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NORTH CAROLINA

Declaration of Master Covenants,

WAKE COUNTY

000142 Conditions and Restrictions for: 13
Waterford GreenKENNETH C. WILKINS
REGISTER OF DEEDS
WAKE COUNTY

This DECLARATION OF MASTER COVENANTS, CONDITIONS AND RESTRICTIONS FOR WATERFORD GREEN (hereinafter called the "Declaration [or] the Master Covenants") is made this 12th day of October, 1993, by TEN TEN ASSOCIATES, a North Carolina general partnership with its principal office and place of business in Wake County, North Carolina (hereinafter called "the Declarant");

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in White Oak Township, County of Wake, State of North Carolina, which property is more particularly described in Exhibit A which is attached hereto and hereby incorporated by reference; and,

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

WHEREAS, Declarant desires to create thereon a planned community with single-family homes; and

WHEREAS, Declarant desires to provide for the preservation and enhancement of the property values, amenities and opportunities in said community and for the maintenance of the properties and improvements thereon, and to this end desires to subject the real property described in Exhibit A together with such additions as may hereafter be made thereto to the covenants, conditions, restrictions, easements, charges, and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, 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 powers of owning, maintaining, and administering the community properties and facilities, administering and enforcing the covenants and restrictions, collecting and disbursing the assessments and charges hereinafter created, and promoting the recreation, health, safety, and welfare of the residents; and

WHEREAS, the Waterford Green Homeowners Association has been incorporated under the laws of the State of North Carolina as a non-profit corporation for the purpose of exercising the functions described above, among others;

NOW, THEREFORE, Declarant and other persons and/or entities joined herein hereby declare all of the property described herein

in the attached Exhibit A to be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, all of which shall run with the real property, shall be binding on all parties having or acquiring any right, title, or interest in the described properties or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Waterford Green Homeowners Association [or] the Association" shall mean and refer to the Waterford Green Homeowners Association, a North Carolina non-profit corporation, its successors and assigns.

Section 2. "Waterford Green [or] the community" shall mean the Waterford Green community and shall refer to that certain real property subject to this Declaration and such additions thereto as may hereafter be brought within the jurisdiction of the Waterford Green Homeowners Association.

Section 3. "Common Area" shall mean and refer to all real property within Waterford Green owned by the Waterford Green Homeowners Association for the common use and enjoyment of all Members.

Section 4. "Member" shall mean and refer to every person or entity entitled to membership in the Waterford Green Homeowners Association as provided in this Declaration.

Section 5. "Lot" shall mean and refer to any numbered plot of land shown upon any recorded subdivision map of Waterford Green with the exception of Common Area and dedicated or public streets.

Section 6. "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 Waterford Green, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Board of Directors [or] Board" means those persons elected or appointed to act collectively as the directors of the Waterford Green Homeowners Association.

Section 8. "Book of Resolutions" shall mean and refer to the document containing rules and regulations and policies adopted by the Board of Directors for the management, governance and administration of the Waterford Green Homeowners Association and its Members.

Section 9. "VA" shall mean Veterans Administration, or its successor, and "HUD" shall mean Department of Housing and Urban

Development, or its successor.

Section 10. "Bylaws" mean the bylaws of Waterford Green Homeowners Association as they now or hereafter exist.

ARTICLE II

COMMON AREA OWNERSHIP AND MAINTENANCE

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Site or Dwelling unit.

Section 2. Delegation of Use. Any Owner may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants, contract purchasers who reside on the property, or his guests.

Section 3. Rules and Regulations. ~~The~~ Board of Directors shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Area and/or the Waterford Green community. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a Book of Resolutions, which shall be maintained in a place reasonably convenient to the Members and available to them for inspection during normal business hours.

Section 4. ~~Leasing Common Area Facilities.~~ The Board of Directors shall have the power to lease and to allow the use of any recreational facility for functions, lessons or special events, and to allow such lessee to charge admission or other fees for functions, lessons, or special events.

Section 5. Operating Common Area Facilities. The Board of Directors shall have the power to limit the number of guests, to regulate hours of operation and behavior, and to curtail any use or uses it deems necessary for either the protection of the facilities or the peace and tranquility of adjoining residents.

Section 6. Common Area Facilities Admission Fees. The Association may charge reasonable admission and other fees for the use of any Common Area recreational facility.

Section 7. Suspensions. The Board of Directors shall have the power to suspend the voting rights and/or the right to the use of any Common Area facility of a Class A Member or any person to whom that Member has delegated his right of enjoyment for any period during which any assessment against his Lot remains unpaid, and/or for any infraction of its published rules and regulations.

Section 8. Declarant's Covenant to Convey Title to Common Area. The

Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the property that will be designated Common Area and portions thereof to Waterford Green Homeowners Association, at such time as it conveys the first Lot to some person other than Declarant within the specific area to be developed, as contained in a recorded subdivision plat or map, subject to easements of record for utilities, television antenna or cable, drainage, access or other services and rights of access to the cemetery located thereon. Similarly, Declarant will convey to the Association properties that will be designated as Common Area which become parts of Waterford Green as those portions are annexed in the future until all designated properties have been conveyed to the Association.

Section 9. Mortgaging Common Area. The Association shall have the power to borrow money for the purpose of improving the Common Area and facilities and pursuant thereto to mortgage the Common Area, or any portion thereof; provided, however, that the execution of such mortgage shall require the same approval of the membership which is required for special assessments for capital improvements as set forth in Article VI, Section 5 of this Declaration. The rights of such mortgagee in said Common Area properties shall not be subordinate to the rights of the members.

Section 10. Common Area Dedication or Transfer. The Association shall have the right to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless written notice of the proposed action is sent to every Member not less than thirty (30) days and not more than sixty (60) days in advance and unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes of the membership has been recorded, agreeing to such dedication or transfer.

ARTICLE III

LAND USE

Section 1. Restrictions. Each Lot and the facilities on the Common Area shall be subject to both the restrictions herein, and those set forth in the Bylaws.

Section 2. Designated Residential Property Restrictions. All property designated for residential use shall be used, improved and devoted exclusively to residential use.

Section 3. Common Area Restriction. All Common Area recreational facilities and amenities shall be used, improved and devoted exclusively to recreational purposes for the benefit of the Owners.

