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LAURA M. RIDDICK
REGISTER OF DEEDS
WAKE COUNTY

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Hold For: Wallace, Creech & Sarda, LLP Box 202

NORTH CAROLINA

WAKE COUNTY

AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PINE HALL PLANTATION

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PINE HALL PLANTATION, made on the date hereinafter set forth by Pine Hall Plantation Homeowners Association (the "Association");

WITNESSETH:

WHEREAS, an instrument entitled "Declaration of Covenants, Conditions and Restrictions for Pinehall Plantation and Pine Hall Plantation Homeowners Association" is recorded in Book 4380, Page 722, Wake County Registry, and an instrument entitled "First Amendment to Declaration of Covenants, Conditions and Restrictions for Pine Hall Plantation" is recorded in Book 7267, page 226, Wake County Registry (collectively the "Initial Declaration"); and

WHEREAS, the Association desires to amend and restate the Initial Declaration in order to replace and totally supersede those covenants, conditions and restrictions previously recorded in Book 4380, Page 722 and in Book 7267, Page 226, Wake County Registry; and

WHEREAS, Article XII, Section 4 of the Initial Declaration provides that the Declaration may be amended by the approval of the owners of two-thirds of each class of Members, and the owners of more than two-thirds of each class of Members have approved this amendment;

NOW, THEREFORE, the Association hereby declares that all of the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants, reservations and conditions, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property and the residences constructed or to be constructed thereon, which easements, restrictions, covenants, reservations and conditions shall run with the Property, and shall be binding on all parties having or acquiring any right, title or interest in the Property, or any part thereof, and shall inure to the benefit of each Owner of the Property.

52

ARTICLE I

DEFINITIONS

Section 1. "Amenities" shall mean the facilities constructed, erected or installed on the Common Area for the use, benefit and enjoyment of all Members.

Section 2. "Association" shall mean and refer to Pine Hall Plantation Homeowners Association, a North Carolina non-profit corporation, its successors and assigns.

Section 3. "Board of Directors" shall mean those persons elected or appointed and acting collectively as the Directors of the Association.

Section 4. "Common Area" shall mean all real property, including improvements thereon, and all personal property, owned by the Association for the common use and enjoyment of Members or designated classes of Members of the Association, including Amenities. The Common Area, as contemplated herein, shall include, but not be limited to, all of the Property designated as "open space" on any recorded plat of the Property, including all water lines and sewer lines located outside the City of Raleigh ("City") sanitary sewer easements or outside City rights-of-way (but not within individual Lots).

Section 5. "Common Expenses" shall mean and include:

(a) Expenses of administration, maintenance, repair, or replacement of the Common Area and landscaped islands within the rights-of-way of public streets;

(b) Expenses declared to be common expenses by the provisions of this Declaration or the Bylaws;

(c) Hazard, liability, or such other insurance premiums as this Declaration or the Bylaws may require the Association to purchase;

(d) Ad valorem taxes and public assessment charges lawfully levied against Common Area;

(e) The expense of the maintenance of private drainage and utility easements and facilities located therein which are within the boundaries of the Property, cross Common Area of the Property and serve both the Property and lands adjacent thereto;

(f) Expenses for maintenance and operation of Amenities;

(g) Expenses agreed by the Members to be common expenses of the Association;

(h) Unpaid assessments resulting from the purchase of a Dwelling at a foreclosure sale (such assessment shall be collectible from all Members of the Association, including the purchaser at the foreclosure sale, his successors and assigns); and

(i) Landscaping of island(s) within the right(s)-of-way of public street(s) shall be the responsibility of the Association. Such area(s) shall remain neat, clean, attractive and safe. Damaged, unsafe or dead plants must be removed by the Association. Neither the City nor the State will be liable for any accidents or damage caused by such encroachment within the right(s)-of-way, and the Association shall hold harmless the public and indemnify the City and State from such liability. All costs of maintaining landscape island(s) are a common expense.

Section 6. "Declarant" shall mean and refer to Pine Hall Plantation, L.L.C., and its successors and assigns to whom the rights of Declarant hereunder are expressly transferred, in whole or in part, subject to such terms and conditions as the Declarant may impose.

Section 7. "Dwelling" shall mean and refer to a detached single family dwelling constructed on a Lot. No Dwelling shall have a finished floor area, exclusive of steps, porches, and garages, of less than 1,800 square feet in the case of a multi-story Dwelling and 1,700 square feet in the case of a single-story Dwelling. The Association reserves the right to waive any violation hereof which does not exceed five percent (5%). Said waiver must be approved by a majority vote of the Association.

