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WAKE COUNTY, NC 35
LAURA M RIDDICK
REGISTER OF DEEDS
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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE OAKCROFT CUD HOMEOWNERS ASSOCIATION, INC.
AND
FOR THE OAKCROFT CLUSTER DEVELOPMENT SUBDIVISION

Prepared by and Return To:
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Raleigh, NC 27609

NORTH CAROLINA

WAKE COUNTY

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE OAKCROFT CUD HOMEOWNERS ASSOCIATION, INC. AND FOR THE OAKCROFT CLUSTER DEVELOPMENT SUBDIVISION (hereinafter referred to as the "Declaration"), made this 30TH day of JULY, 2004, by **TEAGUE-HANKINS DEVELOPMENT, CORP.**, a North Carolina corporation (hereinafter referred to as the "Declarant").

WITNESSETH:

WHEREAS, the Declarant is the owner of those certain lots and parcels and tracts of real property (hereinafter referred to as the "Property" or "Properties") in the City of Raleigh, County of Wake, State of North Carolina, more particularly described in Exhibit A, which said Exhibit A is attached hereto, made a part hereof and incorporated herein by reference; and

WHEREAS, Declarant desires to create on such Property a residential community of single-family residential dwellings to be known as the "OAKCROFT CLUSTER DEVELOPMENT SUBDIVISION " (hereinafter sometimes referred to as "OAKCROFT" or the "Subdivision"); and

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WHEREAS, to the extent thereof, Declarant shall designate on the various Plats of the Subdivision and will convey to the "Association" (as hereinafter defined) certain common areas designated as "PERMANENTLY PROTECTED UNDISTURBED OPEN SPACE", "PEDESTRIAN ACCESS EASEMENT", "OPEN SPACE EASEMENT", "PERMANENT OPEN SPACE", "OPEN SPACE" and "COMMON AREAS" (hereinafter referred to collectively as the "Common Areas") on the recorded map and/or plats of the Subdivision, including easements and rights-of-way, which are hereby designated for the common use and enjoyment of all the residents of the Subdivision (as hereinafter defined), although Declarant makes no representations that any such Common Areas shall now or may hereafter exist; and

WHEREAS, Declarant desires to provide for the upkeep and maintenance of the Common Areas and to provide a vehicle for ensuring that any stormwater drainage systems and facilities for the Subdivision are properly maintained, and, to that end, desires to subject all of the Property within the Subdivision to the covenants, conditions, restrictions, easements, charges, assessments and liens hereinafter set forth, each and all of which is and are for the benefit of said Property, its present and subsequent owners, and the Association as hereinafter specified; and

WHEREAS, Declarant has deemed it advisable to create an organization to own, maintain and administer the Common Areas, to administer and enforce the covenants and restrictions and protective covenants exclusively applicable to the Subdivision, and to collect and disburse the assessments and charges hereinafter created, and Declarant has caused or will cause to be incorporated under North Carolina law as a nonprofit corporation, the "OAKCROFT CUD HOMEOWNERS ASSOCIATION, INC." (hereinafter referred to as the "Association") for the purpose of exercising the aforesaid functions.

NOW THEREFORE, Declarant hereby declares that all of the Property described in the attached Exhibit A (together with any property which may be added pursuant to the terms hereof) shall be owned, held, transferred, sold, mortgaged, used, conveyed and occupied subject to the following easements, covenants, conditions, restrictions, charges, assessments and liens set forth in this Declaration (hereinafter referred to collectively as the "Restrictions"), which said Restrictions shall run with the title to the Property and be binding on all parties owning any right, title or interest in said Property or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of the Property, each owner thereof (both present and future), and to the Association.

ARTICLE I

DEFINITIONS

The following words or terms when used in this Declaration, or any Supplemental Declaration, unless the context shall prohibit, shall have the following meanings:

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- A. "Association" shall mean and refer to the OAKCROFT CUD HOMEOWNERS ASSOCIATION, INC., a North Carolina nonprofit corporation, its successors and assigns.
- B. "Board of Directors" shall mean and refer to the Board of Directors of the Association.
- C. "By-Laws" shall mean and refer to the By-Laws of the Association.
- D. "Class A Member (s)" shall mean and refer all those Owners other than the Declarant (See Article IV hereof).
- E. "Class B Member" shall mean and refer to the Declarant, its successors and/or assigns (See Article IV hereof).
- F. "Committee" shall mean and refer to the Architectural Review Committee of the Association.
- G. "Common Areas" shall mean and refer to the "PERMANENTLY PROTECTED UNDISTURBED OPEN SPACE", "STORMWATER CONTROL MEASURES", "PEDESTRIAN ACCESS EASEMENT", "OPEN SPACE EASEMENT", "PERMANENT OPEN SPACE", "OPEN SPACE" and "COMMON AREAS" shown on any recorded plat of the Property. "Common Areas" also shall mean and refer to the real property, together with any improvements thereon, if any, owned by the Association, whether in fee, by easement or otherwise, for the common use and enjoyment by the Owners of Lots within the Subdivision. The Common Areas shall be maintained by the Association, or its successors in interest, unless dedicated to public use as set forth herein. The Association shall comply with all Wake County and North Carolina ordinances with regard to said Common Areas..
- H. "Common Expenses" shall mean and include:
- (i) All sums lawfully assessed by the Association against its Members;
 - (ii) Expenses for maintenance as further provided in this Declaration or the Association's Organizational Documents;
 - (iii) Expenses of administration, maintenance, repair, or replacement of the Common Areas;
 - (iv) Expenses declared to be Common Expenses by the provisions of this Declaration, the Association's Organizational Documents or the Legal Requirements;
 - (v) Premiums for hazard, liability and such other insurance as this Declaration or the Association's Organizational Documents may require or authorize the Association to purchase or which the Association is required by law to purchase;

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- (vi) Ad valorem taxes and assessment charges lawfully levied against the Common Areas owned in fee simple by the Association;
 - (vii) Expenses agreed by the Members to be Common Expenses of the Association;
 - (viii) Unpaid assessments resulting from the purchase of a Lot 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).
 - (ix) Utilities used in connection with the Common Area;
 - (x) Fees for services of accountants, attorneys, engineers, managers and other professionals engaged by the Association;
 - (xi) Payment to the City of Raleigh under the Stormwater Replacement Protection Easement and Access Maintenance Agreement and Installment Replacement Contribution legal agreement (the "Stormwater Agreement") by and between the Declarant, the Association and the City and recorded contemporaneously with this Declaration, in the Office of the Register of Deeds of Wake County, North Carolina;
 - (xii) Required insurance premiums for liability insurance in the amount of not less than \$1,000,000.00 and casualty insurance required for the Stormwater Control Measures; and
 - (xiii) All expenses classified as Common Expenses pursuant to the Legal Requirements, including but not limited to the Planned Community Act.
- I. "Contract Seller" or "Builder" shall mean and refer to an Owner who purchased a Lot for resale and is not an occupant of any improvements thereon.
 - J. "Declarant" shall mean and refer to TEAGUE-HANKINS DEVELOPMENT, CORP., a North Carolina corporation, its successors and/or assigns.
 - K. "Declarant's Property" shall mean and refer to the property described in Article V, Paragraph B of the Declaration as "Declarant's Property".
 - L. "Lot" shall mean and refer to any plot of land, with delineated boundary lines, shown on any recorded subdivision map or plat of the Properties, with the exception of any Common Areas owned in fee simple by the Association, and with the exception of any public street rights-of-way shown on any such recorded subdivision map or plat of the Properties.

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- M. "Lot in Use" shall mean any Lot on which a dwelling unit has been fully constructed and for which a certificate of occupancy or similar certificate has been issued by the appropriate governmental agency.
- N. "Member" shall mean and refer to every person or entity who holds membership in the Association.
- O. "Membership" shall mean and refer to all of the Members of the Association.
- P. "Owner" shall mean and refer to a person or entity who is a record owner of a fee interest in any Lot which is a part of the Properties, including Contract Sellers or Builders who own the Lot (and do not merely have it under contract).
- Q. "Person" shall mean and refer to a natural person, corporation, limited liability company, business trust, estate trust, partnership, association, joint venture, government, government subdivision or agency, or other legal or commercial entity.
- R. "Property" or "Properties" shall mean and refer to the "Existing Property" described in Exhibit A to the Declaration and any additional property annexed into the Association pursuant to the terms and provisions of the Declaration.
- S. "Street" shall mean and refer to any street, road, drive, highway or other thoroughfare as shown on any recorded map or plat of the Properties.
- T. "Subdivision" shall mean and refer to the OAKCROFT CLUSTER DEVELOPMENT SUBDIVISION located off Dunn Road in the City of Raleigh County of Wake, State of North Carolina, together with any additions thereunto annexed by the Declarant pursuant to the terms and provisions of the Declaration.
- U. "Stormwater Control Measures" shall mean and refer to those underground storage detention pipes, level spreaders, and private drainage easements that serve more than one Lot, including but not necessarily limited to the areas and facilities covered by the Stormwater Agreement.

