Charleston Park BK537 PG0768 CP

Prepared by and return to: Terri Toth McGaughey
Parker, Poe, Adams & Bernstein
P.O. Box 389
Raleigh, NC 27602

PRESENTED FOR REGISTRATION:
92 OCT 22 PM 5:02
KENNETH C. WILKINS
REGISTER OF DEEDS
WAKE COUNTY

000338

NORTH CAROLINA

WAKE COUNTY

THIS DECLARATION of Covenants, Conditions and Restrictions (this "Declaration") is made on the date hereinafter set forth, by H.C. INVESTMENT GROUP, a North Carolina general partnership, having its principal office and place of business in Moore County, North Carolina.

W I T N E S S E T H:

WHEREAS, H.C. Investment Group is the owner of certain property in St. Matthews Township, Wake County, North Carolina, which is more particularly described as:

> BEGINNING at a point in the edge of the pavement of Secondary Road No. 2215 (also known as Buffaloe Rd.), said point being in the eastern line of the tract of which this a part and the western line of Charles A. Williams, now or formerly; runs thence as the eastern line of said tract SOUTH 22 degrees 56 minutes 23 seconds EAST 565.55 feet to a point; thence leaving the eastern line of said tract, SOUTH 57 degrees 26 minutes 47 seconds WEST 109.14 feet to a point; thence SOUTH 63 degrees 28 minutes 27 seconds WEST 38.50 feet to a point; thence NORTH 29 degrees 06 minutes 23 seconds WEST 22.51 feet to a point; thence SOUTH 68 degrees 38 minutes 24 seconds WEST 85.95 feet to a point; thence SOUTH 21 degrees 21 minutes 35 seconds EAST 374.37 feet to a point; thence SOUTH 81 degrees 05 minutes 45 seconds WEST 198.99 feet to a point; thence NORTH 22 degrees 44 minutes 16 seconds EAST 130.89 feet to a point; thence NORTH 22 degrees 20 minutes 12 seconds WEST 49.05 feet to a point; thence NORTH 00 degrees 06 minutes 15 seconds EAST 162.50 feet to a point; thence NORTH 42 degrees 18 minutes 48 seconds WEST 16.13 feet to a point; thence NORTH 59 degrees 28 minutes 18 seconds WEST 86.49 feet to a point; thence NORTH 67 degrees 09 minutes 00 seconds WEST 50.90 feet to a point; thence NORTH 89 degrees 53

minutes 46 seconds WEST 97.60 feet to a point; thence SOUTH 85 degrees 59 minutes 43 seconds WEST 41.79 feet to a point; thence NORTH 02 degrees 15 minutes 39 seconds WEST 97.50 feet to a point; thence NORTH 20 degrees 16 minutes 58 seconds WEST 3.45 feet to a point; thence NORTH 38 degrees 38 minutes 57 seconds EAST 124.81 feet to a point; thence SOUTH 24 degrees 00 minutes 53 seconds EAST 6.60 feet to a point; thence NORTH 65 degrees 59 minutes 07 seconds EAST 130.00 feet to a point; thence NORTH 24 degrees 00 minutes 53 seconds WEST 254.39 feet to the old southern right of way of Secondary Rd. No. 2215; thence along said right of way, SOUTH 65 degrees 21 minutes 22 seconds WEST 254.26 feet to a point; thence SOUTH 65 degrees 59 minutes 07 seconds WEST 105.40 feet to a concrete monument, a CONTROL CORNER of Charleston Park Subdivision, also being a point in the eastern line of C. R. Johnson's property, now or formerly; thence NORTH 23 degrees 56 minutes 56 seconds WEST 18.02 feet to the edge of pavement of Secondary Rd. No. 2215; thence along or near the southern edge of pavement of Secondary Rd. No. 2215 three courses as follows: NORTH 65 degrees 59 minutes 07 seconds EAST 105.37 feet to a point; thence NORTH 65 degrees 21 minutes 22 seconds EAST 309.47 feet to a point; thence NORTH 66 degrees 53 minutes 01 seconds EAST 177.30 feet to the point and place of beginning, containing 5.23 acres more or less according to a survey dated September 8, 1992, prepared by A.L. Lewis, RLS, of MA Engineering Consultants Incorporated, and designated as "PHASE I" on a plat of Charleston Park Subdivision recorded in Book of Maps 1992, Page 1141 of the Wake County Registry. (The above-described property is sometimes hereinafter called the "PHASE I boundary.")

SAVE AND EXCEPTING from the above-described property the area in the right of way of Secondary Road No. 2215 and the areas designated as "Public Street" (also designated as "Charleston Park Drive," "Beaufain Street," and "Vendue Range Drive"), each as shown on that survey dated September 8, 1992, prepared by A.L. Lewis, RLS, of MA Engineering Consultants Incorporated, entitled "Charleston Park Subdivision, Phase I," recorded in Book of Maps 1992, Page 1141 of the Wake County Registry.

AND, WHEREAS, H.C. Investment Group will convey the above-described property subject to certain protective covenants, conditions, restrictions, reservations, and charges as hereinafter set forth;

NOW, THEREFORE, H.C. Investment Group hereby declares that all of the property described above shall be held, sold, transferred, conveyed, and occupied subject to the following easements, restrictions, covenants, and conditions, and within the jurisdiction of the Charleston Park Homeowners Association, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of said real property, and which shall run with said real property and shall be binding on all persons and entities having or acquiring any right, title, or interest in the hereinbelow-described Properties or any part thereof, and shall inure to the benefit of each hereinbelow-described Owner thereof.

ARTICLE I

DEFINITIONS

SECTION 1. "Association" shall mean and refer to CHARLESTON PARK HOMEOWNERS ASSOCIATION, a North Carolina nonprofit corporation, its successors and assigns.

SECTION 2. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association under the provisions of Article II of this Declaration.

SECTION 3. "Common Area" shall mean real property owned by the Association for the common use and enjoyment of all of the below-defined Members or designated classes of Members, including greenways, recreational areas, and open space; driveways, drives, alleyways, and parking areas, whether or not constructed or opened,

but which are not dedicated as a public street and are not publicly maintained ("Private Streets"); water lines and sewer lines not within City of Raleigh utility easements or rights-of-way and not located on any below-defined Lot; and tract identification signs identifying the below-defined Charleston Park subdivision. Notwithstanding the foregoing, nothing in this Declaration shall prohibit the use by the general public of those areas which are greenways of the City of Raleigh on any portion of the Common Area. The Common Area to be owned by the Association at the time of conveyance of the first below-described Lot is more particularly described as:

> BEING the areas designated as "Open Space" on that survey dated September 8, 1992, prepared by A.L. Lewis, RLS, of MA Engineering Consultants Incorporated, entitled "Charleston Park Subdivision, Phase I," recorded in Book of Maps 1992, Page 1141 of the Wake County Registry, each Open Space being more particularly described as follows:
>
> **OPEN SPACE A**
>
> BEGINNING at a point located at the intersection of the new southern right of way of Secondary Road No. 2215 (also known as Buffaloe Rd.) and the eastern line of the PHASE I boundary and runs thence, as a portion of the said eastern line, SOUTH 22 degrees 56 minutes 23 seconds EAST 537.27 feet to a point; thence SOUTH 57 degrees 26 minutes 47 seconds WEST 6.04 feet to the southeast corner of Lot No. 15, said Lot and all other Lots mentioned in this description of the Common Area being those as shown on the above-mentioned survey; thence along the eastern lines of Lot Nos. 15, 14, 13, 12, 11 & 10 NORTH 32 degrees 33 minutes 14 seconds WEST 195.00 feet to the northeast corner of Lot No. 10; thence along the northern line of Lot No. 10 SOUTH 57 degrees 26 minutes 47 seconds WEST 90.00 feet to the eastern right of way of Charleston Park Drive; thence along a portion of said right of way, NORTH 32 degrees 33 minutes 14 seconds WEST 27.20 feet to the southwest corner of Lot No. 9; thence along the southern line of Lot No. 9, NORTH 65 degrees 59 minutes 07 seconds EAST 86.93 feet to the southeast corner of Lot No. 9; thence along the eastern lines of Lot Nos. 9, 8,

7, 6, 5, & 4 NORTH 24 degrees 00 minutes 53 seconds WEST 195.00 feet to the northeast corner of Lot No. 4; thence along the northern line of Lot No. 4 SOUTH 65 degrees 59 minutes 07 seconds WEST 99.17 feet to the eastern right of way of Charleston Park Dr.; thence along a portion of said right of way NORTH 14 degrees 28 minutes 12 seconds WEST 10.52 feet to the southwest corner of Lot No. 3; thence along the southern line of Lot No. 3, NORTH 65 degrees 59 minutes 07 seconds EAST 118.80 feet to the southeast corner of Lot No. 3; thence along the eastern lines of Lot Nos. 3, 2, & 1, NORTH 24 degrees 00 minutes 53 seconds West 97.50 feet to the northeastern corner of Lot No. 1; thence along the northern line of Lot No. 1, SOUTH 65 degrees 59 minutes 07 seconds WEST 102.41 feet to the northwestern corner of Lot No. 1 and the eastern right of way of Charleston Park Dr.; thence along said right of way two courses as follows: NORTH 14 degrees 28 minutes 12 seconds WEST 6.89 feet to a point; thence from said point, the beginning of a curve to the right, along the arc of said curve to the right, ARC DISTANCE 34.83 feet, RADIUS 25.00 feet, CHORD BEARING NORTH 25 degrees 26 minutes 35 seconds East, CHORD DISTANCE 32.08 feet to the new southern right of way of Secondary Rd. No. 2215; thence along said right of way NORTH 65 degrees 21 minutes 22 seconds EAST 106.64 feet to the point and place of beginning, containing 0.54 acres more or less, according to a survey dated September 8, 1992, prepared by A. L. Lewis, RLS, of MA Engineering Consultants Incorporated, and designated as "OPEN SPACE A" on a plat entitled "Charleston Park Subdivision, Phase I" recorded in Book of Maps 1992, Page 1141 of the Wake County Registry.

