

Prepared by and return to: Beischer & Boles
Wizards Extraordinaire
Suite 101
2726 Croasdaile Drive
Durham, N.C. 27705
Ph: (919) 383-5575

BOOK 1393 PAGE 137

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CROASDAILE FARM

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Beischer & Boles, Attorneys at Law
Suite 101
2726 Croasdaile Drive
Durham, N.C. 27705

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 FOR
 CROASDAILE FARM

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NORTH CAROLINA
DURHAM COUNTY

BOOK 1393 PAGE 142

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CROASDAILE FARM

THIS DECLARATION of Covenants, Conditions and Restrictions is made and entered into this 3rd day of August, 1987, by CROASDAILE FARM I, LIMITED PARTNERSHIP, a North Carolina limited partnership (hereinafter referred to as "Declarant"), Suite 101, 2726 Croasdaile Drive, Durham, North Carolina 27705.

WITNESSETH:

WHEREAS, the Declarant is the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, the Declarant intends by this Declaration to impose upon the said real property known as Croasdaile Farm, a portion of which is described in Exhibit "A", and such additional real property as may hereafter be annexed and made subject to this Declaration by an appropriate Amendment or Amendments, mutually beneficial covenants, conditions and restrictions for the benefit of all owners of residential property within Croasdaile Farm, by the recording of this Declaration; and

WHEREAS, the Declarant desires to provide a flexible and reasonable procedure for the overall development of the real properties now or hereafter subject to this Declaration and for

the interrelationships of the component residential associations;
and

WHEREAS, the Declarant desires to establish a method for the administration, maintenance, preservation, use and enjoyment of such real properties as are now or may hereafter be subjected to this Declaration;

NOW THEREFORE, the Declarant hereby declares that all the real property described in Exhibit "A" and such additional real property as may be hereafter annexed and made subject to this Declaration, by an appropriate Amendment or Amendments, shall be held, owned, sold and conveyed subject to the following covenants, conditions and restrictions which are for the purpose of protecting the value of said properties and shall be binding upon all parties having any right, title or interest in the said real properties, their heirs, successors and assigns and shall inure to the benefit of each owner thereof.

ARTICLE ONE

DEFINITIONS

SECTION 1.1 "Amendment": shall mean and refer to an instrument recorded in the Office of the Register of Deeds of Durham County, North Carolina, which subjects additional real property to this Declaration. Such Amendment may, but is not required to, impose, expressly or by reference, additional restrictions and obligations on the real property subjected by that Amendment to this Declaration so long as none of the provisions thereof conflict with the provisions of this Declaration. Said Amendment

may, but is not required to, designate separate Parcel status for the real property so annexed, as hereinafter provided. If such Amendment does not create a separate Parcel pursuant to a Parcel Declaration, as hereinafter provided, a separate residential association may not be created.

SECTION 1.2 "Area of Common Responsibility": shall mean and refer to the Common Areas, together with those areas, if any, which by contract with any residential or condominium association or with any apartment building owner or with any commercial establishment or association, within Croasdaile Farm, become the responsibility of the Association.

SECTION 1.3 "Assessments": shall mean the General, Parcel and Special Assessments for the upkeep and maintenance of the Common Areas as set forth in Article Ten.

SECTION 1.4 "Association": shall mean and refer to Croasdaile Farm Master Homeowner Association, Inc., its successors and assigns.

SECTION 1.5 "Board of Directors" or "Board": shall mean the elected body governing the Association as provided by North Carolina corporate law.

SECTION 1.6 "Common Areas": shall mean all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners. The initial Common Areas to be owned by the Association shall be conveyed to the Association by the Declarant, prior to the conveyance of any Residential Unit.

The Common Areas are depicted on the General Plan of Development, as amended, from time to time. The Board of Directors may promulgate reasonable Rules and Regulations, from time to time, conditioning the use of Common Areas and other amenities.