ARTICLE II

SUBJECTING ADDITIONAL PROPERTY TO THE DECLARATION

- A. Additions to the Properties by Declarant. Prior to the date which is ten (10) years from the date upon which this Declaration is recorded in the Office of the Register of deeds of Wake County, North Carolina, the Declarant shall have the right to annex into and bring within the scheme of the Declaration additional properties which are located within any phase of OAKCROFT CLUSTER DEVELOPMENT SUBDIVISION as described on attached Exhibit B.
- B. Method of Making Additions (Annexation). Additions to the Property shall be made by filing for record in the Office of the Register of Deeds of Wake County, North Carolina a Supplemental Declaration of Covenants, Conditions and Restrictions (the "Supplemental Declaration") with respect to the additional property, which said Supplemental Declaration shall describe the property being annexed. Such Supplemental Declarations)

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may contain such additions and modifications of Article VIII of the Declaration as may, in the sole discretion of Declarant, be necessary to reflect the different character of the added properties. In no event, however, shall such Supplemental Declarations) revoke, modify or add to the Restrictions established by the Declaration with respect to the Properties already subject to the Declaration, except to grant the Owners of Lots then subject to the Declaration limited rights with respect to such additional properties (changes to assessments brought about by such addition shall be deemed not to be a revocation, modification or addition of the Restrictions). Such approval by the Declarant, Board of Directors and, if required, the Membership, shall be evidenced by a certified copy of a resolution of approval recorded in the Office of the Register of Deeds of Wake County, North Carolina.

- C. Future Additions of Common Areas. Future Common Areas may be added to the scheme of the Declaration and included within the Properties subject to the jurisdiction of the Association. No representations are made with respect to any such additions. Prior to the sale of the first Lot within newly annexed area, such future Common Areas will be deeded to the Association free and clear of all encumbrances and liens except greenway, utility and drainage easements.
- D. Maximum Amount of Land. The Maximum amount of land that can comprise the Subdivision is 25 acres of land, including all additional annexations.
- E. Maximum Number of Dwelling Units. The maximum number of the overall dwelling units that can exist in the entire Subdivision, including all additional annexations, is 80 dwelling units.
- F. Maximum Overall Dwelling Units Per Acre. The maximum overall dwelling units per acre for the entire Subdivision, including all additional annexations, and without rezoning the Property to another zoning classification, is six (6) dwellings units per acre

ARTICLE III

ARCHITECTURAL CONTROL

A. Architectural Control.

1. Until such time as Declarant shall no longer be a Class B Member of the Association, no dwelling or other structure or other improvements (the "Improvements") shall be erected, placed or altered on any Lot in the Properties, or in any addition thereto, until the Improvements' plans and specifications for such Lot and the Lot plan for such Lot (showing the location of such Improvements on the Lot) and the Landscaping Plan for such Lot (collectively, the "Plans") have been approved in writing by the Declarant as to conformity with the Restrictions, quality, materials and as to conformity and harmony of external design with existing (and approved or proposed) Improvements in the Properties, and as to location of the Improvements with respect to topography and finished ground elevation. Such written approval from the Declarant must be obtained prior to commencing clearing, grading or construction of any kind on a Lot. All Improvements shall comply with the plans as presented unless changes are approved in writing by the Declarant. The written approval of Declarant shall also be required prior to erecting,

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placing or altering mail boxes, signs and newspaper boxes upon any lot. All roof pitches for a dwelling and/or garage on any Lot must be approved by Declarant.

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Anything herein to the contrary notwithstanding, during the initial development of the Properties, Declarant may limit its review to a review of a typical set of Plans and Specifications and Materials for the proposed residence type proposed by a Contract Seller or a Builder to be built within the Subdivision, and, upon Declarant's written approval of such typical Plans, Specifications, and Materials, residences may be constructed in the Subdivision consistent with such approved Plans, Specifications, and Materials without the requirement of further review by the Declarant.

2. Upon or prior to the date upon which Declarant shall cease to be a Class B Member of the Association, the Declarant shall form an "Architectural Review Committee" for the Properties (herein referred to as the "Committee"), which said Committee shall be composed of three (3) members appointed by the Declarant. The initial three (3) members of the Committee shall serve until a single-family residential dwelling has been started on all of the lots in the Subdivision. Should any member of the Committee resign or be unable to serve as a Committee member for any reason, the Declarant shall appoint a replacement member for such vacancy. Thereafter the members of the Committee shall be appointed by the Board of Directors of the Association, each such member to serve for a term of one (1) year, said term to expire upon the date of the annual meeting of the Association. Should any member of the Committee resign or be unable to serve as a Committee member for any reason, the Board of Directors shall appoint a replacement member for such vacancy to serve for the remainder of the term of the replaced member. Each member of the Committee shall have one (1) vote and a majority vote of the Committee shall be required to constitute Committee action on any issue brought before the Committee. So long as Declarant is a Class B Member all Improvements and Placement of Improvements by Builders and/or Contract Sellers shall require the approval of the Declarant. All improvements and Placement of Improvements by Lot Owners subsequent to the transfer of ownership of a house from a Builder/and or Contract Seller will require the approval of the Architectural Committee. So long as Declarant is a Class B Member Declarant reserves the right to approve or reject any guidelines and/or approvals of the Committee. Upon the date upon which Declarant shall no longer be a Class B Member of the Association, the Committee shall assume and be responsible for all of the approvals and responsibilities set forth in subparagraph 1 of paragraph A of this Article with regard to Architectural Control within the Properties. Upon approval by the Committee of the Plans as herein provided, the Committee shall evidence its approval in writing by memorandum or directly upon such Plans and the applicant Owner may then commence construction in accordance with such Plans. The Committee shall approve or reject in writing any completed Plans within thirty (30) business days after the receipt of the submitted Plans.

B. Limitation of Liability. No approval of Plans by Declarant or by the Committee shall be construed as a representation, warranty or implication that the Improvements, if built in accordance therewith, will be free from defects, shall meet applicable codes and laws, or will be built in a good and workmanlike manner. Any approvals of the Declarant or of the Committee shall be concerned solely with matters of aesthetics and the satisfaction of the requirements set forth in the Declaration. None of the Declarant, the Association, the Committee, the Board of

Directors, or the officers of Members of the Association, shall be liable or responsible to anyone submitting Plans for approval for any loss or damage arising out of or related to the approval, disapproval or failure to approve any such Plans, the noncompliance of such Plans with applicable codes and laws, or the construction undertaken pursuant to such Plans. Approval of the Plans by Declarant or by the Committee shall not be construed as approval of any Plans, or as an indication of approval of any Plans, by the governmental authorities of the City of Raleigh, North Carolina or any other federal, state or local agency.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

A. Membership.

1. Every Person who is a record Owner of a fee interest in any Lot which is a part of the Properties, including Contract Sellers or Builders who own the Lot (and to not merely have it under contract), shall be a Member of the Association (herein referred to as a "Member" or collectively as "Members"). The foregoing is not intended to include Persons who hold an interest in a Lot merely as security, unless such Persons acquire title to a Lot through judicial or non-judicial foreclosure, deed in lieu of foreclosure, or other action.
2. Membership in the Association shall be appurtenant to and shall not be separated from ownership of a Lot. Ownership of a Lot shall be the sole qualification for Membership. When more than one (1) Person holds an interest in any Lot, all such Persons shall be Members, but the vote for such Members shall be exercised as a majority of such Persons shall determine, but in no event shall more than one (1) vote be cast with respect to any such Lot owned by Class A Member, and in no event shall more than sixty-five (65) votes be cast with respect to any such Lot owned by the Class B Member. See Paragraph C of this Article IV Entitled "Voting Rights".

B. Classes. There shall be two (2) classes of voting Members:

1. The Class A Members shall be all those owners other than the Declarant.
2. The Class B Member shall be the Declarant, its successors and/or assigns. Class B Membership may cease and be converted to Class A Membership at the option of the Class B Member, by its written notice to the Secretary of the Association. Class B Membership also shall cease and be converted to Class A Membership, without further act or deed, upon the date ten (10) years from the date upon which this Declaration shall be recorded in the Office of the Register of Deed of Wake County, North Carolina.

C. Voting Rights.

1. Class A Members shall be entitled to one (1) vote for each Lot owned.
2. Class B Members shall be entitled to sixty-five (65) votes for each Lot owned (whether or not it is under contract to a Contract Seller or Builder).

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3. No cumulative voting shall be permitted.
4. Only those Members who are in good standing with the Association may vote.

ARTICLE V

ADMINISTRATION AND MANAGEMENT

- A. Governing Documents. The administration of the Properties shall be governed by the provisions of the Declaration, the Articles of Incorporation (the "Articles"), the By-Laws of the Association (the "By-Laws"), and the published rules and regulations of the Association (the "Rules"), if any. In the event of a conflict between the provisions of the Declaration and the Articles and the By-Laws and the Rules, the provisions of the Declaration shall control. In the event of a conflict between the provisions of the Articles and the By-Laws and the Rules, the Articles shall control. In the event of a conflict between the By-Laws and the Rules, the By-Laws shall control.
- B. Management of the Association/Board of Directors. The affairs of the Association shall be managed by an Initial Board to two (2) Directors who need not be Members of the Association and who shall be elected by the Declarant. The Persons who are to act in the capacity as the Initial Directors of the Association until the selection of their successors are: Thomas C. Hankins and Charles W. Teague, Jr.
1. The number of Directors of the Association shall be two (2) and shall be elected by the Declarant (Class B Member) for so long as either (a) the Declarant shall own any Lot which is subject by the provisions of this Declaration, or (b) the Declarant shall have the right to annex additional lands into the Association pursuant to the terms and provisions of this Declaration, as it may be amended; the Declarant shall have this selection power until whichever of these two events occurs last (hereinafter referred to as the "Turnover Date"). Thereafter the number of Directors of the Association shall be increased to five (5), said five (5) Directors to be elected by the Members at a special meeting of the Members of the Association called by the Declarant not later than sixty (60) days after the termination of the Class B Membership (or such earlier date as required by law). At such special meeting of the Members of the Association the Members shall elect one (1) Director to serve a term of one (1) year, two (2) Directors to serve a term of two (2) years, and two (2) Directors to serve a term of three (3) years. The annual meeting of the Members of the Association shall be held each year thereafter on the anniversary of the aforescribed special meeting, unless such date shall fall on a legal holiday, and in such case, on the next business day immediately following such legal holiday.
 2. At each annual meeting of the Association after the first annual meeting the Members shall elect the number of Directors needed to fill the vacancy or vacancies created by the Director or Directors whose term(s) is/are expiring, to serve for a term of three (3) years (except in the case of the initial election of a Director, in which case the term of that Director may be shortened to provide for the staggering set forth in this Article, or in the case of the filling of a vacancy, in which case the Director elected to fill the

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vacancy shall be elected for the unexpired term of the Director whose vacancy is being filled). The term of office of the Directors shall be staggered so that, except for an election to fill a vacancy or to fill a newly created directorship, the terms of not less than one nor more than two Directors shall expire at each annual meeting of the Members of the Association. Each Director shall hold office until his/her death, resignation, retirement, removal or disqualification, or until his/her successor is elected and qualified, whichever event shall first occur. Directors need not be Members of the Association.

