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NORTH CAROLINA

WAKE COUNTY

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OF NORTH CAROLINA AND REGULATES OR PROHIBITS THE
DISPLAY OF POLITICAL SIGNS**

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

THIS DECLARATION, made on the date hereinafter set forth by ROW 12 LLC,
a N.C. limited liability company, hereinafter referred to as "Declarant";

W I T N E S S E T H:

WHEREAS, Declarant is the Owner of that certain property in the City of
Raleigh, County of Wake, State of North Carolina, which is more particularly described
in Exhibit "A" attached hereto and incorporated herein ("Property").

AND WHEREAS, Declarant will convey the said Property subject to certain
protective covenants, conditions, restrictions, reservations, and liens as hereinafter set
forth;

AND WHEREAS, Declarant desires that this Property be governed by and subject to the provisions of Chapter 47F of the North Carolina General Statutes;

NOW, THEREFORE, Declarant hereby declares that all of the Property above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of and which shall run with the land and be binding on all parties having any right, title, or interest in the described 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. “Act” shall mean and refer to the North Carolina Planned Community Act, as may be amended from time to time, as currently found in Chapter 47F of the North Carolina General Statutes.

Section 2. “Association” shall mean and refer to Woodsborough Homeowners Association, Inc., its successors and assigns.

Section 3. “Additional Properties” shall mean and refer to any real property annexed or otherwise acquired by the Association.

Section 4. “Builder” shall mean and apply to any Owner of a Lot who is in the business of building and constructing residential dwellings and whose main purpose for acquiring the Lot is to build a residence upon it.

Section 5. “Common Area” or “Common Property” shall mean all real property owned by the Association and the easements granted thereto for the common use and enjoyment of the Owners, including, without limitation, open space, the private street known as Woodsborough Place, parking areas, mail kiosks, and fences installed by Declarant, as may be hereinafter defined. Common Area shall also include easements and cross-access easements of record, as shown on any recorded Plat of the Property or as filed of record at the Wake County Register of Deeds.

Section 6. “Declarant” shall mean and refer to Row 12 LLC, a N.C. limited liability company, its successors and assigns, and any person or entity who is specifically assigned the rights and interests of Declarant hereunder or under a separate instrument executed by the Declarant and recorded in the Wake County Registry.

Section 7. “Declarant Control Period” shall mean and refer to the period of time that the Class B membership exists as defined in Article III, Section 2. In all events, the Declarant Control period shall cease to exist within ten (10) years from the date of

recording of this Declaration.

Section 8. “Lot” shall mean and refer to any plot of land described by a metes and bounds description shown upon any recorded subdivision map of the Property with the exception of the Common Area.

Section 9. “Lot in Use” shall mean and refer to any Lot on which a dwelling unit has been fully constructed and for which a certificate of occupancy has been issued by the appropriate governmental agency. It shall also mean any Lot which has been conveyed by the Declarant to a subsequent purchaser for a period of one year, but which does not have a dwelling unit constructed thereon and certificate of occupancy issued. In no event shall it mean a Lot owned by the Declarant on which no dwelling unit has been constructed.

Section 10. “Member” shall mean and refer to every person or entity who holds membership in the Association. There shall be two classes of voting membership in the Association.

A. “Class A Members” shall be all those Owners as defined in Article III herein, with the exception of the Declarant. Declarant may, however, be a Class A member upon termination of Class B membership.

B. “Class B Member” shall be the Declarant as defined herein.

Section 11. “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, but excluding those having such interest merely as security for the performance of an obligation.

Section 12. “Property” shall mean and refer to that certain real property described on the attached Exhibit “A” and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners’ Easement of Enjoyment: Every Owner shall have a right and easement of enjoyment in and to the Common Area including specifically an easement for access, ingress and egress from, to and through public and private streets, parking areas and walkways and an easement for parking which shall be appurtenant to and shall pass with the title to every Lot subject to the following provisions:

A. Admission and Other Fees: The right of the Association to charge reasonable admission and other fees for the use of recreational facilities or

amenities, if any, situated upon the Common Area.

B. Suspension of Use of Common Area: The right of the Association to suspend the voting rights and the right to use recreational facilities or amenities, if any, owned by the Association by any Owner, his family, guests, etc., for any period during which any assessment against his Lot remains unpaid. This suspension shall not include the right to ingress or egress or parking upon the Common Area. The suspension may also apply to a period, not to exceed one hundred twenty (120) days, for the infraction of the Association's published rules and regulations; provided; however, that if said infraction is continuing in nature, said suspension may be enforced until such infraction is cured.

C. Dedication and Transfer of Common Area: The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, utility, or non-profit corporation for recreational purposes, and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless any instrument signed by eighty percent (80%) of each Class of Members agreeing to such dedication or transfer has been recorded in the Wake County Registry. Any such dedication or transfer shall be made subject to every Owner's easement for access, ingress and egress to public streets and walkways.