SECTION 1.7 "Common Expenses": shall mean the actual and estimated expenses of operating, managing and maintaining the Association and its real and personal property, both for general and Parcel purposes, including such reserve funds as may be found necessary or desirable by the Board of Directors.

SECTION 1.8 "Community-Wide Standards": shall mean the architectural, landscape, arboreal, vegetative and aesthetic standards of the Croasdaile Farm Community as determined and promulgated by the Design Review Committee, from time to time.

SECTION 1.9 "Croasdaile Farm Community": shall mean the residential community depicted on the General Plan of Development, as amended, from time to time.

SECTION 1.10 "Design Review Committee": shall mean the committee appointed by the Board of Directors, from time to time, to establish Community-Wide Standards for the construction, alteration or improvement of property within the Croasdaile Farm Community.

SECTION 1.11 "General Assessments": shall have the meaning set forth in Article Ten.

SECTION 1.12 "General Plan of Development": shall mean the Land Use Development Plan, as amended, from time to time, of Croasdale Farm prepared by Land Design/Research, Inc., and depicted in Exhibit "B", attached hereto.

SECTION 1.13 "Member": shall mean and refer to a Person who is a Member of the Association. All Owners of Residential Units shall be Members of the Association.

SECTION 1.14 "Mortgage": shall include a deed of trust as well as a mortgage.

SECTION 1.15 "Mortgagee": shall include a beneficiary or holder of a deed of trust, as well as a mortgagee.

SECTION 1.16 "Mortgagor": shall include the trustor of a deed of trust, as well as a mortgagor.

SECTION 1.17 "Owner": shall mean one or more Persons who hold record title to any Residential Unit which is part of the Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Residential Unit is sold under a recorded contract of sale, the purchaser (rather than the fee Owner) will be considered the Owner. For the purpose of this Declaration, the Owner of Residential Units within an apartment building shall be as follows: (A) for the purpose of voting and assessments, the record Owner of the apartment building or buildings; and (B) for the purpose of use and enjoyment of common facilities and

amenities which are part of the Common Areas, the Person residing in the Residential Unit.

SECTION 1.18 "Parcel": shall mean and refer to a separately designated residential area which is made subject to this Declaration by a Parcel Declaration, as hereinafter provided. Such residential areas may be comprised of various types of housing including, but not limited to, condominiums, fee simple townhouses, single family detached housing and patio or zero lot line housing. In the absence of a specific designation of separate Parcel status, all Properties made subject to this Declaration shall be considered a part of the same Parcel; provided, however, that Lone Pine, Inc., its successors and assigns, may from time to time, make additional property subject to the terms and conditions of this Declaration by an appropriate Amendment hereto and may designate that such property shall constitute a separate Parcel or Parcels.

SECTION 1.19 "Parcel Assessments": shall mean assessments for common expenses provided for herein or by any subsequent Amendment hereto which shall be used for the purposes of promoting the recreation, health, safety, welfare, common benefit or enjoyment of the Owners and occupants of the Residential Units against which the specific Parcel Assessment is levied and of maintaining the Common Areas within a given Parcel, all as may be specifically authorized by the Board of Directors, from time to time.

The Parcel Assessments shall be levied equally against Owners of Residential Units in a Parcel for any of the purposes

expressed herein or as may be authorized by the Board of Directors from time to time; provided, however, that Assessments for exterior maintenance of dwellings, for insurance on dwellings, for replacement reserves or for any other expenses which pertain to a particular Residential Unit shall be levied pro rata among the benefited Owners.

SECTION 1.20 "Parcel Declaration": shall mean an instrument which:

- (A) is recorded in the Office of the Register of Deeds of Durham County, North Carolina;
- (B) identifies a designated residential area;
- (C) subjects such residential area, by an appropriate Amendment, to the provisions of this Declaration;
- (D) contains land use restrictions, covenants and conditions applicable to the said designated residential area;
- (E) provides for the maintenance of common areas, if any, within the designated residential area; and
- (F) identifies said separately designated residential area as a separate Parcel in the said Amendment.

