

FILED TO: REGISTERED PLANNING, INC.
REGISTERED PLANNING, INC.
REGISTERED PLANNING, INC.

Prepared By: Warner, Caraghty,
Hansfield & Townsend, Attys.

DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by COLONIAL BUILDING COMPANY, INC., OF RALEIGH, a North Carolina corporation, hereinafter referred to as "Declarant";

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in or near the City of Raleigh, County of Wake, State of North Carolina, which is more particularly described as follows:

Being all of Lots 1 through 26 inclusive, 92 through 120 inclusive, 133, 134, 157 through 159 inclusive, 177 through 180 inclusive, 192 and 193, the area designated "Broadlands Park" containing 2.392 acres, the rights-of-way of E. Annaley Drive, E. Jameson Road, Flintshire Road, E. Folkstone Place, W. Folkstone Place, W. Jameson Road, Chippendale Road, W. Annaley Drive, Gatcombe Place and an unnamed street (all private streets), all according to map entitled "Property of: Colonial Building Company of Raleigh, Inc. Broadlands Subdivision, Phase 1-A", Raleigh, Wake County, North Carolina, Subdivision Map" dated September 12, 1984, prepared by Derward W. Baker, Registered Land Surveyor and recorded in Book of Maps 1984, Page 1721, Wake County Registry.

PRESENT 0
FOR
REGISTERED ON
JAN 10 1 33 PM '85
KERRILL C. WILKINS
REGISTERED PLANNING, INC.
WAKE COUNTY

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Broadlands Homeowners Association, Inc., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "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.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners, together with all water and sewer lines located on and

servicing the properties which are located outside dedicated public easements and city rights-of-way, except water and sewer lines located on a lot which serve only that lot. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

Being that certain tract or parcel of land designated "Broadlands Park" containing 2.392 acres together with the rights of way of E. Annaley Drive, E. Jameson Road, Flintshire Road, E. Folkstone Place, W. Folkstone Place, W. Jameson Road, Chippendale Road, W. Annaley Drive, Gatcombe Place and an unnamed street (all private streets), all according to map entitled "Property of: Colonial Building Company of Raleigh, Inc., Broadlands Subdivision, Phase "1-A", Raleigh, Wake County, North Carolina, Subdivision Map" dated September 12, 1984, prepared by Derward W. Baker, Registered Land Surveyor and recorded in Book of Maps 1984, Page 1721, Wake County Registry.

Section 5. "Detached Townhome Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties upon which a Detached Townhome Dwelling is to be situated, with the exception of "Blocks" and the Common Area.

Section 6. "Attached Townhome Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, upon which an attached Townhome Dwelling is to be situated, with the exception of "Blocks" and the Common Area.

Section 7. "Declarant" shall mean and refer to Colonial Building Company, Inc., of Raleigh, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 8. "Member" shall mean and refer to every person or entity who holds membership in the Association.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility leased by the Association for use by the Members.

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.

(d) the right of the Association to limit the number of guest of members;

(e) the right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, and the rights of such mortgagee in said properties shall be subordinate to the rights of the homeowners hereunder;

(f) the right of the individual members to the exclusive use of parking spaces as provided in this Article.

(g) easements as provided in Article X hereof.

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

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, prior to the conveyance of the first lot, except utility and storm drainage easements.

Section 4. Parking Rights. Ownership of each lot shall entitle the owner or owners thereof to the use of not more than two automobile parking spaces, unless a greater number is required by the Raleigh City Code at the time of initial development of Broadlands, which shall be as near and convenient to said Lot as reasonably possible, together with the right of ingress and egress in and upon said parking areas and over any private streets leading to and from such areas. The Association shall have the right to permanently assign one vehicular parking space for each dwelling, such space to be as near the dwelling to which it is assigned as is reasonably possible. The Association may regulate the parking of boats, trailers and other such items on the Common Area. No boats or trailers of owners, members or their guest shall be parked within the right of way of any public street in or adjacent to Broadlands.