OPEN SPACE B

BEGINNING at a point located at the southernmost corner of Lot 122, said Lot and all other Lots mentioned in this description of the Common Area being those as shown on the above-mentioned survey, in the line of the PHASE I boundary and runs thence along the southeastern line of Lot Nos. 122, 121, 120 & 119, NORTH 30 degrees 31 minutes 42 seconds EAST 130.00 feet to the eastern corner of Lot No. 119; thence along the eastern line of Lot No. 119 NORTH 59 degrees 28 minutes 18 seconds WEST 96.43 feet to the southern right of way of Vendue Range Drive; thence along said right of way two courses as follows: along the arc of a curve to the right, ARC DISTANCE 38.43 feet, RADIUS 250.00 feet, CHORD BEARING, NORTH 45 degrees 40 minutes 25 seconds EAST, CHORD DISTANCE 38.39 feet to a point; thence from said point, the beginning of another curve to the right, along the arc of said curve to the

right, ARC DISTANCE 42.48 feet, RADIUS 25.00 feet, CHORD BEARING, SOUTH 81 degrees 14 minutes 18 seconds EAST, CHORD DISTANCE 37.55 feet to a point in the western right of way of Charleston Park Drive; thence along a portion of said right of way two courses as follows: SOUTH 32 degrees 33 minutes 14 seconds EAST 128.86 feet to the beginning of a curve to the right; thence along the arc of said curve to the right, ARC DISTANCE 3.78 feet, RADIUS 250.00 feet, CHORD BEARING SOUTH 32 degrees 07 minutes 13 seconds EAST, CHORD DISTANCE 3.78 feet; thence along a portion of the PHASE I boundary's southern line seven courses as follows: SOUTH 68 degrees 38 minutes 24 seconds WEST 85.95 feet to a point; thence SOUTH 21 degrees 21 minutes 35 seconds EAST 374.37 feet to a point; thence SOUTH 81 degrees 05 minutes 45 seconds WEST 198.99 feet to a point; thence NORTH 22 degrees 44 minutes 16 seconds EAST 130.89 feet to a point; thence NORTH 22 degrees 20 minutes 12 seconds WEST 49.05 feet to a point; thence NORTH 00 degrees 06 minutes 15 seconds EAST 162.50 feet to a point; thence NORTH 42 degrees 18 minutes 48 seconds WEST 16.13 feet to the southernmost corner of Lot No. 122, the point and place of beginning, containing 1.01 acres more or less according to a survey dated September 8, 1992, prepared by A. L. Lewis, RLS, of MA Engineering Consultants Incorporated and designated as "OPEN SPACE B" on a plat of "Charleston Park Subdivision, Phase I" recorded in Book of Maps 1992, Page 1141 of the Wake County Registry.

OPEN SPACE C

BEGINNING at the southeast corner of Lot No. 102, said Lot and all other Lots mentioned in this description of the Common Area being those as shown on the above-mentioned survey, in the northern right of way of Vendue Range Drive, thence along the eastern line of Lot No. 102 NORTH 56 degrees 18 minutes 01 seconds WEST 104.23 feet to the northeast corner of Lot No. 102; thence along the northwestern lines of Lot Nos. 102, 103, 104, 105, 106, & 107, SOUTH 33 degrees 41 minutes 59 seconds WEST 195.00 feet to the western corner of Lot No. 107; thence along a portion of the southwestern line of Lot No. 107, SOUTH 56 degrees 18 minutes 01 seconds EAST 95.87 feet to the PHASE I boundary line; thence along the PHASE I boundary line seven courses as follows: NORTH 89 degrees 53 minutes 46 seconds WEST 76.60 feet; thence SOUTH 85 degrees 59 minutes 43 seconds WEST 41.79 feet; thence NORTH 02 degrees 15 minutes 39 seconds WEST 97.50 feet; thence NORTH 20 degrees 16 minutes 58 seconds WEST 3.45 feet; thence NORTH 38 degrees 38 minutes 57 seconds EAST 124.81 feet; thence SOUTH 24 degrees 00 minutes 53

seconds EAST 6.60 feet; thence NORTH 65 degrees 59 minutes 07 seconds EAST 130.00 feet; thence NORTH 24 degrees 00 minutes 53 seconds WEST 90.00 feet, to the southern right of way of Beaufain St.; thence along said right of way to a point in the western right of way of Charleston Park Drive two courses as follows: NORTH 65 degrees 59 minutes 07 seconds EAST 5.00 feet to a point; thence from said point, the beginning of a curve to the right, along the arc of said curve to the right, ARC DISTANCE 39.26 feet, RADIUS 25.00 feet, CHORD BEARING, SOUTH 69 degrees 00 minutes 53 seconds EAST, CHORD DISTANCE 35.35 feet; thence along a portion of the western right of way of Charleston Park Drive four courses as follows: SOUTH 24 degrees 00 minutes 53 seconds EAST 44.86 feet to a point; thence from said point, the beginning of a curve to the left, along the arc of said curve to the left, ARC DISTANCE 44.71 feet, RADIUS 300.00 feet, CHORD BEARING SOUTH 28 degrees 17 minutes 03 seconds EAST, CHORD DISTANCE 44.66 feet; thence, SOUTH 32 degrees 33 minutes 14 seconds EAST 36.06 feet to a point; thence from said point, the beginning of a curve to the right, along the arc of said curve to the right, ARC DISTANCE 37.04 feet, RADIUS 25.00 feet, CHORD BEARING SOUTH 09 degrees 53 minutes 56 seconds WEST, CHORD DISTANCE 33.74 feet to a point in the northern right of way of Vendue Range Dr.; thence along said right of way along the arc of a curve to the left, ARC DISTANCE 19.29 feet, RADIUS 300.00 feet, CHORD BEARING SOUTH 50 degrees 30 minutes 35 seconds WEST, CHORD DISTANCE 19.28 feet to the point and place of beginning, containing 0.51 acres more or less according to a survey dated September 8, 1992, prepared by A. L. Lewis, RLS, of MA Engineering Consultants Incorporated, and designated as "OPEN SPACE C" on a plat of "Charleston Park Subdivision, Phase I" recorded in Book of Maps 1992, Page 1141 of the Wake County Registry.

OPEN SPACE D

BEGINNING at a point at the intersection of the new southern right of way of Secondary Road No. 2215 with the western line of the PHASE I boundary and runs thence along the arc of a curve to the right, ARC DISTANCE 34.24 feet, RADIUS 25.00 feet, CHORD BEARING, SOUTH 63 degrees 14 minutes 46 seconds EAST, CHORD DISTANCE 31.62 feet to a point in the western right of way of Charleston Park Drive; thence along said right of way two courses as follows: SOUTH 24 degrees 00 minutes 53 seconds EAST 49.34 feet to a point; thence from said point, the beginning of a curve to the right, along the arc of said curve ARC DISTANCE 34.24 feet, RADIUS 25.00 feet, CHORD BEARING, SOUTH 15 degrees 13 minutes 00 seconds WEST, CHORD DISTANCE 31.62 feet along the northern right of way of

Beaufain St. and to the PHASE I boundary line; thence along a portion of said PHASE I boundary line, NORTH 24 degrees 00 minutes 53 seconds WEST 98.33 feet to the point and place of beginning containing 0.04 acres more or less according to a survey dated September 8, 1992, prepared by A. L. Lewis, RLS, of MA Engineering Consultants Incorporated, and designated as "OPEN SPACE D" on a plat of "Charleston Park Subdivision, Phase I" recorded in Book of Maps 1992, Page 1141 of the Wake County Registry.

SECTION 4. "Limited Common Area" shall mean those portions of the Common Area that serve only a limited number of below-defined Lots and which may include, but specifically is not limited to, driveways, drives, walkways, alleyways, parking areas, or other areas serving only specified below-defined Lots, and other similar areas as may be designated by a recorded subdivision map of all or any portion of the Properties or by the Association. Limited Common Area also shall include those parking areas and driveways constructed on below-defined Lots for the benefit of below-defined Owners of only specified below-defined Lots on which single-family attached residences are constructed.

SECTION 5. "Site Plan" shall mean the site plan for that residential subdivision known as Charleston Park, located southeast of Buffaloe Road in Raleigh, North Carolina ("Charleston Park"), said site plan having been submitted by the Declarant to, and approved by, the City of Raleigh and is on file in the City Planning Department as S-40-92.

SECTION 6. "Lot(s)" shall mean and refer to, singularly or plural as context requires, any plot of land with delineated boundary lines shown on any recorded map of all or any portion of

the Properties, with the exception of public rights-of-way and Common Area (i.e., including Private Streets and Limited Common Area). Any said plot of land may have constructed on it per designation, the designation of which is not changed before improvements are constructed thereon, either a detached single-family residence or a single family residence attached to one (1) or more single family residences on any other Lot.