3. After the Turnover Date as heretofore described in this Article, the number of Directors and their terms of office may be changed by amendment of the Association's By-Laws, provided that the number of Directors shall not be less than three (3) nor more than seven (7) and the number of Directors shall always be an odd number. Any directorships not filled by the Members shall be treated as vacancies to be filled by and in the discretion of the Board of Directors except as otherwise provided by the Planned Community Act or other applicable laws. A majority of the Directors elected by the Members, or such other number or percentage as then may be provided by the Planned Community Act, shall be Members of the Association or officers, directors, shareholders, trustees, partners, members or managers of Members which are entities.
4. So long as the Declarant is a Class B Member, all Directors of the Association shall be elected by the Class B Member. So long as the Declarant is not a Class B Member, all Directors of the Association shall be elected by the Class A Members.

ARTICLE VI

PROPERTY RIGHTS IN THE COMMON AREAS

- A. Extent of Member's Easements. Members, their families, tenants and guests, are hereby granted a blanket easement to use and enjoy the Common Areas for recreational, social and other purposes directly related to private single-family residential uses authorized herein, subject to the following:
 1. The Association shall have the right to promulgate and publish rules and regulations (the "Rules") with which each Member, their families and guests, shall strictly comply. Prior to the Turnover Date, the Declarant and thereafter the Association shall have the right to publish rules and regulations for the Association regarding use and enjoyment of the Common Areas and the use of the Lots within the Subdivision. In accordance with N.C.G.S. Section 47F-3-107.1 of the Planned Community Act, after notice, opportunity to be heard and notice of the final decision, the Board of Directors shall have the authority to impose reasonable monetary fines and other sanctions for a violation of the Association's rules and regulations, including but not limited to a suspension of the Owner's rights and privileges as a Member of the Association. All rules and regulations shall be uniform with respect to the Lots.
 2. The Common Areas, if any, shall not be used for other than intended purpose(s) specified on the recorded plats of the Subdivision, if any.

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3. The Declarant and the Association, in accordance with the Articles of Incorporation of the Association and the By-Laws of the Association, shall have the right to borrow money for the purpose of improving, renovating, repairing and reconstructing the Common Areas with the written consent of the Class B Member, together with the written consent of eighty percent (80%) of the Class A Members entitled to vote. Such vote shall be in person or by proxy on such matter at a meeting of the Members called for such purpose, written notice of which shall be given to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting, to wit: to mortgage all or any part of said Common Areas as security for such loans. The rights of the security holder shall be subordinate to the rights of the Association and its Members established hereunder.
 4. The Commons Area shall be preserved for the perpetual benefit of the Owners of the Lots and the Common Areas are restricted against private or public ownership for any other purpose other than as provided by the Planned Community Act and the Raleigh City Code. Common Areas shall not be subsequently subdivided or conveyed by the Association except as permitted by and in accordance with this Declaration, the Planned Community Act and the ordinances, regulations and procedures, including variances, of the City of Raleigh.
- B. Personal Property for Common use. The Association may acquire and hold in the name of the Association for the use and benefit of all Members, tangible and intangible, real or personal property, and may dispose of the same by sale or otherwise.
- C. Maintenance and Upkeep of Common Areas and Personal Property and Compliance with County/State Ordinances.
1. The Association shall be responsible for the continued maintenance, upkeep and repair of any and all Common Areas and an and all personal property owned by the Association for common use by the Members and shall be responsible for any and all costs and expenses associated therewith.
 2. The Association shall comply with any and all City of Raleigh, Wake County and/or State of North Carolina regulations regarding the use, upkeep and repair of the Neuse River Riparian Buffers shown on any recorded plat of the Subdivision. Undeveloped Common Areas Neuse River Riparian Buffers shown on any recorded plat of the Subdivision shall be retained in a vegetative or natural state in accordance with such regulations.
 3. The Association shall maintain all Stormwater Control Measures in the Subdivision in accordance with the terms and provisions of the stormwater operations and maintenance manual and budget entitled "STORMWATER OPERATIONS AND MAINTENANCE MANUAL AND BUDGET FOR OAKCROFT CLUSTER SUBDIVISION" which is attached hereto as Exhibit C and is incorporated herein by reference.
 4. Stormwater replacement contribution payments to the City of Raleigh shall be made in accordance with the terms and provisions of the Stormwater Replacement Protection

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Easement and Access Maintenance Agreement and Installment Replacement Contribution Agreement between and among the Declarant, the Association and the City of Raleigh, North Carolina, recorded contemporaneously with this Declaration (hereinafter referred to as the "Stormwater Replacement Agreement").

5. The Stormwater Control Measures for the Properties set forth in Exhibit C hereto are required by the Raleigh City Code to be installed and maintained. Failure to maintain, repair, replace or reconstruct the Stormwater Control Measures are a violation of the Raleigh City Code, potentially subjecting each Owner to daily civil penalties and other enforcement actions. In the event that the Association neglects or fails to maintain, repair, replace, or reconstruct the Stormwater Control Measures each Owner shall be jointly and severally responsible for such tasks as required by the City of Raleigh

ARTICLE VII

COVENANT FOR MAINTENANCE ASSESSMENT

A. Creation of Lien and Personal Obligation of Assessment. Declarant, for each Lot within the Properties, hereby covenants, and each Owner of any Lot by acceptance of the deed therefor, whether or not it shall be so expressed in the deed to such Owner, covenants and agrees to pay to the Association all assessments set forth herein and/or established by the Association, and with respect to the enforcement of payment of such assessments, hereby consents to the lien established herein. Such assessments shall be fixed, established and collected from time to time as provided in this Declaration and the By-Laws of the Association. Except as otherwise specifically provided in this Declaration, all annual assessments shall be fixed at a uniform rate for all Lots; provided, however, no Annual Assessment shall be payable with respect to any Lot which is owned by the Declarant unless such Lot is a Lot in Use, and the amount of the Annual Assessment for each Lot which is not a Lot in Use shall be an amount equal to twenty-five (25%) of the amount of the annual assessment applicable to a Lot which is a Lot in Use. Except as provided herein, special assessments shall be fixed at a uniform rate for all Lots without regard as to whether or not said Lot is a Lot in Use. Annual Assessments and special assessments may be collected on an annual, semi-annual, quarterly or monthly basis as determined by the Board from time to time. The Annual Assessments and special assessments, together with such interest thereon, applicable late fees and the cost of collection thereof, including reasonable attorney fees, shall be a charge on the Lot and shall be a continuing lien upon such Lot until paid in full. Each such assessment, together with such interest, late fees and costs of collection, including reasonable attorney fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them.

B. 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, to enforce these covenants and the rules and regulations of the Association and to pay Common Expenses, and in particular Common Expenses for the acquisition, improvement and maintenance of properties, services and facilities devoted to these purposes and related to the use and enjoyment of the Common Areas, including but not limited to, the costs of repairs, replacements and additions, the cost of utilities, labor, equipment, materials, management and

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supervision, the payment of taxes assessed and public assessments levied against the Common Areas owned in fee simple, the cost of maintenance as provided in this Declaration, the maintenance of water and sewer mains and systems in and upon the Common Areas, the payment of stormwater contribution payments to the City of Raleigh pursuant to the terms and provisions of the Stormwater Agreement, the maintenance of streets (whether dedicated or not), drives, entrances, and parking areas within or serving the Property, the maintenance of Stormwater Control Measures in strict compliance with the Stormwater Operations and Maintenance Manual and Budget attached to this Declaration as Exhibit C and incorporated herein, the procurement and maintenance of insurance in accordance with this Declaration and the Organizational Documents, the payment of charges for garbage collection and municipal water and sewer services furnished to the Common Areas, the employment of attorneys, accountants, engineers and other professionals on behalf of the Association when necessary, the provision of adequate reserves for the replacement of capital improvements including, without limiting the generality of the foregoing, paving, roofing, and any other major expense for which the Association is responsible, and such other needs as may arise.

