is recorded or upon resale by builder, whichever shall first occur.

ARTICLE VII

UTILITIES:

Section 1. Electrical Service. The Declarant has entered into a Contract with Carolina Power and Light Company for the installation of underground electric cables which required an initial contribution and for the installation of street lighting which will require a continuing monthly payment to Carolina Power and Light Company by the owners of each lot. Both the initial contribution and continuing monthly payment to Carolina Power and Light Company shall be the sole responsibility of each individual homeowner.

Section 2. Water and Waste Water Utility Service. Heather Utilities, Inc. is a South Carolina Corporation authorized to do business in North Carolina, duly franchised by the North Carolina Utilities Commission to operate as a public utility and to provide water utility service to the homeowners in Mallard Crossing Subdivision. CAC Utilities, Inc. is a North Carolina Corporation, duly franchised by the North Carolina Utilities Commission to operate as a public utility and to provide waste water treatment service to the homeowners in Mallard Crossing Subdivision.

Because of the difficulty of disconnecting a homeowners' sewer service for non-payment of the monthly sewer utility charge, the Declarant has agreed with Heater Utilities, Inc. and CAC Utilities, Inc., and/or their successors and assigns, that in the event a homeowner fails to pay its monthly sewer utility charge, as approved by the North Carolina Utilities Commission, then the sewer utility company may, at its election, require the water utility company to disconnect and discontinue water service to the delinquent homeowner until such time as the monthly utility charge has been paid in full. All costs of reconnecting the water service shall be the sole responsibility of the homeowner.

ARTICLE VIII

ARCHITECTURAL CONTROL:

Section 1. Review and Approval of Landscaping Specifications for Additions, Alterations or Changes to Structures. No building, wall, fence, swimming pool, or other improvement shall be commenced, erected, or maintained upon the Common Properties or elsewhere for the common benefit of Mallard Crossing Subdivision, nor shall any landscaping be done, nor shall any exterior addition to any such existing structure or change or alteration therein, be made until the plans and specifications therefor showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to the harmony and compatibility of its external design and location, with the surrounding structures and topography, by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with; provided, however, that all decisions under this section shall be the sole responsibility of Declarant until such time as Declarant shall no longer vote as a Class B member of the Association.

GENERAL PROVISION:

Section 1. Duration and Amendments. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Declarant, or the owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded after which time all covenants shall be automatically extended for successive periods of ten (10) years unless two-thirds (2/3) of the Board of Directors of the Homeowners' Association at a duly called meeting approves a change in the covenants and restrictions. The covenants may be amended at any time if two-thirds (2/3) of the Board of Directors of the Homeowners' Association approves the proposed amendment; provided, however, that said amendment shall be effective immediately upon its adoption.

Section 2. Notices. Any notice required to be sent to any member or owner under the provisions of this Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to the last known address of the person who appears as member upon the Association's membership roll or owner on the records of the Association at the time of such mailing; provided, that any notice called for herein may be hand carried and deposited in the mailbox of an owner in lieu of mailing. Notice to one of two or more co-owners of a lot shall constitute notice to all co-owners. It shall be the obligation of every member to immediately notify the Secretary of the Association in writing of any changes of address and it shall be the responsibility of any new member to immediately notify the Association of the date of the transfer of ownership.

Section 3. Enforcement. Enforcement of these Covenants shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any covenant, either to restrain violation or to recover damages, and against the land and to enforce any lien created by these Covenants, and failure by the Association or any owner or the Company to enforce any Covenant herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter.

Section 4. Severability. Should any Covenant or restriction herein contained, or any Article, Section, Subsection, sentence, clause, phrase, or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any person, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no wise affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Exhibit "A"

BEGINNING at a stake in the eastern right-of-way line of N.C.S.R. #2217, a corner with L.B. Watkins (see Deed Book 657, Page 449, Wake County Registry); runs thence along the southern line of L.B. Watkins, North 78° 36' 02" 724.86 feet to an iron stake; runs thence North 00° 21' 54" West 435.00 feet to a new iron pipe in the southern line of the property of W.B. Keith Heirs (see Deed Book 1144, Page 641, Wake County Registry); runs thence with said line of the Keith Heirs 89° 53' 20" East 1222.07 feet to a new iron pipe; runs thence South 33° 54' 52" West 541.72 feet to an existing iron pipe; runs thence South 16° 09' 15" East 239.29 feet to an existing iron pipe; runs thence South 02° 34' 34" West 253.64 feet to an existing iron pipe; runs thence South 24° 02' 57" West 135.72 feet to an existing iron pipe; runs thence South 35° 16' 33" West 142.36 feet to an existing iron pipe; runs thence South 02° 04' 18" West 209.48 feet to an existing iron pipe; runs thence South 01° 10' 05" West 234.4 feet to an existing iron pipe; runs thence along the northern property line of Newton Ransom Stell, Jr. (see Deed Book 2691, Page 215, Wake County Registry) North 89° 08' 17" West 722.57 feet to an existing iron pipe; runs thence along the eastern property line of James D. and Ellen P. Chambers (see Deed Book 2881, Page 778, Wake County Registry) North 01° 40' 01" East 500.63 feet to an existing iron stake; runs thence along the northern property line of James D. and Ellen P. Chambers North 88° 28' 28" West 826.96 feet to a stake in the eastern right-of-way line of N.C.S.R. #2217; runs thence along the eastern right-of-way line of N.C.S.R. #2217 North 00° 11' 27" East 507.80 feet to the point and place of BEGINNING, and containing 43.5000 acres, according to a plat by Bass, Nixon & Kennedy, Inc., Consulting Engineers, dated October 4, 1984, as recorded in Book of Maps 1984, Page 1713, Wake County Registry, Wake County, North Carolina.

