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STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
GREYSTONE FARMS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this 22nd day of April, 1992 by Broadwell-Weber Investments, a North Carolina joint venture comprised of Broadwell Land Company and Applewood Builders Inc., both North Carolina corporations, hereinafter referred to as "Declarant".

STATEMENT OF PURPOSE

Declarant is the owner of certain property in Cumberland County, North Carolina, which is more particularly described on maps recorded in Plat Book 79 at Page 65, in the Cumberland County Registry, reference to which is hereby made. Declarant desires to create hereon an exclusive residential community to be named GREYSTONE FARMS, hereinafter referred to as "GREYSTONE".

Declarant desires to insure the attractiveness of GREYSTONE and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of all properties within GREYSTONE and to provide for the maintenance and upkeep of all common areas in GREYSTONE. To this end the Declarant desires to subject the real property described herein, together with such additions as may hereafter be made thereto, to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof.

Declarant further desires to create an organization to which will be delegated and assigned the powers of owning, maintaining and administering the common areas in GREYSTONE, administering and enforcing the covenants and restrictions contained herein, and collecting and disbursing the assessments and charges hereinafter created in order to efficiently preserve, protect and enhance the values and amenities in GREYSTONE to insure the residents' enjoyment of the specific rights, privileges and easements in the common area, and to provide for the maintenance and upkeep of the common area.

PREPARED BY NEIL V. DAVIS,
ATTORNEY-AT-LAW
BK3783 PG0395-0422

To that end the Declarant has or will cause to be incorporated under North Carolina law, GREYSTONE FARMS OWNERS CLUB, INC. as a non-profit corporation for the purpose of exercising and performing the aforesaid functions.

NOW, THEREFORE, Declarant, by this Declaration of Covenants, Conditions and Restrictions, does declare that all of the property described herein, and such additions thereto as may be hereafter made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration which shall run with the real property and be binding on all parties owning any right, title or interest in said real property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Club" shall mean and refer to GREYSTONE FARMS OWNERS CLUB, INC., a North Carolina non-profit corporation, its successors and assigns.

Section 2. "Common Area" shall mean all real property (including the improvements thereon) to be owned by the Club for the common use and enjoyment of the owners. The Common Area eventually to be owned by the Club is all of the area exclusive of area(s) labeled "Future Development" or "Equestrian Center", or "Sales Center", if any, not labeled as "Lots" on the maps, and includes the private street shown thereon. Most roadways are public streets and are not part of the Common Area.

Section 3. "Declarant" shall mean and refer to Broadwell-Weber Investments, its successors and assigns, if such successors and assigns should acquire more than one undeveloped lot from Broadwell-Weber investments for purposes of development, except owners having one residence on multiple lots.

Section 4. "Development" shall mean and refer to GREYSTONE, a residential development proposed to be developed on the Properties by Declarant.

Section 5. "Lot" shall mean and refer to any plot of land, with delineated boundary lines, appearing on the maps and designated by a Lot number and intended for sale to the public.

Section 6. "Maps" shall mean and refer to the maps of the Existing Property as recorded in Plat Book 79 at Page 65 in the Cumberland County Registry and the maps of any additions to the Existing Properties which may be recorded by Declarant in the Cumberland County Registry. Any reference to a map or subdivision section number shall be equally valid if referred to in Roman numerals, Arabic numerals or the number as spelled out.

Section 7. "Member" shall mean and refer to every person or entity who holds membership in the Club.

Section 8. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot including the Declarant if it owns any Lots and including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 9. "Properties" shall mean and refer to the "Existing Property" described in Article II, Section 1, hereof, and such additions thereto as may hereafter be subject to this Declaration and brought within the jurisdiction of the Club.

ARTICLE II

PROPERTIES SUBJECT TO THIS DECLARATION

Section 1. Properties Affected. The property which shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Cumberland County, North Carolina, as more particularly described on Exhibit A attached hereto and incorporated herein by reference. The Declarant hereby subjects the property, more particularly described on Exhibit A attached hereto and incorporated herein by reference, to this Declaration and the jurisdiction of the Greystone Farm owners Club, Inc. as herein defined.

Section 2. Additional Properties. The Declarant hereby reserves the right to subject other real property to this Declaration in order to extend the scheme of this Declaration to

other property to be developed and thereby to bring such additional properties within the jurisdiction of the Club by filing of record a Supplemental Declaration of Covenants, Conditions, and Restrictions. Each additional parcel or tract of land, with the improvements thereon or to be placed thereon, which is subjected to this Declaration may be designated consecutively as "Phase Two" and "Phase Three", and such similar designation for each phase.

ARTICLE III

PROPERTY RIGHTS

Section 1. Ownership of Common Areas: At the time of the conveyance of the first Lot in each section of GREYSTONE by Declarant to an Owner, Declarant shall convey the Common Areas in that section of GREYSTONE to the Club. Notwithstanding the recordation of any Map or any other action by Declarant or the Club, all Common Areas (including the Common Area private streets and roads, if any) shall remain private property and shall not be considered as dedicated to the use and enjoyment of the general public.

