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PRESENTED FOR  
REGISTRATION

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KENNETH C. WILKINS  
REGISTER OF DEEDS  
WAKE COUNTY

Recorded By and Hold For: Aaron D. Garrett, Attorney at Law

DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR THE  
BERKELEY HOMEOWNERS ASSOCIATION, INC.  
AND FOR  
BERKELEY SUBDIVISION

000413

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This Declaration is being re-recorded to correct a clerical error pursuant to N.C.G.S. § 47-36.1, to wit: to add "EXHIBIT A (LEGAL DESCRIPTION)", and to add the Consent of "CENTURA BANK", and to add the Consent of "WEEKLEY HOMES, INC.", which was inadvertently omitted from the original recording.

This the 24th day of May, 1996.

  
AARON D. GARRETT, ATTORNEY AT LAW  
ORIGINAL DRAFTER

This Declaration is being re-recorded to correct a clerical error pursuant to N.C.G.S. § 47-36.1, to wit: to correct the legal description in Exhibit "A", Tract 2 to read Lot "35" instead of Lot "36".

This the 15th day of July, 1996.

  
Aaron D. Garrett, Attorney at Law  
Original Drafter

KENNETH C. WILKINS  
REGISTER OF DEEDS  
WAKE COUNTY

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR THE  
BERKELEY HOMEOWNERS ASSOCIATION, INC.  
AND FOR  
BERKELEY SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE BERKELEY HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as the "Declaration"), made this 5<sup>th</sup> day of December, 1995, by BERKELEY DEVELOPMENT, L.L.C., a North Carolina Limited Liability Company (hereinafter referred to as the "Declarant").

W I T N E S S E T H :

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 Town of Cary, Township of White Oak, 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 BERKELEY SUBDIVISION (hereinafter sometimes referred to as "BERKELEY" or the "Subdivision"); and

WHEREAS, to the extent thereof, Declarant shall designate on the various Plats of the Subdivision and will convey to the "Association" (as hereinafter defined) the Common Area, 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 Area shall now or may hereafter exist; and

WHEREAS, Declarant desires to provide for the upkeep and maintenance of the Common Area and to provide a vehicle for ensuring that any storm water 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

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WHEREAS, Declarant has deemed it advisable to create an organization to own, maintain and administer the Common Area, to administer and enforce 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, BERKELEY 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, 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:

A. "Association" shall mean and refer to BERKELEY 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 herof).

E. "Class B Member" shall mean and refer to the Declarant, its successors and/or assigns (See Article IV hereof)

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F. "Committee" shall mean and refer to the Architectural Review Committee of the Association.

G. "Common Area(s)" 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 Area(s) shall be maintained by the Association or its successors in interest unless dedicated to public use as set forth herein.

H. "Contract Seller" or "Builder" shall mean and refer to an Owner who purchases a Lot for resale and is not an occupant of any improvements thereon.

I. "Declarant" shall mean and refer to BERKELEY DEVELOPMENT, L.L.C, a North Carolina Limited Liability Company, its successors and/or assigns.

J. "Declarant's Property" shall mean and refer to the property described in Article V, Paragraph B of the Declaration as "Declarant's Property".

K. "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 Area(s) owned in fee or by easement or otherwise by the Association, and with the exception of any street rights-of-way shown on any such recorded subdivision map or plat of the Properties.

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

M. "Membership" shall mean and refer to all of the Members of the Association.

N. "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).

O. "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.

P. "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.

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Q. "Subdivision" shall mean and refer to the BERKELEY SUBDIVISION located on State Road 1615 ("High House Road") in the Town of Cary, Township of White Oak, 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.

## ARTICLE II

### SUBJECTING ADDITIONAL PROPERTY TO THE DECLARATION

A. Additions to the Properties by Declarant. 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 BERKELEY SUBDIVISION, or any other property which is contiguous at any point with the Property or any additions to the Property. A public road, railroad, utility right-of-way, or buffer dividing two properties shall not be deemed to deprive them of contiguity.

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 Declaration(s) 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 Declaration(s) 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).

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, although there is no obligation to do so, and no representations are made with respect to any such additions. Such Common Area(s) will be deeded to the Association by Declarant.

D. Additions by Others. So long as Declarant is a Class B Member, additions may be made by any other Owner

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who, with the approval of the Declarant and the Board of Directors, which approval may be withheld in their sole discretion, desires to add such property located within the boundaries of the Subdivision to the scheme of the Declaration and to subject it to the jurisdiction of the Association. When Declarant ceases to be a Class B Member, such additions may be made upon approval by two-thirds (2/3) majority vote of the Members who are entitled to vote. 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.