Section 5. TV Antennas and Cablevision. The Association may provide one or more central television antennas for the convenience of the members and may supply cablevision and the cost of these may be included in annual or special assessments. The Association may regulate or prohibit the erection of television antennas or dishes on individual lots.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

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

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each lot owned. When more than one person holds an 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 vote be cast with respect to any lot. No fractional vote shall be allowed.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted

to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership, but provided that the Class B membership shall be reinstated if thereafter and before the time stated in Sub-paragraph (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 in Article VII, Section 2, below, or
- (b) January 1, 1992

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment,

together with interest, cost and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of properties, including the maintenance, repair and reconstruction of all private streets, water and sewer lines situated outside public streets and public easements, any storm water Impoundment Area or other erosion control devices situated on the Common Area required by the City of Raleigh to comply with its erosion and sedimentation control ordinances, such maintenance to include the cutting and removal of weeds and grass, the removal of trash and rubbish or any other maintenance necessary to keep the Impoundment Area in compliance with all applicable ordinances and statutes relative to said erosion and sedimentation control and which in the judgment of Broadlands Homeowners Association, Inc. is desirable to keep the Impoundment Area neat in appearance; provided, however, this covenant to maintain said area as an Impoundment Area shall terminate at such time as maintenance and preservation of the Impoundment Area as a water impoundment area is no

longer required by applicable local ordinances or state statutes, services and facilities devoted to this purpose and related to the exterior maintenance of the residences situated upon the "Attached Townhome Lots" within the Properties or for the use and enjoyment of the Common Area and Water Impoundment Area, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes and public assessments assessed against the Common Area, the procurement and maintenance of insurance in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, the payment of lease payments on leases of recreational facilities for use by the members, and such other needs as may arise.

Section 3. Maximum Annual Assessment - Detached Townhome Lots. Until January 1 of the year immediately following the conveyance of the first Detached Townhome Lot to an Owner, the maximum annual assessment shall be Three Hundred and No/100 _____ Dollars (\$ 300.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Detached Townhome Lot to an Owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of membership by up to twelve per cent (12%) of the previous year's maximum annual assessment.

(b) From and after January 1 of the year immediately following the conveyance of the first Detached Townhome Lot to an Owner, the maximum annual assessment may be increased above the increase permitted in Section 3.(a) above by a vote of the members for the next succeeding five years and at the end of each such period of five years, for each succeeding period of five years, provided that any such charge shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Maximum Annual Assessment - Attached Townhome Lots. Provisions for the amount of the Maximum Annual Assessment for Attached Townhome Lots shall be as set out in the amendment to this Declaration whereby the first phase of such lots is annexed to the provisions hereof.

(a) From and after January 1 of the year immediately following the conveyance of the first Detached Townhome Lot

to an Owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of membership by up to twelve per cent (12%) of the previous year's maximum annual assessment.

(b) From and after January 1 of the year immediately following the conveyance of the first Detached Townhome Lot to an Owner, the maximum annual assessment may be increased above the increase permitted in Section 3.(a) above by a vote of the members for the next succeeding five years and at the end of each such period of five years, for each succeeding period of five years, provided that any such charge shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special

assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, and in connection with exterior maintenance, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 6. Notice and Quorum for Any Action Authorized Under Section 3, 4 or 5. Written notice of any meeting called for the purpose of taking any action authorized under Section 3, 4 or 5 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Detached Townhome Lots, and at a uniform rate for all Attached Townhome Lots (which may not be the same rate for both Detached

and Attached), and may be collected on a monthly basis. Notwithstanding any provision in this Declaration, the Articles of Incorporation and By-Laws to the contrary, no lot shall be subject to the assessment until the first day of the month following the issuance of a building permit for such lot by the City of Raleigh, and the assessment for lots for which such permits have been issued but which are not under a completed roof, may be a lesser amount as fixed by the Board of Directors of the Association, but shall not be less than twenty-five percent (25%) of the regular assessments.

Section 8. Date of Commencement of Annual Assessments:

Due Dates. The annual assessments provided for herein shall commence as to all Lots as provided in Section 7 above. The first annual assessment for each lot 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. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot have been paid.

Section 9. Effect of Nonpayment of Assessments:

Remedies of the Association. Any assessment not paid within

thirty (30) days after the due date shall bear interest from the due date at the rate of 8 percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or tax 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.

Section 11. Exempt Property. All properties dedicated to, and accepted by, a local public authority and all 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 land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 12. Responsibility for Maintenance of Private Streets and Driveways. The maintenance responsibility of the private streets and driveways as shown on the aforesaid recorded map shall rest with the Association pursuant to the provisions of the Raleigh City Code Section 10-3074, which section provides substantially in part that in no case shall the City of Raleigh be responsible for failing to provide any emergency or regular fire, police, or other public service to the property and/or occupants when the failure is due to inadequate design or construction, blocking of access routes, or any other factor within the control of the developer, the Association, or occupants.