Section 8. "Lot" shall mean and refer to any improved or unimproved parcel of land shown upon any recorded subdivision map of the Property, intended for the construction of a Dwelling, and specifically excluding the Common Area and private or public streets and rights-of-way.

Section 9. "Member" shall mean and refer to every person who holds membership in the Association.

Section 10. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation and any lessee or tenant of an Owner.

Section 11. "Person" shall mean and refer to any individual, corporation, partnership, association, trustee, or other legal entity.

Section 12. "Pine Hall Plantation" shall mean and refer to the Property and all improvements thereon.

Section 13. "Property" shall mean and refer to that certain real property described in Exhibit A attached hereto, and such additions thereto as may hereafter be brought within the jurisdiction of the Association by Declaration of Annexation or otherwise.

ARTICLE II

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Annexation by Members. Except as provided in Section 2 of this Article, additional lands may be added and annexed to the Property only if two-thirds (2/3) of each class of all the votes entitled to be cast in such class by Members 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 not less than ten (10) days in advance of the meeting.

For the purpose of such meeting, the presence of Members or authorizing proxies entitled to cast sixty percent (60%) of the votes of the Members, in the aggregate, shall constitute a quorum. If the required quorum is not forthcoming 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 a majority of the votes are cast in favor of the annexation, but the majority is less than the two-thirds (2/3) majority of each class required for approval of the annexation, and it appears that the required two-thirds (2/3) of each class may be achieved if the Members not present or voting by proxy assent to the annexation, then and in that event, the Members not present or voting by proxy may assent to or dissent from the proposed annexation in writing within one hundred twenty (120) days following the date of the meeting at which they are entitled to vote either in favor of or against the annexation. If the number of votes cast at the meeting in favor of the annexation, together with the votes deemed to have been cast by the Members assenting to the annexation, shall constitute the requisite two-thirds (2/3) majority of each class of all votes entitled to be cast, the annexation shall stand approved.

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

(a) If, on or before December 31, 2005, the Declarant should develop additional lands within the property described in Exhibit B attached hereto, such additional lands may be annexed to the Property without the assent of the Members; provided that such annexation of such additional lands referred to in this Subsection shall not exceed 64 Lots and no more than 64 Dwellings.

(b) If, on or before December 31, 2005, the Declarant should develop, from time to time, an additional tract or additional tracts of land, other than set forth in Subsection (a) above, consisting of any property contiguous to the property described in Exhibits A and B attached hereto, such additional lands may be annexed to the Properties without the assent of the Members; provided, however, that such annexation shall be approved by the City of Raleigh, and further provided that the annexation of such additional lands referred to in this Subsection shall not exceed one hundred (100) acres in size or four hundred (400) Lots, whichever is less. No Lot shall be less than 9,500 square feet in size.

(c) The Declarant may annex to the Property the additional land described in Subsections (a) and (b) by recording with the Wake County Registry a Declaration of Annexation, duly executed by Declarant, describing the lands annexed and incorporating the provisions of this Declaration. The additional land may be deemed annexed to the Property and no other action or consent shall be necessary, except for the consent of the City of Raleigh.

(d) Subsequent to recordation of the Declaration of Annexation by the Declarant, the Declarant shall deliver to the Association one or more deeds conveying any property that will be designated as Common Area within the lands annexed as such designated property is developed.

(e) The maximum number of Lots and maximum number of Dwellings that may be contained on the Property or transferred to portions of the Property without rezoning the Property is two hundred forty (240) Lots and two hundred forty (240) Dwellings, respectively. Each Dwelling located on any Lot shall be a single family Dwelling.

Section 3. Density Transfers. The Property is a part of a cluster unit development approved by the Raleigh City Council in which residential density transfers are permitted. Therefore, even though some Lots may appear to contain sufficient land area to construct additional Dwellings, prior approved density transfers within the cluster unit development may in fact preclude City of Raleigh approval of additional Dwellings.

Section 4. Reserved Declarant Rights. As long as Class B membership exists, the Declarant reserves the following development rights: (i) to add real estate to the Property in accordance with Article II, Section 2 of this Declaration; (ii) to create Dwellings; (iii) to add Common Areas; (iv) to modify or change Dwelling types; (v) to reallocate Dwellings or Lots within the property described on Exhibit B attached hereto; and (vi) to withdraw, at any time prior to annexation, real estate from the property described on Exhibit B attached hereto.