### 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 and the Lot plan (showing the location of such Improvements on the 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, 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.

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 Specification 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.

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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. Each of the three (3) members of the Committee must be Members of the Association. The initial three (3) members of the Committee shall serve until the annual meeting of the Association next immediately following the date of such appointment by the Declarant. 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. 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. 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, with each member of the Committee indicating his/her written approval 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 Plans within twenty (20) business days after the receipt of the submitted Plans or such approval will be deemed to have been given.

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 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 or 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 non-compliance 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 Town of Cary, North Carolina.

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ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

A. Membership.

1. Every 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), shall be a Member of the Association (herein referred to as "Member" or collectively as "Members"). The foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security, unless such persons or entities 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 they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Lot owned by Class A Members, and in no event shall more than forty-one (41) votes be cast with respect to any such Lot owned by the Class B Member.

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. Subject to the provisions of Subsection 3 of this Paragraph B of this Article IV, Class B Membership 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 the Declaration



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shall be recorded in the Office of the Register of Deeds of Wake County, North Carolina.

3. Notwithstanding a conversion of the Declarant, its successors and/or assigns to a Class A Member or the cessation of the Class B Membership due to the expiration of the ten (10) year period hereinabove described, in the event Declarant, its successors and/or assigns thereafter acquires or adds additional Lots to the Properties such that Declarant, its successors and/or assigns, would, according to Subsection 2 of this Paragraph B of this Article IV, be entitled to Class B Membership, Declarant, its successors and/or assigns, shall thereupon be reestablished as and converted to a Class B Member of the Association, with the benefits and burdens pertaining thereto.

C. Voting Rights.

1. Class A Members shall be entitled to one (1) vote for each Lot owned.
2. Class B Member shall be entitled to forty-one (41) votes for each Lot owned (whether or not it is under contract to a Contract Seller or Builder).
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.

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B. Management of the Association/Board of Directors.  
The affairs of the Association shall be managed by an Initial Board of 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 Kenneth E. Rose.

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 the Declarant shall own any Lot which is subject by the provisions of this Declaration, or as this Declaration may be amended, to assessment by the Association or owns any real property which is adjacent to and adjoins any Lot which is subject by the provisions of this Declaration, or as this Declaration may be amended, to assessment by the Association and which the Declarant shall annex into the Association pursuant to the terms and provisions of this Declaration, as may be amended (hereinafter referred to as the "Declarant's Property"). 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 within sixty (60) days next immediately following the date upon which Declarant shall own no "Declarant's Property". 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

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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 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 date upon which the Declarant shall no longer own any "Declarant's Property" as heretofore described in this Article, the Members of the Association may, by a majority of the votes cast at any duly called annual or special meeting of the Members at which a quorum is present, increase or decrease the number of Directors of the Association, provided, however, that the number of Directors shall not be increased to more than seven (7) or decreased to less than five (5) without amendment of the By-Laws of the Association.
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 AREA

A. Extent of Member's Easements. Members, their families and guests, are hereby granted a blanket easement to use and enjoy the Common Area, if any, for recreational, social and other purposes directly related to private single-family residential uses authorized herein, subject to the following:

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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.
2. The Common Area, if any, shall not be used for other than intended purpose(s) specified on the recorded plats of the Subdivision, if any.
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 Area with the written consent of the Class B Member (for so long as the Class B Member shall own any "Declarant's Property") together with the written consent of seventy-five percent (75%) 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 said Common Area as security for such loan.

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.

#### 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, 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 the By-Laws of the Association. The Annual and Special Assessments, together with such interest thereon and costs of collection thereof, including reasonable attorney's fees, shall be a

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charge upon the Lot and a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interest, reasonable attorney's fees and costs of collection thereof, shall be a personal obligation of the Owner of the Lot at the time when the assessment falls due. Such personal obligation shall not pass to the Owner's successors in title unless expressly assumed by them.