SECTION 7. "Member(s)" shall mean and refer to, singularly or plural as context requires, every below-defined Person who holds membership in the Association, as further described in Article III of this Declaration.

SECTION 8. "Class A Member(s)" shall have that definition stated in Article IV, Section 1(a) of this Declaration.

SECTION 9. "Class B Member(s)" shall have that definition stated in Article IV, Section 1(b) of this Declaration.

SECTION 10. "Owner(s)" shall mean and refer to, singularly or plural as context requires, the record owner, whether one (1) or more below-defined Persons, of a fee simple title to or undivided fee interest in any Lot, including contract sellers, but excluding those having such interest merely as contract purchasers or as security for the performance of an obligation.

SECTION 11. "Declarant" shall mean and refer to H.C. INVESTMENT GROUP, a North Carolina General Partnership, its successors and assigns to whom the rights of the Declarant are expressly transferred; who acquire undeveloped area or undeveloped acreage of the Properties for the purpose of development (as

opposed to construction of the initial homes thereon); or who acquire title to the Declarant's interest in the Properties under a deed in lieu of foreclosure, judicial foreclosure, or foreclosure under power of sale contained in any deed of trust. The rights of the Declarant may be assigned or transferred in whole or in part, and subject to such terms and conditions as the Declarant may impose, by a written declaration recorded in the Wake County Registry.

SECTION 12. "Amenities" shall mean the facilities constructed, erected, or installed on the Common Area for the use, benefit, and enjoyment of Members.

SECTION 13. "Person(s)" shall mean and refer to, singularly or plural as context requires, any individual, corporation, partnership, association, trustee, or other legal entity.

SECTION 14. "Board of Directors" shall mean the Association's Board of Directors.

ARTICLE II

ANNEXATION OF ADDITIONAL PROPERTIES

SECTION 1. Annexation of Property. Pursuant to the procedures as hereinafter required, additional lands may be added and annexed to the Properties and brought within the scheme of this Declaration and the jurisdiction of the Association only as provided in this Declaration and after said annexations have been reviewed and approved by the City of Raleigh as required, and have satisfied all size restrictions and limitations required, by the Raleigh City Code at the time of said annexation.

SECTION 2. Annexation by Members. Except as provided in Section 3 of this Article and together with the requirements of Section 1 of this Article and Article XII, Section 6 of the Declaration, additional lands may be added and annexed to the Properties and brought within the scheme of this Declaration and the jurisdiction of the Association only if both two-thirds (2/3) of all the votes entitled to be cast by Class A Members and two-thirds (2/3) of all the votes entitled to be cast by Class B Members, if any, are cast in favor of annexation. A meeting shall be duly called for this purpose, written notice of which shall be sent to all Members, setting forth the time, place, and purpose of the meeting, not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

For the purpose of such meeting, the presence thereat of Members or proxies entitled to cast sixty percent (60%) of the votes of the Class A Members and sixty percent (60%) of the Class B Members, if any, shall constitute a quorum. If the required quorum is not present at any meeting, another meeting may be called within sixty (60) days thereafter, subject to the notice requirement set forth above, and the required quorum of such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting.

If a quorum is present and the majority of the votes are cast in favor of the annexation, but the majority is less than the two-thirds (2/3) majority either of said Class A or of the Class B votes, or both, and if it appears that the required two-thirds

(2/3) majority of said class(es) may be achieved if the Members not present or voting by proxy assent to the annexation, the Members not present or voting by proxy may assent or dissent from the proposed annexation in writing within 120 days following the date of the meeting at which the vote was taken. Each Member so assenting or dissenting shall be deemed to have cast, respectively, the vote to which the Member is entitled under Article IV of this Declaration either in favor of or against the annexation, as the case may be. 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) of all votes entitled to be cast by the Class A Members and two-thirds (2/3) of all votes entitled to be cast by the Class B Members, the annexation shall stand approved, and the additional land shall be deemed annexed to the Properties on the date of recordation of a declaration of annexation duly executed by appropriate officers of the Association, containing a recital of the approval of the Members, describing the lands annexed, and incorporating the provisions of this Declaration, as it may be amended from time to time, either by reference or by fully setting out said provisions therein, at the Wake County Register of Deeds Office together with recitation of the consent as required by the City of Raleigh as provided in Section 1 of this Article II and by the Federal Housing Administration and the Veterans' Administration as provided in Article XII, Section 6 of this Declaration. Said declaration of annexation shall extend the

scheme of this Declaration and the jurisdiction of the Association to such annexed property and thereby subject said annexed property to the benefits, restrictions, and obligations of this Declaration, as it may be amended from time to time, including but not limited to assessments and payment of the Association's expenses.

SECTION 3. Annexation by Declarant. The Declarant may annex additional lands to the Properties and bring said lands within the scheme of this Declaration and the jurisdiction of the Association in the following manner:

(a) If, within ten (10) years of the date of incorporation of the Association, the Declarant should develop, from time to time in future stages of development, additional lands within the boundaries shown on the Site Plan, the boundaries of which are described on Exhibit A attached hereto, such additional lands may be annexed to the Properties without the assent of the Association and/or any Members. Detailed plans for the development of the additional lands described in this paragraph may be submitted prior to such development to the City of Raleigh if such submission is required by ordinances of the City of Raleigh and to the Federal Housing Administration and Veterans' Administration if such submission is required to evidence accord with the general plan heretofore approved by them. Declarant may remove all or any property from the Exhibit A description prior to its annexation by filing a written declaration of removal in the Wake County Public Registry.

(b) If, within ten (10) years of the date of incorporation of the Association, the Declarant should develop, from time to time, an additional tract or additional tracts of land consisting of any property outside of the boundaries of the Site Plan, such additional lands shall be annexed to the Properties only with the assent of the Declarant and two-thirds (2/3) of the Class A and Class B Members pursuant to meeting and other procedural methodology described in Section 2 of this Article II (the same being incorporated hereby by reference), provided, however, that such annexation shall be approved by the City of Raleigh if such approval is required by ordinances of the City of Raleigh and, provided further, that, unless otherwise agreed by the assent of two-thirds (2/3) of the Class A and Class B Members, the development of the additional lands described in this subsection (b) of this Section 3 shall include Amenities at least equivalent in replacement cost (computed at the time that construction of the additional Amenities is commenced and in proportion to the number of dwelling units being served or intended to be served) to those constructed on the Properties. It is understood, however, that the Amenities which have been planned pursuant to the Site Plan for inclusion at the Properties (as annexation thereto may be made pursuant to subsection (a) of this Section 3) are intended for the use of the occupants of one hundred forty-three (143) dwellings. Notwithstanding any provision in this Declaration to the contrary, if less than one hundred forty-three (143) dwelling units are constructed within the boundaries shown in the Site Plan, no

additional Amenities shall be required on account of the annexation of additional property outside the boundaries shown on the Site Plan until the number of dwelling units at the Properties and intended to be annexed outside said boundaries shown on the Site Plan exceeds one hundred forty-three (143).

(c) The Declarant may annex to the Properties the additional lands described in subsection (a) of this Section 3 by recording in the Wake County Register of Deeds Office a declaration of annexation, duly executed by the Declarant, describing the lands annexed and incorporating the provisions of this Declaration, as it may be amended from time to time, either by reference or by fully setting out said provisions therein. The Declarant may annex to the Properties the additional lands described in subsection (b) of this Section 3 by recording in the Wake County Register of Deeds Office a declaration of annexation, duly executed by the Declarant, describing the lands annexed, incorporating the provision of this Declaration, as it may be amended from time to time, either by reference or by fully setting out said provisions therein, recitation of the action on the part of the Association as necessary as provided in subsection (b) of this Section 3 to approve the annexation together with recitation of the consent as required in Article XII, Section 6 of this Declaration and by the City of Raleigh as provided in Section 1 of this Article. The additional land shall be deemed annexed to the Properties on the date of recordation of the aforedescribed applicable declaration of annexation at the Wake County Register of Deeds Office, and said

declaration of annexation shall extend the scheme of this Declaration and the jurisdiction of the Association to such annexed property and thereby subject said annexed property to the benefits, restrictions, and obligations of this Declaration, as it may be amended from time to time, including but not limited to assessments and payment of the Association's expenses.

SECTION 4. Transfer of Common Area in Newly Annexed Lands. Subsequent to recordation of any subsequent declaration of annexation by the Declarant or by any other landowner and prior to the conveyance of the first Lot within said newly annexed lands, the Declarant or said other landowner requesting the annexation shall deliver to the Association one or more deeds conveying title to any Common Area within the lands annexed in accordance with Article V, Section 3 of this Declaration.

SECTION 5. Additional Covenants and Assessments for Newly Annexed Lands. The Declarant or any other landowner annexing land to the Properties may bind the newly annexed lands to covenants applicable to the newly annexed lands in addition to those stated in this Declaration. Said additional covenants applicable to the newly annexed lands may include, without limitation, designation of Common Area and/or Limited Common Area, and the establishment of assessments in addition to those stated in this Declaration for the maintenance of said designated Common Area and/or Limited Common Area in the newly annexed lands, which said assessments for the newly designated Common Area and/or Limited Common Area may be governed by Article VI of this Declaration, notwithstanding the

maximum assessment rate specified in Article VI, Section 3(a) of this Declaration.

ARTICLE III

MEMBERSHIP

Every Person who is an Owner of any Lot which is subject by covenants of record to assessment by the Association shall be a member of the Association. Ownership (which, as used in this Declaration, means record owners of any fee or undivided fee interest, including contract sellers but excluding Persons having an interest merely as contract purchasers or as security for the performance of an obligation) of such interest shall be the sole qualification for such membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. The Board of Directors may make reasonable rules regarding proof of said ownership.