ARTICLE III

MEMBERSHIP

Declarant and every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of a Lot shall be the sole qualification for membership. The Board of Directors may make reasonable rules relating to the proof of ownership of a Lot in the Subdivision.

ARTICLE IV

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners other than the Declarant. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership by Article III. When more than one person holds interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. Fractional voting shall not be allowed, as to any one vote, by joint owners of a Lot.

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

(a) when seventy-five percent (75%) of the Lots have been conveyed to Owners, provided that the Class B membership shall be reinstated if thereafter and before the time stated in subparagraph (b) below, such additional lands are annexed to the Properties without the assent of Class A Members on account of the development of such additional lands by the Declarant, all as provided for herein, or

(b) on December 31, 2005.

ARTICLE V

PROPERTY RIGHTS IN COMMON AREA

Section 1. Members' Easements of Enjoyment. Subject to the provisions of this Declaration and the rules and regulations of the Association, every Member shall have a right and easement of use and enjoyment in and to the Common Area, which includes the right of ingress and egress over the Common Area, and such easements shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area, and in aid thereof to mortgage said property unless prohibited by law; provided, no such loan or mortgage shall be effective unless authorized by two-thirds (2/3) of the vote of each class of membership at a meeting, notice of which is sent to every Member no less than 30 days nor more than 60 days in advance;

(b) The right of the Association to dedicate, lease, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members; provided, no such dedication or transfer shall be effective unless authorized, in writing, by two-thirds (2/3) of the vote of each class of membership at a meeting, notice of which is sent to every Member not less than 30 days nor more than 60 days in advance. A copy of such resolution shall be certified by the secretary of the Association and annexed to any instrument of transfer of the Common Area;

(c) The right of the Association to take such steps as are reasonably necessary to protect the Common Area against foreclosure;

(d) The right of the Association to suspend the right to use any recreational facilities and the voting rights of any Member or any tenant of any Member for any period during which any assessment remains unpaid; and for any period, not to exceed thirty (30) days, for any infraction of its published rules and regulations, it being understood that any suspension for either non-payment of any assessment or a breach of the rules and regulations of the association shall not constitute a waiver or discharge of the Member's obligation to pay the assessment;

(e) The right of the Association to limit the number of guests, if any, that a Member may allow to use the Common Area and Amenities; and,

(f) The right of the Association to formulate, amend, publish and enforce the rules and regulations concerning the use and enjoyment of the Common Area and the front yard

of each Lot. Such rules and regulations may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration.

Section 2. Designation of Use. Any Member may delegate his right of enjoyment to the Common Area to the members of his family, his tenants, or his guests, subject to the Bylaws, this Article, and any rules adopted by the Board of Directors.

Section 3. Title to the Common Area. The Declarant hereby covenants for itself, its heirs and assigns, that it will convey fee simple title to the Common Area to the Association, free and clear of all encumbrances and liens, except utility and drainage easements and easements to governmental authorities.

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

Section 4. Common Area Taxes. The Association shall be responsible for and shall cause to be paid, out of annual assessments, ad valorem taxes and public improvement assessments levied against the Common Area.

Section 5. Exchange of Open Space Common Areas. The exchanging of common areas for other properties shall be allowed when all of the following are met:

a. Written notice of the exchange is given to each Member of the association, except in cases where the exchange is done to eliminate an encroachment;

b. After the notice is given, if required, the Association approves the exchange by a majority vote of the membership at a meeting;

c. The exchanged properties and other considerations are of like value and utility;

d. The acreage and configuration of the remaining open space (including real property to be received by the Association in such exchange) equals or exceeds the requirements of the Code of the City of Raleigh; and

e. The exchange is approved by the Planning Director of the City of Raleigh.