B. Purpose of Assessments. The assessments (both Annual Assessments and Special Assessments, if any) levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, enjoyment and welfare of the residents in the Properties, and in particular for the improvement, reconstruction, repair, maintenance and upkeep of the Common Area, and any other purpose reasonable, necessary or incidental to such purposes as determined by the Board of Directors. Special Assessments shall be fixed as hereinafter provided. The Annual Assessment shall be set each year by the Board of Directors, and, subject to the terms and provisions of Paragraph E hereof, all assessments must be fixed at a uniform rate for all Lots. Declarant shall not be required to pay any Annual Assessments for so long as Declarant shall own any "Declarant's Property"; provided, however, until the date upon which Declarant shall have sold and transferred title to the first forty (40) Lots in the Properties to Contract Sellers and/or Builders and/or homebuyers, Declarant covenants and agrees that it will pay all costs and expenses incurred by or on behalf of the Association for Common Area maintenance and upkeep which are in excess of funds collected by the Association for Annual Assessments.

C. Basis of Annual Assessment.

1. 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 as stated in Paragraph B of this Article.
2. The maximum Annual Assessment for any Lot shall be One Hundred Twenty Dollars (\$120.00) per year. The maximum may be changed as follows:
  - a. The maximum Annual Assessment may be increased each calendar year by not more than ten percent (10%) above the maximum Annual Assessment for the previous year without a vote of the Membership.
  - b. The Board of Directors may, from time to time, fix the Annual Assessment at any amount less than or equal to the maximum without a vote of the Membership.

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- c. A majority of the Members voting in person or by proxy on such matter at a meeting called for such purpose, written notice of which shall be given to all Members at least thirty (30) days in advance setting forth the purpose of the meeting, shall be required to increase the maximum Annual Assessment for any one year more than the percentage set forth in subparagraph a above. For so long as the Declarant shall own any "Declarant's Property, no such increase in the maximum Annual Assessment by the Membership shall be effective unless and until Declarant shall have given written consent thereto. The Members shall have no power to require Declarant to pay any Annual Assessment as to any Lot or Lots owned by Declarant for so long as Declarant shall own any "Declarant's Property".

D. Date of Commencement of Annual Assessments. Annual Assessments shall be imposed on the Lots owned by Owners other than Declarant from and after January 1, 1996 and shall be paid by the Owners and collected by the Association in advance each year. Annual Assessments shall be paid, and collected annually, on or before January 31 of each year. Subject to the provisions of Paragraph E below, Annual Assessment for a Lot owned by an Owner other than a Contract Seller or Builder, shall commence beginning on the first day of the month next immediately following the date upon which such Owner shall have closed (shall have taken title to) upon the purchase of such Lot, prorated for any portion of the year remaining.

E. Discounted Annual Assessments Prior to Initial Occupancy. The Annual Assessment (but not Special Assessments) on any Lot(s) within the Properties owned by a Contract Seller or a Builder (whether with or without improvements, but if the respective Lot has improvements, only if the improvements are not occupied by the Contract Seller or the Builder) shall be assessed at one-fourth (1/4) of the Annual Assessment rate. Annual Assessments at the discounted Annual Assessment rate for any such Lot owned by a Contract Seller or Builder shall begin on the date such Contract Seller or Builder shall close on the purchase of such Lot and shall continue until the last day of the month in which a certificate of occupancy has been issued by the Town of Cary, North Carolina, for such Lot. From and after such date, the Annual Assessment applicable to such Lot shall be at the full Annual Assessment rate and shall continue until the last day of the month in which such Contract Seller or Builder shall have sold (transferred title to)

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such Lot to a homeowner. Each such Lot owned by a Contract Seller or a Builder who owns more than one Lot within the Properties shall be assessed separately from the other Lot(s) owned by such Contract Seller or Builder.

F. Special Assessments for Capital Improvements. Upon the affirmative vote of the Class B Member (for so long as Declarant shall own any "Declarant's Property") and a majority of the Class A Members voting in person or by proxy at a meeting called for such purpose, written notice of which shall be given to all Members at least thirty (30) days in advance setting forth the purpose of such meeting, the Association may levy, in addition to the Annual Assessments hereinabove described, one or more Special Assessments in any calendar year applicable to that year only, for the purpose of defraying in whole or in part the costs of construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including but not limited to, necessary fixtures and personal property related thereto. 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. Each Owner, other than Declarant, shall be deemed to covenant and agree to pay to the Association the assessments (both Annual Assessments and Special Assessments) provided for in the Declaration, and each agrees to the enforcement of the assessments in the manner herein specified. In the event the Association employs attorneys for collection of any assessment against an Owner, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of the Declaration by an Owner, each such Owner agrees to pay interest on all delinquent amounts from the date of the delinquency through the date of payment equal to the highest rate of interest per annum by law allowed on such amount, together with reasonable attorney's fees and cost thereby incurred, as well as, any other amounts due and any other relief or remedy obtained against said Owner, including reasonable attorney's fees and court costs and expenses incurred thereby. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or by abandonment of his/her Lot. In the event of a default in payment of any such assessment when due, the assessment shall be deemed delinquent if not paid within ten (10) days, 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