IN WITNESS WHEREOF, Bern Bullard Industries, Inc., a North Carolina Corporation, has caused this instrument to be executed the day and year first above written.



BERN BULLARD INDUSTRIES, INC., a North Carolina Corporation - Declarant

BY: Bern F. Bullard, Jr.
Bern F. Bullard, Jr., President

ATTESTED BY: [Signature]
(CORPORATE SEAL)

Secretary

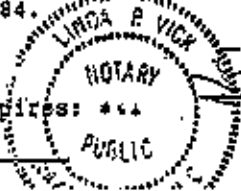
NORTH CAROLINA

WAKE COUNTY

I, Linda P. Vick, a Notary Public in and for said County and State, do hereby certify that Bern F. Bullard, Jr. personally came before me this day and acknowledged that he is the President Secretary of BERN BULLARD INDUSTRIES, INC., a North Carolina corporation, and that by the authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by [Signature] as its Secretary.

WITNESS my hand and official seal this 15th day of November, 1984.

My Commission Expires: 5-1-88



[Signature] Notary Public

NORTH CAROLINA - WAKE COUNTY

The foregoing certificate

of Linda P. Vick

(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: Charles A. Belling
Asst./Deputy Register of Deeds

AUG 5 11 19 AM '85

Drawn By & Held For: Barrow & Powell

NORTH CAROLINA

WAKE COUNTY

KENNETH C. W. LEE

AMENDMENT TO PROTECTIVE COVENANTS OF
MALLARD CROSSING SUBDIVISION, BOOK OF
MAPS 1984, PAGE 1713, WAKE COUNTY
REGISTRY, AS RECORDED IN BOOK 3386,
PAGE 187, AND AMENDED IN BOOK 3468,
PAGE 212, WAKE COUNTY REGISTRY.

THIS AMENDMENT TO PROTECTIVE COVENANTS OF MALLARD CROSSING
SUBDIVISION, made and entered into this 29 day of August, 1985,
by and between BERN BULLARD INDUSTRIES, INC., a North Carolina
Corporation, having its principal office in Wake County, North
Carolina; SAMCO DEVELOPMENT CORPORATION, a Virginia corporation
d/b/a AMERICRAFT BUILDERS; ANDERSON HOMES, INC.; and NATIONWIDE
HOMES, INC., hereinafter referred to as "Declarants";

W I T N E S S E T H :

THAT WHEREAS, by instrument recorded in Book 3386, page 187,
Wake County Registry, Wake County, North Carolina, Declarants
subjected Mallard Crossing Subdivision to certain Protective
Covenants as contained therein; and

THAT WHEREAS, by instrument recorded in Book 3468, page 212,
Wake County Registry, Wake County, North Carolina, Declarants
modified and amended the aforesaid Protective Covenants of
Mallard Crossing Subdivision; and

WHEREAS, Declarants desire to amend further said Protective
Covenants at this time;

NOW, THEREFORE, in consideration of the premises and covenants
contained herein, the Declarants declare that the Protective
Covenants of Mallard Crossing Subdivision, be further amended as follows:

Paragraph 4 is hereby amended to read as follows:

4. The ground floor area of the main structure exclusive of
one-story open porches and garages, shall not be less than 1,000
square feet or the ground floor area of a two-story structure shall
not be less than 700 square feet. Variations equal to or less
than eight percent (8%) of the required minimum square footage may
be approved by the Architectural Committee.

IN WITNESS WHEREOF, the Declarants have caused this instrument
to be signed the day and year first above written.

BERN BULLARD INDUSTRIES, INC.



By: Bern F. Bullard, Jr.
Bern F. Bullard, Jr., President

Lester Bullard Page
Secretary

SAMCO DEVELOPMENT CORPORATION d/b/a
AMERICRAFT BUILDERS

By: L. Wayne
Its President

ATTEST:
(CORPORATE SEAL)

H. H. H. H.
Assistant Secretary

3468 212

Drawn By & Hold For: Barrow & Powell

NORTH CAROLINA

AMENDMENT TO PROTECTIVE COVENANTS
OF MALLARD CROSSING SUBDIVISION,
BOOK OF MAPS 1984, PAGE 1713, WAKE
COUNTY REGISTRY, AS RECORDED IN
BOOK 3386, PAGE 187, WAKE COUNTY
REGISTRY.

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WAKE COUNTY
REGISTER
WAKE COUNTY, NC

THIS AMENDMENT TO PROTECTIVE COVENANTS OF MALLARD CROSSING
SUBDIVISION, made and entered into this 24th day of April, 1985
by and between BERN BULLARD INDUSTRIES, INC., a North Carolina
Corporation, having its principal office in Wake County, North
Carolina, hereinafter referred to as "Declarant";

W I T N E S S E T H:

THAT WHEREAS, by instrument recorded in Book 3386, Page 187,
Wake County Registry, Wake County, North Carolina, Declarant
subjected Mallard Crossing Subdivision to certain Protective
Covenants as contained therein; and

WHEREAS, Declarant desires to amend said Protective Covenants
at this time;

NOW, THEREFORE, in consideration of the premises and covenants
contained herein, the Declarant declares that the Protective
Covenants of Mallard Crossing Subdivision, be amended as follows:

Paragraph 4 is hereby amended to read as follows:

4. The ground-floor area of the main structure exclusive of
one-story open porches and garages, shall not be less than 1,000-
square feet or the ground floor area of a two-story structure
shall not be less than 800 square feet. Variations equal to or
less than eight percent (8%) of the required minimum square footage
may be approved by the Architectural Committee.

BOOK 4080 PAGE 334

Drawn By & Held For: Barrow & Redwine
PRESENTED
NORTH CAROLINA FOR
REGISTRATION

JUL 9 9 49 AM '87

KENNETH C. WILKINS
REGISTER OF DEEDS

WAKE COUNTY WAKE COUNTY, NC

AMENDMENT TO DECLARATION OF
COVENANTS FOR COMMON PROPERTIES
IN MALLARD CROSSING SUBDIVISION
AND PROVISIONS OF MALLARD
CROSSING HOMEOWNERS' ASSOCIATION,
INC.