D. Guests: The right of the Association to limit the number of guests of Members.

E. Borrowing for Improvements: The right of the Association, in accordance with its Articles and By-laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said properties. The right of such mortgagee of said properties shall be subordinate to the rights of the Owners established hereunder.

F. Parking: The right of individual Owners to the exclusive use of parking spaces, as may be determined by the Board of Directors, and as otherwise provided in this Declaration, along with an easement of ingress and egress to and from said parking area.

Section 2. Delegation of Use: Any Owner may delegate, in accordance with this Declaration and the By-laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, contract purchasers, or guests, who reside on the property, subject to the provisions of this Article II, and subject to the leasing restrictions, as follows:

A. Leasing Restrictions: All Leases must be in writing and may not be for less than the entire Lot. Temporary rentals, such as Short Term or Midterm rentals, will be allowed but must receive the prior written approval of the

Association.

Section 3. Encroachment Easements: Whenever building lines, patio lines, private walkways or plantings encroach upon the Common Area, the Owner of the affected Lot hereby grants a perpetual easement for the use of that portion of the Lot which creates an encroachment to the Association.

Section 4. Title the Common Area: The Declarant hereby covenants for itself, its heirs, successors and assigns, that it will convey fee simple title in the Common Area to the Association, free and clear of all encumbrances and liens, except utility, drainage, and access easements and easements of enjoyment to which the Owners of each Lot are entitled to share, prior to the conveyance of the first Lot. Title to Common Areas annexed pursuant to Article IV shall be conveyed subject to these Declarations.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every person or entity who is a record Owner of a fee or undivided fee in any Lot which is subject by covenants of record to assessments, or which is specifically exempted from assessment either by the terms of this Declaration or by the terms of appropriate governmental laws, ordinances, or regulation, or will become subject to assessment by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to, or will become subject to assessment by the Association. Ownership of said Lot shall be the whole qualification for membership. The Board of Directors may make reasonable rules relating to the proof of ownership of a Lot in this subdivision.

Section 2. The Association shall have two classes of voting membership.

Class A: Class A members shall be all Owners with the exception of the Declarant, who own a single Lot, and shall be entitled to one (1) vote for each Lot owned. Declarant may, however, be a Class A member upon the termination of Class B membership. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote of such Lots shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B: The Class B member(s) shall be the Declarant and shall be entitled to ten (10) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon either of the following events, whichever occurs first:

A. When the total votes outstanding in all Class A memberships equal the total votes outstanding in Class B membership, but provided that the Class B membership shall be reinstated if thereafter and before the time stated in subparagraph (B) below, additional lands are annexed to the Property without the assent of Class A Members for the development of such additional lands by the Declarant, all as provided in Article IV, Section I, herein; or

B. Ten (10) years from the date of recordation of this Declaration; or

C. Upon the surrender of all Class B memberships by the holder thereof.

ARTICLE IV

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Notwithstanding anything to the contrary herein, within ten (10) years from the date this Declaration is filed, Declarant, its successors or assigns, may, without the consent of the Class A membership, annex Additional Properties by subjecting the same to the provisions of this Declaration. After ten (10) years from the date this Declaration is filed, annexation of Additional Properties shall require the assent of two-thirds (2/3) of the Class A membership. Upon annexation said area shall be used only for residential purposes and shall be subject to this Declaration and all Owners shall automatically become Members of the Association.

The submission of such Additional Properties to the provisions of this Declaration may be accomplished by a supplemental declaration to this Declaration executed by Declarant with the same formalities as this instrument. Such supplemental declaration must refer to the volume and page in which this instrument is recorded and must describe the Additional Properties being submitted to this Declaration. Such supplemental declaration shall become effective upon the recordation of same.

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 therefore, whether or not it be so expressed in

such deed, is deemed to covenant and agree to pay the Association.

- (1) Annual assessment or charges; and
- (2) Special assessments for extraordinary maintenance and capital improvements.
- (3) Specific assessments applicable to individual Lots as hereinafter defined.

Such assessments are to be established and collected as hereinafter provided. All assessments relating to the Common Area shall be shared equally by the Owners of each Lot in Use. Special assessments for capital improvements shall, except as provided herein, be shared equally by the Owners of each Lot without regard as to whether or not said Lot is a Lot in Use. The annual, special, and specific assessments, together with such interest thereon and the cost of collection thereof, including administrative or collection fees reasonably incurred by the Association in pursuing the collection of the foregoing assessments, and also including reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon such until paid in full. Each such assessment, together with such interest, fees, and costs of collection, including reasonable attorney 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 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 for the purpose of promoting the beautification of the Property, the recreation, health, safety and welfare of the residents in the Property, and for the improvement and maintenance of the Common Area or Common Property, including, but not limited to maintenance, repair and replacement of private streets, parking areas, and easement areas. Such shall include, but not be limited to, the payment of taxes, liability insurance and all assessments for the public improvements of the Common Area and easements appurtenant thereto. Assessments may be used for any costs associated with the enforcement of these covenants and the rules of the Association. Assessments shall be used for the costs associated with the maintenance of the Lots for which the Association is obligated. The Association shall be required to maintain an adequate reserve fund for the periodic maintenance obligations of the Association required pursuant to the terms of this Declaration and for the repair, and replacement of improvements to the Common Area out of the assessments levied.