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tenants of the Owner from using any Common Area, 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, 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 highest rate by law provided from the date of delinquency and all 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 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. If such delinquency is not paid within ten (10) days after delivery of such demand, the Board of Directors may elect to file such a claim of lien in the appropriate State and/or Wake County offices (i.e., Office of the Clerk of Superior Court and/or Office of the Register of Deeds of Wake County, North Carolina) on behalf of the Association against the Lot of the defaulting Owner. Such a claim of lien shall be executed and acknowledged by any officer of the Association and shall contain the following information:



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- 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 to be due and owing for the amount of the delinquency, interest thereon, collection costs and reasonable attorney's fees;
- d. That the claim of lien is made by the Association pursuant to the Declaration; 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.

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 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 hereinbelow. 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 as set forth by the laws of the State of North Carolina, 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 the extent permitted by law. EACH OWNER, BY BECOMING AN OWNER IN THE PROPERTIES, HEREBY EXPRESSLY WAIVES ANY OBJECTION TO THE ENFORCEMENT AND FORECLOSURE OF THIS LIEN IN THIS MANNER.

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H. 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 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 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 garage for not more than three (3) cars, and a storage shed approved by the Declarant (or by the Architectural Review Committee if Declarant shall no longer own any "Declarant's Property"). No carport shall be erected or allowed to remain on any Lot.

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2. Resubdivision of Lots. No Lot shall be resubdivided except with the written consent of the Declarant (or of the Association if the Declarant shall own no "Declarant's Property").
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 thereon which may disturb the neighborhood or occupants of adjoining property, or detract from its value as an attractive residential 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, except 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 not be permitted to run at large, but shall be kept under the strict control of the Owner of such pets or his/her guests by leash, cord or chain. The Owner of any pet shall immediately remove excrement deposited by said pet upon the public streets and/or the Common Area. 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.
4. 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 Three Hundred (1,300) square feet.
5. Building Setbacks. Unless prior written approval is obtained from the Declarant, no dwelling shall be erected on any Lot nearer to the front lot line of said Lot than twenty (20) feet, nor nearer to the rear lot line of said Lot than twenty-five (25) feet, nor nearer to either side lot line of such Lot than ten (10)

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feet; provided, however, that on corner lots the dwelling may face either street or may face the corner where said streets intersect and may be located not nearer than eighteen (18) feet to one street if the same is at least twenty (20) feet from the other street. For the purposes of this covenant, eaves, steps, stoops, chimneys, uncovered decks not considered a structural part of the dwelling by the Town of Cary, 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 Area.

6. 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.

Transformers, 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 should Declarant no longer own any "Declarant's Property", shall be either concealed within a screen or integrated with the building design of the dwelling on the Lot so as to be inconspicuous.

7. Mineral Operations. No oil or natural gas drilling, oil or natural gas development operations, oil or natural gas refining, quarrying or mining operations of any kind shall be permitted upon or in the Properties or any part thereof or upon or in any Lot, nor shall oil or natural gas wells, storage tanks of any kind, tunnels, mineral excavations or shafts be permitted upon or in the Properties or any part thereof or upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon the Properties or any part thereof or upon any Lot.
8. Common Area. No Owner or occupant shall remove or significantly alter any tree or landscaping in any street, right-of-way, or other part of

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the Common Area unless permission in writing is first granted by the Association.

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 (approved by Declarant or by the Architectural Review Committee should Declarant no longer own any "Declarant's Property"), which said enclosure is either screened from view from the street or integrated with the building design so as to be inconspicuous.
10. Unauthorized Vehicles. Trucks 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 one pick-up truck), van (except one non-commercial van owned and operated on a regular daily basis by the Owner-occupants of the Lot and dwelling in question), camper body or similar vehicle or equipment, or other vehicle (other than operable automobiles) 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

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by Declarant or by the Architectural Review Committee should Declarant no longer own any "Declarant's Property", 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 streets of the Subdivision. The keeping of inoperable vehicles, with or without wheels, on any Lot or public street in the Subdivision is expressly prohibited.