In addition, the Parcel Declaration may also authorize the creation of a separate residential association for the designated residential area.

SECTION 1.21 "Person": shall mean a natural person, a corporation, a partnership, a trustee or other legal entity and the heirs, successors and assigns thereof.

SECTION 1.22 "Properties": shall mean and refer to the real property described in Exhibit "A", attached hereto, and to such additional real property as may hereafter be subjected to this Declaration by the Declarant or by Lone Pine, Inc., their successors or assigns by an appropriate Amendment hereto.

SECTION 1.23 "Residential Unit": shall mean the portion of the Properties intended for use and occupancy as a residence and shall include, but not be limited to, condominium units, apartment units, single family detached housing and lots, and patio or zero lot line housing and lots. The term Residential Unit includes a vacant lot. Each lot, as originally platted and recorded in the Office of the Register of Deeds of Durham County, North Carolina, shall always be considered to be a separate Residential Unit regardless of whether the lot is subdivided or whether a dwelling is built upon one or more lots. The term Residential Unit shall not include any commercial space which might be subject to all or part of this Declaration.

SECTION 1.24 "Special Assessments": shall have the meaning set forth in Article Ten.

ARTICLE TWO

PROPERTY RIGHTS

SECTION 2.1 Rights in Common Areas, etc.: Each Owner shall have a right and easement of enjoyment in and to the Common Areas subject, however, to any restrictions or limitations contained herein or in an Amendment which subjects additional real property

to this Declaration. An Owner may delegate his, her or its right of enjoyment in the Common Areas to his or her family, tenants and social invitees subject, however, to such Rules and Regulations regarding such use as may be promulgated by the Board of Directors from time to time.

Certain portions of the Common Areas may be available for limited use by Persons other than the Owner, his or her family or invitees. Such use may include, but is not limited to, walkways, play areas, ponds and permitted league use of ball fields. Such use is expressly authorized subject, however, to such Rules and Regulations as the Board of Directors may adopt from time to time. Such use shall not constitute or authorize general public use of or access to all or any part of the Common Areas.

ARTICLE THREE

MEMBERSHIP AND VOTING RIGHTS

SECTION 3.1 Membership: Every Person who is the record Owner of a fee simple interest or an undivided fee simple interest in a Residential Unit that is subject to this Declaration shall automatically be a Member of the Association. Membership shall be appurtenant to and may not be separated from such ownership. Members agree to be bound by the terms and provisions of this Declaration, the Bylaws of the Association and such Rules and Regulations as shall be promulgated, from time to time, by the Board of Directors. Membership in the Association shall cease upon termination of an Owner's fee simple interest in said real property or upon recordation of a Contract of Sale as provided in

Section 1.17. Provided, however, that a Member shall not include any Person who holds an interest merely as security for the performance of an obligation and the granting of a security interest in a Residential Unit shall not terminate the Owner's membership. No Owner, whether one or more Persons, shall have more than one membership per Residential Unit owned. The rights and privileges of membership, including the right to vote, may be exercised by the Member, but in no event shall more than one (1) vote be cast for each particular Residential Unit. Each dwelling unit in an apartment building shall be considered a separate Residential Unit. Such membership shall be appurtenant to the Residential Unit giving rise to such membership and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to such Residential Unit. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Residential Unit shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof. Each Member shall be subject to the Bylaws of the Association and any Rules and Regulations of the Association and the provisions of this Declaration, all as may be amended, from time to time.