THIS AMENDMENT TO DECLARATION OF COVENANTS FOR COMMON PROPERTIES, made this 7th day of July, 1987, by BERN BULLARD INDUSTRIES, INC., a North Carolina Corporation, hereinafter called "Declarant", and H. SPENCER BARROW, BERN F. BULLARD, JR., and WILLIAM MARVIN WALDO, initial members of the Board of Directors of Mallard Crossing Homeowners' Association, Inc., all of Wake County, North Carolina, hereinafter called "Directors";

W I T N E S S E T H:

THAT WHEREAS, by instrument recorded in Book 3384, Page 546, Wake County Registry, Declarant subjected all of Phase I of Mallard Crossing Subdivision, to the Declaration of Covenants for Common Properties; and

WHEREAS, by instrument recorded in Book 3430, Page 880, Directors amended certain provisions of the instrument recorded in Book 3384, Page 546, Wake County Registry; and

WHEREAS, by instrument recorded in Book 4017, Page 780, Wake County Registry, Declarant and Directors subjected additional property pursuant to an unrecorded plat (Phase II of Mallard Crossing Subdivision) to the provisions of the Declaration of Covenants for Common Properties; and

WHEREAS, for clarification reasons only the Declarant and Directors desire to amend the Declaration of Covenants for Common Properties for Phase II of Mallard Crossing Subdivision by referring to a recorded plat as recorded in Book of Maps 1987, Page 952, Wake County Registry;

NOW, THEREFORE, in consideration of the premises and covenants contained herein, the Declarant and Directors declare that the Declaration of Covenants for Common Properties in Mallard Crossing Subdivision and Provisions of Mallard Crossing Homeowners' Association, Inc. be amended to refer to the recorded map book and page of Phase II of Mallard Crossing Subdivision as Book of Maps 1987, Page 952, Wake County Registry, Wake County, North Carolina.

BOOK 4080 PAGE 395

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, the day and year first above written.

BERN BULLARD INDUSTRIES, INC., a
North Carolina Corporation -
Declarant

BY:

Bern F. Bullard, Jr.
Bern F. Bullard, Jr., President



ATTEST:
(CORPORATE SEAL)

Barbara Bullard Page
Secretary

H. Spencer Barrow (SEAL)
H. SPENCER BARROW, Director

Bern F. Bullard, Jr. (SEAL)
BERN F. BULLARD, JR., Director

William Marvin Waldo (SEAL)
WILLIAM MARVIN WALDO, Director

NORTH CAROLINA

WAKE COUNTY

I, Sherri B. Brower, a Notary Public of said County and State, do hereby certify that Barbara Bullard Page personally came before me this day and acknowledged that she is the Secretary of BERN BULLARD INDUSTRIES, INC., a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by her as its Secretary.

WITNESS my hand and notarial seal, this the 1st day of July, 1987.

Sherri B. Brower
Notary Public

My Commission Expires:

January 31, 1988



4017 783

RECORDED
FOR
RECORDATION

MAY 19 1987

Drawn By & Held For
NORTH CAROLINA
WAKE COUNTY

PROTECTIVE COVENANTS
MALLARD CROSSING SUBDIVISION,
PHASE II

WAKE COUNTY

KNOW ALL MEN BY THESE PRESENTS, that Bern Bullard Industries, Inc., a North Carolina corporation, as Owner and Developer, being all of the persons, firms or corporations owning or having any interest in those lands located in Wake County, North Carolina, designated as all of Lots 86-121, inclusive, Lots 124-150, inclusive, and Lots 230-247, inclusive, Mallard Crossing Subdivision, Phase II, as described on plat prepared by Bass, Nixon and Kennedy, Inc., Consulting Engineers, dated March 16, 1987 entitled "Mallard Crossing - Phase II", that said property is subject to the following restrictions as to the use thereof, running with said property by whomsoever owned, to-wit:

1. A building unit shall consist of a tract of land within the area embraced by numbered lots in Mallard Crossing Subdivision, Phase II, St. Matthews Township, Wake County, North Carolina, as described on plat prepared by Bass, Nixon and Kennedy, Inc., Consulting Engineers, dated March 16, 1987, entitled "Mallard Crossing - Phase II".

2. No building shall be erected, placed or altered on any lots embraced within the area described above as Mallard Crossing Subdivision, Phase II, as shown on Exhibit "A" attached hereto and made a part hereof, until the building plans, specifications and plat showing the location of such buildings have been approved in writing as to conformity and harmony of external design with existing structures in the development, and as to location of the building with respect to topography and finished ground elevation by an architectural committee (the Architectural Committee) composed of three persons designated and appointed by Owner and Developer, or its assigns. In the event said committee fails to approve or disapprove such design or location within thirty days after said plans and specifications have been submitted to it or, in any event, if no suit to enjoin the erection of such building or the making of such alterations has been commenced prior to the completion thereof, such approval will not be required and this covenant will be deemed to have been fully complied with. Members of such committee shall not be entitled to any compensation for services performed pursuant to this covenant.

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3. No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling not to exceed two and one-half stories and a private garage for not more than three cars.

4. The ground floor area of the main structure exclusive of one-story open porches and garages, shall not be less than 1,000 square feet or the ground floor area of a two-story structure shall not be less than 700 square feet. Variations equal to or less than eight percent (8%) of the required minimum square footage may be approved by the Architectural Committee.

5. No building shall not located on any lot nearer to the front lot line than thirty (30) feet nor nearer to any side street line than fifteen (15) feet. No building shall be located nearer than ten (10) feet to an interior building unit line. Detached building shall be located at least twenty (20) feet apart. The Architectural Committee reserves the right to approve deviations from building line restrictions but in no event shall detached buildings be located less than twenty (20) feet apart.

6. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on Exhibit "A" attached hereto and made a part hereof.

7. No noxious or offensive activity shall be carried upon any lot, nor shall anything be done thereof which may become an annoyance or nuisance to the neighborhood.

8. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently.

9. No sign of any kind shall be displayed to public view on any lot, provided: one professional sign of not more than one square foot may be displayed and one sign not exceeding six square feet advertising this property during the construction and sale period may be utilized.

10. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept provided they are not kept, bred or maintained for any commercial purposes and further provided they do not constitute a nuisance or annoyance to the neighborhood. No dog pens or dog runs shall be allowed.

11. No lot shall be used or maintained as a dumping ground for rubbish or trash. Garbage or other waste shall not be kept except in sanitary containers. All incinerators or other

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equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

12. All clotheslines, satellite dish, and playground equipment, including, but not limited to, swings, swing sets, merry-go-rounds, play pens, and sandboxes, toys, etc., shall be located in the rear yard of the home and not in the front yard and must be kept in neat order.

13. No inoperable or unlicensed motor vehicles shall be parked on any lot or dedicated subdivision street for more than thirty (30) days, the purpose of this restriction being to prohibit any junk cars being located in the subdivision.

14. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of 25 years from the date these covenants are recorded, after which time such covenants shall be automatically extended for 10 years, unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part.

15. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenants, either to restrain violation, or to recover damages.

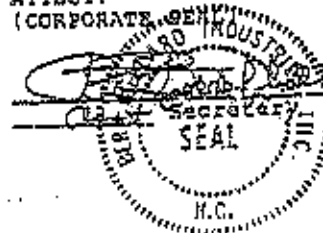
16. Invalidity of any of these covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

IN WITNESS WHEREOF, the Owner and Developer has caused this instrument to be executed on this the 10th day of May, 1987.

BERN HULLARD INDUSTRIES, INC.,
a North Carolina Corporation

BY: Bern F. Hullard, Jr.
Bern F. Hullard, Jr., Pres.

ATTEST:



NORTH CAROLINA

WAKE COUNTY

PRESENTED
FOR
RECORDATION

FEB 15 2 22 PM '85

KENNETH L. HILKINS
REGISTER OF DEEDS
WAKE COUNTY, NC

BOOK 3-30 PAGE 880

AMENDMENT TO DECLARATION OF
COVENANTS FOR COMMON PROPERTIES
IN MALLARD CROSSING SUBDIVISION
AND PROVISIONS OF MALLARD CROSSING
HOMEOWNERS' ASSOCIATION, INC.

THIS AMENDMENT TO DECLARATION OF COVENANTS FOR COMMON PROPERTIES, made this 15th day of February, 1985, by H. SPENCER BARROW, BERN F. BULLARD, JR., and WILLIAM MARVIN WALDO, initial members of the Board of Directors of Mallard Crossing Homeowners' Association, Inc., all of Wake County, North Carolina, hereinafter called "Directors":

W I T N E S S E I H:

WHEREAS, the Directors desire to amend the Declaration of Covenants for Common Properties in Mallard Crossing Subdivision and Provisions of Mallard Crossing Homeowners' Association, Inc. in order to comply with the rules and regulations for approval by the Veterans Administration; and

WHEREAS, according to the Articles of Incorporation of Mallard Crossing Homeowners' Association, Inc. filed on November 20, 1984, H. Spencer Barrow, Bern F. Bullard, Jr. and William Marvin Waldo were named to act in the capacity of the initial Directors of the Homeowners' Association until the first annual meeting of the members; and

WHEREAS, as of the date of this Amendment Mallard Crossing Homeowners' Association, Inc. has not held its first annual meeting.

NOW, THEREFORE, in consideration of the premises and covenants contained herein, the Directors declare that the Declaration of Covenants for Common Properties in Mallard Crossing Subdivision and Provisions of Mallard Crossing Homeowners' Association, Inc. be amended as follows:

Article II, Section 2, is hereby amended by adding the following:

"Notwithstanding the foregoing, annexation of additional residential property in common area shall require the consent of two-thirds (2/3rds) of each Class of members."

Article III, Section 2, the definition of Class B Membership is hereby amended to read as follows:

"CLASS B - The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership, or
- (b) On December 31, 1992."

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IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, the day and year first above written.

H. Spencer Barrow [SEAL]
H. SPENCER BARROW, Director

Bern F. Bullard, Jr. [SEAL]
BERN F. BULLARD, JR., Director

William Marvin Waldo [SEAL]
WILLIAM MARVIN WALDO, Director

NORTH CAROLINA

WAKE COUNTY

I, Sherri B. Brower, a Notary Public of said County and State, do hereby certify that H. SPENCER BARROW, BERN F. BULLARD, JR., and WILLIAM MARVIN WALDO, Directors of Mallard Crossing Homeowners' Association, Inc., personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this 14th day of February, 1985.

Sherri B. Brower
Notary Public



My Commission Expires: January 31, 1988

NORTH CAROLINA - WAKE COUNTY

The foregoing certificate of Sherri B. Brower

Notary Public is
Carefully 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 Charles A. Kelly
Asst. / Deputy Register of Deeds

Article IV, Section 3, is hereby amended to read as follows:

"Title to Common Properties. The Declarant hereby covenants, for itself, its successors and assigns, that it shall convey, bargain and sell, free and clear of all outstanding liens and encumbrances, the Common Properties to the Association before the first lot is conveyed to a homeowner as shown on the recorded maps of the subdivision."