Section 3. Maximum Annual Assessments:

A. Until January 1 of the year immediately following the conveyance of the first Lot to the Owner, the maximum annual assessment shall be \$120.00 per month per Lot in Use.

B. Thereafter, annual assessments shall be established by the Association through its Board of Directors pursuant to Section 6 of this Article, but in no event can

the assessments be increased by more than ten percent (10%) of the previous years' assessment without assent of two-thirds (2/3) of the votes of each Class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

C. During the period of Declarant Control, Declarant, or its successors or assigns, may advance all expenses for the maintenance and operation of the Common Area to the extent that annual assessments paid by the Owners are inadequate for this purpose. Such advance may be monetary or in kind. Such advance may be to the Association on terms generally available to Declarant from its lending institution, or upon such terms as Declarant may determine, providing such terms are reasonable to both the Declarant and the Association. After Declarant Control Period is over, Declarant shall have no further obligation for maintenance and operation of the Common Area pursuant to the terms of this section.

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, unexpected repair, or replacement of a described capital improvement upon the Common Area; including, the necessary fixtures and personal property related to such capital improvements, and the costs of any purchase of an individual Owner's property and the costs of repairing and/or rebuilding any such property purchased by the Association to the same condition as formerly. Any such assessment shall have the assent of two-thirds (2/3) of the votes of each Class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Specific Assessments: In addition to the regular annual Assessments and the special Assessments for capital improvements described above, the Association may levy, from time to time, on a particular Lot, specific Assessments immediately due and payable, consisting of any fines assessed by the Association under authority contained in this Declaration or the Bylaws for an Owner's violations of the terms and conditions of this Declaration, any liquidated damages or summary charges imposed under authority contained herein or in the Bylaws, together with costs, fees and expenses (including reasonable attorneys fees) incurred by the Association incidental to the enforcement of any rules and regulations, or the collection of Assessments (both annual and special) or the collection of damages or charges arising under the Declaration or Bylaws, all of the forgoing of which shall comprise Specific Assessments.

Section 6. Uniform Rate of Assessment: Both annual and special assessments related to the Common Area must be fixed at a uniform rate for all Lots and/or Lots in Use (as appropriate) and may be collected on a monthly basis. However, for so long as Declarant shall own any Lots, it shall pay no Annual, Special or Specific Assessments. Lots owned by Builders shall not be assessed until such time as they become a Lot in Use.

Section 7. Date of Commencement of Annual Assessment Due Dates: The annual assessments provided for herein shall commence on the date that the first Lot

becomes a Lot in Use. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. 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 at least fifteen (15) days in advance of each annual assessment period. The due date shall be established by the Board of Directors. The Association shall, upon demand at any time, furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid as to third parties acting in reliance on said statement.

Section 8. Effect of Non-Payment of Assessments and Remedies of the Association: Any assessments which are not paid when due shall be delinquent. The Association shall have the option to declare the outstanding balance of any assessment due and payable if any installment thereof shall become delinquent as defined herein. If the assessment is not paid within thirty (30) days after the due date, the Association may levy a late fee of no more than twenty dollars (\$20.00) per month and the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property. Interest, late fees, costs, administrative and collection fees, and reasonable attorney fees incurred in any such action shall be added to the amount of such assessment. Each such Owner, by the acceptance of a deed to a Lot hereby expressly vests in the Association, its agents or assigns, the right and power to bring all actions against such Owner personally liable for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or a deed of trust lien on real property. Such Owner hereby expressly grants to the Association a power of sale in connection with foreclosure of said lien. The lien provided for in this action shall be in favor of the Association acting on behalf of the Owners, which shall have the power to bid in an interest foreclosed at foreclosure and to acquire and hold, lease, mortgage and convey the same. No Owner may waive or otherwise escape liability for assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgage: The lien of the assessments provided for herein shall be subordinated to the lien of the first mortgage on the Lots. Sale or transfer of any Lot shall not affect the assessment lien; however, the sale or transfer of any Lot pursuant to the foreclosure of any mortgage or of deed of trust or any proceeding in lieu thereof shall extinguish the lien of such assessment as to payments which become due prior to the date such sale becomes final. Such unpaid assessments extinguished by the foreclosure sale shall be deemed to be common assessments collected from all Owners, including the purchaser at foreclosure, his successors and assigns. No other sale or transfer shall relieve any such Lot from liability for any assessment currently due or thereafter becoming due or from the lien thereof.