C. Adoption of Budget and Annual Assessments. The Annual Assessments shall be based upon the cash requirements, as the Board of Directors shall from time to time determine, necessary to provide for the payment of all estimated expenses arising out of or connected with the purposes of the assessments. The following provisions shall not operate so as to restrict the Association or the Board in performing the duties and obligations required of the Association or the Board under the Planned Community Act, but they shall be a limitation on discretionary costs and expenses above and beyond such duties and obligations:

1. Until January 1, 2005, the maximum annual assessment for any Lot shall be \$500.00 per year.
2. The Board of Directors of the Association shall adopt a proposed budget for the Association and set the amount of the regular annual assessment against the Lots at least 30 days in advance of each annual assessment period. Within 30 days after adoption of the proposed budget, the Board of Directors shall provide to all Owners a summary of the proposed budget and a written notice of the meeting to consider the ratification of the proposed budget, which notice shall include a statement that the proposed budget may be ratified without a quorum. The written notice of the meeting of Members to consider ratification of the proposed budget shall be provided at least 10 days and not more than 60 days in advance of such meeting. Unless otherwise provided in the Planned Community Act, there shall be no requirement that a quorum be present at such meeting to consider ratification of the proposed budget. If the proposed budget does not increase the annual assessment by more than 10% above the annual assessment in the last ratified budget, the proposed budget shall be ratified unless at that meeting the Owners of 80% of all Lots reject the proposed budget. If the proposed budget increases the annual assessment by more than 10% above the annual assessment in the last ratified budget, the proposed budget shall be ratified unless at that meeting the Owners of a majority of all Lots reject the proposed budget. In the event the proposed budget is rejected, the last ratified budget of the Association

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shall continue until a new proposed budget is ratified. The due dates for assessments shall be established by the Board of Directors.

3. Notwithstanding paragraph 2 above to the contrary, to the fullest extent, if any, permitted by the Planned Community Act, from and after January 1, 2005, the annual assessment effective for any year may not be increased over the annual assessment for the preceding year by a percentage which exceeds the greater of ten percent (10%) or the percentage increase reflected in the U.S. City Average, Consumer Price Index-United States and selected areas for urban wage earners and clerical workers (published by the U.S. Bureau of Labor Statistics, United States Department of Labor), or such other index as may succeed such Consumer Price Index, for that twelve month period ending September 30th of such immediately preceding year without the affirmative vote of Members entitled to cast two-thirds (2/3rds) of the votes present in person or by proxy at a meeting duly called for the purpose of ratifying the budget.
4. Within 10 days after receipt of a written request, the Association shall furnish to the Lot Owner or the Lot Owner's authorized agents, a certificate in writing, signed by an officer of the Association setting forth the amount of unpaid assessments and other charges against such Owner's Lot. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be binding on the Association, the Board and every Lot Owner as provided in the Planned Community Act.
5. Until the Association makes an assessment for Common Expenses, the Declarant shall pay all Common Expenses as required by the Planned Community Act and the Raleigh City Code. So long as any Lot owned by the Declarant is exempted from the payment of Annual Assessments, the Declarant shall be responsible to pay any budget shortfall between the Common Expenses and the Annual Assessments payable by the Owners of all Lots not owned by the Declarant. Otherwise, if the Annual Assessments are insufficient to pay all Common Expenses, the Declarant may advance expenses for the maintenance and operation of the Association to the extent that annual assessments assessed against the Owners are inadequate for this purpose. Such advance shall be to the Association and on terms generally available to Declarant from its lending institution.

E. Date of Commencement of Annual Assessments. The Annual Assessments provided for herein shall commence as to a Lot on the earlier of the date such Lot was conveyed by the Declarant to a third party purchaser or the date such Lot becomes a Lot In Use. The first annual assessment for such Lot shall be adjusted according to the number of months remaining in the calendar year.

F. Special Assessment for Capital Improvements. In addition to the Annual Assessments authorized above, the Association may levy in any assessment year a special assessment for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or

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replacement of a capital improvement upon the Common Areas, including but not limited to, necessary fixtures and personal property related thereto, or any other purpose permitted under the Planned Community Act. Any such special assessment shall have the assent of the Class B Member (prior to the Turnover Date) and two-thirds (2/3rds) or more of the votes of the Class A Members who are voting in person or by proxy at a meeting duly called for this purpose. Written notice of such meeting shall be given to all Members at least thirty (30) days in advance setting forth the purpose of such meeting. Any such Special Assessment shall be levied equally on the Lots owned by Owners other than the Declarant. Declarant shall not be required to pay any Special Assessments. Any Special Assessment so levied shall be payable in accordance with the terms set forth in the motion approving such Special Assessment.

G. The Effect of Non-Payment of Assessments: Remedies of the Association. Any assessment which is not paid within thirty (30) days after the due date shall be delinquent. The Association shall have the option to declare the outstanding balance of any assessment due and payable if any installment thereof shall become delinquent as defined herein. If an assessment is not paid within thirty (30) days after its due date, the assessment shall bear interest from its due date at the rate of twelve percent (12%) per annum, or such other rate as established from time to time by the Association as provided in the Planned Community Act, but in no event shall such interest exceed the highest rate allowed by applicable Law, and shall be subject to late fees as approved by the Board of Directors and permitted by applicable Law. Should any Owner's check for any assessment be returned by such Owner's financial institution because of insufficient funds in such Owner's account, then in such event, such Owner shall pay to the Association an administrative fee in the sum of \$25.00 or such other amount as established from time to time by the Association, but in no event shall such administrative fee exceed the highest amount allowed by applicable Law for each such check returned, said administrative fee to be in addition to any assessment and accrued interest due from such Owner to the Association. An assessment levied against a Lot remaining unpaid for a period of thirty (30) days or longer shall constitute a lien on that Lot when a claim of lien is filed of record in the Office of the Clerk of Superior Court of Wake County, North Carolina. The Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against such Owner's Lot provided under this Declaration. To the extent permitted or required by the Planned Community Act, interest, late fees, administrative fees, costs and reasonable attorney fees of any such action shall be added to the amount of such assessment. Each such Owner, by acceptance of a deed to a Lot hereby expressly grants to the Association, its agents or assigns, the right and power to bring all actions against such Owner personally liable for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a Mortgage or a deed of trust lien on real property under power of sale under Article 2A of Chapter 45 of the North Carolina General Statutes and such Owner hereby expressly grants to the Association a power of sale in connection with foreclosure of said lien. Such lien shall be in favor of the Association, which shall have the power to purchase the Lot subject to the lien at foreclosure and to acquire and hold, lease, mortgage and convey the same. No Owner may waive or otherwise escape liability for assessments provided for herein by non-use of the Common Areas or by abandonment of his Lot. In the event of a default in payment of any such assessment when due,

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the assessment shall be deemed delinquent if not paid within thirty (30), and, in addition to any other remedies herein or by law provided, the Association may (i) prohibit the Owner, the members of the Owner's family and any guests or any tenants of the Owner from using any Common Areas except for drainage facilities and except as necessary for access and drainage to such Owner's Lot, and (ii) enforce each such obligation in any manner provided by law or in equity, specifically including but not limited to, any of the following:

1. Enforcement by Suit. The Board of Directors may cause a suit at law to be commenced and maintained in the name of the Association against an Owner to enforce each such assessment obligation. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon at the highest rate by law permitted from the date of delinquency, administrative fees, court costs and reasonable attorney's fees.
2. Enforcement by Lien. There is, to the full extent permitted by law, hereby created a lien, with power of sale, on each Lot within the Properties to secure payment to the Association of any and all assessments levied against all Owners of such Lots under the Declaration, together with interest thereon at the allowed by Chapter 47F of the North Carolina General Statutes from the date of delinquency, and all late fees, administrative fees and costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorney's fees. At any time after the occurrence of any default in the payment of any assessment the Association, or any authorized representative of the Association, may, but shall not be required to, make a written demand for payment to the defaulting Owner on behalf of the Association. Said demand shall state the date of the assessment was due and the amount of delinquency. Each default shall constitute a separate basis for a demand or claim of lien, but any number of defaults may be included within a single demand or claim of lien. At any time an assessment remains delinquent, the Board of Directors may elect to file such a claim of lien in the Office of the Clerk of Superior Court of Wake County, North Carolina on behalf of the Association against the Lot of the delinquent Owner. Such a claim of lien shall be executed and acknowledged by any officer of the Association and shall contain the following information:
 - a. The name of the delinquent Owner;
 - b. The legal description and street address of the Lot against which claim of lien is made;
 - c. The total amount claimed then to be due and owing for the amount of the delinquency, interest thereon, late fees and administrative fees;
 - d. That the claim of lien is made by the Association pursuant to the Declaration for non-payment of annual and/or special assessments); and
 - e. That a lien is claimed against said Lot in an amount equal to the amount stated, plus accruing interest and costs, including reasonable attorney's fees.

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Upon the recordation of a duly executed original or copy of such a claim of lien and the mailing a copy thereof by certified mail, postage prepaid, to said defaulting Owner at the last known address of said Owner on the books of the Association, the lien claimed therein shall immediately attach and become effective in favor of the Association as a lien upon the Lot against which such assessment was levied and such lien shall have priority over all liens or claims created subsequent to recordation of the claim of lien thereof, except only tax liens for real property taxes on any Lot, assessments on any Lot in favor of any municipal, county or other governmental assessment unit, and the liens which are hereinafter specifically described in Paragraph H herein below. Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a deed of trust under power of sale in Article 2A of Chapter 45 of the North Carolina General Statutes, as the same may be changed or amended. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other Owners. The Association shall have the power, but not the obligation, to bid in at any foreclosure sale and to purchase any such Lot and to hold, lease, mortgage and convey any such Lot purchased. In the event such foreclosure is by action in court, reasonable attorney's fees, court costs, title examination fees, interest and all other costs and expenses incurred in such foreclosure by the Association, shall be allowed to extent permitted by law. EACH OWNER. BY BECOMING AN OWNER IN THE PROPERTIES. HEREBY EXPRESSLY WAIVES ANY OBJECTION TO THE ENFORCEMENT AND FORECLOSURE OF THE LIEN IN THIS MANNER.