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 should Declarant no longer own any "Declarant's Property".
12. Driveways and Walkways. All driveways and walks on any Lot must be paved with concrete or brick, except that driveways on a Lot may be paved with asphalt with the prior written permission of the Declarant or the Architectural Review Committee should the Declarant no longer own and "Declarant's Property".
13. Landscaping. All Lots on which a dwelling has been approved and built in accordance with the provisions of Article V 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 V of the Declaration.
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 of 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

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written permission of the Declarant or of the Architectural Review Committee should Declarant no longer own any "Declarant's Property".

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 should Declarant no longer own any "Declarant's Property".
17. Temporary Structures. No structure of a temporary character or nature shall be erected or allowed to remain on any Lot. 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 erected on a Lot shall be used as a residence either temporarily or permanently.
18. Fences, Hedges, Screen Plantings and Walls. No fence, hedge, screen planting, 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, hedge, screen planting, 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, hedge, screen planting, 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, hedge, screen planting, 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

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link fences shall not be erected or permitted to remain on any Lot. All fences, hedges, screen planting and walls to be erected on a Lot must be approved in writing by the Declarant or by the Architectural Review Committee should Declarant no longer own any "Declarant's Property". All fences, hedges, screen plantings 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 Sub-division.

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 non-conforming Lot and to perform such functions 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 there-fore.

C. Waiver of Violations. The Declarant, or the Architectural Review Committee should the Declarant no longer own any "Declarant's Property", 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 "Declarant's Property", 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



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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.

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, and 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, roads and all other improvements on the Properties; (ii) to repair and maintain the Common Area; (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 purchases 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 Area and other improvements, including but not limited to, the right to locate, install, maintain and repair all utilities and utility lines necessary for such construction, reconstruction, maintenance and operation; and (viii) to convey to any town, county, water district, sanitary sewer district or other municipal or quasi-municipal corporation all sewer lines and mains and water lines and mains and pipelines constructed or to be constructed on the Properties, together with suitable easements and/or rights-of-way over said lines for the required maintenance, repair, replacement and operation thereof.

C. Erosion Control. During site preparation and construction on a Lot, the Owner of such Lot (including Contract Sellers 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 and maintenance of utilities and drainage facilities and for

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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 and maintenance of public 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 and/or the Town of Cary 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 and/or the Town of Cary 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 cablevision company for the installation of underground cablevision lines.

#### ARTICLE X

##### EASEMENTS AND RIGHTS

A. General Easement. Declarant, for itself, its successors and/or assigns (for so long as Declarant shall own any "Declarant's Property"), and the Association, reserves the right and easement to use the Common Area and any Lot, or any portion thereof, as may be needed for repair, maintenance and/or construction on such Lot or Common Area.

B. Drainage Easements. Each Owner acknowledges and covenants to honor and provide such easements for drainage and waterflow as are shown on the recorded plats/maps of the Properties.

C. Utility Easement. An easement of ingress, egress and regress is hereby granted on all Lots and on the Common Area in favor of any utility company for the purpose of repair, construction and maintenance of all utility lines; 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 should the Declarant no longer own any "Declarant's Property".

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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 and maintenance of public 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 for the installation of underground electric cables and or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Carolina Power and Light Company by the Owner of each Lot in the Subdivision and by the Association.

Declarant further reserves the right to subject the Lots to a contract with a cablevision company for the installation of underground cablevision lines.

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C. Utility Easement. An easement of ingress, egress and regress is hereby granted on all Lots and on the Common Area in favor of any utility company for the purpose of repair, construction and maintenance of all utility lines; 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 should the Declarant no longer own any "Declarant's Property".

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## ARTICLE XI

### PROTECTION OF MORTGAGEES

A. Books 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 its 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 Area. The persons, firms or corporations making such payments shall be owed immediate reimbursement by the Association.

## ARTICLE XII

### GENERAL PROVISIONS

A. Revocation and Amendment. For so long as Declarant, its successors and/or assigns, shall own any "Declarant's Property", Declarant, its successors and/or assigns, shall have the right to revoke and/or amend any of the terms and provisions of the Declaration. Such amendment or revocation shall be effective when duly recorded in the Office of the Register of Deeds of Wake County, North Carolina.

Thereafter, the Declaration shall not be revoked nor shall any of the terms and provisions thereof be amended unless approved in writing by at least sixty-six and two-thirds (66-2/3%) of the Members voting in person or by proxy on such matter at a meeting 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. Such amendment or revocation shall be

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effective when duly recorded in the Office of the Register of Deeds of Wake County, North Carolina.