Article V, Section 4, is hereby amended to read as follows:

"Special Assessments for Improvements and Additions. In addition to the annual assessments authorized by Section 4 hereof, the Association may levy special assessments, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto or addition to the Common Property, provided that any such assessment must be approved by two-thirds (2/3rds) of the votes of each Class of members who are voting in person or by proxy at a duly called meeting, written notice of which shall be sent twenty (20) days in advance and shall set forth the purpose of the meeting."

Article V, Section 9(d) and (e) is hereby amended to read as follows:

"(d) The Declarant shall only be required to pay twenty-five percent (25%) of the assessment for vacant lots owned by Declarant.

(e) Builders shall only be required to pay twenty-five percent (25%) of the assessment for lots with construction in progress but not completed."

The General Provisions of Article VIII, Section 1, is hereby amended to read as follows:

"Duration and Amendments. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Declarant, or the owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded after which time all covenants shall be automatically extended for successive periods of ten (10) years unless ninety percent (90%) of the lot owners approves a change in the covenants and restrictions. The covenants may be amended at any time if ninety percent (90%) of the lot owners approves the proposed amendment. Any amendment must be recorded."

The General Provisions of Article VIII is further amended to add Section 5 as follows:

"As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of common area, dedication of common area, dissolution and amendment of these Articles."

BOOK 4080 PAGE 337

Drawn By & Bold For: Barrow & Radwine

NORTH CAROLINA

PRESENTED
FOR
REGISTRATION

AMENDMENT TO PROTECTIVE
COVENANTS OF MALLARD
CROSSING SUBDIVISION,
PHASE II

JUL 9 9 43 AM '87

WAKE COUNTY

KENNETH C. WILKINS
REGISTER OF DEEDS
WAKE COUNTY, NC

THIS AMENDMENT, made and entered into this the 7th day of July, 1987, by Born Bullard Industries, Inc., a North Carolina Corporation, as Owner and Developer, being all of the persons, firms, or corporations owning or having any interest in those lands located in Wake County, North Carolina, designated as all of Lots 86-121, inclusive, Lots 124-150, inclusive, and Lots 230-247, inclusive, of Mallard Crossing Subdivision, Phase II, as described on plat prepared by Bass, Nixon and Kennedy, Inc., Consulting Engineers, dated March 16, 1987, entitled "Mallard Crossing - Phase II", as recorded in Book of Maps 1987, Page 952, Wake County Registry, Wake County, North Carolina;

W I T N E S S E T H:

THAT WHEREAS, by instrument dated May 18, 1987, as recorded in Book 4017, Page 783, Wake County Registry, Born Bullard Industries, Inc. subjected all the lots described above to certain Protective Covenants referring to an unrecorded plat dated March 16, 1987; and

WHEREAS, the aforementioned unrecorded plat dated March 16, 1987, has now been recorded in Book of Maps 1987, Page 952, Wake County Registry, Wake County, North Carolina, and the purpose of this Amendment is to amend the previously recorded Protective Covenants so as to refer to a recorded plat;

NOW, THEREFORE, in consideration of the above premises, those certain Protective Covenants of Mallard Crossing Subdivision, Phase II, as recorded in Book 4017, Page 783, Wake County Registry, Wake County, North Carolina, are amended to reflect the recordation information of the plat dated March 16, 1987, as being recorded in Book of Maps 1987, Page 952, Wake County Registry.

BOOK 4080 PAGE 398

IN WITNESS WHEREOF, Owner and Developer has caused this instrument to be executed on the day and year first above written.

BERN BULLARD INDUSTRIES, INC., a
North Carolina Corporation

BY: *Bern F. Bullard, Jr.*
Bern F. Bullard, Jr., Pres.

ATTEST:
(CORPORATE SEAL)

Barbara Bullard Page
Secretary

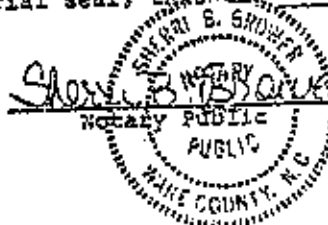


NORTH CAROLINA

WAKE COUNTY

I, Sherri B. Brower, a Notary Public in and for said County and State, do hereby certify that Barbara Bullard Page personally came before me this day and acknowledged that she is the Secretary of BERN BULLARD INDUSTRIES, INC., a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by her as its Secretary.

WITNESS my hand and notarial seal, this 7th day of July, 1967.



My Commission Expires:
January 31, 1968

NORTH CAROLINA - WAKE COUNTY
The following certificate is

Sherri B. Brower

Notary Public in and for said County and State. This instrument and the certificate and duly registered at the date and time and in the book and page shown on the file page hereof

KENNETH C. WALKER, Register of Deeds

Regina R. Cooke
Deputy Register of Deeds

Drawn By & Hold For: Barrow & Powell

NORTH CAROLINA

WAKE COUNTY

AMENDMENT TO PROTECTIVE COVENANTS OF
MALLARD CROSSING SUBDIVISION, BOOK OF
MAPS 1984, PAGE 1713, WAKE COUNTY
REGISTRY, AS RECORDED IN BOOK 1386,
PAGE 187, AND AMENDED IN BOOK 3468,
PAGE 212, WAKE COUNTY REGISTRY.

THIS AMENDMENT TO PROTECTIVE COVENANTS OF MALLARD CROSSING
SUBDIVISION, made and entered into this 6 day of March 1985,
by and between BERN BULLARD INDUSTRIES, INC., a North Carolina
Corporation, having its principal office in Wake County, North
Carolina, hereinafter referred to as "Declarant";

WITNESSETH:

THAT WHEREAS, by instrument recorded in Book 1386, page 187,
Wake County Registry, Wake County, North Carolina, Declarant
subjected Mallard Crossing Subdivision to certain Protective
Covenants as contained therein; and

THAT WHEREAS, by instrument recorded in Book 3468, page 212,
Wake County Registry, Wake County, North Carolina, declarant
modified and amended the aforesaid Protective Covenants of
Mallard Crossing Subdivision; and

WHEREAS, Declarant desires to amend further said Protective
Covenants at this time;

NOW, THEREFORE, in consideration of the premises and covenants
contained herein, the Declarant declares that the Protective
Covenants of Mallard Crossing Subdivision, be further amended as follows:

Paragraph 4 is hereby amended to read as follows:

4. The ground floor area of the main structure exclusive of one-story open porches and garages, shall not be less than 1,000 square feet or the ground floor area of a two-story structure shall not be less than 700 square feet. Variations equal to or less than eight percent (8%) of the required minimum square footage may be approved by the Architectural Committee.