Section 13. Separate Books. The Association shall maintain separate books for the Attached and Detached townhome sections, or maintain one set in such a manner that separate expenses for each section can be readily determined.

ARTICLE V

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Attached Townhomes upon the Properties and placed on the dividing line between the Lots and all reconstruction or extensions of such walls shall constitute party walls, 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 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. The owner of any Attached Townhome Lot may construct, reconstruct, repair, or extend a party wall in any direction (subject to and within the limitations of architectural control and other limitations of these Covenants) with the right to go upon the adjoining Lot to the extent reasonably necessary to perform such construction. Such construction shall be done expeditiously. Upon completion of such construction, such owner shall restore the adjoining Lot to as near the same condition which prevailed on it before the commencement of such construction as is reasonably practicable.

Section 5. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent

or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

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 his property, he may, in order to assure a prospective purchaser that no adjoining property owner has a right of contribution as provided in this Article V, request of the adjoining property owner or property owners a certificate that no contribution exists, whereupon it shall be the duty of each adjoining property owner to make such certification immediately upon request 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 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 VI

ARCHITECTURAL CONTROL

No building, fence, signs, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VII

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Annexation of additional property, except as provided in Section 2 of this Article VII, shall require the assent of two-thirds (2/3) of the Class A membership and two-thirds (2/3) of the Class B membership, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the

meeting. The presence of members or of proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirement set forth above and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

Section 2. If within seven years of the date of incorporation of this Association, the Declarant should develop additional land within the boundaries shown on the general plan of Broadlands heretofore submitted to the Federal Housing Administration, the City of Raleigh and the Veterans Administration, or subsequently submitted and approved for addition to the general plan, such land may be annexed by the Declarant without the consent of members provided that the Federal Housing Administration, the Veterans Administration and the City of Raleigh determine that the annexation is in accord with the general plan heretofore approved by them.

Section 3. Annexation or Phased Development shall be subject to the following additional conditions:

(a) Land not originally included in the general plan approved by the City of Raleigh may not be subsequently annexed if such new land is not contiguous to land previously approved, does not include at least 5 acres in area and has not received approval from the City of Raleigh.

(b) Land included in the general plan approved by the City of Raleigh may be developed in phases provided that:

(i) The entire plan, including phase lines, receives approval of the City before any phase of the development begins;

(ii) The number of dwelling units in the developed phases conforms to the density requirements for the zoning district in which the land is situated;

(iii) The amount of open space land conveyed to the Association and the expenditures for required subdivision improvements in each phase bear a reasonable pro rata share to the entire development based on the number of dwelling units.

(c) The recording in the Wake County Register of Deed's office of a map depicting the area to be annexed or phased, signed by the Clerk of the City of Raleigh, shall signify compliance with this Section 3.

ARTICLE VIII

EXTERIOR MAINTENANCE

Section 1. Attached Townhome Lots. In addition to maintenance of the Common Area, the Association shall provide

exterior maintenance upon each Attached Townhome which is subject to assessment hereunder, as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, mailboxes, fences installed by Declarant or the Association, exterior post lights (excluding electricity therefor), and other exterior improvements. Such exterior maintenance shall not include glass surfaces, screens, awnings, and if permitted, approved additions to dwellings made after completion of the initial dwelling (unless maintaining of such addition is affirmatively assumed by the Association) or the repair or reconstruction of any improvements on any lot, the cost of which repair or reconstruction would be covered by casualty insurance, whether or not a policy of casualty insurance is in effect. Further, the owner of any lot may at his election plant trees, shrubs, flowers and grass in his rear yard and may also maintain portions or all of his rear yard provided that such maintenance by the owner does not hinder the Association in performing its maintenance of the exterior of the house and the remaining yard spaces.* No such maintenance by a lot owner shall reduce the assessment payable by him to the Association. If, in the opinion of the association any such owner fails to maintain his rear yard in a neat and orderly manner, the Association may revoke the owner's maintenance rights for a period not to exceed one year. The Owner shall not plant any vegetation in the front yard except with the prior written approval of the Association.

(As a matter of information to future members of this Association, the developers wish to make it known that it is a part of the original plan of development to construct a variety of dwellings with a variety of exteriors for the good of the entire subdivision. Some dwellings will require far more maintenance than others because of the types of exterior exposures. Nevertheless, in order to avoid monotony and in order to achieve a harmony of design and textures, all of those connected with the conception, design, construction and financing of this subdivision as originally planned, are in accord in their belief that all members of the Association will be benefited by the variety of exteriors and, therefore, the Association should provide exterior maintenance and make a uniform rate of charge without regard to the actual cost of maintenance of each dwelling.)