The stables, lakes, pasture, bridle paths, swimming pool (if any) and tennis courts (if any) may be conveyed to the Club with the conveyance of the first section of Common Area, or it may be conveyed at any time thereafter, but not later than the conveyance of the last lot to an Owner or ten years from the initial recordation of the declaration.

Any part of the area(s) shown as "Future Development" may be conveyed to the Club as Common Area, at the option of the Declarant.

Section 2. Owner's Rights to Use and Enjoy Common Areas: Each Owner shall have the right to use and enjoy the Common Area which shall be appurtenant to and shall pass with the title to his Lot, subject to the following:

(a) The right of the club to promulgate and enforce reasonable regulations governing the use of the Common Area to ensure the safety and rights of all Owners:

(b) the right of the Club to suspend the voting rights in the Club and right to use the Common Areas by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations; and

(c) the right of the Declarant or the Club to grant utility, drainage and other easements of the type and for the purpose set forth in Article VIII across the Common Areas.

Section 3. Owner's Easements for Ingress and Egress: Every Lot shall be conveyed with a perpetual, non-exclusive right to use any roadway which may be constructed by the Declarant and conveyed to the Club as part of the Common area for the purpose of providing access to and from each Lot.

Section 4. Delegation of Use. Any owner may delegate, in accordance with the By-laws of the Club, his right of enjoyment to the Common Area and facilities to the members of his immediate family, his guests, his tenants or contract purchasers who reside on his Lot.

ARTICLE IV

MEMBERSHIP. VOTING RIGHTS AND CONTROL

OF THE CLUB

Section 1. Membership: Every owner of a Lot shall be a member of the Club. membership shall be appurtenant to and not be separated from ownership of any Lot.

Section 2. Classes of Lots. The voting rights of the Membership shall be appurtenant to the ownership of Lots. There shall be two classes of Lots with respect to voting rights:

(a) Class A Lots. Class A Lots shall be all Lots except Class B Lots as defined below. Each Class A Lot shall entitle the Owner(s) of said Lot to one (1) vote. When more than one person owns an interest (other than leasehold or security interest) in any Lot, all such persons shall be Club

Members and the voting rights appurtenant to said Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Class A Lot.

(b) Class A "Private Drive" Lots. Class A "Private Drive" Lots shall be Class A Lots except that they shall be served by a private driveway.

(c) Class B Lots. Class B Lots shall be all Lots owned by Declarant, and Declarant shall be entitled to three (3) votes for each class B Lot owned by it. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier; W when the total votes outstanding in Class A membership equal the total votes outstanding in Class a membership, but provided that the Class B membership shall be reinstated if thereafter and before the time stated in subparagraph (ii) below, additional lands are annexed to the Properties as provided for in Article II, Section 2, above, or (ii) on December 31, 1997.

Section 3. The Club shall be governed by a Board of Directors in accordance with the By-Laws. Notwithstanding the provisions of Section 2 above, the Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Club until such time as the first of the following events occurs:

(a) Declarant no longer owns any Lots, or

(b) Declarant surrenders the authority to appoint and remove members of the Board of Directors and officers of the Club by an express amendment to this Declaration executed and recorded by the Declarant.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments: The Declarant, for each Lot owned within the Properties, hereby covenants, and each owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree, to pay to the Club annual assessments and special assessments for capital improvements

established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs, late charges and reasonable attorney's fees, if applicable, shall be a charge and a continuing lien upon the Lot against which each such assessment or charge is made. Each such late assessment or charge, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Owner of such Lot from the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall pass to an Owner's successors in title.

Section 2. Purpose of Annual Assessments. The annual assessments levied by the Club shall be used as follows:

(a) To maintain all private roads constructed within the Common Areas to the standard of maintenance which would be required by the State of North Carolina before it would accept such roads for maintenance; provided that this provision does not require that the width of the road rights of way be the width required as set forth before such roads would be accepted by the State of Carolina for maintenance;.

(b) To maintain all pedestrian and bridle trails, and footbridges in the Common Areas and easements in an easily passable condition, free from fallen trees, undergrowth and other obstructions; and to keep all dead, diseased or decaying trees, shrubs, and bushes removed from such areas and to replace such items with new trees, shrubs, and bushes;

(c) To maintain all spillways, dame and drainage ways and ponds in the Common Areas in order to prevent flooding;

(d) To keep the ponds and spillways in the Common Areas and all drainage easements free of pollution and natural debris;

(e) To keep all amenities in the Common Areas clean and free from debris and to maintain all amenities in an orderly condition, and to maintain the landscaping therein in accordance with the highest standards for a private residential community including any necessary removal and replacement of landscaping.;

(f) To pay all ad valorem taxes levied against the Common Areas and any property owned by the Club;

(g) To pay the premiums of all hazard insurance, if any, carried by the Club on the Common Areas and all public liability insurance, if any, carried by the Club pursuant to the By-Laws;

(h) To pay all legal, accounting and other professional fees incurred by the Club in carrying out its duties as set forth herein or in the By-Laws;

(i) To accumulate and subsequently maintain a contingency reserve equal to 10% of the sum of the amounts described in subsections (b) through (h) above in order to fund unanticipated expenses of the club.