Section 4. Common Area Offensive Use. No individual or entity

shall make or do any immoral, improper, offensive or unlawful use of Waterford Green and/or any of the Common Area. In addition, all rules and regulations of the Association and of all governmental agencies having jurisdiction over Waterford Green shall be observed. *rules*

Section 5. Common Area Construction or Alternation. No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Area except at the direction of and with the express written consent of the Association.

Section 6. Nuisance or Annoying Activity. No obnoxious or offensive activity shall be carried on, in or upon Waterford Green, nor shall anything be done which may be or may become a nuisance or annoyance to any resident within Waterford Green.

Section 7. Parking; Satellite Dishes and Antennas. The Association may regulate or prohibit the parking of boats, campers, trailers, and the placing of tents and other such items on the Common Area (including the provision of special facilities for which a reasonable charge may be made) and/or on any Lot except in a fully-enclosed garage. No automobiles, trucks, tractors, boats, campers, trailers or any other vehicles shall be regularly parked within the right-of-way of any street in or adjacent to Waterford Green. In addition, each Lot shall contain sufficient off-street paved parking space for at least two automobiles or pick-up trucks. Finally, no owner of a Lot shall store or keep a trailbike, motorcycle, motorized tri-wheel bike, tractor, truck or other such motorized riding vehicle on the premises without specific written approval by the Association; provided, however, that each Member shall be entitled to store or keep one or more operational automobile(s) and/or pick-up truck(s) on the premises so long as such automobile(s) or truck(s) are parked in the aforesaid off-street paved parking space. In granting approval for any other vehicle(s), the Association may attach specific conditions which shall be binding on the Owner and occupants of the home built on the Lot.

The Association may regulate or prohibit the erection of antennas and/or satellite dishes on any Lot or the home built on any Lot.

ARTICLE IV

ARCHITECTURAL CONTROL

Section 1. Architectural Committee. An Architectural Committee consisting of three (3) persons shall be appointed by or before the sale and transfer of title to the first Lot by the Declarant. The Declarant shall have the right to appoint a majority of the members of the Architectural Committee until all new or initial construction of all homes on all Lots in Waterford Green are completed. After the time when all said new or initial

construction of all homes on all Lots in Waterford Green is completed. ~~The Architectural Committee shall be appointed by the Board of Directors of the Association.~~

The Declarant shall have the right but not the obligation to appoint an Architectural Advisory Committee, a majority of which advisory committee shall be comprised of Owners in Waterford Green, which shall advise the Architectural Committee on all changes, modifications or additions to the initial construction of all homes in Waterford Green which are proposed to be done by a homeowner. However, the Architectural Committee shall have the final authority on all architectural decisions.

At such time as the Architectural Committee is appointed by the Board of Directors of the Association rather than by the Declarant, the Architectural Advisory Committee shall cease to exist and all architectural decisions shall be made by the Architectural Committee. |

Section 2. Plan or Design Approval. No site preparation or initial construction, erection, or installation of any improvements, including, but not limited to houses, outbuildings, fences, walls, signs, antennas, clotheslines, and other structures, excavation, or changes in grade shall be undertaken upon any Lot unless the plans and specifications therefor, showing the nature, kind, shape, height, materials, and location of the proposed improvements shall have been submitted to the Architectural Committee and expressly approved in writing. No subsequent alteration or modification of any existing improvements or construction, erection or installation of additional improvements may be undertaken or allowed to remain on any of the Lots without the review and express written approval of the Architectural Committee, which, as described above, may be advised on such subsequent alterations or modifications by an Architectural Advisory Committee.

Section 3. Effect of Failure to Approve or Disapprove. ~~In the event that the Architectural Committee fails to approve or disapprove the design of any proposed improvements within forty-five (45) days after plans and specifications therefor have been submitted and received, approval will not be required, and the requirements of this Article will be deemed to have been fully satisfied; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Architectural Committee if they contain erroneous data or fail to present adequate information upon which the Architectural Committee can arrive at a decision.~~

Section 4. Right of Inspection. The Architectural Committee or its designee shall have the right, at its election, to enter upon any of the Lots in Waterford Green during preparation, construction, erection, or installation of any improvements to determine that such work is being performed in conformity with the

approved plans and specifications.

Section 5. Exterior Maintenance The exterior maintenance of Lots and all improvements constructed thereon shall be the duty of the Owners of such Lots (except where specifically provided otherwise) and shall not normally be interfered with by the Association or any person. If, however, in the opinion of the Association any Owner shall fail to maintain any Lot or any improvements thereon in a manner which is reasonably neat and orderly, or shall fail to keep improvements constructed thereon in a state of repair so as not to be unsightly, the Association at its discretion, and following ten (10) days advance written notice to the Owner, may enter upon and make or cause to be made repairs to such improvement and perform such maintenance on the Lot such as, but not limited to the removal of trash, cutting grass, pruning of shrubbery, and seeding for erosion control. The Association, or its agents, shall have an easement for the purpose of accomplishing the foregoing. All costs actually incurred by the Association in rendering such services plus a service charge of twenty percent (20%) of such costs, shall be added to and become a part of such other assessments to which the Lot is subject.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

Section 1. Members. The Declarant, for so long as it shall be an Owner, and every person or entity who is an Owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessments by the Association, including contract sellers, shall be a member of the Association. The foregoing does not include persons or entities who hold an interest merely as security for the performance of an obligation. Ownership of such Lot shall be the sole qualification for membership, and no Owner shall have more than one membership, except as expressly provided hereinafter. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. The Board of Directors may make reasonable rules relating to the proof of ownership of a Lot in Waterford Green.

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

Class A Members. Class A Members shall be all those Owners with the exception of the Declarant. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the required ownership interest. When more than one person or entity holds such interest in any Lot all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot and no fractional vote may be cast with respect to any Lot.

Class B Member. The Class B Member shall be the Declarant. The Class B Member shall be entitled to five (5) votes for each Lot in which it holds the required ownership interest, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

- a. The total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; provided, that the Class B membership shall be reinstated with all rights, privileges, responsibilities and voting power if, after conversion of the Class B membership to Class A membership, as provided hereunder, additional lands are annexed to the properties without the assent of the Members on account of the development of such additional lands by the Declarant, all within the times and as provided in Article VIII, Section 2; or

(b) January 1, 2005.

Section 3. Voting Rights Suspension. The right of any Class A member to vote may be suspended by the Board of Directors of the Association for just cause pursuant to its rules and regulations and according to the provisions of Article II, Section 7.