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, tenants, contract purchasers, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such lot is subject.

Section 2. Detached Townhome Lots. The Association shall have no obligation or responsibility for any maintenance of Detached Townhome Lots or any dwellings located thereon.

Section 3. Maintenance by Owner. In cases where maintenance or repair is required in this Declaration to be done or made by an Owner, and such maintenance or repair has not

commenced within sixty (60) days, or if commenced, is not completed within a reasonable time thereafter, the Association may, upon thirty (30) days written notice to such owner, make or complete such maintenance or repairs, and the cost thereof shall be an additional assessment applicable only to such lot and Owner, and shall be payable as determined by the Board of Directors.

ARTICLE IX

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish, amend and enforce reasonable rules and regulations concerning the use and enjoyment of the front yard space of each lot and the Common Areas. 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. Use of Properties. No portion of the Properties (except for temporary office of the Declarant and/or model townhouses used by Declarant) shall be used except for residential and street purposes and for purposes incidental or accessory thereto.

Section 3. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood.

Section 4. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes.

Section 5. Dwelling Specifications. Except with prior written approval of The Architectural Committee; (a) No dwelling shall be constructed or permitted to remain on any Detached Townhome lot having an area of the main structure, exclusive of open porches and decks, of less than 750 square feet for a one-story dwelling nor less than _____ square feet for a dwelling of more than one-story. (b) No dwelling shall be constructed or permitted to remain on any Attached Townhome lot having an area of the main structure; exclusive of open porches and decks, of less than _____ square feet for a one-story dwelling nor less than _____ square feet for a dwelling of more than one story.

Section 6. Building Setbacks - Detached Townhomes. The location of Detached Townhomes on a Detached Townhome Lot shall be governed by the applicable provisions of the Raleigh City Code, and in addition, to the following:

(a) Street yards. No dwelling shall be located nearer than 30 feet from the center of the pavement of an abutting private street, nor nearer than 15 feet from an abutting public street right-of-way.

(b) Rear yards. The rear yard shall not be less than 30 feet, except when the rear yard adjoins a public street or private street, the setback shall be calculated in accordance with subsection (a) above.

(c) Aggregate front and rear yards. The aggregate setbacks of front and rear yards shall not be less than 45 feet.

(d) Aggregate side yards. The aggregate width of the side yards shall not be less than 15 feet.

(e) Declarant may waive any deviation from the above set-back requirements, provided such waiver is recorded in the Wake County Registry and has received the approval of the City of Raleigh.

(f) If there arises a conflict between the applicable city code provisions and the requirements set out in Paragraphs (a)-(d) above, the provisions of this Section 6 shall have been complied with if the city code provisions have been adhered to.

Section 7. Screening. All garbage containers, utility meters and any dumpsters shall be permanently screened from view from all street rights-of-way.

ARTICLE X

EASEMENTS

All of the Properties, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power line and

other public utilities as shall be established by the Declarant or by his predecessors in title, prior to the subjecting of the Properties to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under and across the Common Areas conveyed to it, subject further easements as are requisite for the convenient use and enjoyment of the Properties.

An easement is hereby established over the common areas and facilities 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.

All Attached Townhome lots shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots by the Declarant to the extent that such initial improvements actually encroach including, but not limited to, such items as overhanging eaves, gutters and downspouts, fences, decks and walls.

All Detached Townhome Lots shall be subject to a perpetual access easement in favor of all adjoining lots along the common property line if necessary to provide access of 5 feet (including the width of the adjoining side yard) for maintenance of the dwelling on the adjoining lot. The maximum width

of any such easement shall not exceed 5 feet. Upon completion of any such maintenance activities, the owner shall restore the adjoining lot to as near the same condition which prevailed on it before the commencement of such maintenance as is reasonably practicable.

ARTICLE XI

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. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot

Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners.

No amendment which would change or delete any provision herein required by the City of Raleigh shall become effective until submitted to and approved by the City; provided, however, if the City fails to approve or disapprove such amendment within thirty (30) days after the same has been submitted to it, such approval shall not be required and this covenant shall be deemed to have been fully complied with. Any amendment must be recorded in the Office of the Register of Deeds of Wake County, North Carolina.

Section 4. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior written approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

ARTICLE XII

ELECTRICAL SERVICE

Declarant reserves the right to subject the above described property to a contract with Carolina Power and Light Company for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Carolina Power and Light Company by the owner of each lot within said property.