Section 10. Exempt Property: The following property, subject to this Declaration, shall be exempt from the assessment created herein:

- A. All properties dedicated to and accepted by a local public authority.
- B. The Common Area.
- C. All property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina. However, no land or improvements devoted to dwelling use shall be exempt from said assessments except as otherwise provided herein.

Section 11. Insurance Assessments. The Board of Directors or its duly authorized agent may have the authority to and shall obtain a broad-form public liability policy covering all Common Area and all damage or injury caused by the negligence of the Association or any of its agents. Said insurance may include coverage against vandalism. Premiums for all such insurance shall be a common expense. All such insurance coverage shall be written in the name of the Association as Trustee for each of the Owners in equal proportions. It shall also be the responsibility of each Owner, at his own expense, to obtain hazard insurance in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction to his dwelling from any hazard, and such hazard insurance shall be with a company and in an amount and in a form which is acceptable to the Board of Directors of the Association. The hazard insurance policy to be taken out by each Owner shall include a loss payable clause listing the Association as an additional insured. Each Owner shall have to satisfy the Board of Directors of the Association that at all times his property is covered by the required hazard insurance. In the event of damage or destruction by fire or other casualty to the property of an Owner, the Owner, shall, with the concurrence of the Mortgagee, if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damage or destroyed portions of the property in as good condition as formerly. In the event that any insurance proceeds are insufficient to pay all of the costs of repairing any/or rebuilding to the same condition as formerly, the Board of Directors shall have the power to purchase the property or to repair and rebuild the same and to levy a special assessment against all Members to pay the purchase price and to pay for the costs of repairing and/or rebuilding to the same condition as formerly; provided, however, that the Board of Directors' power to levy a special assessment for these purposes is subject to the prior approval of the Association given pursuant to the voting requirements of Article V, Section 4.

The Association may also, in the Board's discretion, maintain hazard insurance for Common Area property or structures. In the event of damage or destruction by fire or other casualty to any property covered by insurance written in the name of the Association, the Board of Directors shall, with concurrence of the Mortgagee, if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damage or destroyed portions of the property to as good condition as formerly. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which

bank or institution are insured by the Federal Deposit Insurance Corporation or other Federal Government Agency. The Board of Directors shall advertise for sealed bids with any licensed contractor, or they may negotiate with any contractor who may be required to provide a full performance and payment bond or letter of credit for the repair and reconstruction or rebuilding of such destroyed building or buildings. In the event the insurance proceeds are insufficient to pay all of the costs of repairing and/or rebuilding to the same condition as formerly, the Board of Directors may levy a special assessment against all Members as established by Article V, Section 4, above to make up any deficiency for repairs or rebuilding of the Common Area.

ARTICLE VI

MAINTENANCE

Section 1. Exterior Maintenance. In addition to maintenance of the Common Area, the Association shall provide routine exterior maintenance for each Lot which is subject to assessment hereunder only as follows: trees, shrubs, grass, and all other exterior improvements initially installed by Declarant, including but not limited to fences. Maintenance of walks and private driveways by the Association shall be within the Common Area only. Such exterior maintenance shall not include exterior doors, garage doors, glass surfaces, patios, porches, decks, roof, siding, or exterior lighting attached to or wired to the home. The Board shall have the authority to adopt a maintenance schedule for its maintenance responsibilities and to further define its responsibility for "exterior maintenance". In no event shall the Association be responsible for maintenance that is required because of an event that would be covered under the Owner's property insurance, whether or not insurance proceeds are actually recovered by the Owner. In order to enable the Association to accomplish the foregoing maintenance responsibilities, it is hereby reserved to the Association the right to unobstructed access over and upon each Lot and each home at all reasonable times to perform maintenance as provided in this Article. The Owner may, at his election, plant flowers and grass in his rear yard and may also maintain portions or all of his rear yard, provided that such maintenance by the Owner does not hinder the Association in performing its maintenance of the exterior of the house, rear yard and the remaining yard spaces. In such event, or in the event that the Owner fences in his rear yard, such Owner shall keep this unlocked so the Association can maintain the rear yard. No such maintenance by an Owner shall reduce the assessment payable by him to the Association. Notwithstanding the above, any plantings upon the Lot must receive the prior written approval of the Association. If, in the opinion of the Association, any such Owner fails to maintain his rear yard in a neat and orderly manner, the Association may perform such maintenance and assess Owner for the additional costs of such. The Owner shall not place any furniture, construct or place any structure, or plant any vegetation in the front yard except with the prior written approval of the Association.

As a matter of information for future Members of this Association, the Declarant

wishes to make it known that it is a part of the original plan of the development to construct a variety of models, along with a variety of exteriors for the good of the entire subdivision. Some homes will require far more maintenance than others because of the type of model and/or type of exterior exposures. Nevertheless, in order to avoid monotony and in order to achieve a harmony of design and textures, all of those persons connected with the conception, design, construction, and financing of this subdivision as originally planned are in accord in their belief that all Members of the Association will be benefited by the variety of exteriors and therefore the Association should provide exterior maintenance and make a uniform rate of charge without regard to actual cost of maintenance of each home.