Section 4. Right of Declarant to Representation on Board of Directors of the Association. Notwithstanding anything contained herein to the contrary, until January 1, 2005, or until TEN TEN ASSOCIATES shall have conveyed seventy-five percent (75%) of the properties shown on the general plan of Waterford Green heretofore submitted to the Town of Apex, North Carolina, and submitted to VA and HUD, whichever first occurs, TEN TEN ASSOCIATES (or its express assignee of the rights granted in this Section) shall have the right to designate and select a seventy-five percent (75%) majority of the Board of Directors of the Association. Whenever TEN TEN ASSOCIATES shall be entitled to designate and select any person or persons to serve on any Board of Directors, the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or Bylaws of the Association. TEN TEN ASSOCIATES shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any Director or Directors so removed. Any Director designated and selected by TEN TEN ASSOCIATES need not be an Owner. Any representative of TEN TEN ASSOCIATES serving on the Board of Directors of the Association shall not be required to disqualify himself from any vote upon any contract or matter between TEN TEN ASSOCIATES and the Association where TEN TEN ASSOCIATES may have a pecuniary or other interest. Similarly, TEN TEN ASSOCIATES, as a

member of the Association, shall not be required to disqualify itself upon any vote upon or entrance into any contract or matter between TEN TEN ASSOCIATES and the Association where TEN TEN ASSOCIATES may have a pecuniary or other interest.

ARTICLE VI

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessment. The Declarant, for each Lot owned, hereby covenants, and every other Owner of any Lot covered by this Declaration, by acceptance of a deed therefor, whether or not expressed in any such deed or other covenant, is deemed to covenant and agrees to pay to the Association:

- (a) Annual assessment or charges;
- (b) Special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided.

The annual and special assessments on a Lot together with interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest and costs, and reasonable attorney's fees, as provided by law, incurred by the Association in collecting delinquent assessments shall also be the personal obligation of the person or entity who was the Owner of such Lot at the time when the assessment became due. The obligation of an Owner for delinquent assessments shall not pass to his successors or assigns in title.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purposes of promoting the beautification of Waterford Green, the recreation, health, safety and welfare of the Owners in Waterford Green, the enforcement of the covenants and the rules of the Association, and in particular, the improvement and maintenance of the services and facilities of the Common Area.

Section 3. Annual Assessment. To and including December 31, 1993, ~~the annual assessment shall be shared equally and shall not be in excess of Three Hundred Dollars (\$300) per Lot, except as otherwise provided herein, the exact amount of which shall be determined from time to time by the Board of Directors in accordance with the following provisions:~~ *R 348 current*

- (a) From and after December 31, 1993, the basic annual assessment may be increased by the Board of Directors of the Waterford Green Homeowners Association effective January 1 of each

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calendar year, without the vote of the Members, by a percentage which may be up to but shall not exceed Ten Per Cent (10%) over the amount of the basic annual assessment for the immediately preceding year.

(b) After December 31, 1993, the basic annual assessment may be increased by a percentage which may exceed Ten Per Cent (10%) over the amount of the basic annual assessment for the immediately preceding year but only by the assent of two-thirds (2/3) of the votes of each class of the Members who are voting in person or by proxy at a meeting called for such purpose. For this purpose, the Class B Member shall be entitled only to one vote for each Lot as to which it holds the required ownership interest. Written notice of the meeting shall be given to all Members not less than thirty (30) days and not more than sixty (60) days in advance of the meeting. The provisions of this section shall not apply to nor be a limitation upon any change in the basic annual assessment undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

Section 4. Special Assessment for Repairs. In the event any portion of any Common Area is damaged or destroyed by an Owner or any of his guests, tenants, licensees, agents, or family members, such Owner does hereby authorize the Association to repair said damaged area in a good and workmanlike manner. The amount necessary for such repairs, labor and material, shall become a special assessment upon the Lot of said Owner.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy one or more special assessments applicable to that year only for the purpose of defraying the costs of construction or reconstruction, unexpected repair, or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of the Members (as defined and determined above in Section 3(b) who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days and not more than sixty (60) days in advance of the meeting.

Section 6. Uniform Rate of Assessment. Both Annual and Special Assessments, (with the exception of the Special Assessment authorized by Article VI, Section 4 above) must be fixed at a uniform rate for all Lots and may be collected on a quarterly, semi-annual or annual basis in advance.

Section 7. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the point in time when the Lot is both: (a) included on a recorded plat map filed

for registration with the Wake County Registry; and, (b) conveyed to a record Owner other than the Declarant. (For example, assessment liability shall not commence on any Lots which though they may have been approved and/or authorized by the Town of Apex have not yet been designated or placed on a plat map recorded in the Wake County Registry). Notwithstanding anything herein to the contrary, Declarant's assessments for any Lot(s) for which it holds record title shall be twenty-five per cent (25%) of the annual assessment on all other Lots and professional home builders who purchase Lots from Declarant for the purpose of constructing a house for an ultimate homeowner and who hold record title to the Lot, whether on a pre-sale or speculative basis, shall not pay any annual or special assessments for the first six (6) months after they acquire record title to a Lot and shall only pay fifty per cent (50%) of any annual or special assessments after this said initial six month period. However, a homeowner who purchases and acquires record title to a Lot for any purpose shall pay the full amount of any annual or special assessment(s).

The Declarant may, however, make voluntary contributions to or payments on behalf of the Association, as determined in the sole and exclusive discretion of the Declarant, for the purpose of defraying maintenance and repair costs until such time as the annual assessments are sufficient to fund all of the operations, expenses and liabilities of the Association.

The first annual assessment on any Lot shall be adjusted according to the number of months remaining in the calendar year. Thereafter, the Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates and appropriate charges or fines for late payment shall be established by the Board of Directors. The Waterford Green Homeowners Association, upon request at any time, shall furnish written confirmation of whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of such written confirmation. Such written confirmation shall be conclusive evidence of payment status.

Section 8. Remedies for Non-Payment of Assessments. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date the assessment shall bear interest from the due date at a rate not to exceed 12%. The Association may levy late charges in addition to the interest specified above, may bring an action at law against the Owner personally obligated to pay any assessments, late charges, and/or interest, or may foreclose the lien created herein in the same manner as prescribed by the laws of the State of North Carolina for the foreclosure of Deeds of Trust. Costs and reasonable attorney's fees as provided by law of any such action shall be added to the amount of such assessment. No Owner

may waive or otherwise escape liability for the assessments provided for herein by the nonuse of the Common Area or abandonment of his Lot.