(j) To accumulate and subsequently maintain a reserve in an amount adequate to maintain and eventually replace the private drive as described in subsection (a) above.

Section 3. Annual Assessment.

(a) Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$300.00 per Lot for all Lot Owners except Class A "Private Drive" Lots, which shall be assessed at an amount to be determined when the private drive is built and specifically approved.

(b) From and after January 1 of the year immediately following the conveyance of the Common Area to the Club, the annual Assessment may be increased each year not more than ten percent (10%) above the assessment of the previous year by a majority vote of each class or subclass of membership who are voting in person or proxy at a meeting duly called for such purpose.

(c) The annual assessment of any class shall not be increased above the foregoing limit without the approval of two thirds (2/3) of the total votes in each class of membership who are voting in person or proxy at a meeting duly called for such purpose.

Section 4. Special Assessments for Capital Improvements: In addition to the annual assessments authorized above, the Club may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, and the common roadways serving the Development provided that any such assessment requires the same assent of the Members as provided in Section 3(b) of this Article.

Section 5. Uniform Rate of Assessment. Both annual and special assessments shall, except as hereinafter otherwise specifically provided, be fixed at a uniform rate for all Lots within each subclass and shall be collected on an annual basis; provided, however, that the assessments for Lots owned by Declarant which are not occupied as a residence may be a lesser amount as fixed by the Board of Directors of the Association, but shall not be less than (a) twenty-five (25%) per cent of the assessments for regular Class A Lots, or (b) the amount required to balance the Association's budget, whichever is greater; this is binding upon Declarant, its successors and/or assigns.

Section 6. Notice and Quorum for any action Authorized under Section 3 and 4:
Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 shall be sent to all members not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting. At such meeting the presence of Members or of proxies entitled to cast 20% of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, subsequent meetings may be called, subject to the same notice requirement, until the required quorum is present.

Section 7. Date of Commencement of Annual Assessments: Due Dates:

The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance to the Club of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner. The due dates shall be established by the Club's Board of Directors. The Club shall, upon demand, and for a reasonable administrative charge, furnish a certificate signed by an officer of the Club, or its agent, setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Club as to the status of assessments on a Lot is binding upon the Club as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Club.

Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate permitted by law on the date the assessment became due. In addition, the Club may assess a non-cumulative late charge of 5% of monthly amount or \$5.00, whichever is greater, upon the owner whose assessment is more than fifteen days past due. The Club may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien previously filed against the property and in either event interest, late charges, costs and reasonable attorney's fees of any such action shall be added to the assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages and Ad Valorem Taxes.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the

sale or transfer of any Lot pursuant to mortgage or tax foreclosure or any proceeding lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt property. All properties dedicated to, and accepted by, a local public authority and all Properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VI

DESIGN AND ARCHITECTURAL CONTROL

Section 1. Architectural Committee: For purposes of this Article VI, the Declarant shall function as the Architectural Committee, (the 'Committee') so long as Declarant is a Class B Member of the Club, After the termination of the Declarant's Class B Membership, the Board of Directors of the Club shall appoint the members of the Committee to carry out the functions set forth in this Article.

Section 2. Definitions: For purposes of this Article VI, the following terms shall have the following meanings unless the context clearly requires a different meaning:

(a) "Accessory building" means every detached garage, barn, carport, tool shed, storage or utility building, quest quarters, detached servants' quarters or other similar building constructed on a Lot which is not a dwelling;

(b) "Buildings" mean accessory buildings and dwellings;

(c) "Dwelling" means a building constructed for residential use but excluding servants' quarters and guest quarters; and

(d) "Improvements* or "structures" mean buildings and all walls, fences, bulkheads, decks, patios, planters, terraces, mail receptacles, swimming pools, tennis courts or anything else constructed or placed on a Lot.

Section 3. General Outlines:

(a) Reservations: The Declarant reserves the right to change, alter or redesignate: roads, utility and drainage facilities, plus such other present and proposed amenities or facilities as may in the sole judgment of the Declarant be necessary or desirable.

(b) Variances. The Committee shall be empowered to allow adjustments of the conditions and restrictions stated herein in order to overcome practical difficulties and prevent unnecessary hardships in the application of the regulations contained herein, provided, however, that such is done in conformity to the intent and purposes hereof, and provided, also, that in every instance such variance or adjustment will not be materially detrimental or injurious to other property or improvements in the neighborhood. Variances and adjustments of height, size and setback requirements may be granted hereunder.

(c) Development Concept: It is the express intention of the Declarant to maintain in this residential community a uniform plan of development that will blend with and not detract from the natural environment with respect to design, type and general appearance of the structures to be erected on the Lots.