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 Declarant and/or the Association and their legal representatives, successors and assigns, for the term of thirty (30) years from the date 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 of ten (10) years unless an instrument signed by the majority of the Owners of the Lots has been recorded in the Office of the Register of Deeds of Wake County, North Carolina, agreeing to change the Declaration in whole or in part.

C. Severability. 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.

D. Waiver of Enforcement and Enforcement. 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 shall be by proceedings in law or in equity against any person or persons or entity or entities 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.

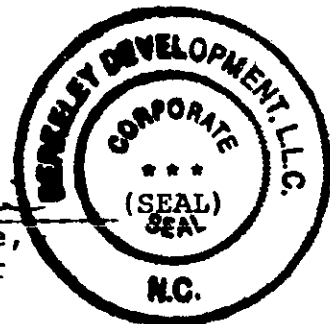
IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration the day and year first above written.

BERKELEY DEVELOPMENT, L.L.C.,  
a North Carolina Limited  
Liability Company

(COMPANY SEAL)

By: Thomas C. Hankins (SEAL)  
Thomas C. Hankins,  
Managing Member

By: Kenneth E. Rose  
Kenneth E. Rose,  
Managing Member



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STATE OF NORTH CAROLINA  
COUNTY OF WAKE

I, the undersigned Notary Public of the County and State aforesaid, hereby certify that THOMAS C. HANKINS and KENNETH E. ROSE, Managing Members of BERKELEY DEVELOPMENT, L.L.C., a North Carolina Limited Liability Company, personally came before me this day and acknowledged that they are the two Managing Members of BERKELEY DEVELOPMENT, L.L.C.; that by authority duly given and as the act of the Limited Liability Company, the foregoing Declaration was signed in its name by its two Managing Members and sealed with its company seal.

WITNESS my hand and official stamp or seal, this 5th day of December, 1995.

Deborah E. Freudenberger  
Notary Public

My commission expires: 6-9-96

Deborah E. Freudenberger  
Notary Public  
Wake County, N.C.

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate of

Deborah E. Freudenberger  
Notary Public is

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

KENNETH C. WALKINS, Register of Deeds

By Rhonda C. Simmons  
Assistant Deputy Register of Deeds

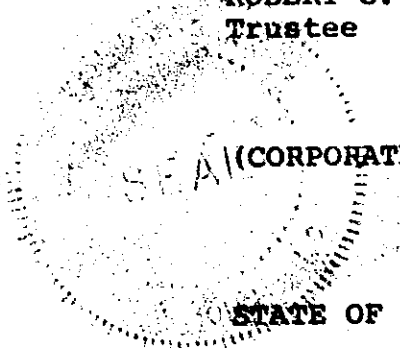
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CONSENTED AND AGREED TO:

The undersigned CENTURA BANK, a North Carolina Banking corporation (hereinafter referred to as the "Bank"), and ROBERT C. HATLEY, Trustee, hereby each acknowledge each and every term and provision of the foregoing Declaration and agrees that the lien of its first Deed of Trust on the Property described in Exhibit A attached hereto and incorporated herein by reference, which said Deed of Trust is recorded in Book 6540, Page 563, as amended and modified in Book 6640, Page 115, and in Book 6640, Page 119, all of the Wake County Registry, shall be and is hereby subordinated to all of the terms and provisions of the foregoing Declaration.

IN WITNESS WHEREOF, the Trustee has hereunto set his hand and seal, and the Bank has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, this the 16 day of April, 1998.

  
Robert C. Hatley  
ROBERT C. HATLEY,  
Trustee

CENTURA BANK, a North Carolina  
Banking corporation

By: Robert C. Hatley  
its SENIOR VICE PRESIDENT

Attest: Priscilla Smith  
Asst. Secretary

(CORPORATE SEAL)

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned Notary Public of the County and State aforesaid, hereby certify that ROBERT C. HATLEY, Trustee, personally appeared before me this day and acknowledged the execution of the foregoing Declaration.

WITNESS my hand and official stamp or seal, this 16 day of April, 1998.