H. Lien to City of Raleigh. Declarant, for each Lot within the Properties, hereby covenants, and each Owner of any Lot by acceptance of the deed therefor, whether or not it shall be so expressed in the deed to such Owner, covenants and agrees to pay to the City all assessments set forth herein, and with respect to the enforcement of payment of such assessments, hereby consents to the lien established herein. The Association grants and assigns to the City of Raleigh, rights to file a lien and collect such assessments without a vote of the Owners for monies owed by the Association to the City of Raleigh pursuant to the Stormwater shall have the right to impose assessments to pay any monies owed by the Association to the Stormwater Replacement Agreement. The payment of such assessments shall be secured by a lien against the Properties, including each Lot, upon the filing of a claim of lien by the Association or by the City, as the assignee of the Association's lien rights. The granted lien rights shall be foreclosed in like manner as a mortgage on real estate pursuant to power of sale under Article 2A of Chapter 45 of the North Carolina General Statutes from and after the time of recording a claim of lien in the Office of the Clerk of Superior Court of Wake County, North Carolina, which claim shall state the description of the Properties encumbered thereby, the name and address of the Association, the record owners of the encumbered Properties at the time the claim of lien is filed, and the amount of the lien claim. The claim of lien shall be recordable any time after default, and the lien shall continue in effect until all sums secured by the lien as herein provided shall have been fully paid. Such claims of lien shall include all sums that are due and payable when the claim of lien is recorded, plus interest at the rate set forth in the Stormwater Replacement Agreement, but not to exceed eighteen percent (18%) per year, collection costs, and reasonable attorneys' fees. City lien claims shall be signed by the City Manager. Upon full payment of all sums secured by

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such claims of lien, the same shall be satisfied of record. EACH OWNER, BY BECOMING AN OWNER IN THE PROPERTIES, HEREBY EXPRESSLY WAIVES ANY OBJECTION TO THE ENFORCEMENT AND FORECLOSURE OF THE LIEN IN THIS MANNER.

I. Subordination of the Lien to Mortgagees. The liens provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust on a Lot. Sale or transfer of any Lot shall not affect the lien for delinquent assessments; however, the sale or transfer of any Lot pursuant to a foreclosure of a first mortgage or first deed of trust, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessment as to the payment thereof which became due prior to the date of such conveyance. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or deed of trust. Any such foreclosure of a Lot shall not extinguish the personal obligation of the Owner against whom such foreclosure proceeding was brought to pay any and all assessments due for such Lot.

ARTICLE VIII

RESTRICTIONS ON USE AND MAINTENANCE OF PROPERTY

A. Use Restrictions. Except as may be modified by a Supplemental Declaration with respect to another phase of the Subdivision, the following Restrictions and Covenants shall be applicable to the use of any Property subject to the Declaration:

1. Land Use and Building Type - Residential Purposes Only. Except for the Common Areas, no Lot on the Properties shall be used for any purpose other than single-family residential purposes, unless otherwise shown on the recorded plats/maps of the Subdivision. Such restriction shall not prohibit the maintenance and occupancy of any model homes, temporary sales trailers or offices, or temporary construction trailers on the Lots, subject to the prior approval of the Declarant. Subject to the foregoing, no buildings shall be erected or allowed to remain on any Lot except one (1) detached, single-family dwelling not exceeding three (3) stories in height (exclusive of basement and attic), a private attached garage for not more than three (3) cars and/or a detached garage for not more than two (2) cars, and a storage shed or workshop approved by the Declarant (or by the Architectural Review Committee following the Turnover Date). Except as specified above, no mobile homes, trailers, manufactured homes or modular homes shall be erected or allowed to remain on any Lot in the Subdivision. No carport shall be erected or allowed to remain on any Lot.
2. Resubdivision of Lots. No Lot shall be resubdivided except with the written consent of the Declarant (or of the Board of Directors following the Turnover Date).
3. Nuisances. No nuisance or noxious or offensive activity shall be carried on or upon the Properties or any part thereof or on any Lot, nor shall anything be done or maintained thereof which may disturb the neighborhood or occupants of adjoining property, or detract from its value as an attractive residential

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community. No portion of a Lot shall be used for business, manufacturing or commercial purposes, nor shall any merchandise be kept or allowed to remain on a Lot for commercial purposes. Each Owner shall maintain his or her buildings, improvements, landscaping and grounds in a safe, clean and orderly fashion.

4. Animals. No birds, animals, livestock or poultry of any kind shall be raised, bred or kept on any part of the Properties or any part thereof or on any Lot, excepts that dogs, cats or other household pets may be kept, bred or raised solely as domestic pets and not for commercial purposes. Such domestic pets shall be kept under the control of the Owner of such pets or his/her guests. The Owner of any pet shall immediately remove excrement deposited by said pet upon the Streets and/or the sidewalks and/or the Common Areas and/or the Lots in the Subdivision. Habitual barking, howling, yelping or otherwise noisy pets shall be deemed a nuisance. No horses or barnyard animals shall be kept or allowed to remain on any of the Properties or any part thereof or on any Lot at any time.
5. Dwelling Size. No dwelling shall be erected or allowed to remain on a Lot if the heated floor area of the main structure, exclusive of open porches and garages, shall be less than One Thousand Eight Hundred (1,800) square feet. The Declarant, in its sole and absolute discretion, may grant a variance of up to ten percent (10) of the minimum dwelling size.
6. Building Setbacks. Except as hereinafter specified and unless prior written approval is obtained from Declarant (or the Architectural Review Committee following the Turnover Date), the following setback requirements are required for any dwellings erected, or to be erected, on any Lot in the Subdivision:
 - a. No dwelling shall be erected on any Lot so that the front of the dwelling is nearer than twenty (20) feet to the front lot line of said Lot;
 - b. No dwelling shall be erected on any Lot so that the rear of the dwelling is nearer than twenty (20) feet to the rear lot line of said Lot;
 - c. The aggregate of the actual front and rear setbacks on a Lot must be at least forty (40) feet.
 - d. One side of a dwelling on a Lot may be as close as five (5) feet to one side lot line of such Lot so long as the other side of the dwelling is at least ten (10) feet from the other side lot line of said Lot. The aggregate of the actual side setbacks on a Lot must be at least fifteen (15) feet. The side of a dwelling erected on a Lot must be at least ten (10) feet from the side of the dwelling erected on the Lots adjacent to such Lot.
 - e. Notwithstanding the foregoing, no dwelling shall be erected on Lot 8, Lot 9, or Lot 10 so that the front of the dwelling on such Lots is nearer than ten (10) feet to the front lot line of such Lots, the aggregate front and rear setbacks for such three (3) Lots shall be at least forty (40) feet;

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- f. Notwithstanding the foregoing, no dwelling shall be erected on Lot 6 Lots 11 through 21 inclusive, Lot 52, Lot 53, or Lot 58 so that the front of the dwelling on such Lots is nearer than fifteen (15) feet to the front lot line of such Lots, the aggregate front and rear setbacks for each such Lot shall be a least forty (40) feet;
- g. Notwithstanding the foregoing, no dwelling shall be erected on Lot 42 Lot 63, or Lot 64 so that the rear of the dwelling on such Lot is nearer than thirty (30) feet to the rear lot line of such Lot.
- h. Notwithstanding the foregoing, no dwelling shall be erected on Lot 52 Lot 53, Lot 59, or Lot 60 so that any portion of the dwelling is closer than five (5) feet from the edge of the Carolina Power and Light Company easement on such Lot.
- i. Notwithstanding the foregoing, for Lot 1, Lot 3, Lots 7 through 9 inclusive, Lot 21, Lots 23 through 27 inclusive, Lot 32, Lots 39 through 41 inclusive, and Lot 64, the side and rear set-backs required for such Lots shall be such that no dwelling erected on said Lots shall encroach into the "PERIMETER YARD BUFFERS" as depicted on the Plats of the Subdivision as now or hereafter recorded in the Office of the Register of Deeds of Wake County, North Carolina.

For the purpose of this covenant, eaves, steps, stoops, chimneys, uncovered decks not considered a structural part of the dwelling by the City of Raleigh authorities and uncovered entrances shall not be considered a part of the dwelling, provided' however, that this shall not be construed to permit any portion of a dwelling to ' encroach upon another Lot or upon any Common Areas. Should there be any differences between the minimum building set-backs requirements depicted on any of the plats/maps of the Subdivision recorded in the Office of the Register of Deeds of Wake County, North Carolina, the zoning regulations of the City of Raleigh, and the minimum building setback requirements imposed in the Declaration, the more stringent of the setback provisions shall control.

- 7. Utilities and HVAC Equipment. All water, sewer, gas, electric, telephone television, cablevision and other utility lines and connections between the main utility lines and the dwelling and other structures located on each Lot shall be located underground and concealed so as not to be visible.