ARTICLE IV

VOTING RIGHTS

SECTION 1. The Association shall have two (2) classes of voting membership, which voting rights of the membership shall be appurtenant to ownership of the Lots:

(a) Class A. Class A Members shall be all Owners, other than the Declarant; however, the Declarant shall be a Class A Member to the extent provided in subsection (b) of this Section 1. Each Class A Member shall be entitled to one (1) vote for each Lot owned by said Class A Member. When more than one (1) Person has an ownership interest in any Lot, all such Persons shall be Members,

and the vote for such Lot shall be cast as the Owners thereof 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.

(b) Class B. Class B Member(s) shall be the Declarant, and the Class B Member(s) shall be entitled to three (3) votes for each Lot in which the Class B Member(s) has an 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 earlier:

(1) When the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership; provided, however, that the Class B membership shall be reinstated with all rights, privileges, and responsibilities, if, after conversion of the Class B membership to Class A membership as herein provided, additional lands are annexed to the Properties by the Declarant in the manner provided in Article II of this Declaration, it being hereby stipulated that the conversion and reconversion shall occur automatically as often as the foregoing facts shall occur, or

(2) Ten (10) years from the date of incorporation of the Association.

SECTION 2. The right of any Member to vote may be suspended by the Board of Directors for just cause pursuant to its

rules and regulations and according to the provisions of Article V, Section 1(c) of this Declaration.

SECTION 3. If the Owner of any home on a Lot does not occupy that residence as such Owner's own personal living quarters or if any Lot is leased for rental purposes to any tenant(s), then, in such event, the vote of said Owners of said Lots shall not be entitled to any weight greater than forty-nine percent (49%) on any matter before the Association other than annexation or amendment of this Declaration.

ARTICLE V

PROPERTY RIGHTS

SECTION 1. Owners' Easements of Enjoyment. Every Owner shall have a right to and easement of enjoyment in and to the Common Area (excluding Limited Common Area) and the Limited Common Area designated to serve said Owner, and a right of access, ingress, egress, and regress over and through the Common Area (excluding Limited Common Area) and the Limited Common Area designated to serve said Owner, which shall be appurtenant to and shall pass with the title to every Lot, subject to each of the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area and to limit the use of said facilities to Owners, their families, or tenants (as the case may be) who reside at the Properties, and Association-authorized guests;

(b) The right of the Association, in accordance with its Articles and Bylaws, to borrow money and in aid thereof to pledge, mortgage, convey by deed of trust, or hypothecate the Common Area, or any portion thereof, and the rights of such mortgagee or trustee or beneficiary of such deed of trust in said Common Area shall be subordinate to the rights of the Owners; provided, however, that the execution of such mortgage or deed of trust shall require the same approval of the membership which is required for special assessments for capital improvements of Common Area (excluding Limited Common Area) as set forth in Article VI Section 4 of this Declaration;

(c) The right of the Association to suspend the voting rights and right to the use of any recreational facilities situated upon the Common Area by an Owner or any authorized Person to whom the Owner's right of enjoyment has been designated for any period during which any assessment against such Owner's Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of the Association's published rules and regulations;

(d) The right of the Association to dedicate or transfer all or any part of the Common Area (i.e., including Limited 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, provided, however, that no conveyance of the Limited Common Area to any public agency, authority, or utility shall deprive any Member, otherwise entitled, of the full use thereof. No such dedication or transfer shall be effective unless approved by Members entitled to

cast two-thirds (2/3) of the votes of the Class A Members and two-thirds (2/3) of the Class B Members, if any, and 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 of the vote. The instrument effecting such dedication, transfer, or conveyance shall be sufficient if it is executed by appropriate officers of the Association, and contains a recital of the approval of the Members. Notwithstanding the foregoing, nothing in this subsection (d) shall preclude the Board of Directors from granting easements to public authorities or others for the installation and maintenance of sewerage, utilities, and drainage on, over, under, across, and/or in the Common Area (i.e., including Limited Common Area) without the assent of the Members when, in the sole opinion of the Board of Directors, such easements do not interfere with the use and enjoyment of the Properties or are necessary for the convenient use and enjoyment of the Properties;

(e) The right of designated Members to the exclusive use of parking spaces or Limited Common Area as provided in this Declaration; and

(f) The right of the Association to formulate, amend, publish and enforce rules and regulations as provided in Article IX of this Declaration.

SECTION 2. Provided the Association's secretary receives notice of the below-mentioned use:

(a) Family. The right and easement of enjoyment granted to every Owner in Section 1 of this Article V may be exercised by

members of said Owner's family who occupy an Owner's Lot as a principal residence.

(b) Tenants or Contract Purchasers. The right and easement of enjoyment granted to every Owner in Section 1 of this Article V may be delegated by an Owner to such Owner's tenants or contract purchasers of such Owner's Lot who occupy said Lot as a principal residence.

(c) Guests. Amenities may be used by guests of Owners and the families, tenants, and contract purchasers described in the above subsection 2(a) and 2(b) subject to all rules and regulations governing said use as may be established by the Association or the Board of Directors.

SECTION 3. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey to the Association prior to the conveyance of the first Lot, and any landowner requesting annexation of land to the Properties pursuant to Article II, Section 2 of this Declaration shall convey to the Association prior to the conveyance of the first Lot in the newly annexed lands, fee simple title to the Common Area (i.e., including the Limited Common Area) shown on any map of the Properties recorded by the Declarant at the Wake County Registry, or the newly annexed lands, as the case may be, free and clear of all encumbrances and liens except utility easements; drainage, ditch, slope, and swale easements; easements as shown on any said map; easements to governmental authorities; public street right of ways; this Declaration as it may be amended from time to time; and additional covenants and assessments as permitted by Article II,

Section 5 of this Declaration. Similarly, the Declarant will convey to the Association Common Area (i.e., including Limited Common Area) on land as it is annexed to the Properties by the Declarant.

SECTION 4. Parking Rights. Unless an Owner is authorized to use Limited Common Area for parking purposes, adequate and sightly off-street parking shall be provided by each Owner on such Owner's Lot(s) for the parking of automobiles and other vehicles owned or controlled by such Owner, Owner's tenants and contract Lot purchasers, and members of such Owner's family at such Lot(s). No trucks, mobile homes, recreation vehicles, vans, tractors, commercial vehicles, trailers, boats, boat trailers, or campers may be stored or parked upon any Lot overnight, except in garages or otherwise concealed from view from all other Lots, streets, and other portions of the Properties; and no such vehicles, property, or automobiles may be parked on any Private Streets, except automobiles, vans, and other Association-authorized vehicles may be parked in designated parking areas on the Private Streets. Members, their tenants, contract Lot purchasers, family, and guests are prohibited from parking boats and trailers within the right-of-way of any public streets within Charleston Park. The Board of Directors may reasonably regulate the parking of boats, trailers, and other vehicles on the Properties (including the provision of special facilities for which a reasonable charge may be made), and, in its sole discretion, may refuse to allow parking of boats and recreational vehicles at the Properties, and otherwise may amend

and vary the requirements stated in this Section 4, without the Members' consent (other than the Declarant), provided that said regulations do not deprive any Owner, otherwise entitled, to the full use and enjoyment of the Limited Common Area. Ownership of any Lot entitled to share parking space on Limited Common Area (excluding Private Streets) shall entitle the Owners thereof (or, if applicable, the family, tenants, or contract purchasers of said Owners' who reside at said Owners' Lots) to the use of two (2) automobile parking spaces thereon, which shall be assigned initially to said Owners by the Declarant; the Board of Directors shall have the authority, acting in its sole discretion, to reassign said parking spaces from time to time, as it may determine is in the best interest of said Owners. The Board of Directors may designate parking spaces for the exclusive use of visitors to the Properties, and said parking spaces shall not be used by any Owner for the parking of vehicles of the Owners or the family, tenants, or contract purchasers of the Owners who reside at the Owners' Lots, but may be used by visitors thereof for a period not to exceed one (1) week.

ARTICLE VI

COVENANT FOR ASSESSMENTS

SECTION 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned by Declarant, hereby covenants, and every Owner by acceptance of a deed or other conveyance of any Lot, whether or not it shall be so expressed in

any such deed or other conveyance, is deemed to covenant and agree to pay to the Association:

(a) Annual assessments or charges; and

(b) Special assessments for capital improvements.

Such assessments shall be established and collected from time to time as hereinafter provided.

All costs relating to Common Area, other than Limited Common Area and as provided pursuant to Article II, Section 5 of this Declaration, and all costs relating to maintenance of front yards of Lots as required of the Association pursuant to Article VIII, Section 2 of this Declaration shall be payable as assessments and shall be shared by the Owners with the Owner(s) of each Lot being liable for that portion thereof calculated by multiplying said costs by a fraction with a numerator of the number of Lots owned by said Owner(s) and a denominator of the number of Lots. All costs which are for the maintenance and improvement of living fences on the Lot boundaries as required of the Association pursuant to Article VIII, Section 2 of this Declaration, all costs which are for the maintenance and improvement of Limited Common Area, and all costs designated to be paid by particular Owners in any annexation to the Properties pursuant to Article II, Section 5 of this Declaration shall be payable as assessments and shall be shared by the Owners of Lots with the applicable boundaries (in the case of living fences), of Lots served thereby (in the case of Limited Common Area), or of Lots of designated Owners (in the case of an applicable covenant pertaining to lands annexed to the Properties),

with the Owner(s) of each said Lot being liable for that portion thereof calculated by multiplying said costs by a fraction with a numerator of the number of said Lots owned by said Owner(s) and a denominator of the number of said applicable Lots. Notwithstanding the foregoing provisions of this paragraph, the maximum amount of annual and special assessments shall be as provided in this Article VI, together with any assessments provided pursuant to Article II, Section 5 of this Declaration.