(d) Approval of Plans: The proposed dwelling and building plans and specifications, exterior colors and finishes; and construction schedule must be approved by the Committee. One (1) copy of all plane and related data shall be furnished to the committee for its records. Until all of the above-listed prerequisite plans are approved, no improvements or structures shall be erected, placed or altered on any residential lot. The material used, as well as the design, shall be subject to the prior written approval of the Committee.

Upon the written request of a Lot owner for approval of plans, the Committee shall have ten (10) days within which to approve or disapprove plans. In the event of failure to approve or disapprove within ten (10) days, such approval will not be required provided the design of proposed building is in harmony with the existing structures in this area. If the Committee approves the construction of such improvements, it shall issue a letter evidencing such approval.

Disapproval of any such plans or specifications may be based by the Committee upon grounds, including purely aesthetic and environmental considerations, that in the sole and absolute discretion of the Committee shall seem sufficient.

Without the prior written consent of the committee, no changes or deviations in or from such plans or specifications as approved shall be made. No alterations in the exterior appearance of any building or structure, or in the grade, elevation or physical characteristics of any lot shall be made without like approval by the Committee.

(e) Subdividing: No Lot shall be subdivided, or its boundary lines changed except with the prior written consent of the Committee. However, the Declarant hereby expressly reserves to itself, its successors or assigns, the right to replat any two (2) or more lots shown on the plat of any subdivision in order to create a modified building lot or lots; and to take such steps as are reasonably necessary to make such replatted lot suitable and fit as a building site, said steps to include but not be limited to the relocation of easements, walkways and rights of way to conform to the new boundaries of the said replatted lots.

Section 4. Site improvements:

(a) Building Setback Guidelines and Requirements: The front and side and rear building setbacks shall be indicated on the recorded plat for that section. Any out-building must be located to the rear of the main residence.

(b) Use of Fill and changes in Elevation: No changes in the elevation of the land shall be made on any lot, nor any fill placed within the common easement areas or within the regulatory setback lines; nor shall any lot be increased in size by filling in the waters on which it abuts without prior written approval of the Committee plus state and federal agencies, when applicable.

(c) Adequate Drainage Requirement: It shall be the obligation of the Lot owner to provide adequate drainage of his or her Lot to the end that the property or properties adjacent to said lot shall not be subjected other than the natural flow of drainage presently existing.

(d) Off Street Parking: Each Lot Owner shall provide space on his lot for off street guest parking for not less than two passenger automobiles prior to the occupancy of any single family dwelling constructed on said lot. Said parking areas and driveways thereto shall be in accordance with reasonable standards and shall be constructed of concrete, asphalt, crushed stone, or any other material approved by the Committee in writing as provided for in Section 3(d) hereinabove. All driveways shall be required to have a driveway apron constructed of concrete extending from the rear side of curbing through the rear side of the sidewalk section.

(e) Underground Electric Requirements: All electric transmission or service lines within the perimeter bounds of any lot or common easement shall be installed beneath the surface of the ground.

(f) Driveway, Street Light and Mailbox Locations: The Committee must approve or may designate in its sole discretion the precise site, design and materials of any driveway, street light and mailbox (including newspaper receptacles) placed upon any right of way; provided, however, that the owner shall be given the opportunity to recommend a specific site for such improvements.

Section 5. Structural Improvements:

(a) Residential Use: No structure, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on any residential lot other than a detached single family dwelling. However, a garage with vehicular entry to the side only or small accessory building (which may include a poolhouse, servants' quarters, or guest facilities) is permitted provided the use of such dwelling or accessory building does not overcrowd the site, and provided, further, that such dwellings or buildings are not used for the activities normally conducted as a business. Such accessory buildings may not be constructed prior to the construction of the main building. No building or other structure, or part thereof, at any time situated on such residential lots shall be used as a professional office, charitable or religious institution, business or manufacturing purpose, or for

any use whatsoever other than residential and dwelling purposes as aforesaid; and no duplex residence or apartment house shall be erected or placed on or allowed to occupy such residential lots and no building shall be altered or converted into a duplex residence or apartment unit thereon.

(b) Building Materials: All structures constructed or placed on any lot shall be built of substantially new materials. Any structure erected on the lots shall be of wood, stone, brick, veneer, tiles or concrete and stucco. Any accessory buildings or structures shall be constructed of the same material as the main dwelling.

(c) Square Footage of Enclosed Dwelling Area: Every dwelling constructed on a Lot shall contain at least the minimum required square footage of fully enclosed and heated floor area, which shall be 2400 square feet for all lots in Section One, exclusive of patios, attached garages, terraces, decks, roofed and unroofed porches and accessory buildings.

(d) Screening of Refuse Receptacles: Each Lot Owner shall provide receptacles for ashes, trash, rubbish or garbage on his lot in a screened area not generally visible from the road, other lots, or from common easement areas, in accordance with state and municipal regulations.