In the event that the need for maintenance or repair which is the responsibility of the Association is caused through the willful or negligent act of the Owner, his family guests, tenants or employees or invitees, the cost of such maintenance or repair shall be added to and become a part of the assessment to which such Lot is subject, as a Specific Assessment.

The Association shall establish regulations governing the procedure for exterior maintenance. In the event any Owner desires to expend a sum greater than that sum authorized by the Association, he shall advance, prior to the commencement of work, an amount necessary to cover the additional expenses and a lien shall be established against his Lot for any deficiency.

ARTICLE VII

EASEMENTS

Section 1. Each Lot and the property included in the Common Area shall be subject to an easement for encroachments, created by construction, settling, and overhanging as designed or constructed by the Declarant. A valid easement for such encroachments and for the maintenance of same so long as it stands, shall and does exist.

Section 2. There is hereby created a blanket easement upon, across, over, and under all of the Common Area and the Lots for ingress and egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to water, sewer, gas, telephones, electricity, and media services. By virtue of this easement, it shall be expressly permissible for the companies providing electrical, telephone, gas or media services to erect and maintain the necessary underground equipment and other necessary equipment on said Common Area and Lots and to affix and maintain electrical and/or telephone wires, circuits, and conduits on, above, across and lots. An easement is further granted to all police, fire protection, garbage, mail delivery, ambulance, and all similar persons to enter upon the streets and Common Area in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees, and to any management company elected by the Association to enter in or to cross over

the Common Area and Lots provided for herein. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated in the Common Area except as initially planned and approved by the Declarant or thereafter approved by the Declarant or the Association's Board of Directors. Should any Utility furnishing a service covered by the general easement herein provide request a specific easement by separate recordable documents, Declarant (the Association after the termination of Class B membership or in the event the easement crosses property owned by the Association) will have the right and authority to grant such easement upon the Property without conflicting with the terms hereof. The easement provided for in this Article shall in no way affect other recorded easements on said premises.

Section 3. Easement and Right of Entry for Repair, Maintenance and Reconstruction: If any dwelling or fence is located closer than five (5) feet from its lot line, the Owner thereof shall have a perpetual access easement over the adjoining Lot to the extent reasonably necessary to perform repair, maintenance or reconstruction of his house or fence. Such repair, maintenance or reconstruction shall be done expeditiously and, upon completion of the work, the Owner shall restore the adjoining Lot to as near the same condition as that which prevailed prior to the commencement of the work as is reasonably practicable.

Section 4. Underground Electrical Services:

A. Underground, single-phase electrical service shall be available to all homes on the aforesaid Lots and to the common area amenities, if any, to be constructed on the Common Area. The metering equipment shall be located on the exterior surface of the wall at a point to be designated by the utility company. The utility company furnishing the service shall have a two foot priority easement along and centering on the underground electrical power service conductors installed from the utility's company easement to the designated point of service on the structures.

B. Easements for the underground service may be crossed by the driveways, walkways, and private streets, provided the Declarant or builder makes prior arrangements with the utility company furnishing such service. Such easements for the underground service shall be kept clear of all other improvements including buildings, patios and/or pavings, other than crossing walkways or driveways, and neither Declarant nor any such utility company using the easements shall be liable for any damage done by either of them or their assigns, their agents, employees, or servants to shrubbery, trees, flowers, and other improvements of the Owner located on land covered by said easements.

C. The developer reserves the right to subject the real property in this subdivision to a contract with the applicable utility company for the installation of underground electric cables which may require an initial contribution and/or the installation of street lighting, which will require a continuing monthly payment to the utility company by the Owner of each building.

Section 5. An easement is hereby established for the benefit of the City of Raleigh over all Common Area and over an area five feet behind the curb line of any street or roadway in the Property hereby or hereafter established for the setting, removal, and reading of water meters, the maintenance and replacement of water, sewage, and drainage facilities and the collection of garbage.

ARTICLE VIII

ARCHITECTURAL CONTROL AND USE RESTRICTIONS

Section 1. The Property is hereby made subject to the protective covenants and restrictions hereby declared for the purpose of insuring the best use and most appropriate development and improvement of each building site in this subdivision; to protect the Owners against such improper use of surrounding building sites as will depreciate the value of the Property; to preserve, so far as practicable, the natural beauty of said Property; to guard against the erection thereof of poorly designed or proportioned structures, and structures built of improper and unsuitable materials; to obtain harmonious color schemes; to insure the highest and best development of said Property; to encourage and secure the erection of attractive homes hereon, with appropriate locations thereof on building sites; to secure and maintain proper set backs from streets and adequate free spaces between structures; and in general to provide adequately for a high type and quality of improvements in said Property and thereby to enhance the values of investments made by the purchasers of building sites therein.