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

BERN BULLARD INDUSTRIES, INC.

ATTEST

(CORPORATE SEAL)

By: Bern Bullard, Jr.

Bern F. Bullard, Jr., President

[Signature]
Secretary

NORTH CAROLINA

WAKE COUNTY

I, Kimberly D. Gardner, a Notary Public in and for said County and State, do hereby certify that Bern F. Bullard personally came before me this day and acknowledged that he is the President Secretary of BERN BULLARD INDUSTRIES, INC., a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name and by its President, sealed with its corporate seal, and attested by him as its President Secretary.

WITNESS my hand and notarial seal this 14th day of June, 1985.

My Commission Expires:

MAY 1, 1989

Kimberly D. Gardner
Notary Public

NORTH CAROLINA - WAKE COUNTY

The foregoing certificate is

Kimberly D. Gardner

Notary (Print) Public is

Correctly 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.

GENNETH C. WILKINS, Registrar of Deeds

[Signature]
Asst. Deputy Registrar of Deeds

NORTH CAROLINA

PROTECTIVE COVENANTS OF
MALLARD CROSSING SUBDIVISION,
BOOK OF MAPS 1984,
PAGE 1713, WAKE COUNTY REGISTRY

WAKE COUNTY

KNOW ALL MEN BY THESE PRESENTS that Bern Bullard Industries, Inc., a North Carolina corporation, as Owner and Developer, being all of the persons, firms or corporations owning or having any interest in those lands located in Wake County, North Carolina designated as Mallard Crossing Subdivision, a map of which is recorded in Book of Maps 1984, Volume _____, Page 1713, Wake County Registry, Wake County, North Carolina, that said numbered lots are subject to the following restrictions as to the use thereof, running with said property by whomsoever owned, to-wit:

1. A building unit shall consist of a tract of land within the area embraced by numbered lots in Mallard Crossing Subdivision, St. Matthews Township, Wake County, North Carolina, as shown by plat recorded in Book of Maps 1984, Volume _____, Page 1713, Wake County Registry, Wake County, North Carolina.

2. No building shall be erected, placed or altered on any lots embraced within the area described above as Mallard Crossing Subdivision, according to a plat recorded in Book of Maps 1984, Volume _____, Page 1713, Wake County Registry, until the building plans, specifications and plat showing the location of such buildings have been approved in writing as to conformity and harmony of external design with existing structures in the development, and as to location of the building with respect to topography and finished ground elevation by an architectural committee (the Architectural Committee) composed of three persons designated and appointed by Owner and Developer, or its assigns. In the event said committee fails to approve or disapprove such design or location within thirty days after said plans and specifications have been submitted to it or, in any event, if no suit to enjoin the erection of such building or the making of such alterations has been commenced prior to the completion thereof, such approval will not be required and this covenant will be deemed to have been fully complied with. Members of such committee shall not be entitled to any compensation for services performed pursuant to this covenant.

3. No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling not to exceed two and one-half stories and a private garage for not more than three cars.

4. The ground floor area of the main structure exclusive of one-story open porches and garages, shall not be less than 1,000 square feet. Variations equal to or less than eight percent (8%) of the required minimum square footage may be approved by the Architectural Committee.

5. No building shall be located on any lot nearer to the front lot line than thirty (30) feet nor nearer to any side street line than fifteen (15) feet. No building shall be located nearer than ten (10) feet to an interior building unit line. Detached buildings shall be located at least twenty (20) feet apart. The Architectural Committee reserves the right to approve deviations from building line restrictions but in no event shall detached buildings be located less than twenty (20) feet apart.

PRESENTED
FOR
RECORDATION

6. Basements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat.

7. No noxious or offensive activity shall be carried upon any lot, nor shall anything be done thereof which may become an annoyance or nuisance to the neighborhood.

8. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence either temporarily or permanently.

9. No sign of any kind shall be displayed to public view on any lot, provided: one professional sign of not more than one square foot may be displayed and one sign not exceeding six square feet advertising this property during the construction and sale period may be utilized.

10. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept provided they are not kept, bred or maintained for any commercial purposes and further provided they do not constitute a nuisance or annoyance to the neighborhood.

11. No lot shall be used or maintained as a dumping ground for rubbish or trash. Garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

12. All clotheslines, satellite dish, and playground equipment, including, but not limited to, swings, swing sets, merry-go-rounds, play pens, and sandboxes, toys, etc., shall be located in the rear yard of the home and not in the front yard and must be kept in neat order.

13. No inoperable or unlicensed motor vehicles shall be parked on any lot or dedicated subdivision street for more than thirty (30) days, the purpose of this restriction being to prohibit any junk cars being located in the subdivision.

14. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of 25 years from the date these covenants are recorded after which time such covenants shall be automatically extended for 10 years, unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part.

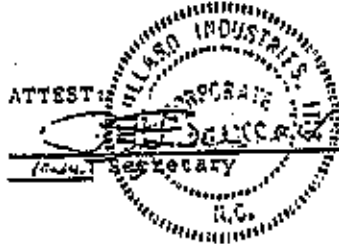
15. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenants either to restrain violation or to recover damages.