Madeline Backster  
Notary Public

My commission expires: 4-26-98

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STATE OF NORTH CAROLINA

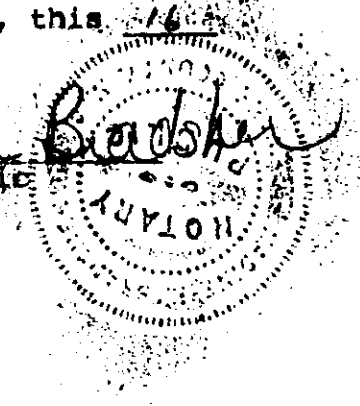
COUNTY OF WAKE

I, the undersigned Notary Public of the County and State aforesaid, certify that BILL SMITH personally came before me this day and acknowledged that he is Asst. Secretary of CENTURA BANK, a North Carolina Banking corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Sa. Vice President, sealed with its corporate seal and attested by BILL SMITH as its Asst. Secretary.

WITNESS my hand and official stamp or seal, this 16 day of APRIL, 1998.ab

Marilyn Bradsher  
Notary Public

My Commission Expires: 4-14-98





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CONSENTED AND AGREED TO:

The undersigned WEEKLEY HOMES, INC., a Delaware corporation (hereinafter referred to as the "Weekley") hereby acknowledges each and every term and provision of the foregoing Declaration and agrees that all of the real property owned by it in BERKELEY SUBDIVISION, to wit: "all of Lot 1, BERKELEY SUBDIVISION, PHASE I, as depicted on that certain plat recorded in Book of Maps 1995, Page 1776, Wake County Registry" and "all of Lot 28, BERKELEY SUBDIVISION, PHASE III, as depicted on that certain plat recorded in Book of Maps 1995, Page 1769, Wake County Registry", shall be held, conveyed, transferred and sold subject to all of the terms and provisions of the foregoing Declaration, and that Weekley shall be bound by and shall comply with each and every term and provision of the foregoing Declaration.

IN WITNESS WHEREOF, Weekley has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, this the 14th day of December, 1995.

WEEKLEY HOMES, INC., a Delaware corporation

By: David M. Weekley  
its President

Attest: Sharon Greenberg  
Secretary  
SHARON GREENBERG  
ASSISTANT SECRETARY

(CORPORATE SEAL)

STATE OF Texas  
COUNTY OF Harris

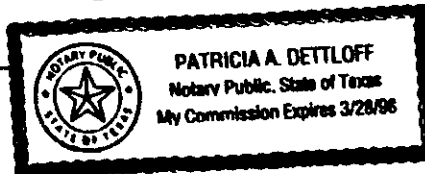
I, the undersigned Notary Public of the County and State aforesaid, certify that Sharon Greenberg personally came before me this day and acknowledged that she is Assistant Secretary of WEEKLEY HOMES, INC., a Delaware corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by Sharon Greenberg as its Assistant Secretary.

WITNESS my hand and official stamp or seal, this 14th day of December, 1995.

Patricia A. Dettloff  
Notary Public

My Commission Expires: \_\_\_\_\_

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~~BK6993PG0390~~

EXHIBIT A

(LEGAL DESCRIPTION)

Lying and being in the Town of Cary, White Oak Township, Wake County, North Carolina, and being more particularly described as follows:

TRACT 1: Phase I, BERKELEY SUBDIVISION

BEING all of the real property, containing 5.3289 acres, more or less, shown and identified on the plat of BERKELEY SUBDIVISION, PHASE I, recorded in Book of Maps 1995, Page 1776, Wake County Registry, which property includes Lots 1, 2, 3, 4, 5, 6, 15, 16, 17, 18 and 36 in BERKELEY SUBDIVISION, PHASE I, as shown on the aforesaid plat, to which plat reference is hereby made for a more particular description of same.

TRACT 2: Phase III, BERKELEY SUBDIVISION

BEING all of the real property, containing 6.8606 acres, more or less, shown and identified on the plat of BERKELEY SUBDIVISION, PHASE III, recorded in Book of Maps 1995, Page 1769, Wake County Registry, which property includes Lots 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, and ~~36~~<sup>35</sup> in BERKELEY SUBDIVISION, PHASE III, as shown on the aforesaid plat, to which plat reference is hereby made for a more particular description of same. *RS*

~~BK 6993760391~~

STATE OF NORTH CAROLINA

COUNTY OF WAKE

CONSENT AND AGREEMENT

THIS CONSENT AND AGREEMENT made and entered into by WEEKLEY HOMES, INC., a Delaware corporation (hereinafter referred to as "Weekley").