Section 2. Each Lot, as approved by the appropriate municipal authority, shall constitute a residential building site (hereinafter called "Building Site") and shall be used for residential purposes only. The lay of the Lots as shown on the recorded plat shall be substantially adhered to; provided, however, that with the prior written approval of the Declarant, its successors and assigns, or the Association's Board of Directors (or the Architectural Committee appointed by it) and the appropriate municipal authority, the size and shape of any Building Site may be altered; provided that no Building Site or group of Building Sites may be re-subdivided so as to produce a greater number of Building Sites than that allowed by the applicable zoning or subdivision laws in force at the time of said change. Except as provided in this paragraph, no structure shall be erected, altered, placed, or permitted to remain on any Building Site other than one attached single family dwelling, not to exceed three stories in height. All structures shall comply with the applicable zoning restrictions of the City of Raleigh.

Section 3. No building, wall, fence, or other structure shall be commenced, erected, or maintained upon the Property, nor shall any repair be made thereto, nor shall any building, wall, fence or other structure be rebuilt after destruction by any hazard, nor shall any landscaping or planting be commenced, until the plans and specifications, showing the nature, kind, space, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location

in relation to surrounding structures and topography by the Declarant for so long as the Declarant owns any Lot within the property. When the Declarant no longer owns any Lot within the Property, the Board of Directors of the Association shall have the power to approve or deny such requests or to appoint an Architectural Review Committee (ARC) to review any modifications herein described. The Board or the ARC may deny any request for modification in its discretion, including denial based solely on aesthetic grounds. In the event said Board, Architectural Review Committee or Declarant fails to approve or disapprove such design and location within sixty (60) days after said plans and specifications have been submitted to it, in writing and by such method as has been specified by Declarant or the Association, approval will not be required and this Article will be deemed to have been fully complied with, provided, however, no such approval shall be deemed granted if such modification is prohibited by the provisions of this Declaration.

Section 4. Said Property is hereby restricted solely to residential dwellings for residential use. All buildings and structures erected upon said Lots shall be of new construction and no building or structures, other than single-family residential structures, shall be constructed. Provided, that the recreational amenities, if any, put in by the Declarant or by the Association shall be considered a permitted use. No structures of a temporary character, manufactured home, trailer, basement, tent, shack, garage, barn or other out-building shall be used on any portion of said Property at any time as a residence, either temporarily or permanently.

Section 5. Parking is only permitted within the garage or driveway of each Lot. No Owner, Tenant, Resident, Guest, or Invitee shall park in the street or the firelane. The Association may adopt reasonable rules and regulation regarding temporary parking in the street for contractors, utility vehicles, or other emergency situations.

Section 6. Notwithstanding any provision herein contained to the contrary, it shall be expressly permissible for Declarant or the builder of said homes to maintain during the period of construction and sale of said homes, upon such portion of the premises as Declarant deems necessary, such facilities as in the sole opinion of Declarant may be reasonably required, convenient, or incidental to the construction and sale of said homes, including but without limitation, a business office, storage area, construction yards, signs, model units and sales office.

Section 7. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on said Lots, except that a total number of two (2) dogs, cats, or other suitable household pets (as may be defined by the Board) may be kept provided they are not kept, bred or maintained for any commercial purpose. The Board may adopt reasonable rules and regulations regarding the restraint or prohibition of dangerous or aggressive household pets upon the Property.

Section 8. No signs, flags or banners of any type shall be erected, placed or permitted to remain on the Property, and in no event in the Common Area, without prior approval of the Board, except that customary name and address signs and "For Sale"

signs of not more than twelve (12) inches by twelve (12) inches and no more than one of each sign type may be posted upon a Lot. The display of political signs shall be governed by the ordinances and laws for the same established by the City of Raleigh and the State of North Carolina and the Association shall have the power to enforce those provisions. However, the foregoing covenants shall not apply to signs, and billboards of Declarant, its agent and assigns, during the construction and sales period, and the Association, in furtherance of its powers and purposes as hereinafter set forth.

Section 9. The Property shall not be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner or the resident of a Lot. No activities nor property which violates any municipal ordinance, or Federal or State law, may be maintained or conducted upon the Property. No commercial business activities of any kind whatsoever shall be conducted on any Lot or in any portion of said Property, except that home offices which do not attract additional traffic over and upon the Property nor create any nuisance may be allowed upon approval by the Board. However, the foregoing covenants shall not apply to buildings or activities of Declarant, its agents and assigns, during the construction and sales period, and the Association, in furtherance of its powers and purposes as hereinafter set forth.

Section 10. All equipment, garbage cans, service yards, wood piles, or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring homes. No window fans and/or air-conditioning units will be permitted. All garbage, trash, or rubbish shall be regularly removed from the premises and shall not be allowed to accumulate therein. No clotheslines shall be permitted upon any Lot.