(e) Fuel Tanks and Similar Storage Receptacles: All fuel tanks and similar storage receptacles may be installed only within an accessory building or within a screened area (so as not to be generally visible from the road, adjoining lots, or common areas) or buried underground; provided, however, that nothing contained herein shall prevent the Committee from erecting, placing or permitting the placing of tanks, or other apparatus, on the property for uses related to the provision of utility or other service.

(f) Clotheslines or Drying Yards: Clotheslines or drying yards shall be located as not to be visible from the street or common easement areas serving the premises.

(g) Fences and walls: Any fence, bulkhead or wall for any purpose shall be erected or located on any building Lot, greenway, easement or common area no closer to the front Lot line than the rear of the residence and only after the plans and specifications showing the nature, shape, height, materials and location for said fence or wall shall have been approved by the Committee in accordance with Section 3(d) herein.

ARTICLE VII

HABITABILITY PROVISIONS

Section 1. Maintenance Standards.

(a) Preservation of well-Kent Building and Grounds: Each Lot Owner shall prevent the development of any unclean, unsightly or unkept conditions of any buildings or grounds on his lot which would tend to substantially decrease the beauty of any of the property or diminish or destroy the enjoyment of other lots by the owners thereof. This restriction includes, but is not limited to, a prohibition against storage on any lot of anything unclean, unsightly or unkept, including construction material stored far in advance of construction.

(b) Pre-Construction Maintenance of Lots: Prior to commencement of the erection of any residence on each Lot, the Owner of such Lot shall remove any debris, to comply with Section 1(a) hereof (Lots shall be conveyed to owners free of all debris).

(c) Reconstruction: Any building on any Lot which is destroyed in whole or in part by fire, windstorm, flood or other act of God must with reasonable promptness be rebuilt or all debris from such destruction removed and the Lot restored to the condition it was in prior to commencement of construction of such building. Any such reconstruction must be commenced within six (6) months from the date of such destruction. All debris must be removed and the Lot restored to its prior vacant, unimproved condition within three (3) months of such destruction.

Section 2. Control of Property Uses:

(a) Land Use: All Lots shall be used for residential purposes only and common recreational purposes auxiliary thereto and for no other purpose. Only one family may occupy a Lot as a principal residence at any one time. Declarant may maintain a sales office, models and construction office on any Lot until all Lots have been sold.

(b) Noxious or offensive activities: No Noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon tending to cause embarrassment, discomfort or annoyance to the neighborhood. No plants, animals, devices or thing of any sort shall be maintained

whose normal activities or existence is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the owner thereof.

(c) Activities Creating a Nuisance: No property owner will do or permit done any act upon his property or the common easement areas which is, may be, or may become a nuisance to any other property owner or resident. There shall be no discharging of firearms, guns or pistols, of any kind.

(d) Animals, Birds and Fowl: No animals, birds or fowl shall be kept or maintained on any part of the property except dogs, cats and pet birds (as well as any naturally existing wildlife), which may be kept thereon in reasonable numbers as pets for the pleasure and use of the occupants but not for any commercial use or purpose. All pets must be kept under control at all times, and must not become a nuisance by barking or other acts.

(e) Barns and Stables: Barns are permitted only in the central stable area, as designated by Declarant.

(f) Excavation of Soils and minerals: No mineral exploration, quarrying or mining shall be permitted upon or in any lot.

(g) Parking of Non-Private Vehicles, Trailers and Boats: No commercial vehicles, personal vehicles with commercial messages, school buses or non-private vehicles shall be parked on the streets except for the duration of the services being rendered in the area. No trailers (including boat trailer, camper or horse trailers) or habitable motor vehicles of any nature shall be kept on or stored on any part of the property except in an enclosed area, or screened from the view of other lots or common areas. No commercial trucks or non-private vehicles of any nature shall be parked overnight on any parcel except in a properly screened area, or unless specifically approved by the Club. No boats or canoes on or off trailers may be parked on any part of the property unless properly screened or specifically approved by the Club. These prohibitions also apply to the common easement area.

(h) Mobile Homes and Temporary Structures: No mobile home or other structure of a temporary character shall be placed or stored upon any Lot or common easement area at any time, provided, however, that this prohibition shall not apply to shelters on the building Lot used by the contractor during the construction of the main dwelling house when permission has been granted by the Committee, such temporary shelters to be removed from the lot after completion of construction.

(i) Exterior Antennae and Aerials: Exterior radio and television aerials (including satellite dishes) shall be permitted in the Subdivision strictly in accordance with the state laws and municipal ordinances but only to the rear of the main structure and screened from the street. The aforementioned shall not be permitted on lots 1 through 5, inclusive, and 18 through 21, inclusive, without the written consent of the Committee.

(j) Signs: No permanent sign of any character shall be displayed upon any part of the property except a sign bearing the name of the Owner and/or property name and address without permission of the Committee. Said signs shall not exceed the dimensions of 6 inches by 20 inches, unless approved by the Committee. Provided, however, Declarant or the Club may erect information signs, such as identify the bridle path or stable.