In the event of such action at law and in the further event that such action results in a judgment being entered against the Owner and in favor of the Association, then, and in that event, the Association shall be further empowered to execute on that judgment in such manner and to the full extent provided and permitted by the laws of the State of North Carolina.

Section 9. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein on any Lot shall be subordinate to the lien of any first mortgage, deed of trust or first purchase money deed of trust representing a first lien on said property and shall be subordinate to ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien; provided, however, that the sale or transfer of any Lot pursuant to a decree of foreclosure on a mortgage thereon or any proceeding or transfer in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability or liens arising from assessments thereafter becoming due.

Section 10. Exempt Property. Any portion of Waterford Green dedicated to, and accepted by, a local public authority shall be exempt from the assessments created herein; provided, however no land or improvements devoted to the current or future development of Lots shall be exempt from said assessments.

Section 11. Annual Budget. By a majority vote of the directors, the Board shall adopt an annual budget for the subsequent year of operation, which shall provide for allocation of expenses in such a manner that the obligations imposed by this Declaration and any and all Supplementary Declarations will be met.

ARTICLE VII

EASEMENTS

Section 1. Walks, Drives, Parking Areas, Utilities, and other Similar Aspects of Waterford Green. All phases or areas of Waterford Green shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television antenna lines, other utilities, maintenance access to the cemetery, ingress, egress and regress and otherwise as shall be established by the Declarant or by its predecessor in title, prior to the conveyance of the property designated to be the Common Area to the Association; and the Association shall have the power and authority to grant and establish further easements upon, over, under, and across the Common Area.

Section 2. Encroachments and Declarant's Easement to Correct Drainage.

All Lots and the Common Area shall be subject to easements for the encroachment of initial improvements constructed on any Lots or Common Area by the Declarant to the extent that such initial improvements actually encroach, including, without limitation, such items as overhanging eaves, gutters, downspouts, exterior storage rooms, bay windows, steps and walls. For a period of twenty-five (25) years from the date of conveyance of the first Lot in a parcel, phase or section, the Declarant reserves a blanket easement and right on, over, and under the ground within that parcel, phase or section to maintain and to correct drainage or surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or take any other similar action reasonably necessary. After such action has been completed, the Declarant shall restore the affected property to its original condition to the extent practicable. Declarant shall give reasonable notice of intent to take such action to all affected owners. These rights and reservations are assignable by the Declarant.

Section 3. Easement to Town of Apex. An easement is hereby established for municipal, state or public utilities serving the area, their agents and employees over all Common Area hereby or hereafter established for setting, removing and reading utility meters, maintaining and replacing utility or drainage connections, and acting with other purposes consistent with the public safety and welfare, including, without limitation, police and fire protection.

ARTICLE VIII

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Annexation by Members. Except as provided in Section 2 of this Article, additional lands may be added and annexed to Waterford Green only if two-thirds (2/3) of each class of all the votes entitled to be cast, in the aggregate, by Members are cast in favor of annexation. In such event the holder of Class B voting rights shall be entitled only to one vote for each Lot owned. A meeting shall be duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days and not more than sixty (60) days in advance of the meeting. If a quorum is present and a majority of the votes are cast in favor of the annexation, but the majority is less than the two-thirds (2/3) majority of each class required for approval of the annexation, and it appears that the required two-thirds (2/3) of each class may be achieved if the Members not present or voting by proxy assent to the annexation, then and in that event, the Members not present or voting by proxy may assent to or dissent from the proposed annexation in writing within one hundred twenty (120) days following the date of the meeting at which the Member

was entitled under Article V, Section 3 of this Declaration to vote either in favor of or against the annexation. If the number of votes cast at the meeting in favor of the annexation, together with the votes deemed to have been cast by the Members assenting to the annexation, shall constitute the requisite two-thirds (2/3) majority of each class of all votes entitled to be cast, the annexation shall stand approved.

Section 2. Annexation by Declarant. The Declarant may annex additional lands to Waterford Green in the following manner:

- (a) If, within fifteen (15) years of the date of incorporation of the Association, the Declarant should develop additional lands within the boundaries shown on the general plan of Waterford Green heretofore submitted to the Town of Apex, VA or HUD, such additional lands may be annexed to Waterford Green without the assent of the Members.
- (b) If, within fifteen (15) years of the date of incorporation of the Association, the Declarant should develop, from time to time, an additional tract or tracts of land, other than as set forth in sub-section (a) above, consisting of any property contiguous to the boundaries shown in the general plan of Waterford Green previously submitted to the Town of Apex, VA or HUD, such additional lands may be annexed to Waterford Green without the assent of the Members; provided, however, that such annexation shall be approved by the Town of Apex, and further provided that the annexation of such additional lands referred to in this Section shall not exceed fifty (50) acres in size.
- (c) Within fifteen (15) years of the date of incorporation of the Association, the real property consisting of forty-five (45) building lots and all improvements thereon originally known as Chedington at Claridge, Phase I, as shown in Book of Maps 1988, Page 1780, which map was re-recorded in Book of Maps 1989, Page 1155, Wake County Registry, or any portion(s) thereof, may be annexed to and made a part of Waterford Green without the assent of the Members.
- (d) The Declarant may annex to Waterford Green the additional land described in Sub-Section (a), (b) and/or (c) of this Section 2 by recording in the Wake County Registry a Declaration of Annexation, duly executed by Declarant, and, if applicable any other owner(s) of the lands to be annexed, describing the lands annexed and incorporating the provisions of this Declaration. The additional land may be deemed annexed to Waterford Green on the date of recordation of the Declaration of Annexation, and no other action or consent shall be

necessary except the Town of Apex approval, as provided in Sub-Sections (a) and (b) of this Section and except as required by Section 4 of this Article.

- (e) Subsequent to recordation of the Declaration of Annexation by such Declarant, the Declarant shall deliver to the Association one or more deeds conveying any property that will be designated as Common Area within the lands annexed as such designated property is developed. No additional amenities shall be required on account of the annexation of additional properties outside the boundaries shown on the general plan of Waterford Green until the number of Lots within the outside said boundaries exceed four hundred and fifty (450).