16. Invalidity of any of these covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

IN WITNESS WHEREOF, the Owner and Developer, has caused this instrument to be executed on this the 27th day of November, 1984.

BERN BULLARD INDUSTRIES, INC.

BY: [Signature]
Bern F. Bullard, Jr., President

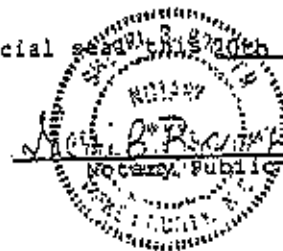


NORTH CAROLINA

WAKE COUNTY

I, Sherril B. Brower, a Notary Public in and for said County and State, do hereby certify that B.F. Bullard personally came before me this day and acknowledged that he is the Assistant Secretary of BERN BULLARD INDUSTRIES, INC., a North Carolina corporation, and that by the authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him as its Asst. Secretary.

WITNESS my hand and official seal this 27th day of November, 1984.



My Commission Expires:

January 31, 1988

NORTH CAROLINA - WAKE COUNTY

The foregoing certificate of Sherril B. Brower

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

KENNETH C. WILKINS, Register of Deeds

By: [Signature]
Asst./Deputy Register of Deeds

BOOK 4080 PAGE 397

Drawn By & Bold For: Barrow & Radwine

NORTH CAROLINA

PRESENTED
FOR
REGISTRATION

AMENDMENT TO PROTECTIVE
COVENANTS OF MALLARD
CROSSING SUBDIVISION,
PHASE II

JUL 9 9 49 AM '87

WAKE COUNTY

KENNETH O. WILKINS
REGISTER OF DEEDS
WAKE COUNTY, NC

THIS AMENDMENT, made and entered into this the 7th day of July, 1987, by Bern Bullard Industries, Inc., a North Carolina Corporation, as Owner and Developer, being all of the persons, firms, or corporations owning or having any interest in those lands located in Wake County, North Carolina, designated as all of Lots 86-121, inclusive, Lots 124-150, inclusive, and Lots 230-247, inclusive, of Mallard Crossing Subdivision, Phase II, as described on plat prepared by Bass, Nixon and Kennedy, Inc., Consulting Engineers, dated March 16, 1987, entitled "Mallard Crossing - Phase II", as recorded in Book of Maps 1987, Page 952, Wake County Registry, Wake County, North Carolina;

W I T N E S S E T H:

THAT WHEREAS, by instrument dated May 18, 1987, as recorded in Book 4017, Page 783, Wake County Registry, Bern Bullard Industries, Inc. subjected all the lots described above to certain Protective Covenants referring to an unrecorded plat dated March 16, 1987; and

WHEREAS, the aforementioned unrecorded plat dated March 16, 1987, has now been recorded in Book of Maps 1987, Page 952, Wake County Registry, Wake County, North Carolina, and the purpose of this Amendment is to amend the previously recorded Protective Covenants so as to refer to a recorded plat;

NOW, THEREFORE, in consideration of the above premises, those certain Protective Covenants of Mallard Crossing Subdivision, Phase II, as recorded in Book 4017, Page 783, Wake County Registry, Wake County, North Carolina, are amended to reflect the recordation information of the plat dated March 16, 1987, as being recorded in Book of Maps 1987, Page 952, Wake County Registry.

BOOK 4080 PAGE 398

IN WITNESS WHEREOF, Owner and Developer has caused this instrument to be executed on the day and year first above written.

BERN BULLARD INDUSTRIES, INC., a
North Carolina Corporation

BY: *Bern F. Bullard, Jr.*
Bern F. Bullard, Jr., Pres.

ATTEST:
(CORPORATE SEAL)

Barbara Bullard Page
Secretary



NORTH CAROLINA

WAKE COUNTY

I, Sherri B. Brower, a Notary Public in and for said County and State, do hereby certify that Barbara Bullard Page personally came before me this day and acknowledged that she is the Secretary of BERN BULLARD INDUSTRIES, INC., a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by and President, sealed with its corporate seal, and attested by her as its Secretary.

WITNESS my hand and notarial seal, this 7th day of July, 1987.



My Commission Expires:

January 31, 1988

NORTH CAROLINA - WAKE COUNTY

The foregoing certificate

Sherri B. Brower

Notary Public is

certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the first page hereof.

BERNARD C. WILKINS, Register of Deeds

Rena R. Cook
Deputy Register of Deeds

Drawn By & Held For: Barrow & Redwine

BOOK 4017 PAGE 780

NORTH CAROLINA

PRESENTED AMENDMENT TO DECLARATION OF
COVENANTS FOR COMMON PROPERTIES
IN MALLARD CROSSING SUBDIVISION
AND PROVISIONS OF MALLARD
CROSSING HOMEOWNERS' ASSOCIATION,
INC.

MAY 19 10 41 AM

WAKE COUNTY

REGISTERED BY
REGISTER OF DEEDS
WAKE COUNTY

THIS AMENDMENT TO DECLARATION OF COVENANTS FOR COMMON PROPERTIES, made this 19th day of May, 1987, by BERN BULLARD INDUSTRIES, INC., a North Carolina Corporation, hereinafter called "Declarant", and B. SPENCER BARROW, BERN F. BULLARD, JR. and WILLIAM MARVIN WALDO, initial members of the Board of Directors of Mallard Crossing Homeowners' Association, Inc., all of Wake County, North Carolina, hereinafter called "Directors";

W I T N E S S E T H:

THAT WHEREAS, by instrument recorded in Book 3384, Page 546, Wake County Registry, Declarant subjected all of Phase I of Mallard Crossing Subdivision, to the Declaration of Covenants for Common Properties; and

WHEREAS, by instrument recorded in Book 3430, Page 880, Directors amended certain provisions of the instrument recorded in Book 3384, Page 546, Wake County Registry; and