All temporary signs such as builders signs, realty signs, etc., should be placed in the center of the road frontage of the lot, outside the street right of way. Under no circumstance may signs be nailed to trees. All signs must be clean, neat and maintained in good repair.

(k) Leasing: All dwellings may be leased only in accordance with rules and regulations promulgated by the Club.

(l) Interval Ownership: No Owner may lease, deed, sell convey or otherwise transfer his Lot under any time-sharing or interval ownership arrangement.

(m) Hazardous Activities: Nothing shall be done or kept on any Lot or in the Common Area which shall increase the rate of insurance on the Common Area or any other Lot without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept

on his Lot or in the Common Area which would result in the cancellation of insurance on any part of the Common Area, or which would be in violation of any law.

ARTICLE VIII

COMMON AREAS AND COMMON EASEMENTS

Section 1. Easements Reserved by Declarant: Declarant reserves easements for the installation and maintenance of driveways, walkways, parking areas, waterlines, telephone and gas pipelines and electric power lines, cable television lines, sanitary sewer and storm drainage facilities, pumping and lift stations, drainage ditches and for other utility installation over the Properties and provided in Article II, Section 2(c) of this Declaration. Each owner, by his acceptance of a deed to a Lot, and the Club by its acceptance of a deed to the Common Areas, acknowledges such reservation and the right of Declarant to transfer such easements to the Club or to such utility companies as Declarant may choose. The easements reserved by the Declarant include the right to cut any trees, bushes or shrubbery, make any gradings of the soil or installations, and to maintain the overall appearance of the Development.

Declarant further reserves the right to locate wells, pumping stations, lift stations and tanks within any Common Areas or any residential Lot designated for such use on any Map or upon any Lot adjacent to such designated Lot with the permission of the Owner of such adjacent Lot.

Within any such easement, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation of sewerage disposal facilities and utilities, or which may change the direction or flow of water through drainage channels in the easements. In addition, the Declarant and the Club shall have the continuing right and easement which may be partly or wholly conveyed to the City of Fayetteville, to maintain all sewer and water lines located on the Lots.

Easements twenty (20) feet in width along the exterior subdivision boundary lot lines are reserved for installation and maintenance of utilities and nature trails/bridle trails. Nature trails are also located in other designated areas, as shown on the maps. The term "nature trails" as used herein

shall mean the trails used for the enjoyment of the Club members, and constructed for walking, hiking, horseback riding and jogging only. Declarant and its assigns shall have the right of ingress, egress and regress over and upon said nature trails including the right to maintain the nature trails in good condition. No motorized vehicles, with the exception of properly muffled golf carts, sales vehicles and maintenance carts authorized by Declarant, will be allowed on any trails.

Section 2. Use of Common Area: The Common Area shall not be used in any manner except as shall be approved or specifically permitted by the Club. The Club shall, in its sole discretion, retain the right to establish rules and regulations for the use and enjoyment of all such property.

ARTICLE IX

CONSTRUCTION GUIDELINES

SECTION 1. PERIOD OF CONSTRUCTION: The exterior of all houses and other structures must be completed within twelve (12) months after the construction of same shall have commenced, except where such completion is impossible, or would result in great hardship to the Owner or builder, due to strikes, fires, national emergency calamities.

Section 2. Conduct of Construction Vehicles: During construction, all vehicles involved, including those delivering supplies, must enter the building Lot on the driveway only as approved by the Committee so as not to damage trees, street paving and curbs. No construction parking shall be allowed on the street right of way.

Section 3. Removal of Construction Debris: During construction the builder must keep the homes, garages and building sites clean. Such debris will not be dumped in any area on the subdivision.

ARTICLE X

INSURANCE

It shall be the duty of the Club to maintain in effect casualty and liability insurance as follows:

Section 1. Casualty Insurance. All insurance policies upon the Common Area shall be secured by the Board of Directors or its designee on behalf of the Club which shall obtain such insurance against loss or damage by fire or other hazards normally insured against for improvements on said Common Area;

Section 2. Liability Insurance. Liability insurance shall be secured by the Board of Directors or its designee on behalf of the Club, which insurance shall insure the Club for liability coverage in an amount of at least five hundred thousand (\$500,000.00) dollars for bodily injury, including deaths of persons and property damage arising out of a single occurrence.

Section 3. Proceeds. All insurance policies purchased for casualty protection of the improvements on the common areas shall provide that all proceeds thereof shall be payable to the Club.

ARTICLE XI

RIGHTS OF MORTGAGEES

SECTION 1. Approval of Owners and Holders of First Deeds of Trust: Unless at least 75% of the Owners and holders of first deeds of trust on Lots located within the Property then subject to the full application of this Declaration, have given their prior written approval, the Club shall not;

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Club (the granting of easements for utilities or other purposes shall not be deemed a transfer within the meaning of this clause);

(b) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

(c) by act or omission change, waive or abandon any plan of regulation, or enforcement thereof pertaining the architectural design or the exterior appearance of residences located on Lots, the maintenance of party wall or common fences and driveways, or the upkeep of lawns and plantings in the subdivision;

(d) fail to maintain fire and extended coverage insurance on insurable improvements in the Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value; or

(e) use the proceeds of any hazard insurance policy covering losses to any part of the Common Area for other than the repair, replacement or reconstruction of the damaged improvements.