ARTICLE IX

GENERAL PROVISIONS

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

Section 2. Rights or Lenders and Insurers of First Mortgages. Lenders and insurers of first mortgages shall have the following rights:

- (a) In the event that any Member is in default in any obligation hereunder which default remains uncured for a period of sixty (60) days, every lender who is a mortgagee as to the Lot of the defaulting Member and the insurer of any such first mortgage, shall be immediately notified of such default, provided that such lender and/or insurer shall have given written certified notice to the Association that it is a mortgagee or insurer as to the Lot of such Member and shall have requested the notice of default as herein set forth.

~~XX (b) Every first mortgagee and/or insurer of the first mortgage of the Lot of a Member of the Association shall have the right, during regular business hours, to examine the books and records of the Association.~~

Section 3. Amendment by Owners. The covenants, conditions 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, or the Owner of any Lot 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 said covenants shall be automatically extended for successive periods of ten (10) years. The covenants, conditions and restrictions of the Declaration may be amended during the first thirty (30) year period or thereafter by an instrument signed by the Owners of not less than two-thirds (2/3) of the Lots, provided, however, that the Board of Directors of the Association (with prior approval of VA or HUD) may amend this Declaration to correct any obvious error or inconsistency in drafting, typing or reproduction or to approve any amendment requested by VA, HUD or the Federal National Mortgage Association, without action or consent of the Owners, and such amendment shall be certified as an official act of the Board and the Association and recorded in the Wake County Registry.

Section 4. Amendment to Achieve Tax-Exempt Status. The Declarant, TEN TEN ASSOCIATES, for so long as it shall retain control of the Board of Directors of the Association, and thereafter, the Board of Directors, may amend this Declaration as shall be necessary, in its opinion, with the consent and approval of VA or HUD, and without the consent of any Owner, in order to qualify the Association or Waterford Green, or any portion thereof, for tax-exempt status. Such amendment shall become effective upon the date of its recordation in the Wake County Registry.

Section 5. Certification and Recordation of Amendment. Any instrument amending these covenants, conditions and restrictions, (other than an amendment by the Board to correct an error or inconsistency in drafting, typing, or reproduction) shall be delivered, following approval by the Owners, to the Board of Directors. Thereupon, the Board of Directors, shall, within thirty (30) days after delivery, do the following:

- (a) Reasonably assure itself that the amendment has been duly approved by the Owners as provided in Section 3 of this Article. (For this purpose, the Board may rely on its roster of Members and shall not be required to cause any title to be examined.)
- (b) Attach to the amendment a certification as to its validity, which certification shall be executed by the Association.
- (c) Within the thirty (30) day period aforesaid, cause the amendment to be recorded in the Wake County Registry.

Section 6. Effect and Validity of Amendments. All amendments shall be effective from the date of proper recordation in the Wake County Registry. When any instrument purporting to amend the covenants, conditions and restrictions has been certified by the Board of Directors and recorded as provided in this Section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to the Owners of all Lots in Waterford Green.

Section 7. Exchange of Common Area. Notwithstanding any provision herein to the contrary other than Section 4 of this Article IX, it is expressly provided that the Association may convey to the Declarant, as well as any other Member, for fair market value any portion of the Common Area previously conveyed to the Association, as provided in the Articles of Incorporation of the Association. Any such conveyance shall be subject to prior VA or HUD approval. Upon such conveyance, the area conveyed shall cease to be Common Area and shall cease to be subject to the provisions of these covenants relating to the Common Area. Any area purchased by the Association pursuant to the foregoing language shall become Common Area and subject to the provisions of these covenants relating to the Common Area. (The following hypothetical situation is by way of illustration, but not of limitation: Due to a surveying error an undesirable drainage area is designated for the location of Lots. Under this provision, the Declarant and the Association exchange deeds so that the Lots may be relocated within the Common Area and the area previously designated for Lots may be converted to Common Area.)

Section 8. Protective Covenants for Single- or Multi-Unit Dwellings. Nothing herein shall affect the Declarant's right to establish, from time to time, appropriate specific additional covenants for the development and use of Lots for attached or detached single-unit or multiple unit home sites in Waterford Green.

Section 9. Conflicts. In the event of any irreconcilable conflict between the Declaration and the Bylaws of the Association, the provisions of this Declaration shall control. In the event of an irreconcilable conflict between this Declaration or the Bylaws of the Association and Articles of Incorporation of the Association, the provisions of this Declaration shall control.

Section 10. Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

ARTICLE X

DISSOLUTION OR INSOLVENCY OF THE WATERFORD GREEN HOMEOWNERS ASSOCIATION

The Waterford Green Homeowners Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XI

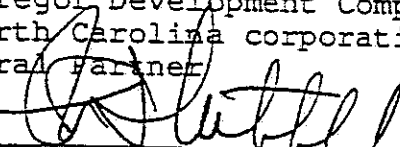
VA AND HUD APPROVAL

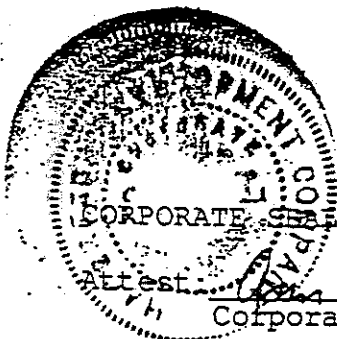
As long as there is a Class B member, the following acts will require the prior approval for compliance with established VA and HUD guidelines: Annexation of additional properties, dedication of common area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the undersigned TEN TEN ASSOCIATES, as the Declarant hereunder, has caused this instrument to be executed by it duly authorized corporate and individual general partners and those signatures to be attested and their respective seals to be affixed by their respective corporate secretaries all by order and authority duly granted by their respective corporate boards of directors and all other persons joining in the execution of these Master Covenants have hereunto set their individual hands and have adopted the word "SEAL" set opposite their hands as and for their personal seals, all as of the day and year first above written.