Section 6. Bodies of Water. All bodies of water, including, without limitation, lakes, ponds, storm water detention ponds, wetlands, and streams, if any, within the Property shall be accepted by the Association in their existing condition and shall serve the Association as aesthetic and recreational amenities. Neither the Association nor the Declarant shall be responsible for any loss, damage, or injury to any person or property arising out of the

authorized or unauthorized use of any such bodies of water. For this purpose, "wetlands" means any area labeled as wetlands on a recorded plat for the Property or otherwise designated as wetlands by the Declarant. No Owner, except Declarant, shall have any right to pump or otherwise remove water from, nor to place rocks, stones, trash, garbage, sewage, waste water, rubbish, debris, ashes or other refuse in, any wetlands, ponds, storm water retention ponds and streams within the Property. Applicable governmental agencies and the Declarant, so long as the Declarant owns any property subject to the Declaration or has the unexpired right to annex additional property to the Declaration, and thereafter the Association, shall have the sole right to control the water level of any body of water located within the Properties and to control the growth and eradication of plants, fowls, reptiles, animals, fish and fungi in and around any wetlands, ponds, storm water retention ponds and streams within the Property. Declarant, however, hereby agrees that it will not remove any pond located on the Property.

ARTICLE VI

COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant and every other Owner of any Lot, whether or not it shall be so expressed in any deed or other conveyance, are deemed to covenant and agree to pay to the Association:

(a) Annual assessments or charges which are Common Expenses, and

(b) Special assessments for the purposes set forth in this Article, such assessments to be fixed, established and collected from time to time as hereinafter provided.

The annual and special assessments, together with late fees, interest thereon and costs of collection thereof, as hereinafter provided, shall be a continuing lien upon the Lot and improvements against which such assessment is made. Each such assessment, together with such late fees, interest, costs and reasonable attorney's fees, shall also be the personal or corporate obligation of the Owner of the Lot at the time the assessment fell due. The personal or corporate obligation of an Owner for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. Although unpaid assessments and charges are not the personal or corporate obligation of such Owner's successors in title unless expressly assumed by them, the unpaid assessments and charges shall continue to be a lien upon the Lot against which the assessment or charge was made.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Property and, in particular for (i) acquisition, improvement, and maintenance of properties, services and facilities related to the use and enjoyment of the Common Area; (ii) repair and reconstruction of improvements on the Common Area, including storm water infiltration devices and other storm water drainage facilities constructed on or serving the

Property, including but not limited to, the cost of repair, replacement and additions thereto and the cost of labor, equipment, materials, management and supervision thereof; (iii) payment of taxes and public assessments levied against the Common Area owned by the Association in fee; (iv) procurement and maintenance of insurance in accordance with the Bylaws of the Association; (v) employment of attorneys, accountants and other persons or firms to represent the Association when necessary; (vi) payment of principal and interest on funds borrowed for Association purposes; (vii) landscaped island maintenance; (viii) pond maintenance; and (ix) such other needs as may arise. The special assessments shall be used for the purpose set forth in Section 4 of this Article.

Section 3. Basic and Maximum Annual Assessments. For the calendar year 1998, the maximum annual assessment shall be one hundred twenty dollars ($120.00) for each Class A Lot ($10.00 per month).

(a) From and after January 1, 1999, the maximum annual assessment effective January 1 of each year, without a vote of the membership, but subject to the limitation that the percentage of any such increase shall not exceed 10% of the maximum assessment for the previous year unless such increase is approved as set forth in Section 3(b) below.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the Maximum Annual Assessment may be increased without limitation if such increase is approved by not less than two-thirds of the votes appurtenant to each Class of Lots, cast in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum; provided, however, that, except as otherwise provided in this subparagraph (c), the assessment established for each Class B Lot shall always be one-fourth (1/4) of the assessment for a Class A Lot.

In the event that Class B Lots are converted to Class A Lots, or Class A Lots are reconverted to Class B Lots, the assessment with respect to such Lots shall be prorated and charged according to their class as of the date of each conversion and reconversion.

A Lot containing a Dwelling used as a model or sales center and not as a residence, and any Lot not containing a Dwelling and owned by the Declarant subsequent to the cessation of Class B membership, shall be assessed at the Class B rate. A Class B Lot that is occupied as a residence shall be assessed at the Class A rate, but shall remain a Class B Lot for all other purposes.

(d) Any annual assessment established by the Board of Directors shall continue thereafter from year to year as the annual assessment until changed by the Board.

Section 4. Special Assessments for Improvements and Additions. In addition to the annual assessments authorized by Section 3 of this Article, the Association may levy special

assessments for the purposes of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a capital improvement upon property owned by the Association, including fixtures and personal property related thereto, or for repayment of indebtedness and interest thereon, or for yard maintenance pursuant to Article V, Section 1(f) herein; provided, however, that any special assessment may be levied only with the approval of two-thirds (2/3) of each class of Members at a meeting duly called for this purpose at which a quorum is present.