Section 2. Books and Records: Any owner and holder of a first deed of trust on any Lot will have the right to examine the books and records of the Club during any reasonable business hours.

Section 3. Payment of Taxes and Insurance Premiums: The owners and holders of first deeds of trust on Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge or lien against the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy for property owned by the Club and the persons, firms or corporations making such payments shall be owed immediate reimbursement from the club.

ARTICLE XII

CONDEMNATION

Section 1. Partial Taking Without Direct Effect on Lots: If part of the properties shall be taken or condemned by any authority having the power of eminent domain, such that no Lot is taken, all compensation and damages for and on account of the taking of the Common Area, exclusive of compensation for consequential damages to certain affected Lots, shall be paid to the Board of Directors of the Club in trust for all Owners and their mortgagees according to the loss or damage to their respective interests in such Common Area. The Club, acting through the Board of Directors, shall have the right to act on behalf of the Owners with respect to the negotiation and litigation of the issue with respect to the taking and compensation affecting the Common Area, without limitation on the right of the Owners to represent their own interests. Such proceeds shall be used to restore the Common Area with the excess, if any, paid to the Owners pro rata. Nothing herein is to prevent Owners whose Lots are specifically affected by the taking or condemnation from joining in the condemnation proceedings and petitioning on their own behalf for consequential damages relating to loss of value of the affected Lots, or personal improvements thereon, exclusive of damages relating to Common Area. In the event that the condemnation award does not allocate consequential damages to specific Owners, but by its terms includes an award for reduction in value

of Lots without such allocation, the award shall be divided between affected owners and the Board of Directors as their interest may appear by arbitration in accordance with the rules of the American Arbitration Association.

Section 2. Partial or Total Taxing Directly Affecting Lots: If part or all of the Properties shall be taken or condemned by any authority having the power of eminent domain, such that any Lot or part thereof (including specific easements assigned to any Lot) is taken, the Club shall have the right to act on behalf of the Owners with respect to Common Area as provided in Section 1 of this Article and the proceeds shall be payable as outlined therein. The owners directly affected by such taking shall represent and negotiate for themselves with respect to the damages affecting their respective Lots. All compensation and damages for and on account of the taking of any one or more of the Lots, or personal improvements thereon, shall be paid to the Owners of the affected Lots and their mortgagees, and their interests may appear.

Section 3. Notice to Mortgagee: A notice of any eminent domain or condemnation proceeding shall be sent to all of record holders.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Entry: The Committee reserves for itself, its successors and assigns, and its agents the right to enter upon any residential lot, for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, or for the purpose of building or repairing any land contour or other earthwork, which in the opinion of the committee detracts from or is necessary to maintain the overall beauty, ecology, setting and safety of the property. Such entrance shall not be deemed a trespass. The Committee and its agents may likewise enter upon any Lot to remove any trash which has collected without such entrance and removal being deemed a trespass.

Section 2. Enforcement: The Club, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Club or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. Severability: Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 4. Amendment: The covenants and restrictions of this Declaration shall run with and bind the land until December 31, 2011 after which they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended within the first twenty (20) years by an affirmative vote of the owners of ninety percent (90%) of the Lots and thereafter by the owners of seventy-five percent (75E) of the Lots.

Section 5. Release of Lots: The Declarant may at any time release any one or more Lots from any or all of the restrictions and covenants running with the land herein set forth, provided the written consent thereto of the owner or owners of not less than three-fourths (3/4) in number of the Lots shall be obtained.

Section 6. Enforcement: Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violation or to recover damages. All present and future owners, tenants and occupants of lots and their guests or invitees, shall be subject to, and shall comply with the provisions of the Declaration, and as the Declaration may be amended from time to time. The acceptance of a deed of conveyance or the entering into of a lease of the entering into occupancy of any lot shall constitute an agreement that the provisions of the Declaration are accepted and ratified by such owner, tenant, occupant. The covenants and restrictions

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BK3783 PG0395-0422

of this Declaration shall inure to the benefit of and be enforceable by the Association, or the Owner of any lot, their respective legal representatives, heirs, successors, and assigns, and shall run with and bind any person having at any time any interest or estate in any lot as though such provision were made a part of each and every deed of conveyance or lease.

Section 7. All Lots Subject to Covenants: The Declarant hereby covenants and agrees that every contract of sale or deed made by the Declarant wherein is described any residential Lot of said land shall include or be subject to, by reference or otherwise, each and every covenant and restriction herein written.