The annual and special assessments, together with interest thereon, the below-described late charge, and costs of collections including without exclusion reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot and improvements against which each such assessment is made. Each such assessment, together with such interest, late charge, costs, and attorneys' fees, also shall be the personal obligation of every Person who was the Owner of the Lot at the time the assessment fell due. The personal obligation of an Owner for delinquent assessments shall not pass to or become payable by said Owner's successors in title unless expressly assumed by them.

SECTION 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for promoting the recreation, health, safety, and welfare of the residents of the Properties; enforcing this Declaration and the rules of the Association; improving, repairing, maintaining, reconstructing, and restoring the Common Area and, as the Association and the Board of Directors are permitted by Article VIII of this Declaration, the

Lots and the homes situated thereon; acquiring, improving, maintaining, and providing the services and facilities for purposes of and related to the use and enjoyment of the Common Area and facilities, including but not limited to use, enjoyment, repair, maintenance, and reconstruction of a pool facility and other Amenities, including additions thereto, and the cost of labor, equipment, materials, management, and supervision thereof; payment of costs of procurement and maintenance of hazard and liability insurance for and payment of taxes and public assessments levied against and payment of governmental water, sewage disposal, and utility charges for the Common Area and other property of the Association; the procurement and maintenance of liability insurance as to its rights and services to be provided on the Lots pursuant to Article VIII of this Declaration; employment of attorneys to represent the Association when necessary; and such other needs as may arise from time to time in provision of the Association's services and deemed necessary or reasonable by the Board of Directors. Expenditures by the Association for the maintenance of front yards of Lots and the maintenance and pruning any living fences at the rear boundary lines of the Lots shall be deemed expenditures for the recreation, health, safety, and welfare of the residents of the Properties and hereby are authorized.

SECTION 3. Amount of Annual Assessment.

(a) Maximum Annual Assessment. Except as otherwise provided pursuant to Article II, Section 5 of this Declaration, the maximum annual assessment, to and including December 31, 1992, shall be

$300.00 for each Lot, the exact amount of which shall be determined from time to time as provided in subsections (d) and (e) of this Section 3.

(b) Increase by Association. From and after December 31, 1992, the maximum annual assessment may be increased effective January 1 of each year by the Board of Directors, without a vote of the Association's membership, by a percentage which may not exceed the percentage increase reflected in the U.S. City Average, Consumer Price Index--United States and Selected Areas for Urban Wage Earners and Clerical Workers, All Items Most Recent Index and Percentage Changes from Selected Dates (published by the U.S. Bureau of Labor Statistics, Washington, D.C.), or such other Index as may succeed said Consumer Price Index, or, if none, such other index as may be published by the U.S. Bureau of Labor Statistics, or any successor or similar governmental agency as may then exist and/or such index as may, in the Board of Directors' discretion, be most nearly equivalent thereto, for the twelve-month period immediately preceding July 1 of the year immediately preceding the effective date of the assessment increase hereunder. However, in no event shall such increase as provided by this subsection (b) be greater than twelve percent (12%) in any one (1) year.

(c) Increase by Members. From and after December 31, 1992, the maximum annual assessment may be increased by a percentage greater than that established by said Consumer Price Index formula:

(1) For costs relating to Common Area (other than Limited Common Area and costs designated to be paid by particular owners in any annexation pursuant to Article II, Section 5 of this Declaration) and for all costs relating to maintenance of front yards of Lots as required of the Association pursuant to Article VIII, Section 2 of this Declaration, by an affirmative vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting duly called and convened for such purpose, written notice of which, setting forth the purpose of the meeting, having been sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting; and

(2) For all costs relating to the maintenance and improvement of living fences on the Lot boundaries as required of the Association pursuant to Article VIII, Section 2 of this Declaration, for all costs relating to the maintenance and improvement of Limited Common Area, and for all costs designated to be paid by particular Owners in any annexation pursuant to Article II, Section 5 of this Declaration, by an affirmative vote of two-thirds (2/3) of the votes of the Members who will be liable for payment thereof who are voting in person or by proxy, at a meeting of said Members

duly called and convened for this purpose, written notice of which, setting forth the purpose of the meeting, having been sent to all of said Members not less than thirty (30) nor more than sixty (60) days in advance of said meeting.

(d) Criteria for Establishing Annual Assessment. The Board of Directors may fix the annual assessment. In establishing the annual assessment for any assessment year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts, and reserves for future needs, but it may not fix the annual assessment in an amount in excess of the sums specified in this Section 3, including those derived by application of the Consumer Price Index formula provided in subsection (b) of this Section 3.

(e) Lots Owned by Declarant or Initial General Contractor. Notwithstanding anything in this Article VI to the contrary, all Lots owned by the Declarant or a general contractor engaged in the construction of (or having constructed) the first home thereon and held for sale and not being rented shall be assessed annually at an amount equal to twenty-five percent (25%) of the actual per Lot annual assessments.

SECTION 4. Levy of 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 costs of construction,

reconstruction, repair, or replacement of any designated capital improvement upon:

(a) the Common Area, including the fixtures and personal property related thereto but excluding Limited Common Area and lands annexed to the Properties, the costs of maintenance and improvement of which are to be paid by particular Owners pursuant to Article II, Section 5 of this Declaration, and front yards of Lots, provided that 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 and convened for this purpose, written notice of which, setting forth the purpose of the meeting, shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting; and

(b) the Limited Common Area, including the fixtures and personal property related thereto, living fences at rear Lot boundaries, and lands annexed to the Properties, the costs of maintenance and improvement of which are to be paid by particular Owners pursuant to Article II, Section 5 of this Declaration, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the Members who will be liable for payment thereof who are voting in person or by proxy at a meeting of said Members duly called and convened for this purpose, written notice of which, setting forth the

purpose of the meeting, shall be sent to all of said Members not less than thirty (30) days nor more than sixty (60) days in advance of said meeting.

Notwithstanding anything in this Article VI to the contrary, all Lots owned by the Declarant or a general contractor engaged in the construction of (or having constructed) the first home thereon and held for sale and not being rented shall be assessed at an amount equal to twenty-five percent (25%) of the actual per Lot special assessments.

SECTION 5. Quorum for Any Action Authorized Under Sections 3 and 4. At the first meeting called, as provided in Sections 3 and 4 hereof, the presence at the meeting of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of Members potentially subject to the applicable assessment shall constitute a quorum. If the required quorum is not present at any meeting, another meeting may be called subject to the notice requirement set forth in Sections 3 and 4, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 6. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein may be collected in equal installments or on an annual basis, as determined in the Board of Directors' discretion; and the payment of such shall

commence as to each Lot on the first day of the month following the recordation of this Declaration. 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 within fifteen (15) days thereafter. The due dates of annual and special assessments shall be established by the Board of Directors. The Association, upon demand at any time and for a reasonable charge, shall 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 properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

SECTION 7. Effect of Non-payment of Assessments: Remedies of the Association. Any assessments or portion thereof which are not paid when due shall be delinquent. If the assessment or portion thereof is not paid within thirty (30) days after the due date, the same shall bear interest from the date of delinquency at the lesser of the rate of twelve percent (12%) per annum or the maximum interest rate legally permitted to be charged under the laws of the State of North Carolina at the time of such delinquency. In addition to that interest charge, the delinquent Owner also shall pay such reasonable late charge as the Board of Directors theretofore may have established to defray the costs of

late payment. The Association may bring an action against the Owner personally obligated to pay the same, or foreclose the lien against the property, and, in either event, interest, late payment fee, attorneys' fees, and costs 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 herein by non-use of the Common Area or abandonment of his, her, or its Lot(s).

SECTION 8. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of assessments provided for herein on any Lot shall be subordinate to the lien of any first mortgage, any first deed of trust, and ad valorem taxes on such Lot. Sale or transfer of any Lot shall not affect the assessment lien; however, the sale or transfer of any Lot pursuant to mortgage or deed of trust foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage(s), deed(s) of trust, and ad valorem taxes on such Lot.

SECTION 9. Exempt Property. Any portion of the Properties dedicated to, and accepted by, a local public authority and any portion of the Properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein; however, no said land or improvements devoted to dwelling use shall

be exempt from said assessments, and no exemption hereunder as to any Lot shall deprive the Owner(s) of said Lot from membership in the Association.

ARTICLE VII

ARCHITECTURAL CONTROL AND INSPECTION

No site preparation or initial construction, erection, or installation of any improvements, including, but not limited to, residences, buildings, outbuildings, fences, walls, signs, antennas, aerials, awnings, clotheslines, and other structures, and the placement of reflective or printed material in the windows of the residences on the Lots, shall be undertaken, commenced, or maintained upon the Properties unless the plans and specifications therefor, showing the nature, kind, shape, height, colors, materials, and location of the proposed improvements shall have been submitted to the Declarant or its agent and expressly approved in writing as to harmony of external design and location in relation to surrounding structures and topography. No subsequent alteration or modification of any existing improvements nor construction, erection, or installation of additional improvements may be undertaken, commenced, or maintained on any of the Properties without the prior review of plans and specifications as described above and express written approval of the Board of Directors or by an architectural committee composed of three (3) or more representatives appointed by the Board of Directors as to harmony and location as described above.