Section 11. No fences, hedges, or walls shall be erected or maintained upon said Property except such as are installed in accordance with initial construction of the buildings located thereon by Declarant or thereafter by the Association, or as may be approved by the Board. No wooden or chainlink fences will be permitted and the Board shall have the authority to specify the type of fencing that will be allowed. Based upon mutual agreement, the Board may require owners to share fencing and to share the cost of construction and maintenance.

Section 12. Maintenance, upkeep, and repairs of any driveways or walkways located upon a Lot, or screens and screen doors, siding, roof, exterior doors, garage doors, window frames, windows and window fixtures and other hardware shall be the sole responsibility of the individual Owner of the Lot appurtenant thereto and not in any manner the responsibility of the Association.

Section 13. All utility fixtures, including but not limited to pipes, lines, conduits, and equipment installed upon a Lot, and which serve only that home, shall be maintained and kept in repair by the Owner thereof. An Owner shall do no act, nor any work that will impair the structural soundness or integrity of another home, nor impair any easement or hereditament, nor do any act or allow any condition to exist which will adversely affect

the other homes or their Owners. All water and sewer lines and other utility lines located upon a Lot, which serve only that Lot, shall be maintained and kept in repair by the Owner thereof and all water and sewer lines and other utility lines within the Common Area shall be maintained by the Association.

Section 14. No exterior antenna, receiving dish or similar apparatus of any kind for receiving or transmitting radio or video signals shall be placed, allowed, or maintained upon any Lot, unless approved in accordance with the Board or the Architectural Review Committee; provided, however, that no approval shall be necessary to install an antennae designed to receive direct broadcast satellite services, including direct-to-home satellite services, or other than via satellite, provided that they are one meter or less in diameter. Owners shall install any permitted antennae at the rear of the dwelling or so as not to be seen from the street. If a reasonable signal cannot be obtained at such location, then such antennae may be placed in other locations with proper screening and as may be approved by the Board or the Architectural Review Committee.

Section 15. Solar Panels and related equipment shall not be installed without the prior written approval of the Board or the Architectural Review Board. Any solar panels and related appurtenances and equipment shall be designed and constructed and installed to appear as an integrated part of the architecture of the main residence to the extent reasonably possible. This shall generally mean that the panels shall be roof-mounted so that the top surfaces is as flush with the roof surfaces as is reasonably possible, with all appurtenances recessed into the structure's attic to the extent reasonably possible. Approval of solar panel installations may require Owners to accept responsibility, financially or physically, for the maintenance and repair to any improvement for which the Association would normally be responsible, but which may be damaged, impaired, or difficult to maintain because of the installation of solar panels or related equipment. Solar panels may not be located in the following locations if visible by a person on the ground: 1) On the facade of a structure that faces areas open to common or public access; or 2) On a roof surface that slopes downward toward the same areas open to common or public access that the façade of the structure faces; or 3) Within the area set off by a line running across the façade of the structure extending to the property boundaries on either side of the façade, and those areas of common or public access faced by the structure.

Section 16. No action shall at any time be taken by the Association or its Board of Directors, which in any manner would discriminate against any Owner in favor of any of the other Owners.

Section 17. No boats, recreational vehicles, commercial vehicles, or trailers of any kind shall be parked on any Lot within public view or within the Common Area, or within the right-of-way of any street in or adjacent to the Property. All such vehicles shall be stored either within the Owner's garage or other facilities not located on the Property. The Board may specifically adopt reasonable rules and regulations to enforce the provisions of this section, including, but not limited to, defining the terms herein.

Section 18. No car charging stations may be installed in driveways or parking areas and instead must be located within enclosed garages.

Section 19. No obnoxious or offensive activity, including activities which create noxious smells or loud noises, shall be carried on upon the Property or improvements thereon, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood.

Section 20. In addition to those restrictions contained in Article IX, the Board of Directors of the Association shall have the power to formulate, amend, publish and enforce other reasonable rules and regulations concerning the use and enjoyment of the Lots and of the Common Area.

ARTICLE IX

GENERAL PROVISIONS

Section 1. Enforcement: The Association or any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants and reservations, liens and charges now or hereinafter imposed by the provisions of this Declaration. The prevailing party in any such action shall have the right to recover reasonable attorneys fees and costs of litigation. Failure by the Association or by any Owner to enforce any covenant or restriction herein shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability: Invalidity of any one or more of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 3. Amendment: The covenants, conditions and restrictions of the Declarations shall run with the land, and shall inure to the benefit of and be enforceable by the Association or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns for a term of twenty (20) years from the date this Declaration is recorded, after which time, said covenants shall automatically be extended for successive periods of ten (10) years. This Declaration may be amended unilaterally or replaced at any time and from time to time by Declarant during the Declarant Control Period, provided such amendment shall not materially adversely affect the substantive rights of any Owners hereunder nor shall it adversely affect title to any Lot without the consent of the affected Owner. In addition, the covenants, conditions and restrictions of this Declaration may be amended as provided in Article X at any time by the affirmative vote of the Owners of not less than sixty-seven percent (67%) of the Lots; provided, however, that such Amendment would request the consent of Declarant for so long as Declarant owns any Lot within the Property. Such Amendment shall be certified by the Board of Directors that it was voted upon at a duly-conducted meeting of the

Association at which a quorum was present and was approved by the requisite percentage. Such Amendment shall not take effect until filed of record in the office of the Wake County Register of Deeds.