Section 5. Action Authorized Under Sections 3 and 4. Written notice of a meeting provided for in Sections 3 and 4 hereof shall be sent not less than fifteen (15) days nor more than thirty (30) days in advance and shall set forth the purpose of the meeting. At the first meeting called, as provided in Sections 3 and 4, the presence at the meeting of Members, or of proxies, of each class of membership entitled to cast sixty percent (60%) of all the votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting, subsequent meetings may be called, subject to the notice requirement set forth herein, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the next preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the next preceding meeting.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided herein for herein shall commence as to all Lots in any phase on the first day of the month following the conveyance to the Association of all or any part of the Common Area within that phase. Unless a lower amount is set by the Board of Directors, the first annual assessment shall be the "maximum annual assessment" set forth in Section 3 of this Article and shall be prorated according to the number of months remaining in the calendar year.

At least thirty (30) days before January 1 of each year, the Board of Directors shall fix the amount of the annual assessments against each Lot. At least fifteen (15) days before January 1 of each year, the Board of Directors shall send written notice of such assessment to every Owner subject thereto. The due dates for the payment of annual and special assessments shall be established by the Board of Directors.

The annual and special assessment shall be fixed at a uniform rate for all Lots within each Class and may be collected on a yearly, quarterly or monthly basis, as determined by the Board of Directors.

The Association shall, upon demand, and for such reasonable charge as the Board of Directors may determine, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid. If such certificate states that an assessment has been paid, such certificate shall be conclusive evidence of payment.

Section 7. Effect of Nonpayment of Assessment. If any annual assessment or any special assessment is not paid on the date when due, then such assessment shall become delinquent and shall, together with a late fee of $18.00 and interest at the rate of twelve percent (12%) per annum from the due date, and the cost of collection thereof as hereinafter provided, become a charge and continuing lien on the Lot and all improvements thereon. If an assessment is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Owner personally or foreclose the lien against the Lot, and there shall be added to the amount of such assessment the costs of collection, including reasonable attorneys' fees and expenses, and interest as provided above. No Owner may waive or escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. Failure to pay assessments does not constitute a default under an insured mortgage.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust now or hereafter placed upon any Lot subject to assessment. Sale or transfer of any Lot shall not affect the assessment lien; however, the sale or transfer of any Lot pursuant to such mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. Mortgagees are not required to collect assessments.

Section 9. Exempt Property. Notwithstanding anything herein to the contrary, any portion of the Property dedicated to, and accepted by, a local public authority and all Property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina, and the Common Area shall be exempt from the assessments created herein, except no land or improvements devoted to Dwelling use shall be exempt from said assessments.

Section 10. Working Capital Fund. At the time of closing of the initial sale of each dwelling constructed on each Lot, a sum equal to one-sixth (1/6) of the annual assessment for Class A Lots in effect at the time of such sale shall be collected from the purchaser of such dwelling and transferred to the Association as part of its working capital. The purpose of the working capital fund is to ensure that the Association will have adequate cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed by the Board of Directors to be necessary or desirable. Amounts paid pursuant to this Section shall not be considered as an advance payment of any regular assessment.

ARTICLE VII

ARCHITECTURAL CONTROL

No building, wall, fence, swimming pool, antenna/tower or other improvement shall be commenced, erected, or maintained upon any Lot or Common Area, nor shall any substantial landscaping be done, nor shall any exterior addition to any Dwelling or structure, or change or alteration therein, be made until the plans and specifications therefor showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to the harmony and compatibility of its external design and location, with the surrounding structures and topography, by the Board of Directors or by a committee ("Architectural Committee") composed of three (3) or more representatives appointed by the Board. The decision of the Board or the Architectural Committee shall be conclusive. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said completed plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with; and provided further that all decisions under this Article shall be the sole responsibility of Declarant until such time as Declarant shall no longer vote as a Class B Member of the Association.

This Article shall not apply to the activities of the Declarant, nor to the improvements to the Common Area by or on behalf of the Association. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

ARTICLE VIII

INSURANCE AND CASUALTY LOSSES

Section 1. Insurance. The Association, by and through its Board of Directors or its otherwise duly authorized agents, shall have the authority to obtain and shall obtain insurance for all insurable improvements on the Common Area against loss or damage by fire or other hazards, including extended coverage of vandalism and malicious mischief. This insurance shall be in an amount sufficient to cover the full replacement cost or repair or reconstruction in the event of damage or destruction from any such hazard. The Association shall also obtain a public liability policy, with minimum coverage of $1,000,000.00, covering the Common Area, the Association, and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The association shall also obtain a standard directors and officers liability insurance policy insuring such parties against claims for their actions on behalf of the Association. Premiums for all such insurance contemplated hereunder shall be Common Expenses of the Association.