In the event that the Declarant, the Association, or said architectural committee, as the case may be, fails to approve or disapprove the site or design of any proposed improvements within thirty (30) days after said plans and specifications therefor have been submitted and received, approval will not be required, and the approval requirements contained in this Article will be deemed to have been fully met as to said plans and specifications submitted; provided that the plans and specifications required to be submitted shall not be deemed to have been received by the Declarant or the Association if they contain erroneous data or fail to present adequate information upon which the Declarant or the Association, as the case may be, can arrive at a decision. The Association shall have the right to charge all Members, other than the Declarant and any general contractors who are constructing (or who have constructed) the first home on any Lot and who are not then using said home as their principal residence, a reasonable fee for receiving each application not to exceed $25.00. Neither the Declarant, the Board of Directors, nor the architectural committee shall approve any preparation, construction, erection, installation, alteration, or modification which would jeopardize or impair the soundness, safety, or appearance of any Lot or the Common Area, and said approved work shall be performed in a good and workmanlike manner, utilizing approved methods and good quality materials. Nothing in this Declaration shall be construed to permit interference with the development of the Properties by the Declarant in accordance with its general plan of development.

The Declarant and/or the Association shall have the right, at their election, to enter upon any of the Properties during site preparation or construction, erection, installation, alteration, or modification of improvements to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plans and specifications and in a good and workmanlike manner, utilizing approved methods and good quality materials.

ARTICLE VIII

EXTERIOR MAINTENANCE

SECTION 1. The maintenance of Lots and improvements constructed thereon shall be the duty of the Owners of such Lots (except where specifically provided otherwise in this Declaration as it may be amended from time to time) and normally shall not be interfered with by the Association or any Person. If, however, in the reasonable opinion of the Association any Owner shall fail to maintain any Lot owned by him, her, or it (other than those portions of the yard and living fences to be maintained by the Association as described in Section 2 of this Article VIII) in a manner which is neat and orderly or shall fail to keep the exteriors of improvements constructed thereon in a state of repair and maintenance so as not to be unsightly, the Board of Directors, in its discretion, and following ten (10) days written notice to the Owner, shall have the right, through its agents and employees, to enter upon and make or cause to be made repairs and maintenance, replacement, or restoration to the exteriors of such improvements

and perform such repair and maintenance, replacement, or restoration on the Lot as painting, repairing and maintaining gutters and exterior building surfaces (including patios, walks, roofs, and exterior glass), removing garbage and trash, cutting grass (and other vegetation), pruning shrubbery and trees, seeding, and performing measures of erosion control. The Association hereby has an easement in, across, on, under, and over the Properties (i.e., including the Lots) for the purpose of accomplishing the foregoing. The cost incurred by the Association in rendering all such services, plus a service charge of fifteen percent (15%) of such cost, shall be added to and become a part of such other assessments against the Owner and to which such Lot is subject, payment and remedies as to such assessment being as are contained in Article VI of this Declaration.

SECTION 2. The maintenance and pruning of all living fences at backyard Lot boundaries, the maintenance of the front yards of all Lots, and the maintenance and operation of the Common Area (i.e., including Limited Common Area and Private Streets), shall be the responsibility of the Association. The Association hereby has an easement across, on, under, and over the Properties for the purpose of accomplishing the foregoing.

SECTION 3. If the need for maintenance, repair, or replacement of any property (the maintenance of which is the Association's responsibility) is caused through the willful or negligent act or omission of an Owner or the Owner's family, tenant(s), contract purchaser(s), contractors, employees, or

invitees, the cost of such maintenance, replacement, or repairs incurred by the Association shall be added to and become a part of the assessment of said Owner's Lot unless some other apportionment is required by law.

ARTICLE IX

USE RESTRICTIONS

SECTION 1. Rules and Regulations. The Board of Directors shall have the power to formulate, amend, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Area and external appearance of the Lots. 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 convenient to the Owners and available to them for inspection during normal business hours.

SECTION 2. Use of Property. Each Lot, the Common Area (i.e., including Limited Common Area and Private Streets), and Amenities shall be for the following uses and subject to the following restrictions, in addition to those contained in the Bylaws of the Association:

(a) All Lots shall be used for residential purposes only, and only one (1) family may occupy a Lot as a principal residence at any one time; however, notwithstanding the foregoing, the Declarant and, with the Declarant's consent, any general contractor may maintain any and all sales offices, home models, and construction offices on one (1) or more Lots until all Lots shown on maps of the

Properties recorded by Declarant at the Wake County Registry have been sold to buyers other than those general contractors who do not reside on the Properties.

(b) No animals, livestock, or poultry shall be kept or maintained on any Lot or in any dwelling on any Lot except that dogs, cats, or other household pets may be so kept or maintained provided they are not kept or maintained for commercial purposes.

(c) No structure of a temporary nature, other than sales offices or construction offices as permitted by subsection (a) of this Section 2, shall be erected or allowed to remain on any Lot unless and until the Association, or its designated agent or representative, has granted permission therefor.

(d) The Common Area shall not be used in any manner except as shall be approved or specifically permitted by the Association.

(e) No drying or airing of any clothing or bedding, and no clothes-hanging devices such as lines, reels, poles, frames, etc., shall be permitted outdoors on any Lot.

(f) No signs or other advertising devices other than political yard signs applicable to current political campaigns shall be displayed in a manner visible from the exterior of any dwelling on any Lot or from the Common Area or Amenities without prior written permission of the Association. Notwithstanding the foregoing, Owners may post temporary "For Sale" signs on their Lots; and any general contractor, as to initial construction of homes on Lots, may post temporary "For Sale" signs advertising the offer of sale of the applicable Lot(s) on the Properties until such

time as all Lots have been sold to buyers other than general contractors who reside at the Properties.

(g) All trash and garbage shall be stored within the residence of each Owner or in clean, well-maintained, and sightly storage containers provided by the Owner; however, notwithstanding the foregoing, nothing herein contained shall prevent the compliance of the Owners with applicable public rules and regulations if public health authorities, or any other public agency, shall require a specific method of garbage disposal.

(h) No fences shall be permitted on the Lots other than the living fences maintained by the Association at the boundaries of each Lot and any fences constructed or installed pursuant to the Declarant's general plan of development.

(i) No immoral, improper, or unlawful use shall be made of the Properties, or any part thereof; and all valid laws, ordinances, and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations of all governmental agencies having jurisdiction thereof, relating to any portion of the Properties, shall be complied with, by and at the sole expense of the Owner or the Association, whichever shall have the obligation to maintain or repair such portion of the Properties.

(j) No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Area or facilities or as to exterior portions of any Lot(s) except at the

direction of or with the express written consent of the Declarant or the Association.

(k) No noxious or offensive activity shall be carried on upon the Properties or any dwelling thereon, nor shall anything be done thereon or therein which may be or may become a nuisance or annoyance to any residents at the Properties. Notwithstanding the foregoing, construction on the Properties shall not be deemed a nuisance or annoyance.

(l) The Association shall have those easements and access to Lots as are described in this Declaration.

(m) The Association has the power, right, and authority to require compliance with rules and regulations as established pursuant to this Declaration.

(n) All other restrictions shall be as contained in this Declaration, as it may be amended from time to time, and in the Association's Articles of Incorporation.

ARTICLE X

EASEMENTS

SECTION 1. Walks, Drives, Parking Areas, Utilities, Etc. All of the Properties, including Lots and Common Area (i.e., including Limited Common Area and Private Streets), shall be subject to such easements for installation and maintenance of driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, cable television lines, and other public utilities as shall be established prior to subjecting the Properties to this

Declaration by the Declarant or its predecessors in title; and the Association hereby has the power and authority to reserve, grant, and establish in, over, under, upon, and across the Common Area conveyed to it such further easements as are requisite for the convenient use and enjoyment of the Properties. Within any such easements above-mentioned, no structure, planting, or other material shall be placed or permitted to remain which may interfere with the installation of sewer disposal facilities and utilities, which may change the direction of flow or drainage channels in easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The Association and its agents and contractors hereby have the continuing right and easement to maintain all sewer and water lines located on the Properties, including the right to go into homes located on the Lots and disturb the structures and floors thereof in order to maintain those lines located within or under said homes; the Association and its agents and contractors hereby have the continuing right and easement to go onto the Lots and Common Area to maintain the front yards of the Lots and the living fences at the rear boundaries thereof without interference of any Owner or any Owner's property; and the Association and its agents and contractors hereby have the continuing right and easement in, on, over, under, and across the Properties for the purpose of repairing, maintaining, and reconstructing the Common Area and Amenities, and for access to Lots and the homes located thereon in the event of emergencies so as to prevent damage to said Lot or

other Lots. If ingress or egress to any Owner's residence is through the Common Area, any conveyance or encumbrance of such Common Area shall be subject to said ingress and egress easement of said Owner(s).