Air conditioning, heating and other mechanical equipment on a Lot, including solar and other alternative energy devices, which said devices must be approved in writing by the Declarant or by the Architectural Review Committee following the Turnover Date, shall be either concealed within a screen or integrated with the building design of the dwelling on the Lot so as to be inconspicuous. Declarant or the Architectural Review Committee following the Turnover Date shall determine whether or not any such integration is inconspicuous. No structure, other than a fence approved by Declarant (or the Architectural Review Committee) and

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Carolina Power and Light Company shall be constructed or allowed to remain within the confines of the Carolina Power and Light Company easements situated on Lots 41 42 52 53 59 60, 61,62, 63 and 64 of the Subdivision.

8. Common Areas. No Owner or occupant shall remove or significantly alter any tree or landscaping in any street, right-of-way, or part of the Common Areas unless permission in writing is first granted by the Association and unless and until permission in writing has been obtained from the appropriate City of Raleigh governmental authorities, if such governmental permission is required.
9. Waste. No part of the Properties and no Lot shall be used or maintained as a dumping ground for rubbish, grass clippings, garbage or trash. Garbage and other waste shall be kept in sanitary containers. Except on the scheduled trash pick-up day(s), all containers for the storage or disposal of such materials shall be kept inside the residence or inside the garage or in an approved enclosure (such enclosure to be approved by Declarant or the Architectural Review Committee following the Turnover Date). Any such enclosure must be screened from view from the street or integrated with the building design so as to be inconspicuous.
10. Unauthorized Vehicles. Trucks owned by any Member, their families and their tenants with tonnage in excess of one (1) ton shall not be permitted to park or remain on any streets of the Subdivision or on the driveways on any Lot or on any Lot overnight, except that construction vehicles utilized in the construction or repair of the dwellings on the Lots may be temporarily parked on the streets of the Subdivision and on the Lots provided such vehicles do not unduly interfere with the flow of traffic over said streets. No vehicle of any size which normally transports inflammatory or explosive cargo may be kept in the Subdivision at any time. No mobile home, other than a mobile home used as a temporary sales office or construction office for dwellings being constructed in the Subdivision, shall be placed or allowed to remain on any Lot or on any of the Properties.

No boat, marine craft, hovercraft, aircraft, recreational vehicle, pick-up camper, camper, equipment vehicle, tractor, travel trailer, trailer, truck (other than pick-up trucks), commercial vans, camper body or similar vehicle or equipment, or other vehicle (other than operable automobiles, sports utility vehicles and personal vans used only for personal use) may be parked or stored or allowed to remain in any area on a Lot except inside an enclosed building or behind screening, which said building or screening shall have been previously approved in writing by Declarant or by the Architectural Review Committee following the Turnover Date, or as otherwise consented to in writing by the Declarant or said Architectural Review Committee. Any such vehicle or equipment must be stored on a Lot so as to be screened and not visible from the street of the Subdivision and the adjoining neighbors. The keeping of inoperable vehicles, with or without wheels, on any public street in the Subdivision or on any Common Areas in the Subdivision is expressly prohibited.

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11. Roofs. All roof pitches on any dwelling and/or garage on any Lot must be approved by the Declarant or the Architectural Review Committee following the Turnover Date.
 12. Driveways and Walkways. All driveways and walks on any Lot must be paved with concrete or brick or pavers.
 13. Landscaping. All Lots on which a dwelling has been approved and built in accordance with the provisions of Article III of the Declaration shall be landscaped in accordance with landscaping plans approved by the Declarant (or by the Architectural Review Committee) in accordance with the provisions of Article III of the Declaration. All front yards must be sodded to the back of curb, except where natural areas are created and approved by Declarant or the Architectural Review Committee following the Turnover Date. All sod shall be laid so as not to rise above the level of the asphalt and impede Street drainage as required by the North Carolina Department of Transportation ("NCDOT") and the City of Raleigh Department of Transportation ("RDOT"). Each Owner will be responsible for the costs of any rework to such Owner's lawn and yard which may be required necessary for Declarant to obtain NCDOT's or RDOT's acceptance of the Streets in the Subdivision for permanent maintenance.
 14. Signals. No radio signals, television signals or other form of electromagnetic radiation shall originate from any Lot which may unreasonably interfere with the reception of television or radio signals on any other Lot.
 15. Antenna. No structure or facility for providing alternative sources or energy (such as solar, wind or bio-mass) or for television, cablevision, or other signal reception (such as antenna or satellite dish) shall be erected or allowed to remain on a Lot without the prior written permission of the Declarant or of the Architectural Review Committee following the Turnover Date; however, small cable television satellite dish (es) having a diameter not exceeding eighteen (18) inches may be mounted on the dwelling on a Lot or placed on a lot without permission if, and only if, such dish (es) is/are mounted/placed in such manner as not to be visible from the Streets in the Subdivision.
 16. Mail Boxes, Signs, Newspaper Boxes and Signs. No mail boxes or newspaper boxes or signs shall be placed, altered or allowed to remain on any Lot without the prior permission of the Declarant or of the Architectural Review Committee following the Turnover Date. All mailboxes shall conform to the approved mailbox style selected by Declarant for the Subdivision.
 17. Temporary Structures. No structure of a temporary character or nature shall be erected or allowed to remain on any Lot, except for those provided for in Paragraph A.1. of this ARTICLE VIII. No basement (unless said basement is part of a dwelling erected at the same time the dwelling is erected), tent, shack, mobile home, barn or other outbuilding or temporary structure erected on a Lot shall be used as a residence either temporarily or permanently.

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18. Fences and Walls. No fence, retaining wall or screening wall shall be erected or permitted to remain on any Lot closer to the front lot line of said Lot than the front of the dwelling erected on said Lot. In the case of a corner Lot where the dwelling faces one street any such fence, retaining wall and/or screening wall to be erected on the side of the Lot facing the other street (the "side street") shall be erected no closer to the side street line than that side of the dwelling facing said side street and any such fence, retaining wall and/or screening wall to be erected on the other side of said dwelling shall be no closer to the front lot line of said Lot than the front of the dwelling erected on said Lot. In the case of a corner Lot where the dwelling faces the intersection of the two streets any such fence, retaining wall and/or screening wall shall be erected no closer to either street than the front corners of the dwelling erected on said Lot. Chain link fences and chain link animal pens shall not be erected or permitted to remain on any Lot. All fences and walls to be erected on a Lot must be approved in writing by the Declarant or by the Architectural Review committee following the Turnover Date. All fences and walls on Lots shall be maintained in good repair and in a clean, attractive manner and, if painted or stained, shall be in a color in harmony with the Subdivision.
19. Driveway Culvert Pipes. All driveway culvert pipes under any driveway servicing a lot in the Subdivision shall be constructed of concrete reinforced pipe which meets or exceeds the more stringent specifications of either the NCDOT or the RDOT specifications.
20. Accessory Building. No accessory buildings, including but not limited to, storage sheds and workshops, shall be placed or erected or allowed to remain on any Lot until the design and location of such accessory building has been approved in writing by the Declarant or the Architectural Review Committee following the Turnover Date. Any siding and roofing materials on such accessory buildings shall be consistent with that of the main dwelling situated on the Lot upon which the accessory building will be erected.
21. Trees. Except for trees removed by Carolina Power and Light Company in accordance with its easement, no trees are to be removed within the confines of the Carolina Power and Light Company easements situated on Lots 41, 42, 52, 53, 59, 60, 63 and 64 without the written prior approval of the Declarant or the Architectural Review Committee following the Turnover Date.
22. Tree Protection Buffer. There shall be a fifteen (15) foot tree protection buffer over the eastern most portions of Lots 41, 42, 52, 53, 59, 60, 63, and 64 of Oakcroft Cluster Development Subdivision. No trees within this tree protection buffer on such Lots shall be disturbed or cut without the written prior approval of the Declarant or the Architectural Review Committee following the Turnover Date.

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- B. Easement to Repair and Maintain. If any Lot is not maintained, repaired and kept by the Owner(s) of such Lot in accordance with and in conformity with the terms and provisions contained in the Declaration, the Association is hereby granted an easement to enter onto and upon such nonconforming Lot and to perform and pay for such functions as may be necessary and/or required to bring such Lot into conformity with the terms and provisions of the Declaration, and to charge the Owner(s) of such Lot for the cost thereof, such cost being deemed to be an assessment hereunder, payable by the Owner within thirty (30) days after written demand therefore from the Association.
- C. Waiver of Violations. The Declarant, or the Architectural Review Committee following the Turnover Date, shall have the power and right to waive any violation of the terms and provisions of the Declaration, such waiver to be in writing and to be recorded in the Office of the Register of Deeds of Wake County, North Carolina. Upon recordation of such waiver such violation shall be deemed thereafter not to exist.

ARTICLE IX

RESTRICTIONS ON USE OF PROPERTY BY DECLARANT

So long as Declarant shall own any interest in the Properties or shall own any Lot, Declarant hereby specifically excepts, excludes and reserves the following from each and every conveyance as if set out fully in each deed and instrument of conveyance executed and delivered by it to the Owner of a building site or living unit.