Section 2. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose,

shall be disbursed in payment for such repairs or reconstruction. Any proceeds remaining after such costs of repair or reconstruction to the Common Area shall be retained by and for the benefit of the Association.

(b) If it is determined that the damage or destruction of Common Area, for which the proceeds are paid, shall not be repaired or reconstructed, such proceeds shall be retained by and for the benefit of the Association.

ARTICLE IX

CONDEMNATION

In the event that all or any part of the Common Area shall be taken (or conveyed in lieu of or under threat of condemnation) the award made for such taking shall be payable to the Association as trustee for the Owners, to be disbursed as follows:

(a) If the taking involves the portion of the Common Area on which improvements have been constructed, the Association may restore or replace such improvements so taken on the remaining Common Area to the extent possible in accordance with plans approved by the Board of Directors.

(b) If the taking does not involve any improvements on the Common Area or in the event that a decision is made not to repair or restore such improvements, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors may determine.

ARTICLE X

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Area. Such rules and regulations may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration. The Board shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and an Owner determined by judicial action to have violated said rules and regulations shall be liable to the Association and/or the Declarant for all damages and costs, including attorney's fees. No rule or action by the Association or Board shall unreasonably impede the Declarant's right to develop the Properties.

Section 2. Lot Use and Building Type. No Lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any Lot

other than: (1) one detached single-family Dwelling not to exceed two and one-half stories in height, (2) a private garage for not more than four cars, and (3) any permitted accessory building, each of which must be approved by the Architectural Committee.

Section 3. Dwelling Location. Each Dwelling, garage and permitted accessory building on a Lot shall be constructed at least five feet from the rear property line and side property line as shown on the recorded plat depicting such Lot; provided, in the event of any conflict between said setback and the minimum setbacks required by the Code of the City of Raleigh, said Code shall prevail.

Section 4. Lot Owner's Responsibility. It shall be the responsibility of each Lot Owner to prevent the development of any unclean, unsightly or unkept conditions of Dwellings or grounds on his Lot which shall tend to substantially decrease the beauty of the subdivision as a whole or the specific area of such Lot. Non-operating or unlicensed vehicles, unused objects or apparatus, or any portion thereof, shall not be permitted to remain on any Lot. All Lots shall be kept clean and free of garbage, junk, trash, debris, or any substance that might contribute to a health hazard or the breeding and habitation of snakes, rats, insects, etc. Each Lot Owner shall cause his lawn to be regularly mowed as needed, cause the maintenance and protection of landscaping insuring proper drainage of the Lot so as to prevent soil erosion, and cause the proper maintenance of the Dwelling and any other structures and improvements located on his Lot.

If, in the opinion of the Association, the owner of a Lot shall fail to maintain his Lot owned by him in a manner which is reasonably neat and orderly, or shall fail to keep the improvements constructed thereon in a state of repair so as not to be unsightly, the Association in its discretion, by the affirmative vote of two-thirds (2/3) of the members of the Board of Directors, and following ten (10) days written notice to the Owner, may enter upon and make, or cause to be made, repairs to such improvements and perform such maintenance on such Lot as the removal of trash, cutting of grass, pruning of shrubbery, and seeding and correction of items of erosion control. The Association shall have an easement for the purpose of accomplishing the foregoing. All costs incurred by the Association in rendering all such services, plus a service charge of fifteen percent (15%) of such costs, shall be added to and become a part of the assessment to which such Lot is subject.

Section 5. Additional Restrictions. Unless the Board of Directors or Architectural Committee shall give its prior written consent:

(a) No outside clothes line or window air conditioning unit shall be installed on any Lot or Dwelling.

(b) No part of any Lot or Dwelling shall be used for business, manufacturing, trade, commercial or professional purposes of any kind. No noxious or offensive trade or activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No signs or billboards shall be

erected or maintained on a Lot, provided that signs advertising the sale of a home are permitted. No trade materials or inventories may be stored or regularly parked on a Lot or adjacent street.

(c) No mobile home, tent or outbuilding, except a private garage for not more than four cars, shall be erected or placed on any Lot. Outbuildings do not include sheds and dog houses.