SECTION 2. Encroachments. All Lots and the Common Area (i.e., including Limited Common Area and Private Streets) shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots by the Declarant or its grantee general contractor to the extent that such initial improvements actually encroach, including, without limitations, such items as overhanging eaves, gutters, downspouts, exterior storage rooms, driveways, bay windows, steps, and walls. If any encroachment shall occur subsequent to subjecting the Properties to this Declaration as a result of settling or shifting of any building or as a result of any permissible repair, construction, reconstruction, or alteration, there is hereby created and shall be a valid easement for such encroachment and for the maintenance of the same. Every Lot shall be subject to an easement for entry and encroachment by the Declarant and/or Declarant's agent or grantee general contractor for a period not to exceed eighteen (18) months following conveyance of a Lot to an Owner for the purpose of correcting any problems that may arise regarding grading and drainage. The Declarant, and/or Declarant's agent or grantee general contractor, upon making entry for such purpose, shall restore the affected Lot or Lots to as near the original condition as practicable.

SECTION 3. Easement for Declarant and Its Grantee General Contractors. The Declarant, its successors and assigns, hereby reserves, and Declarant, its successors and assigns, and its grantee general contractors, shall have temporary easements for themselves, their agents, their independent contractors, and their employees over the Common Area (i.e., including Limited Common Area and Private Streets) and Lots for the purpose of constructing improvements, the Amenities, and the initial dwellings thereon, including completing the development of the Properties as approved by the City of Raleigh and warranty work related thereto, and selling the Lots and homes thereon.

SECTION 4. Easement and Right of Entry for Repair, Maintenance, and Reconstruction. If any dwelling is located closer than five (5) feet to a Lot line, the Owner thereof shall have a perpetual access easement over the Lot adjoining said Lot line to the extent reasonably necessary to perform repair, maintenance, or reconstruction of said dwelling. Such repair, maintenance, or reconstruction shall be done expeditiously and, upon completion of the work, the Owner shall restore said adjoining Lot to as near the same condition as that which prevailed prior to the commencement of the work as is reasonably practicable.

SECTION 5. Easement for Governmental Agencies. An easement is hereby established over the Properties for the benefit of applicable governmental agencies for the setting, removing, and reading of water meters; maintaining and replacing water, sewer,

facilities; fire fighting; law enforcement; garbage collection; and the delivering of mail.

SECTION 6. Private Streets and Limited Common Area. All Private Streets and Limited Common Area hereby are subject to an easement in favor of every Lot to which they are adjacent or which they are designated to serve, which easement hereby is deemed appurtenant to each such Lot, whereby the Owner of such Lot shall be entitled to use them as a means of ingress, egress, and regress, and other such uses as shall have been designated. Such easement shall be superior to every easement of whatever nature to which any of the Common Area may be subjected.

SECTION 7. Support Easement. Every portion of a Lot and each single-family attached townhouse constructed thereon and contributing to the support of an abutting townhouse shall be burdened with an easement of support for the benefit of such abutting townhouse.

SECTION 8. Greenway--City of Raleigh Approval. Notwithstanding any other provisions of this Declaration, the Association, Members, tenants of Members, Members' guests or invitees, and families and contract purchasers of Members shall not, within any portion of the Common Area which is a greenway area of the City of Raleigh on any portion of the Properties, without the prior written consent of the City of Raleigh:

(a) Grant easements of any nature except utility easements serving the Common Area or any Lots;

(b) Remove any trees or vegetation;

(c) Erect gates, fences, or other structures;

(d) Place any garbage receptacles;

(e) Fill or excavate; and/or

(f) Plant vegetation or otherwise restrict or interfere with the use, maintenance, and preservation of said greenway in its natural state, including, without limitation, for recreational pursuits such as walking, bicycling, and other similar activities by the general public.

It is understood and agreed that, within any said greenway, the City of Raleigh may erect trails, erect trail markers, place litter receptacles and other convenience facilities, and adopt and amend regulations concerning the use of any said greenway (including without limitation hours of operations), which shall be equally applicable to the general public and the Owners. The Association and Owners may adopt such other regulations governing the use of any said greenway not inconsistent with those adopted by the City of Raleigh, and the Association and/or Owners may enter into such agreements with the City of Raleigh as is deemed appropriate to insure the maintenance and upkeep of any said greenway in its natural state, free of litter and unsightly debris.

SECTION 9. Reservation of Right to Grant Utility Easements over Lots. The Declarant hereby reserves the power and right to grant easements to utility companies over any and every Lot for installation, operation, maintenance, and other usual purposes of utilities and utility companies.

ARTICLE XI

RIGHTS OF INSTITUTIONAL LENDERS

SECTION 1. Amendments. Except as to amendments pursuant to Article XII, Section 4(b), the prior written approval of each institutional holder of a first mortgage or deed of trust on any Lot(s) will be required for any material amendment to this Declaration or to the Bylaws of the Association.

SECTION 2. Professional Management. Professional management of the Association is selected by Declarant for the period during which Declarant maintains voting control of the Association. Whenever Declarant does not maintain said voting control, professional management of the Association shall be continued by the Owners. Self-management of the Association by the Owners is allowed only with the prior written consent of each institutional holder of a first mortgage or deed of trust on any Lot or property within Charleston Park.

SECTION 3. Inspection and Notice. Upon written request, any Owner and institutional holder of a first lien on a Lot will be entitled to:

(a) inspect the books and records of the Association during normal business hours; and

(b) receive an annual financial statement of the Association within ninety (90) days following the end of any fiscal year; and

(c) written notice of all meetings of the Association and be permitted to designate a representative to attend such meetings; and

(d) written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and

(e) written notice of any proposed action that requires the consent of a specified percentage of mortgage or deed of trust holders; and

(f) written notice of any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Lot on which it holds the mortgage or deed of trust.

SECTION 4. Condemnation or Default.

(a) If any Lot or portion thereof or the Common Area or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the institutional holder of any first mortgage or deed of trust on a Lot will be entitled to timely written notice of any such proceeding or proposed acquisition.

(b) The holder of a first mortgage or deed of trust on any Lot shall be given prompt notice of any default in the Lot mortgagor's obligations hereunder not cured within thirty (30) days of said default, provided that the holder shall have given notice to the Association that it is a holder as to the Lot of such mortgage or deed of trust and shall have requested the notice of default as herein set forth.

ARTICLE XII

GENERAL PROVISIONS

SECTION 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or 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. Severability. Invalidation of any of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

SECTION 3. Binding Effect. 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, each Owner, and 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, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years unless the Owners of at least seventy-five percent (75%) of the Lots execute an amendment terminating all or any portion of said covenants, conditions, and restrictions, in which event the covenants, conditions, and restrictions so terminated shall, upon compliance with Section 4 of this Article XII, be null and void.

SECTION 4.

(a) Amendment by Owners and Declarant, and by Board of Directors. The covenants, conditions, and restrictions of this Declaration may be amended during the first twenty (20) year period by an instrument signed by the Owners of not less than ninety percent (90%) of the Lots and by the Declarant, so long as the Declarant still owns any Lot, and thereafter by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots; provided, however, that the Board of Directors may amend this Declaration to correct any obvious error or inconsistency in drafting, typing, or reproduction without action or consent of the Owners, and such amendment shall be certified as an official act of the Board of Directors and recorded in the Wake County Registry. For purposes of this Section, additions to the Properties as provided in Article II, Sections 2 and 3 of this Declaration shall not be deemed an amendment.

(b) Amendment by Declarant. Notwithstanding any provision in this Declaration to the contrary, the Declarant, without the consent or approval of any other Owner, shall have the right to amend this Declaration to conform to the requirements of law, the City of Raleigh, or any governmental agency having legal jurisdiction over the Properties or to qualify the Properties or any Lots and any other properties and improvements for loans made by, guaranteed by, sponsored by, or insured by a governmental agency or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by, or under the

substantial control of the United States Government or the State of North Carolina, regarding purchase or sale of the Properties, any Lot(s), or other property and improvements, or mortgage or deed of trust interests therein, as well as any other law or regulation relating to the control of the Properties, including, without limitation, ecological controls, construction standards, aesthetics, and matters affecting the public health, safety, and general welfare. A letter from an official of any such corporation or agency, including, without limitation, the Veterans' Administration ("VA"), U.S. Department of Housing and Urban Development ("HUD"), the Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal National Mortgage Association, the City of Raleigh, or any agency of the State of North Carolina requiring an amendment as a condition of approval, or suggesting an amendment, shall be sufficient evidence of the requirement of such amendment by the VA, HUD, the City of Raleigh, and/or such corporation or agency.

(c) Procedure for Certification and Recordation of Amendment by Owners. Any instrument amending this Declaration (other than an amendment by the Board of Directors to correct an error or inconsistency of drafting, typing, or reproduction) shall be delivered, following execution by the assenting Owners, to the Board of Directors. Thereupon, the Board of Directors shall, within thirty (30) days after delivery, do the following:

(1) Reasonably assure itself that the amendment has been executed by the Owners of the required number

of Lots as provided in Section 3 or 4(a) 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 any Lot to be examined);

(2) Attach to the amendment a certification as to its validity, which certification shall be executed by the Association in the same manner that deeds are executed. The following form of certification is suggested:

CERTIFICATION OF VALIDITY OF AMENDMENT TO COVENANTS, CONDITIONS AND RESTRICTIONS OF CHARLESTON PARK

By authority of its Board of Directors, CHARLESTON PARK HOMEOWNERS ASSOCIATION hereby certifies that the foregoing instrument has been duly executed by the Owners of _____ percent of the Lots of CHARLESTON PARK and is therefore a valid amendment to the existing covenants, conditions and restrictions of CHARLESTON PARK.

This the _____ day of _____, 19__.