- A. Sales Activities. The Declarant shall have the right for itself, its successors and/or assigns, and the power to grant to one or more Contract Sellers or Builders the right to maintain sales and administration offices, construction offices or trailers and model homes with parking facilities on the Properties and to conduct sales activities and marketing therein and thereon, subject to approval by the appropriate City of Raleigh zoning authority and/or its successor agency.
- B. Construction and Completion. The Declarant shall have the right, for itself, its successors and/or assigns, but not the obligation, (i) for itself, its successors and/or assigns, the power to grant to one or more Contract Sellers or Builders the right to construct and complete the construction of single-family residential homes, buildings, drives, lanes, road and all other improvements on the Properties; (ii) to repair and maintain the Common Areas; (iii) to use and excavate the surface and subsurface of the ground for the erection, construction and installation of improvements and foundations, footings, floorings and basements; (iv) to extend the drives, lanes, streets and roads located, or to be located, on the Properties; (v) to lease or rent such residences; (vi) to sell, grant and convey title to purchasers such subsequently constructed residences; (vii) to use and occupy so much of the Properties as may be necessary for the construction, reconstruction, maintenance and operation of any of said residences, Lots and Common Areas and other improvements, including but not limited to, the right to locate, install, maintain and repair all utilities and utility lines

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necessary for such construction, reconstruction, maintenance and operation; and (viii) to convey to any town, county, private utility company, water district, sanitary sewer district or other municipal or quasi-municipal or private corporation all sewer lines and mains and water lines and mains and pipelines and wells and affiliated structures constructed or to be constructed on the Properties, together with suitable easements and/or rights-of-way over said lines and sites for the required installation, maintenance, repair, replacement and operation thereof.

- C. Erosion Control. During site preparation and construction on a Lot, the Owner of such Lot (including Contract Seller and Builders) shall take such action to control erosion on such Lot and sedimentation of streams resulting from erosion on such Lot as may be required by the Declarant or by any governmental authority charged with responsibility therefor. If the Owner of such Lot fails to maintain such erosion and/or sedimentation controls on such Lot, the Declarant may cause the required action/work to be completed and charge the Owner of such Lot for all costs and expenses incurred by Declarant in completing such action/work, including but not limited to, court costs and reasonable attorney's fees incurred to collect such costs and expenses.
- D. Easements. Easements for installation, maintenance, repair, replacement and operation of utilities and drainage facilities and for Subdivision entrance signs and landscaping are reserved as shown on the recorded plats/maps of the Subdivision and Declarant further reserves an easement for and the right at any time in the future to grant rights-of-way for the installation, maintenance, repair, replacement and operation of public and/or private utilities across, on or under each Lot at a distance of not more than ten (10) feet from the front, rear, and side lines of each Lot.

Declarant further reserves the right to subject the Lots to a contract with Carolina Power and Light Company, its successors and/or assigns, 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, its successors and/or assigns, by the Owner of each Lot in the Subdivision and/or by the Association.

Declarant further reserves the right to subject the lots to a contract with a provider of natural gas services for the installation of natural gas pipelines and mains within the Subdivision.

Declarant further reserves the right to subject the Lots to a contract with one or more cablevision and/or telephone companies for the installation of underground cablevision and/or telephone lines.

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ARTICLE X

EASEMENTS AND RIGHTS

- A. General Easement. Declarant, for itself, its successors and/or assigns (until the Turnover Date), and the Association, reserves unto themselves, their successors and assigns, the perpetual right and easement to use the Common Areas and any Lot, or any portion thereof, as may be needed for the repair, maintenance and/or construction on such Lot or Common Areas.
- B. Drainage and Utility Easements. Each Owner acknowledges and covenants to honor and provide such easements for drainage and waterflow and utilities as are shown on the plats/maps of the Properties now or hereafter recorded in the Office of the Register of Deeds of Wake County, North Carolina. A perpetual, alienable easement of ingress, egress and regress is hereby reserved over and upon all Lots and on the Common Areas for the purposes of installation, repair, construction and maintenance of all utilities, including but not limited to, underground utilities and drainage facilities, provided, however, no new utility lines may be constructed or no existing utility line may be relocated without the prior approval of the Declarant or of the Architectural Review Committee following the Turnover Date. Specifically included herein are easements for the location of under-ground and above-ground electric transmission lines and equipment, septic conduits and telephone and cablevision lines and equipment.
- C. Governmental Easements. An easement is hereby granted to all police, fire protection, ambulance, garbage, mail delivery, animal control and all similar persons, companies or agencies performing governmental services, to enter upon any Lot and the Common Areas in the performance of such emergency services. Declarant reserves an easement for the benefit of appropriate governmental entities over the Common Areas and over five (5) feet behind any right-of-way in the Properties existing now or in the future for setting, removal and reading of water meters, the maintenance and replacement of water and sewage facilities and the collection of garbage.
- D. Additional Utility Easement. There is specifically (and in addition to the easements granted and/or reserved elsewhere in this Declaration) reserved unto the Declarant and unto the Association, their successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the ground with men and equipment to erect, maintain, inspect, repair and use electric and telephone poles, wires, cables, conduits, sewers, water mains, street lights and other suitable equipment for the conveyance and use of electricity, telephone equipment, sewer, water or other public convenience or utilities on, in or over the Lots and the Common Areas; provided, further, that the Declarant and the Association, or their designee(s) may cut drainways for surface water whenever action may appear to the Declarant and/or the Association to be absolutely necessary in order to maintain reasonable standards of health, safety and appearance. These easements and rights expressly include the right to cut any trees, bushes, shrubbery, vegetation, make any grading of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility

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installation and maintenance and to maintain reasonable standards of health, safety and appearance.

- E. Sight Triangle Easements. No wall, fence, berm, beam, structure, building, parked vehicle, sign, planting (such as trees, bushes and other landscaping), or any other obstruction higher than two (2) feet above the curb shall be placed or permitted to remain within any sight triangle easement shown on any recorded plat of the Properties.
- F. Pedestrian Access Easement. Pedestrian access easements are established for the benefit of the Association, its Members and their families, tenants and guests. Within these pedestrian access easements, no fence, wall, structure, impervious surface, planting or any other obstruction shall obstruct the passage of individuals. The Association is authorized to remove any obstruction from the easement, including but not limited to, any fallen or unsafe trees.
- G. Landscape & Wall Easement and Sign & Landscape Easement. Easements to the Association are reserved over portions of the Properties as shown and designated on the recorded plats of the Properties to erect, construct, improve, upgrade, maintain, repair and replace entrance signs, landscape areas, walls and other similar purposes.
- H. Easements Run With the Land. All easements and rights described in this Declaration are easements appurtenant, running with the land, and shall inure to the benefit of and be binding on the Declarant, its successors and assigns, the Association, its successors and assigns, and the Lot Owners, future Lot Owners, Mortgagees and other persons and/or entities having an interest in any Lot, or any part or portion thereof, regardless of whether or not reference to said easements is made in the respective deed of conveyance to such Lot Owner or in the mortgage/deed of trust to such Mortgagee.

ARTICLE XI

INSURANCE COVERAGES

The Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for the Common Areas, including but not limited to the Stormwater Control Measures, against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any hazard and shall also obtain a broad-form public liability policy covering the Common Areas and all damage or injury caused by the negligence of the Association or any of its agents in an amount as determined by Board of Directors, but in any event not less than \$1,000,000.00. Said insurance may include coverage against vandalism. Premiums for all such insurance shall be a Common Expense. All such insurance coverage shall be written in the name of the Association.

ARTICLE XII

PROTECTION OF MORTGAGEES

- A. Book and Records. Any owner or holder of a first deed of trust or first mortgage on any Lot, or its agent(s), shall have the right, during normal business hours, to examine copies of the Declaration, the Articles of Incorporation of the Association, the By-Laws of the Association, and the books and records of the Association and, upon written request to the Association, to receive a copy of the financial statement of the Association for the immediately preceding fiscal year.
- B. Notice to Association. Upon written request to the Association, the owner or holder of a first deed of trust or first mortgage on any Lot shall be entitled to timely written notice of any 60-day delinquency in the payment of assessments or charges owed by any Owner of the Lot securing such owner/holder's loan.
- C. Payment of Taxes. The owners or holders of first deeds of trust or first mortgages on Lots, jointly or singly, may pay taxes or other charges which are in default and which have or may become a charge or lien against any of the Common Areas of the Association. The persons, firms or corporations making such payments shall be owed immediate reimbursement by the Association.

ARTICLE XIII

GENERAL PROVISIONS

- A. Revocation and Amendment. Prior to the Turnover Date, Declarant, its successors and/or assigns, shall own any "Declarant's Property", Declarant, its successors and/or assigns, shall the right to revoke and/or amend any of the terms and provisions of the Declaration, so long as such revocation and/or amendment is not in violation of the North Carolina Planned Community Act (currently Chapter 47F of the North Carolina General Statutes) and the ordinances of the City of Raleigh, North Carolina. Thereafter, the Declaration shall be amended or revoked, in whole or in part, by the affirmative vote of or by an instrument signed by the Owners of not less than sixty-seven percent (67%) of the Lots. Any such amendment and/or revocation must not be in violation of the ordinances of the City of Raleigh, North Carolina. Any such amendment or revocation shall be effective when duly recorded in the Office of the Register of Deeds of Wake County, North Carolina.

Notwithstanding anything to the contrary in this Declaration, no amendment affecting the maintenance of the Stormwater Control Measures, the stormwater replacement contributions to the City of Raleigh, North Carolina, or the lien rights of the City of Raleigh, North Carolina, shall become effective without the prior written consent of the Raleigh City Attorney or his Deputy.

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All amendments and revocations must be recorded in the Office of the Register of Deeds of Wake County, North Carolina, or such other place as designated for the recording of documents affecting real estate (the "Wake County Registry"). Any such amendment or revocation shall be effective from the date of recordation in the Wake County Registry; provided, however, that no such instrument shall be valid until it has been indexed in the name of the Association. When any instrument purporting to amend the covenants, conditions, and restrictions has been certified by the Board of Directors, recorded and indexed as provided in this section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to all Persons thereafter purchasing any Lot.