(d) No owner shall permit any animal or poultry of any kind, other than house pets, to be kept or maintained on any Lot or within any residence thereon.

(e) No boats, trailers, campers, motor homes or commercial trucks/vans shall be parked by a Member, his family, his tenants or his guests within the right-of-way of any street in the Property; nor shall any of these be regularly parked on the Member's Lot or on the Property at any place, except in an area designated by the Association. The Association shall, from time to time, adopt appropriate rules for the temporary parking of these items on the Property. No automobiles (including any private passenger motor vehicle) shall be parked along or within the right-of-way of any street in the Property, except that guests of Members may park temporarily along or within the right-of-way of a street, provided such parking does not prohibit or hinder the normal flow of traffic on the street.

(f) Antennas, Satellite Dishes or Discs. No radio or television transmission or reception towers or antennas shall be erected on a Lot unless approved by the Architectural Control Committee. However, a satellite antenna receiver or disc will be permitted on a Lot if: (i) the receiver or disc is not larger than forty inches (40") in diameter; (ii) the receiver or disc is located on the side of the house away from the street and within the building set back lines applicable to that Lot; and (iii) the receiver or disc is located or screened in such a way that it cannot be seen from any street within the subdivision. Any such screening must be approved as provided in Article VII of these Covenants. In no event shall any free-standing transmission or receiving tower be permitted on any Lot.

Section 6. Access To Castlebrook Drive. No Lot shall have direct driveway access for ingress and egress to or from Castlebrook Drive.

ARTICLE XI

EASEMENTS

Section 1. Utilities, Etc. All of the Property, including Lots and Common Area, shall be subject to such easements for roadways, driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television antenna lines, and other public utilities as shall be established prior to subjecting the Property to this Declaration by the Declarant, and the Association shall have the power

and authority to grant and establish in, over, upon, and across the Common Area such further easements as are requisite for the convenient use and enjoyment of the Property.

Section 2. Encroachments. All Lots and the Common Area shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots to the extent that such initial improvements actually encroach, including, without limitation, such items as overhanging eaves, gutters, downspouts, exterior storage rooms, and walls. If any encroachment shall occur subsequent to subjecting the Property 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.

Section 3. Emergencies. Every Lot shall be subject to an easement for entry by the Association for the purpose of correcting, repairing, or alleviating any emergency condition which arises upon any Lot and that endangers such Lot, and adjacent Lot, Common Area or improvements thereon.

Section 4. Easement for Governmental Agencies. An easement is hereby established over the Common Area for the benefit of applicable governmental agencies, public utility companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical, telephone, gas and cable antenna lines, fire fighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities.

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

Section 6. Easement for Ponds and Related Maintenance. The Declarant reserves for itself and its successors, assigns, and designees the nonexclusive right and easement, but not the obligation, to enter upon the ponds located upon the Property in order to remove trash and other debris therefrom and fulfill maintenance responsibilities as elsewhere provided for in this Declaration. The Declarant's rights and easements provided in this Section shall be transferred to the Association at such time as the Declarant may elect, in its sole discretion, to transfer such rights by a written instrument.

ARTICLE XII

GENERAL PROVISIONS

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

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 3. Duration/Amendment. The covenants, conditions, and restrictions of this Declaration shall run with and bind the Property for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless the Association approves a change therein. This Declaration may be amended by two-thirds (2/3) of each class of Members at a duly called meeting at which a quorum is present. Written notice of such meeting shall be given to each Member at least twenty (20) days in advance of such meeting. All amendments shall be certified as an official act of the Association and shall forthwith be recorded in the Wake County Registry. All amendments shall become effective upon recordation. The covenants, conditions and restrictions of this Declaration shall be binding upon any subsequent recombinations which affect the Property.

Section 4. Certification of Amendment. If any amendment to these Covenants, Conditions and Restrictions is executed, each such amendment shall be delivered to the Board of Directors of the Association. Thereupon, the Board of Directors, shall, within thirty (30) days, do the following:

(a) Reasonably assure itself that the amendment has been executed by the Owners of the required number of Lots. (For this purpose, the Board may rely on its roster of Members and shall not be required to cause any title to any Lot to be examined);

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

CERTIFICATION OF VALIDITY OF AMENDMENT TO COVENANTS CONDITIONS AND RESTRICTIONS OF PINE HALL PLANTATION

By authority of its Board of Directors, Pine Hall Plantation Homeowners Association hereby certifies that the foregoing instrument has been duly approved by the required percentage of Owners of the Lots of Pine Hall Plantation and is, therefore, a valid amendment to the existing covenants, conditions and restrictions of Pine Hall Plantation.