TEN TEN ASSOCIATES,
a North Carolina general partnership

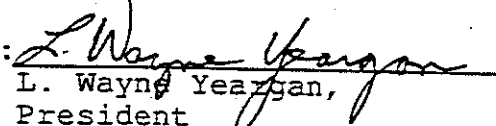
by: MacGregor Development Company,
a North Carolina corporation,
General Partner

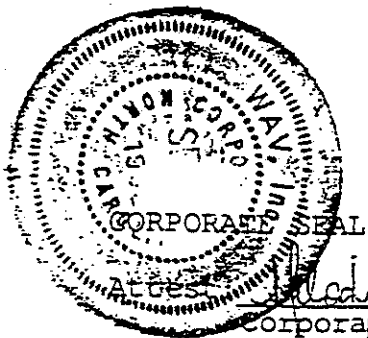
by: 
Michael F. Whitehead, Sr.,
President

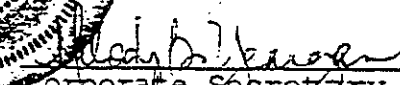


Attest: 
Corporate Secretary

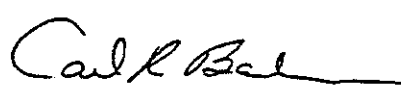
by: WAV, Inc.,
a North Carolina corporation,
General Partner

by: 
L. Wayne Yeaman,
President



Attest: 
Corporate Secretary

by:  (SEAL)
A. Wayne Witt, General Partner

by:  (SEAL)
Carl R. Banks, General Partner

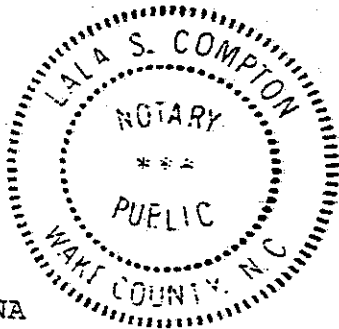
NORTH CAROLINA

WAKE COUNTY

I, a Notary Public of the County and State aforesaid, certify that ANN E WALKER personally came before me this day and acknowledged that she is _____ Secretary of MacGregor Development Company, 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 official seal, this 12th day of October, 1993.

NOTARY SEAL



Lala S. Compton
Notary Public

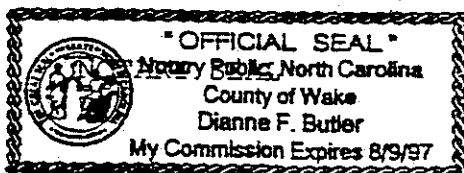
My commission expires: 6-10-95

NORTH CAROLINA

WAKE COUNTY

I, a Notary Public of the County and State aforesaid, certify that Melody B. Yarnall personally came before me this day and acknowledged that she is _____ Secretary of WAV, 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 official seal, this 27th day of October, 1993.



Dianne F. Butler
Notary Public

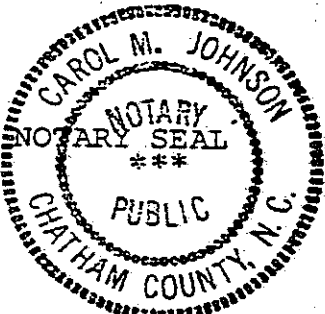
My commission expires: 8/9/97

NORTH CAROLINA

WAKE COUNTY

I, a Notary Public of the County and State aforesaid, do hereby certify that A. Wayne Witt personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this 15th day of October, 1993.



Carol M. Johnson
Notary Public

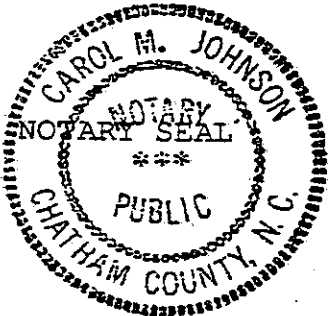
My commission expires: 12-10-94

NORTH CAROLINA

WAKE COUNTY

I, a Notary Public of the County and State aforesaid, do hereby certify that Carl R. Banks personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this 15th day of October, 1993.



Carol M. Johnson
Notary Public

My commission expires: 12-10-94

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate is of

Lala S. Anglin,
Dianne J. Butler, & Carol M.
Johnson

Notary(ies) Public is

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

KENNETH C. WILKINS, Register of Deeds

By

Dianne J. Butler
Deputy Register of Deeds

NORTH CAROLINA

WAKE COUNTY

PROPERTY OF TEN TEN ASSOCIATES,A North Carolina General Partnership
White Oak Township, Wake County,
North Carolina

TRACT I: BEGINNING at a point in the North right of way line of N. C. S. R. No. 1010 said point marking the Northwesternmost corner of this Tract I and that point being located South 89 degrees 55 minutes 54 seconds West 187.93 feet, South 89 degrees 31 minutes 15 seconds West 145.16 feet, South 89 degrees 45 minutes 09 seconds West 332 feet and South 01 degree 45 minutes 48 seconds West 1122.71 feet from a point having North Carolina Grid Coordinates of Y=720,139.311 and X=2,051,905.477; run thence from that beginning point North 89 degrees 55 minutes 54 seconds East 187.93 feet to a point; runs thence North 89 degrees 31 minutes 15 seconds East 145.16 feet to a point; runs thence South 03 degrees 23 minutes 19 seconds West 215.25 feet to a point in the North right of way line of N. C. S. R. No. 1010; runs thence with the North right of way line of N. C. S. R. 1010 in a Northwesterly direction on a slight curve to the right said curve having a radius of 2161.95 an arc distance of 319.60 feet to a point; runs thence, continuing with the North right of way line of N. C. S. R. 1010 South 39 degrees 55 minutes 10 seconds West 19.99 feet to a point; runs thence, continuing with the North right of way line of N. C. S. R. 1010 North 51 degrees 00 minutes 18 seconds West 39.64 feet to a point; runs thence, continuing with the North right of way line of N. C. S. R. 1010 North 44 degrees 40 minutes 01 second West 24.70 feet to the point and place of BEGINNING and being a tract of land designated as Tract One containing 0.814 acres all as shown on a survey for Ten Ten Associates, a North Carolina General Partnership, White Oak Township, Wake County, North Carolina dated November 30, 1992 by Mauldin-Watkins Surveying, P. A.