- B. Term. The covenants, conditions and restrictions of the Declaration shall run with and bind the land subject to the Declaration, and shall inure to the benefit of and be enforceable by the Owners, the Declarant and/or the Association and their legal representatives, successors and assigns, for the term of thirty (30) years from the date of the Declaration is recorded in the Office of the Register of Deeds of Wake County, North Carolina, after which time the Declaration shall automatically be extended for successive periods often (10) years unless an instrument signed by the Owners of not less than sixty-seven percent (67%) of the has been recorded in the Wake County Registry agreeing to change the Declaration in whole or in part.
- C. Severability and Governing Law. Invalidation of one or more of the terms and provisions of the Declaration by judgment or court decree/order shall not affect any other provisions, all of which shall remain in full force and effect. The terms and provisions of this Declaration shall be construed and enforced in accordance with the laws of the State of North Carolina.
- D. Waiver of Enforcement and Enforcement. The Association and each 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 the Declaration and the Organizational Documents. Failure by the Association or by any Owner to enforce any such restriction, condition, covenant, reservation, lien or charge shall in no event be deemed a waiver of the right to enforce any such restriction, condition, covenant, reservation, lien or charge at any other time or in connection with the same or any other event, nor shall it be deemed a waiver of the right to request that law enforcement, public safety and animal control officers come on the Properties to facilitate the enforcement of the laws, codes and ordinances of any governmental authority. Waiver of enforcement of any provision contained in the Declaration shall be limited to that particular provision and shall not be construed to be a waiver of any other provision. All waivers shall be in writing. Enforcement of any of the terms and provisions of the Declaration may be by proceedings in law or in equity against any Person or Persons violating or attempting to violate any term and/or provision, either to restrain violation or to recover damages.
- E. Assignment by Declarant. The Declarant shall have the right to assign its rights under the Declaration, in whole or in part, to any person or entity by an express transfer of such rights, including but not limited to, the right to transfer Declarant's powers under Article III herein to an Architectural Review Committee.

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- F. No Long-Term Contracts by Declarant. Any contract or agreement entered into by or on behalf of the Association during any period of Class B Membership shall be subject to the right of the Association to terminate such contract or agreement, without cause, which is exercisable without penalty at any time upon not more than 90 days notice to the other party.
- G. Cluster Unit Development Density Transfer. The Properties described on attached Exhibit A have been approved as a cluster unit development by the City of Raleigh in its File Number S-81-2002 in which residential density transfers were approved. Therefore, even though some of such portions of the Properties may appear to contain enough land area to construct additional dwelling units or to create additional Lots, prior density transfers approved within the cluster unit development, in fact, may preclude or limit approval by the City of Raleigh of additional dwelling units or further subdividing of Lots.
- H. Permanently Protected Undisturbed Open Space Areas. That within permanently protected undisturbed open space areas shown on recorded plats of the Property there must not be any land disturbing activity, any placement of impervious surfaces, any tree removal, any new development or expansion of development, or new use, construction or encroachment without first obtaining a watercourse permit from the City of Raleigh.
- I. Warning Statement. That the failure to maintain Stormwater Control Measures is a violation of the Raleigh City Code, potentially subjecting each Lot Owner to significant daily civil penalties and other enforcement actions.

[The rest of this page is left blank. Signatures are on the following page.]

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IN WITNESS WHEREOF, the undersigned Declarant have executed this Declaration the day and year first above written.



TEAGUE-HANKINS DEVELOPMENT, CORP., a North Carolina corporation

By: Thomas C. Hankins
Thomas C. Hankins, President

ATTEST:

Charles W. Teague, Jr.
Charles W. Teague, Jr., Secretary

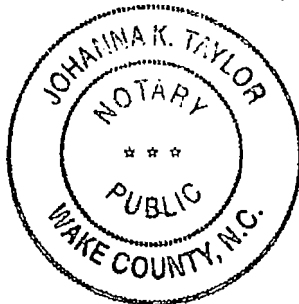
STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned Notary Public of the County and State aforesaid, certify that **CHARLES W. TEAGUE, JR.** personally came before me this day and acknowledged the that he is Secretary of **TEAGUE-HANKINS DEVELOPMENT, CORP.**, 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 him as its Secretary.

WITNESS my hand and official seal, this the 30th day of July, 2004.

(SEAL-STAMP)



Johanna K. Taylor
Notary Public
My Commission expires: 11/05/2005


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CONSENTED AND AGREED TO;

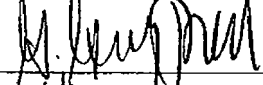
The undersigned Branch Banking and Trust Company, a North Carolina banking corporation (hereinafter referred to as the "Bank"), and BB&T Collateral Service Corporation, a North Carolina corporation, as Trustee (hereinafter referred to as the "Trustee"), hereby each acknowledge each and every term and provision of the foregoing Declaration and each agrees that the lien of the Bank's first Deed of Trust on the Property described in Exhibit A attached to said Declaration and incorporated herein by reference, which said Deed of Trust is recorded in Book 9645, Page 2599, Wake County Registry, North Carolina, shall be and is hereby subordinated to all the terms and provisions of the foregoing Declaration.

IN WITNESS WHEREOF, the Trustee and the Bank have caused this instrument to be signed in their corporate name by their duly authorized officers, all by authority of their boards of Directors, this the 2nd day of August, 2004.

BRANCH BANKING AND TRUST
COMPANY, a North Carolina
banking corporation

By: 
SR. VICE, President

BB&T COLLATERAL SERVICE
CORPORATION, a North Carolina
corporation, Trustee

By: 
Vice, President

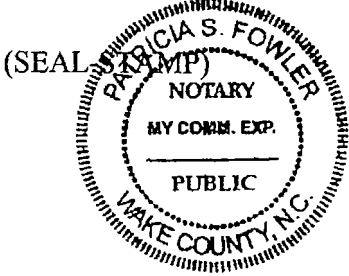
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STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned, certify that G. Gray Reed personally came before me this day and acknowledged that he (or she) is Vice President of BB&T COLLATERAL SERVICE CORPORATION, a North Carolina corporation, Trustee, and that he/she, as Vice President being authorized to do so, executed the foregoing instrument on behalf of the corporation.

WITNESS my hand and official seal, this the 2nd day of August, 2004.



Patricia S. Fowler
Notary Public
My commission expires: 11-15-04

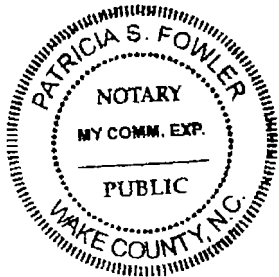
STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned, certify that Bill Smith personally came before me this day and acknowledged that he (or she) is In Vice President of BRANCH BANKING AND TRUST COMPANY, a North Carolina banking corporation, and that he/she, as In Vice President being authorized to do so, executed the foregoing instrument on behalf of the corporation.

WITNESS my hand and official seal, this the 2nd day of August, 2004.

(SEAL-STAMP)



Patricia S. Fowler
Notary Public
My commission expires: 11-15-04

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EXHIBIT A

(LEGAL DESCRIPTION)

Lying and being situate the City of Raleigh, Wake County, North Carolina, and being more particularly described as follows:

BEING all of Oakcroft Cluster Development, Phase 1, containing 14.3469 acres, as more particularly shown and described on that certain plat entitled "MAP OF SUBDIVISION: OAKCROFT CLUSTER DEVELOPMENT PHASE 1 LOTS 1 - 18 & 47 - 65", by Sullivan Surveying and recorded in Book of Maps 2004, Page 1404, in the Office of the Register of Deeds of Wake County, North Carolina, to which plat reference is made for a more particular description.

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EXHIBIT B

PROPERTY SUBJECT TO ANNEXATION

All that certain tract or parcel of land containing 8.5861 acres, lying and being situate the City of Raleigh, Wake County, North Carolina, and being more particularly described as follows:

BEING all of that certain parcel or tract of real property described as 24.213 acres of land in that certain deed from John T. Fonville and wife, Phoebe Fonville to Teague-Hankins Development, Corp. recorded in Book 9645, Page 2594, in the Office of the Register of Deeds of Wake County, North Carolina (the "Wake County Registry"); SAVING, EXCEPTING AND RESERVING THEREFROM:

1. That certain tract or parcel of land containing approximately 55,510 square feet (1.27 acres) recombined with Tract 2 of Bedford at Falls River as more particularly shown and described on a plat prepared by John R. McAdams and recorded in Book of Maps 2004, Pages 662 and 663, in the Wake County Registry;
2. That certain tract or parcel of land containing approximately 589 square feet (0.01 acres) recombined with Lot 3202 Bedford at Falls River as more particularly shown and described on a plat prepared by John R. McAdams and recorded in Book of Maps 2004, Pages 662 and 663, in the Wake County Registry; and
3. Those certain tracts or parcels of land known as Oakcroft Cluster Development, Phase 1, containing 14.3469 acres, as more particularly shown and described on that certain plat entitled "MAP OF SUBDIVISION: OAKCROFT CLUSTER DEVELOPMENT PHASE 1 LOTS 1 - 18 & 47 - 65", by Sullivan Surveying and recorded in Book of Maps 2004, Page 1404, in the Wake County Registry.

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EXHIBIT C

STORMWATER OPERATIONS AND MAINTENANCE MANUAL AND BUDGET

See attached Stormwater Operations and Maintenance Manual and Budget for Oakcroft Cluster Subdivision.