WHEREAS, Declarant and Directors desire to subject additional property to the provisions of the Declaration of Covenants for Common Properties in Mallard Crossing Subdivision recorded in Book 3384, page 546, and the Amendment thereto recorded in Book 3430, Page 880, Wake County Registry;

NOW, THEREFORE, in consideration of the premises and covenants contained herein, the Declarant and Directors declare that the Declaration of Covenants for Common Properties in Mallard Crossing Subdivision and Provisions of Mallard Crossing Homeowners' Association, Inc. be amended as follows:

Pursuant to Article 2, Section 2, Subparagraph (a), the land described as BEING all of Lots 86-121, inclusive, Lots 124-150, inclusive, and Lots 230-247, inclusive, of Mallard Crossing Subdivision, Phase II, as shown on plat prepared by Bass, Nixon & Kennedy, Inc., Consulting Engineers, dated March 16, 1987, is added to and made a part thereof of the Declaration of Covenants for Common Properties in Mallard Crossing Subdivision and Provisions of Mallard Crossing Homeowners' Association, Inc., as recorded in Book 3384, Page 546, Wake County Registry, and the

BOOK 4017 PAGE 781

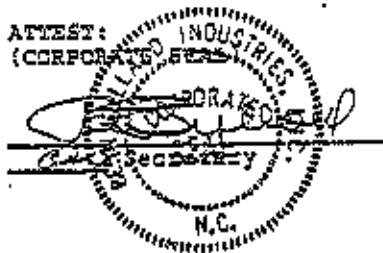
Amendment thereto recorded in Book 3430, Page 890, Wake County Registry.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, the day and year first above written.

BERN BULLARD INDUSTRIES, INC., a
North Carolina Corporation -
Declarant

BY: Bern F. Bullard, Jr.
Bern F. Bullard, Jr., President

ATTEST:
(CORPORATE SEAL)



H. Spencer Harrow (SEAL)
H. SPENCER HARROW, Director

Bern F. Bullard, Jr. (SEAL)
BERN F. BULLARD, JR., Director

William Marvin Waldo (SEAL)
WILLIAM MARVIN WALDO, Director

BOOK 4060 PAGE 334

Drawn By & Held For: Barrow & Redwine
PRESENTED
NORTH CAROLINA FOR
REGISTRATION

JUL 3 9 49 AM '87

KENNETH C. WILKINS
REGISTER OF DEEDS
WAKE COUNTY WAKE COUNTY, NC

AMENDMENT TO DECLARATION OF
COVENANTS FOR COMMON PROPERTIES
IN MALLARD CROSSING SUBDIVISION
AND PROVISIONS OF MALLARD
CROSSING HOMEOWNERS' ASSOCIATION,
INC.

THIS AMENDMENT TO DECLARATION OF COVENANTS FOR COMMON PROPERTIES, made this 7th day of July, 1987, by BERN BULLARD INDUSTRIES, INC., a North Carolina Corporation, hereinafter called "Declarant", and H. SPENCER BARROW, BERN F. BULLARD, JR., and WILLIAM MARVIN WALDO, initial members of the Board of Directors of Mallard Crossing Homeowners' Association, Inc., all of Wake County, North Carolina, hereinafter called "Directors";

W I T N E S S E T H:

THAT WHEREAS, by instrument recorded in Book 3384, Page 546, Wake County Registry, Declarant subjected all of Phase I of Mallard Crossing Subdivision, to the Declaration of Covenants for Common Properties; and

WHEREAS, by instrument recorded in Book 3430, Page 880, Directors amended certain provisions of the instrument recorded in Book 3384, Page 546, Wake County Registry; and

WHEREAS, by instrument recorded in Book 4017, Page 780, Wake County Registry, Declarant and Directors subjected additional property pursuant to an unrecorded plat (Phase II of Mallard Crossing Subdivision) to the provisions of the Declaration of Covenants for Common Properties; and

WHEREAS, for clarification reasons only the Declarant and Directors desire to amend the Declaration of Covenants for Common Properties for Phase II of Mallard Crossing Subdivision by referring to a recorded plat as recorded in Book of Maps 1987, Page 952, Wake County Registry;

NOW, THEREFORE, in consideration of the promises and covenants contained herein, the Declarant and Directors declare that the Declaration of Covenants for Common Properties in Mallard Crossing Subdivision and Provisions of Mallard Crossing Homeowners' Association, Inc. be amended to refer to the recorded map book and page of Phase II of Mallard Crossing Subdivision as Book of Maps 1987, Page 952, Wake County Registry, Wake County, North Carolina.

BOOK 4980 PAGE 395

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, the day and year first above written.

BERN BULLARD INDUSTRIES, INC., a
North Carolina Corporation -
Declarant



BY:

Bern F. Bullard, Jr.
Bern F. Bullard, Jr., Pres.

ATTEST:
(CORPORATE SEAL)

Barbara Bullard Pate
Secretary

H. Spencer Barrow (SEAL)
H. SPENCER BARROW, Director

Bern F. Bullard, Jr. (SEAL)
BERN F. BULLARD, JR., Director

William Marvin Waldo (SEAL)
WILLIAM MARVIN WALDO, Director

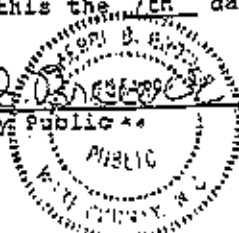
NORTH CAROLINA

WAKE COUNTY

I, Sherri B. Brower, a Notary Public of said County and State, do hereby certify that Barbara Bullard Pate personally came before me this day and acknowledged that she is the Secretary of BERN BULLARD INDUSTRIES, INC., a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by her as its Secretary.

WITNESS my hand and notarial seal, this the 7th day of July, 1987.

Sherri B. Brower
Notary Public



My Commission Expires:

January 31, 1988