TRACT II: BEGINNING at a point having North Carolina Grid Coordinates of Y=720,139.311 and X=2,051,905.477 and said point marking the Northwesternmost corner of Tract II now described; runs thence from that beginning point North 79 degrees 41 minutes 14 seconds East 267.14 feet to a point; runs thence South 07 degrees 24 minutes 54 seconds East 38.0 feet to a point; runs thence North 82 degrees 38 minutes 56 seconds East 20.89 feet to a point; runs thence South 04 degrees 34 minutes 37 seconds East 413.54 feet to a point; runs thence South 42 degrees 28 minutes 09 seconds East 180.0 feet to a point; runs thence South 69 degrees 41 minutes 16 seconds East 213.64 feet to a point; runs thence South 02 degrees 14 minutes 17 seconds West 222.09 feet to a point in the North right of way line of Claridge Boulevard; runs thence in a Southwesterly direction on a slight curve to the left that curve having a radius of 672.76 an arc distance of 200.73 feet to a point; runs thence, continuing with the North right of way line of Claridge Boulevard South 63 degrees 33 minutes 59 seconds West 230.03 feet to a point; runs thence, continuing with the North right of way line of Claridge Boulevard South 64 degrees 42 minutes 44 seconds West 250.05 feet to a point; runs thence, continuing

with the North right of way line of Claridge Boulevard South 63 degrees 34 minutes 00 seconds West 52.29 feet to a point; runs thence, leaving the North right of way line of Claridge Boulevard North 01 degree 45 minutes 48 seconds East 1122.71 feet to the point and place of BEGINNING and being shown and designated as Tract Two containing 10.585 acres all as shown on that survey for Ten Ten Associates, a North Carolina General Partnership, White Oak Township, Wake County, North Carolina dated November 30, 1992 by Mauldin-Watkins Surveying, P. A.

TRACT III: BEGINNING at a point marking the Northeasternmost corner of Tract III now described said point being the Southeasternmost corner of the property of American Airlines, Inc. according to a deed recorded in Book 4685 Page 119 of the Wake County Registry and said point also being in the West line of the property of Lord Corporation according to a deed recorded in Book 2891 Page 942 Wake County Registry; runs thence South 02 degrees 11 minutes 01 second West 859.02 feet to a point in the North right of way line of U. S. Highway No. 1; runs thence with the North right of way line of U. S. Highway No. 1 in a Southwesterly direction and on a slight curve to the right the following courses and distances: a curve having a radius of 5600.00 an arc distance of 117.74 feet; a curve having a radius of 5600.00 an arc distance of 642.08 feet; a curve having a radius of 5600.00 an arc distance of 129.48 feet; South 71 degrees 53 minutes 27 seconds West 514.01 feet; South 71 degrees 53 minutes 27 seconds West 8.40 feet to a point in the North right of way line of U. S. Highway No. 1; runs thence, leaving the North right of way line of U. S. Highway No. 1 North 00 degrees 43 minutes 22 seconds East 94.94 feet to a point; runs thence South 79 degrees 36 minutes 23 seconds West 700.49 feet to a point; runs thence South 89 degrees 30 minutes 14 seconds West 380.82 feet to a point; runs thence South 00 degrees 49 minutes 47 seconds West 210.39 feet to a point; runs thence South 00 degrees 49 minutes 47 seconds West 48.86 feet to a point in the North right of way line of U. S. Highway No. 1; runs thence with the North right of way line of U. S. Highway No. 1 South 71 degrees 56 minutes 31 seconds West 544.39 feet to a point, the Northeast corner of the intersection of U. S. Highway No. 1 and U. S. Highway No. 1010; runs thence along the North right of way line of N. C. S. R. 1010 and leaving the North right of way line of U. S. Highway No. 1 in a Northwesterly direction on a slight curve to the right the following courses and distances: North 65 degrees 08 minutes 56 seconds West 87.50 feet; a curve having a radius of 4784.22 feet an arc distance of 257.83 feet; North 62 degrees 03 minutes 40 seconds West 337.94 feet to a point in the North right of way line of N. C. S. R. 1010; runs thence, leaving the North right of way line of N. C. S. R. No. 1010 and with the East right of way line of Claridge Boulevard in a Northeasterly direction on a curve to the right having the following courses and distances: North 26 degrees 45 minutes 09 seconds East 120.75 feet; a curve with a radius of 368.30 an arc distance of 114.56 feet to a point; a curve having a radius of 325.04 an arc distance of 87.0 feet to a point; North 63 degrees 34 minutes 00 seconds East 52.29 feet to a point; North 62 degrees 25 minutes 15 seconds East 250.05 feet to a point; North 63

degrees 33 minutes 59 seconds East 230.03 feet to a point; a curve with a radius of 602.76 an arc distance of 338.91 feet to a point; a curve having a radius of 602.76 an arc length of 96.12 feet to a point; a curve having a radius of 20.00 an arc length of 23.57 feet; a curve having a radius of 100.00 an arc length of 181.51 feet; a curve having a radius of 100.00 an arc length of 38.00 feet; a curve having a radius of 20.00 an arc length of 22.02 feet; a curve having a radius of 694.86 an arc length of 55.84 feet to a point; runs thence, leaving the North right of way line of Claridge Boulevard North 18 degrees 05 minutes 31 seconds East 30.04 feet to a point; runs thence North 18 degrees 05 minutes 31 seconds East 30.04 feet to a point; runs thence North 18 degrees 05 minutes 31 seconds East 146.42 feet to a point; runs thence North 10 degrees 21 minutes 08 seconds East 97.85 feet to a point; runs thence North 02 degrees 49 minutes 48 seconds East 91.96 feet to a point; runs thence North 08 degrees 36 minutes 13 seconds West 93.63 feet to a point; runs thence North 11 degrees 31 minutes 48 seconds West 102.62 feet to a point; runs thence North 21 degrees 07 minutes 16 seconds West 60.08 feet to a point; North 20 degrees 00 minutes 55 seconds West 90.32 feet to a point; North 20 degrees 00 minutes 55 seconds West 75.25 feet to a point; runs thence North 20 degrees 00 minutes 55 seconds West 4.75 feet to a point; runs thence North 09 degrees 45 minutes 08 seconds West 73.0 feet to a point; runs thence North 09 degrees 45 minutes 08 seconds West 76.0 feet to a point; runs thence North 01 degree 39 minutes 32 seconds West 102.00 feet to a point; runs thence North 01 degree 39 minutes 30 seconds West 122.10 feet to a point, that point being in the South property line of the property of Patricia K. Groves, as the same is shown on a deed recorded in Book 3538 Page 593 Wake County Registry; runs thence South 89 degrees 01 minutes 11 seconds East 439.99 feet to a point; runs thence South 89 degrees 06 minutes 07 seconds East 997.78 feet to a point; runs thence South 87 degrees 27 minutes 08 seconds East 830.41 feet to the point and place of BEGINNING and being shown and designated as Tract Three containing 78.074 acres according to a survey for Ten Ten Associates, a North Carolina General Partnership, White Oak Township, Wake County, North Carolina by Mauldin-Watkins Surveying, P. A.