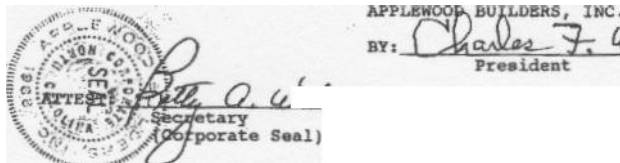
Section 8. Regulations: Reasonable regulations governing the use of the Common Area and the external appearance of all structures erected on the Lots may be made and amended from time to time by the Board of Directors of the Club; provided, however, that all such regulations and amendments thereto shall be approved by the Owner(s) of a majority of the Lots before the same shall become effective. Copies of such regulations and amendments thereto shall be properly posted and shall be made available to each Member.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be full executed on the day and year first above written.

BROADWELL-WEBER INVESTMENTS
A NORTH CAROLINA JOINT VENTURE
BY:
BROADWELL LAND COMPANY AND APPLEWOOD BUILDERS, INC.

Secretary (Corporate Seal)

I



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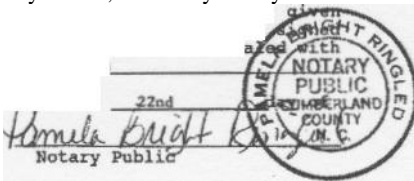
STATE OF NORTH CAROLINA CUMBERLAND COUNTY

I, Pamela Bright Ringle, a Notary Public, do hereby certify that Leon E. Brown, came before me this day and acknowledged that he is Secretary of Broadwell Land Company and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by himself as its Secretary.

WITNESS my hand and official seal, this is the 22nd day of April, 1992.
My commission expires:
8-6-96

STATE OF NORTH CAROLINA CUMBERLAND COUNTY

, a Notary Public, do hereby certify came



I, Leslee N. Black, a Notary Public, do hereby certify that Betty A. Weber came before me this day and acknowledged that She is Secretary of Applewood Builders, Inc. and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by himself as its Secretary.

WITNESS my hand and official seal, this the _____ 22nd day of April, 1992.
My commission expires:
8-31-94

Notary Public

PUBLIC

The foregoing Certificate(s) Of

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. _____ CUMBERLAND COUNTY,

Deputy
Deputy/Assistant GEORGE E. TATUM _____ REGISTER OF DEEDS FOR
Deputy/Assistant _____

Black

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ATTORNEY-AT-LAW
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Exhibit A

MOORMAN & KIZER, INC.
115 BROADFOOT AVE – POST OFFICE BOX 53774
FAYETTEVILLE, NORTH CAROLINA 28305
TELEPHONE (919) 484-5791 FAX (919) 444-0388

March 25, 1992

Description

Broadwell-Weber Investments Greystone
243.92 Acre Tract

BEGINNING at a concrete monument in the eastern right-of-way margin of U.S. Highway 401 North, said concrete monument being the southwest corner of the Long Hill Elementary School Property;

thence with the Long Hill Elementary School Property the following two calls:

South 58 degrees 28 minutes East, 651.04 feet
to a point;
North 10 degrees 34 minutes East, 801.73 feet
to an iron pipe, said iron pipe being the
northeast corner of the School Property and a
corner of the Broadwell Tract recorded in Deed
Book 3305, Page 637 Cumberland County, North
Carolina Registry;

thence South 39 degrees 11 minutes East, 454.82 feet to a point;

thence North 30 degrees 59 minutes East, 1196.40 feet to a point in the southern line of the Kelly Springfield Tract recorded in Deed Book 546, Page 43 and shown in Plat Book 36, Page 20 both of the Cumberland County, North Carolina Registry;

thence with the Kelly Springfield Tire Company Tract the following calls:

South 62 degrees 09 minutes East, 389.31 feet
to a concrete monument;
South 79 degrees 51 minutes East, 342.58 feet
to a concrete monument;
South 68 degrees 08 minutes East, 724.91 feet
to a concrete monument;
South 27 degrees 12 minutes East, 592.99 feet
to a concrete monument;
South 83 degrees 41 minutes East, 197.98 feet
to a concrete monument;
South 62 degrees 49 minutes East, 263.85 feet
to a concrete monument, said monument being a
corner of a tract described in Deed book 2536,
Page 567 (Tract 2) Cumberland County, North
Carolina Registry;

thence leaving the Kelly Springfield line and following the western line of the tracts described in Deed Book 2536, Page 567, Deed Book 2020, Page 254, Deed Book 2020, Page 239, Deed Book 2020, Page 249 and Deed Book 2020, Page 244 all of the Cumberland County, North Carolina Registry, the following calls:

South 05 degrees 47 minutes West, 230.69 feet to a point;
South 14 degrees 00 minutes West, 424.40 feet to a point;
South 14 degrees 59 minutes west, 1365.38 feet
to a concrete monument in the western line of

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North 25 degrees 41 minutes East, 152.86 feet to a point;
North 30 degrees 57 minutes East, 868.43 feet to the point of beginning.

Containing 243.92 acres, more or less. And being a combination of three tracts, one of a 75.64 acre tract, less one commercial tract, one of a 140.98 acre tract, less two commercial tracts, and a 48.82 acre culbreth tract.

Prepared by MOORMAN & KIZER, INC., Fayetteville, North Carolina