Section 4. Disputes: In the event of any dispute arising concerning a party wall or other provisions of this Declaration, such dispute shall be settled by legal proceedings or the parties may, by mutual agreement, submit the dispute to a committee appointed by the Association for this purpose, and once submitted, the parties agree to be bound by the decision of said committee.

Section 5. Voting: Voting by members of the Association shall be in accordance with the applicable provisions set forth in the Association's By-Laws.

Section 6. In no case shall the City of Raleigh be responsible for failing to provide any emergency or regular fire, police or other public service to the Property or their occupants when such failure is due to the lack of access to such areas due to inadequate design or construction, blocking of access routes, or any other factor within the control of the Declarant, Association, Owners or Occupants.

Section 7. Each Member agrees to keep Association informed of his address at any time and any notice sent or delivered to said address shall be sufficient. Each new Member agrees to provide the Association with evidence of his Ownership for preparation of a membership roster and the roster as so completed shall be sufficient evidence as to the Ownership of each Lot.

Section 8. Gender and Grammar: The singular, wherever used herein shall be construed to mean the plural when applicable and the necessary grammatical changes required to make provisions hereby apply to either corporations or individuals, man or wife, shall in all cases be assumed as though in each case fully expressed.

ARTICLE X

UNDERGROUND UTILITIES AND STREET LIGHTING

Declarant reserves the right to subject the Property to a contract with applicable utility companies for the installation of underground utility service and the installation of street lighting, either or both of which may require a continuous monthly charge to the Owner of each Lot. Declarant reserves the right to contract on behalf of each Lot with said utility company for street lighting service. Upon acceptance of a deed to a Lot, each Owner agrees to pay the continuing monthly payment therefore as approved by the North Carolina Utilities Commission, or other appropriate governmental authorities.

Declarant further reserves the right to connect to each unit necessary water and sewer service which may require a continuous monthly charge to the Owner of the Lot. Upon acceptance of a deed to the Lot each Owner agrees to pay said continuing monthly charge, if any.

ARTICLE XI

RALEIGH CITY CODE PROVISIONS

The Property and this Declaration, and other Governing Documents, are subject to the ordinances, regulations, and rules of the City of Raleigh, and shall be construed in accordance with all of the applicable provisions of the Raleigh City Code of Ordinances (hereinafter "Code"), as may be amended, whether or not such code provisions are specifically referenced in this Declaration. It shall be the responsibility of the Association and each Owner of each portion of the Properties to comply with all provisions of the Code applicable to such portion of the Properties, whether or not any approval, disapproval, waiver, or variance of the terms of this Declaration with respect to such portion of the Properties has been given by the Declarant, or the Board of Directors, or the Architectural Committee.

IN WITNESS WHEREOF, Declarant hereby executes this Declaration of Covenants, Conditions and Restrictions for Woodsborough on the day and year first above written.

Declarant:

ROW 12 LLC, a N.C. limited liability company

BY: _____(seal)

State of North Carolina
County of Wake

I, the undersigned Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged his is the Manager of Row 12 LLC, a N.C. Limited Liability Company, and that by authority duly given and as the act of such entity, ___he signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal, this _____ day of _____, 20_____.

Notary Public

My Commission Expires: _____

Subordination of Prior Deed of Trust

The Property described on Exhibit "A" is subject to a Deed of Trust recorded in Wake County Register of Deeds in Book , Page , and the Trustee (or Substitute Trustee) and the Beneficiary (or the current holder thereof), under said Deed of Trust have joined in the execution of this Declaration for the sole purpose of expressing their consent hereto and of binding, subjecting, and subordinating said Deed of Trust and their interest in this property to the terms of this Declaration.

Beneficiary:

By: _____
President

Trustee:

By: _____
Member/Manager

State of North Carolina
County of Wake

I, the undersigned Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged his is the President/Vice-President of, and that by authority duly given and as the act of such entity, __he signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal, this _____ day of _____, 20____.

Notary Public

My Commission Expires: _____

State of North Carolina
County of Wake

I, the undersigned Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged his is the Member/Manager of, a N.C. Professional Limited Liability Company, and that by authority duly given and as the act of such entity, __he signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal, this _____ day of _____, 20____.

Notary Public

My Commission Expires: _____

Exhibit "A"

BEING all of Woodsborough, as shown on that Plat dated _____ and recorded in Book of Maps 2024, Page _____, in the Office of the Wake County Register of Deeds.