CHARLESTON PARK HOMEOWNERS ASSOCIATION

By:_____
President

ATTEST:

_____
Secretary

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

(d) Effective Date of Amendments. All amendments shall be effective from the date of 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 by this Section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to the Owners of all Lots.

(e) Raleigh City Attorney's Consent to Amendments. No amendment to this Declaration shall be effective without the consent of the Raleigh City Attorney or his deputy, provided, however, if the Raleigh City Attorney fails to approve or disapprove a proposed amendment within thirty (30) days after submission for consent, the proposed amendment(s) so submitted shall be deemed consented to by the Raleigh City Attorney.

SECTION 5. Gender. All masculine, feminine, and neuter references as used in this Declaration shall include all other genders as context requires.

SECTION 6. FHA/VA Approval. As long as there is Class B membership of the Association, the following actions will require the prior written approval of the Federal Housing Administration or the Veterans' Administration: annexation of additional Properties other than as provided in Article II, Section 3(a) of this Declaration, deeding of Common Area to any Person other than the Association, and amendment of this Declaration.

SECTION 7. Conflicts. In the event of any irreconcilable conflict between this Declaration and the Bylaws of the

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

SECTION 8. Exchange of Common Area for Other Portions of the Properties. Notwithstanding any provision herein to the contrary, it is expressly provided that, subject to the consent of the City of Raleigh Planning Director, the Association may convey to the Declarant, as well as any other Member, in exchange for other portions of the Properties conveyed by the Declarant or other Member, any portion of the Common Area theretofore conveyed to the Association as provided hereinafter.

The Association, acting through the Board of Directors, from time to time may exchange with any Member a portion of the Common Area for a portion of the real property owned by such Member within the Properties, provided that the real property acquired by the Association in the exchange:

(a) is free and clear of all encumbrances except Protective Covenants of Record, this Declaration as it may be amended from time to time, and easements for drainage, utilities, and sewers;

(b) is contiguous to other portions of the Common Area; and

(c) has approximately the same area and utility as the portion of the Common Area exchanged.

The real property so acquired by the Association shall be a part of the Common Area, and, without further act of the

Association or its membership, shall be released from any provisions of this Declaration as it may be amended from time to time, except those applicable to the Common Area. The portion of the Common Area so acquired by the Member, without further act of the Association and its membership, shall cease to be Common Area and shall be subject to those provisions of this Declaration as it may be amended from time to time that were applicable to the real property conveyed to the Association by the Member.

Upon such conveyance, the area thus conveyed to the Association shall become Common Area and subject to the provisions of this Declaration as it may be amended from time to time relating to the Common Area.

SECTION 9. Notices to New Owners. The notice periods contained in this Declaration shall not apply to those who have been Owners for less than the applicable days preceding the event for which notice is given, but a good faith effort shall be made to give such Members as much notice as reasonably possible.

ARTICLE XIII

PARTY WALLS

SECTION 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots and all reconstruction or extensions of such walls shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls, lateral support in below-ground construction, and of liability for

property damage due to negligence or willful acts or omissions shall apply thereto.

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

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

SECTION 4. Easement and Right of Entry for Repair, Maintenance, and Reconstruction. Every Owner shall have an easement and right of entry upon the Lot of another Owner to the extent necessary to perform repair, maintenance, or reconstruction of a party wall. Such repair, maintenance, or reconstruction shall be done expeditiously. Upon completion of such repair, maintenance, or reconstruction, such Owner shall restore the adjoining Lot to as near the same condition which prevailed upon it before the commencement of such repair, maintenance, or construction as is reasonably practicable.

SECTION 5. Weatherproofing. Notwithstanding any provisions of this Article, an Owner who, by negligence or willful act or omission, causes the party wall to be exposed to the

elements shall bear the cost of furnishing the necessary protection against such elements, unless another apportionment is otherwise required by law.

SECTION 6. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

SECTION 7. Certification by Adjoining Property Owner That No Contribution Is Due. If any Owner desires to sell a Lot, said Owner may, in order to assure a prospective purchaser that no adjoining property Owner has a right of contribution as provided in this Article XIII, request of the adjoining property Owner or Owners a certification that no right of contribution exists, whereupon it shall be the duty of each adjoining property Owner to make such certification immediately upon request and without charge; provided however that, where the adjoining property Owner claims a right of contribution, the certification shall contain a recital of the amount claimed.

SECTION 8. Arbitration. In the event of any dispute arising concerning a party wall or under the provisions of this Article, such dispute shall be settled by arbitration as provided by the laws of North Carolina relating to arbitration as then existing.

ARTICLE XIV

RELEASE OF RESPONSIBILITY OF CITY

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 Properties or its 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 Declarant, the Association, or the Properties' occupants. Additionally, in no case shall the City of Raleigh or the State of North Carolina be responsible for maintaining any Private Streets; such responsibility shall rest with the Association an/or Owners, in that Private Streets will not be constructed to the minimum standards sufficient to allow their inclusion for public maintenance.

ARTICLE XV

INSURANCE

The Declarant suggests that each Owner secure and maintain in full force and effect, at such Owner's expense, one or more insurance policies insuring such Owner's Lot(s) and the improvements thereon for the full replacement value thereof against loss or damage from all hazards and risks normally covered by a standard "Extended Coverage" insurance policy, including fire, lightning, vandalism, and malicious mischief.

Each Owner, at Owner's expense, shall secure and maintain in full force and effect comprehensive personal liability insurance for damage to Persons or property of others occurring on such

Owner's Lot(s) in an amount not less than the amount designated by the Association. Each Owner shall provide the Association with satisfactory evidence that such insurance as herein required is in full force and effect and that the Association will be given thirty (30) days notice prior to the expiration or cancellation of such Owner's insurance coverage. If an Owner fails or refuses to maintain such insurance coverage as herein required, the Association may, but shall not be obligated to, through its agent(s) or representative(s), secure and maintain such insurance coverage for such Owner's benefit, and the cost or expense thereof shall be deemed a special assessment levied by the Association against such Owner and such Owner's Lot(s) in accordance with the other provisions of this Declaration, and such Owner covenants and agrees to pay to the Association such special assessment upon demand.

This Article XV may be modified or amended to substitute one or more comprehensive insurance policies covering all Lots provided the approval of a majority of the Owners is obtained and approval by seventy-five percent (75%) of the Owners and holders of first deeds of trust on the Lots is obtained. Such approvals shall be in writing but need not be acknowledged and shall be attached to an amendment to this Declaration which amendment shall be executed only by the Associations and recorded in the Wake County Public Registry.

The Board of Directors shall secure and maintain in full force and effect liability insurance for damage to Persons or property of

others occurring on the Common Area in an amount of not less than $1,000,000.00.

IN WITNESS WHEREOF, the undersigned, H.C. Investment Group, Declarant, by virtue of the provisions of Article I, Section 11 of this Declaration, has caused this instrument to be executed and sealed on its behalf by its general partner as of September 8, 1992.

[SIGNATURES APPEAR ON NEXT PAGE]

H.C. INVESTMENT GROUP, a North Carolina general partnership (SEAL)

By: Michael D. Fields (SEAL)
Michael D. Fields
General Partner

NORTH CAROLINA

WAKE COUNTY

I, Angela Jennene Shaw, a Notary Public of the County and State aforesaid, certify that Michael D. Fields personally appeared before me this day and acknowledged that he is the General Partner of H.C. Investment Group, a North Carolina general partnership, and that by authority duly given and as the act of the general partnership, the foregoing instrument was signed in its name by its General Partner and sealed with its partnership seal.

Witness my hand and official stamp or seal this the 8th day of September, 1992.

Angela Jennene Shaw
Notary Public

[NOTARY SEAL]

My Commission Expires: _____

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate of Angela Jennene Shaw

_____ Notar(y)(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 P. Anne Redd
~~Asst.~~/Deputy Register of Deeds

EXHIBIT A

Site Plan Boundary Description

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

BEGINNING at an iron in the southern right of way of Secondary Road 2215 (also known as Buffaloe Road), said beginning point being in the western line of Charles A. Williams property as recorded in Book 2176, page 456 of the Wake County Registry and as shown on a map hereinafter referred to; running thence from said beginning point along the western line of said Charles A. Williams' property SOUTH 22 degrees 56 minutes 23 seconds EAST 1340.55 feet to an iron pipe; thence NORTH 89 degrees 30 minutes 29 seconds WEST 1220.41 feet to a concrete monument; thence NORTH 02 degrees 13 minutes 38 seconds WEST 492.94 feet to an iron pin; thence NORTH 03 degrees 05 minutes 45 seconds EAST 221.19 feet to an iron pin, the southwest corner of C. R. Johnson's property as recorded in Book 1913, page 387 of the Wake County Registry; thence as the southern line of said C.R. Johnson's property NORTH 71 degrees 25 minutes 50 seconds EAST 260.81 feet to an iron pin, the southeast corner of Johnson's property; thence along the eastern line of Johnson's property, NORTH 23 degrees 56 minutes 56 seconds WEST 200.08 feet to the southern right of way of Secondary Road 2215; thence along the southern right of way of said road two courses as follows: NORTH 66 degrees 38 minutes 08 seconds EAST 105.72 feet to a point; thence NORTH 65 degrees 21 minutes 22 seconds EAST 486.31 feet to the point and place of beginning containing 23.73 acres more or less and being a portion of that property shown on a map entitled "Property of J. J. Buffaloe and J. K. Buffaloe" dated July 23, 1984, last revised January 15, 1985, prepared by A. R. Barnes, RLS, Apex, N.C.