PINE HALL PLANTATION
HOMEOWNERS ASSOCIATION

ATTEST:

By:_____

_____
_____ Secretary

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

All amendments shall be effective from the date of recordation in the Wake County Registry. When any instrument purporting to amend the Declaration has been certified by the Board of Directors, recorded and indexed as provided by this Section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to all persons thereafter purchasing any Lots in the Subdivision.

Notwithstanding the foregoing, no amendment shall be effective unless approved by the City of Raleigh (so long as this is required by the City Code); provided, however, that if any amendment is submitted to the City and is neither approved nor disapproved within twenty (20) days from the date of submission, it shall be conclusively presumed that the City has approved it.

Section 5. Notices. Any notice required to be sent to any Member or Owner under the provision of this Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to the last known address of the person who appears as Member upon the Association's membership roll or Owner on the records of the Association at the time of such mailing. Notice to one of two or more co-owners of a Lot shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any changes of address and it shall be the responsibility of any new Member to immediately notify the Association of the fact of the transfer of ownership.

Section 6. HUD/VA Approval. Notwithstanding any provision in this Declaration to the contrary, as long as there is a Class B Membership, HUD/VA prior approval shall be required for the following:

(a) Annexation of additional properties.

(b) Dedication of Common Area.

(c) Mortgaging of Common Area.

(d) Amendment of this Declaration, the Articles of Incorporation, or the Bylaws.

(e) Mergers and/or consolidations involving the Homeowners Association.

(f) Dissolution of the Homeowners Association.

IN WITNESS WHEREOF the Pine Hall Plantation Homeowners Association has executed this instrument on the 15th day of August, 1998.

Pine Hall Plantation Homeowners Association

By: _____
President

Attest: _____
Secretary

Pine Hall Plantation Homeowners Association
CORPORATE SEAL
N.C.

NORTH CAROLINA
Wake COUNTY

I, a Notary Public of the County and State aforesaid, certify that Victor B. Lynn personally came before me this day and acknowledged that he/she is _____ Secretary of Pine Hall Plantation Homeowners Association, a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by himself/herself as its _____ Secretary.

Witness my hand and official stamp or seal, this 15th day of August, 1998.

M. Bradley Harrold
Notary Public

My Commission Expires: M. BRADLEY HARROLD
NOTARY PUBLIC
WAKE COUNTY, N.C.

My Commission Expires 8-16-2003

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate of M. Bradley Harrold
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.

LAURA M. RIDDICK, Register of Deeds

By _____
Asst./Deputy Register of Deeds

EXHIBIT A

BEING ALL of the 41.315 acre tract shown on the plat recorded in Book of Maps 1994, Page 1124, Wake County Registry.

EXHIBIT B

BEING ALL of the 60.339 acre tract shown on the plat recorded in Book of Maps 1994, Page 1124, Wake County Registry, SAVE AND EXCEPT the 41.315 acre tract and the 3.133 acre tract shown on said plat.

EXHIBIT C

CERTIFICATION OF VALIDITY OF AMENDMENT TO COVENANTS, CONDITIONS AND RESTRICTIONS OF PINE HALL PLANTATION

By authority of its Board of Directors, Pine Hall Plantation Homeowners Association hereby certifies that the foregoing instrument has been duly approved by the required percentage of Owners of the Lots of Pine Hall Plantation and is, therefore, a valid amendment to the existing covenants, conditions and restrictions of Pine Hall Plantation.

PINE HALL PLANTATION
HOMEOWNERS ASSOCIATION

By: _____
President

ATTEST:

_____
~~Asst.~~ Secretary

(Corporate Seal)

NORTH CAROLINA
Wake COUNTY

I, a Notary Public of the County and State aforesaid, certify that Victor B. Lynn personally came before me this day and acknowledged that he/she is _____ Secretary of Pine Hall Plantation Homeowners Association, a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by himself/herself as its _____ Secretary.

Witness my hand and official stamp or seal, this 25th day of August, 1998.

M. Bradley Harrold
Notary Public

My Commission Expires: My Commission Expires 8-16-2003

M. BRADLEY HARROLD
NOTARY PUBLIC
WAKE COUNTY, N.C.