W I T N E S S E T H :

WHEREAS, pursuant to "AGREEMENT FOR SALE AND PURCHASE OF LOTS" entered into by WEEKLEY HOMES, INC., a Delaware corporation (the "Purchaser") and MARQUIS HOMES & COMPANY, a North Carolina corporation (the "Seller"), dated 4/19/95 by the Purchaser and 4/21/95 by the Seller, as amended by "ESCROW AGREEMENT AND AMENDMENT TO AGREEMENT dated 5/16/95, and as assigned by Seller to BERKELEY DEVELOPMENT, L.L.C., a North Carolina Limited Liability company (the "new Seller"), dated May 24, 1995, and as further amended by "Amendment" dated 12/6/95 by the new Seller, and 12/14/95 by the Purchaser, Weekley agreed to purchase certain of the lots in "BERKELEY SUBDIVISION" as described in Exhibit "A" to the attached "DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE BERKELEY HOMEOWNERS ASSOCIATION, INC. AND FOR BERKELEY SUBDIVISION" (hereinafter referred to as the "Declaration", the terms and conditions of which are incorporated herein by reference); and

WHEREAS, Weekley has heretofore purchased from BERKELEY DEVELOPMENT, L.L.C., a North Carolina Limited Liability company (hereinafter referred to as the "Declarant"), the following described single-family residential lots lying and being in the Town of Cary, White Oak Township, Wake County, North Carolina:

TRACT 1: BEING all of Lots 3 and 16, as shown and identified on the plat of BERKELEY SUBDIVISION, PHASE I, recorded in Book of Maps 1995, Page 1776, Wake County Registry, to which plat reference is hereby made for a more particular description of same;

TRACT 2: BEING all of Lots 21, 22, 25, 26, 27, 28, 29, 30, 31, 33, and 34, as shown and identified on the plat of BERKELEY SUBDIVISION, PHASE III, recorded in Book of Maps 1995, Page 1769, Wake County Registry, to which plat reference is hereby made for a more particular description of same; and

WHEREAS, Weekley hereby acknowledges each and every term and provision of the aforescribed Declaration and

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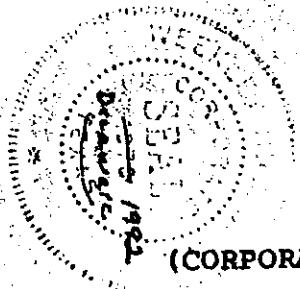
BK 6993PG0392

agrees that all of the aforescribed lots owned by Weekley shall be held, conveyed, transferred and sold subject to all of the terms and provisions of the foregoing Declaration.

BK 7071PG0543

NOW, THEREFORE, WEEKLEY HOMES INC. agrees as follows:  
(a) that all of the aforescribed single-family residential lots presently owned by Weekley in BERKELEY SUBDIVISION and all of the single-family residential lots hereafter purchased by Weekley from Berkeley Development, L.L.C., or its successors in interest, and situated in BERKELEY SUBDIVISION, shall be held, conveyed, transferred and sold subject to all of the terms and provisions of the foregoing Declaration, and (b) that Weekley shall be bound by and shall comply with each and every term and provision of the aforescribed Declaration.

IN WITNESS WHEREOF, Weekley has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, this the 16th day of May, 1996.



(CORPORATE SEAL)

WEEKLEY HOMES, INC, a Delaware corporation

By: [Signature]  
its Chairman

Attest: [Signature]  
Asst. Secretary

STATE OF TEXAS  
COUNTY OF HARRIS

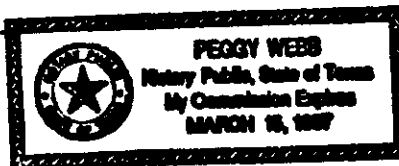
I, the undersigned Notary Public of the County and State aforesaid, certify that David M. Weekley Patricia A. Dettloff personally came before me this day and acknowledged that she is Asst. Secretary of WEEKLEY HOMES, INC., a Delaware corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Chairman President, sealed with its corporate seal and attested by Patricia A. Dettloff as its Asst. Secretary.

WITNESS my hand and official stamp or seal, this 16th day of May, 1996.

[Signature]  
Notary Public

My Commission Expires: \_\_\_\_\_

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NORTH CAROLINA — WAKE COUNTY

The foregoing certificate of Peggy Webb

Notary Public is

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

KENNETH C. WILKINS, Register of Deeds

By: [Signature]  
Asst. Deputy Register of Deeds