TRACT IV: BEGINNING at a point marking the Northeasternmost corner of Tract IV now being described said point lying South 01 degree 45 minutes 48 seconds West 1122.71 feet from a point identified by North Carolina Grid Coordinates Y=720,139.311 and X=2,051,905.477 and said beginning point also lying in the North right of way line of Claridge Boulevard runs thence with the North right of way line of Claridge Boulevard in a Southwesterly direction on a curve to the left having the following courses and distances: A curve with a radius of 405.04 an arc distance of 81.97 feet to a point; a curve with a radius of 405.04 an arc distance of 26.44 feet to a point; a curve with a radius of 370.78 an arc distance of 144.06 to a point and a curve with a bearing of South 29 degrees 07 minutes 32 seconds West 120.73 feet to a point in the North right of way line of N. C. S. R. 1010 said point marking the Northwest corner of the intersection of Claridge Boulevard with N. C. S. R. No. 1010; runs thence with the North right of way line of N. C. S. R. 1010 in

a Northwesterly direction on a slight curve to the right having a radius of 2161.95 an arc distance of 122.46 feet to a point; the Southeasternmost corner of Tract One described hereinabove; runs thence, leaving the North right of way line of N. C. S. R. No. 1010 North 03 degrees 23 minutes 19 seconds East 215.25 feet to a point; runs thence North 89 degrees 45 minutes 09 seconds East 332.0 feet to the point and place of BEGINNING and being a tract of land designated as Tract Four and containing 1.15 acres according to a survey for Ten Ten Associates, a North Carolina General Partnership, White Oak Township, Wake County, North Carolina, dated November 30, 1992 by Mauldin-Watkins Surveying, P. A.

TRACT V

BEGINNING at a point having North Carolina grid coordinates of Y=719,481.860 and X=2,052,960.730; said point lying in the western margin of the 60 foot right-of-way of Chedington Place and running thence with the western margin of the 60 foot right-of-way of Chedington Place along a curve to the right having a cord of south 11° 22' 16" west, a distance of 145.50 feet a radius of 497.71 feet and an arc of 146.02 feet to a new iron pipe; leaving the right-of-way of Chedington Place and running thence along the northern margin of the 70 foot right-of-way of Claridge Boulevard along a curve to the right having a cord of south 53° 40' 00" west 22.30 feet, a radius of 20.00 feet and an arc of 23.66 feet to a new iron pipe in the north right-of-way line of Claridge Boulevard; running thence along the northern margin of the 70 foot right-of-way of Claridge Boulevard along a curve to the left having a cord of south 67° 21' 47" west 69.04 feet, a radius of 100.00 feet and an arc of 70.49 feet to a new iron pipe; running thence along the northern margin of the 70 foot right-of-way of Claridge Boulevard along a curve to the right, having a cord of south 76° 25' 59" west 19.55 feet, a radius of 20.00 feet and an arc of 20.43 feet; running thence with the northern margin of the 70 foot right-of-way of Claridge Boulevard along a curve to the left having a cord of north 80° 59' 11" west 157.87 feet, a radius of 672.76 feet and an arc of 158.23 feet to an existing iron pipe, said iron pipe lying along the centerline of a 20 foot utility easement, a corner, running thence along the centerline of the 20 foot utility easement north 02° 14' 45" east 190.73 feet to an existing iron pipe a corner with the rear boundary line of Lot 3, Chedington at Claridge Phase I as shown on a map recorded in Book of Maps 1988, Page 1790, Wake County Registry, a corner running thence with the rear boundary lines of Lots 3, 2 and 1, Chedington at Claridge Phase I as shown on Plat recorded in Book of Maps 1988, Page 1790, Wake County Registry, south 84° 11' 03" east a total of 379.66 feet to the point and place of BEGINNING and containing 49,550 square feet and being the sight of an in-ground pool and framed pool house, all as shown on survey entitled "Survey of Private Recreation Area Chedington at Claridge Phase I" prepared by Daniel V. Partin, Registered Land Surveyor dated July 17, 1992.

TRACT VI

BEGINNING at a point, lying north $84^{\circ} 11' 03''$ west a total of 379.66 feet from an existing iron pipe having North Carolina grid coordinates of $Y=719,481.860$ and $X=2,052,960.730$ said point being located on a 20 foot sewer easement along the western border of Parcel 1 as described above and running thence along the center line of said easement south $02^{\circ} 14' 45''$ west 190.73 feet to an existing iron pipe lying in the northern margin of the 70 foot right-of-way of Claridge Boulevard, a corner, running thence along the northern margin of the 70 foot right-of-way of Claridge Boulevard along a curve to the left having a cord of south $86^{\circ} 27' 44''$ west 135.70 feet, a radius of 672.76 feet and an arc of 135.93 feet to an existing iron pipe lying along the center line of a 20 foot drainage and utility easement, a corner; running thence along the center line of a 20 foot drainage and utility easement located along the eastern boundary of property owned by Claridge Development described in Deed Book 4456, Page 723, Wake County Registry North $02^{\circ} 16' 18''$ east 222.09 feet to an existing iron pipe lying along the rear boundary of Lot 5, Chedington at Claridge Phase I as shown on Plat recorded in Book of Maps 1983, Page 1790, Wake County Registry, a corner running thence South $69^{\circ} 30' 49''$ east 36.54 feet to an existing iron pipe, running thence south $84^{\circ} 11' 03''$ east 5.12 feet to an existing iron pipe, said iron pipe being the southwestern corner of Lot 4, Chedington at Claridge Phase I as shown on Plat recorded in Book of Maps 1988, Page 1790, Wake County Registry, running thence along the rear boundary line of Lot 4, Chedington at Claridge Phase I as shown on Plat recorded in Book of Maps 1988, Page 1790, Wake County Registry, south $84^{\circ} 11' 03''$ east 84.97 feet to an existing iron pipe, running thence along a portion of the rear boundary of Lot 3, Chedington at Claridge Phase I as shown on Plat recorded in Book of Maps 1988, Page 1790, Wake County Registry, south $84^{\circ} 11' 03''$ east 10.31 feet to the point and place of BEGINNING and containing 27,040 square feet improved as a paved tennis court, all as shown on that certain survey entitled "Survey of Private Recreation Center Chedington at Claridge Phase I" prepared by Daniel V. Partin, Registered Land Surveyor dated July 17, 1992.