SECTION 3.2 Classes of Membership and Voting: The Association shall have two (2) classes of membership, Class "A" and Class "B", defined as follows:

(A) Class "A": The Class "A" Members shall be all Owners with the exception of Class "B" Members, if any. Class "A"

Members shall be entitled to one (1) vote for each Residential Unit in which they hold the interest required for membership provided in Section 3.1. There shall be only one (1) vote per Residential Unit. When more than one Person or an entity holds such interest in any Residential Unit, the vote for such Residential Unit shall be exercised by the Person specifically designated in a writing delivered to the Secretary of the Association prior to any Association meeting. The Person designated shall continue to have the right to exercise the vote for such Residential Unit until such time as the said authorization is revoked by the Owners in a writing delivered to the Secretary of the Association. The Board of Directors shall have authority to promulgate Rules and Regulations, from time to time, regarding the format and signatures required to designate the voting Member. Failure to designate the Person who shall exercise the vote for such Residential Unit or an attempt to exercise said vote by more than one person or entity shall result in the automatic suspension of said Residential Unit's vote. This suspension shall continue in effect until the Person designated in a writing delivered to the Association by the Owner(s) is the only Person attempting to exercise the vote.

An Owner of a Residential Unit which is leased may, in the lease or other written instrument, assign the voting right appurtenant to that Residential Unit to the lessee, provided that a signed copy of the lease or other written instrument is delivered to the Secretary of the Association. The lessee shall have this voting right during the time period set forth in the

lease or other written instrument conferring such right, or if no time is set forth therein, then the lessee shall have the right to vote until his lease expires or the Owner revokes such right in a writing delivered to the Secretary of the Association.

(B) Class "B": The Class "B" Member shall be Lone Pine, Inc., its successors and assigns, and it shall originally be entitled to Four Thousand Five Hundred and Seventy Five (4,575) votes. The number of Class "B" votes shall be decreased by one (1) vote for each vote to which the Class "A" Members are entitled at any one time. The Class "B" Member shall be entitled to vote on any matter upon which Class "A" Members may vote. In any event, the Class "B" membership shall terminate and automatically be converted into Class "A" membership upon the happening of the first to occur of the following:

- (1) Twelve o'clock noon, local time, on January 1, 2015; or
- (2) When in its discretion Lone Pine, Inc. or its successor so determines.

From and after the happening of the first to occur of the above events, the Class "B" Member shall be deemed to be a Class "A" Member entitled to one (1) vote for each Residential Unit which it owns. The Association shall advise the Class "A" Members of the happening of the first to occur of the above events.

ARTICLE FOUR

MAINTENANCE

SECTION 4.1 Association's Responsibility: The Association shall maintain and keep the Common Areas in good order and repair. The cost of such maintenance shall be funded out of the assessments provided for in Article Ten, below. This maintenance shall include, but not be limited to, maintenance, repair and replacement of all landscaping, shrubbery, trees, flora, structures and other improvements situated on or about the Common Areas and on or about any planting easements granted to the Association.

The Association may, in the discretion of its Board of Directors, assume the maintenance responsibilities of another homeowner's association (including, but not limited to, condominium associations) provided that those responsibilities are set forth, or referred to, in a recorded Parcel Declaration. In such event, all costs of such maintenance shall be assessed only against those Members residing in the Parcel to which the services are provided.

SECTION 4.2 Owner's Responsibility: Except as provided in this Declaration or any Amendment hereto, all maintenance of Residential Units and all structures and other improvements thereon shall be the sole responsibility of the Owner thereof who shall maintain same in a manner consistent with the Community-Wide Standards of Croasdaile Farm and the applicable covenants affecting the Properties.

ARTICLE FIVE

NO PARTITION

SECTION 5.1 No Partition of Common Areas: There shall be no partition of the Common Areas and no Person acquiring any interest in the Properties or any part thereof shall seek a judicial partition of said Common Areas. This Article shall not prohibit the Association from acquiring or disposing of real or personal property which may or may not be subject to this Declaration.

ARTICLE SIX

ANNEXATION OF ADDITIONAL PROPERTY

SECTION 6.1 Annexation of Additional Property: Lone Pine, Inc., its successors or assigns, shall have and reserves unto itself, the unilateral right, privilege and option, from time to time, to subject to the provisions of this Declaration and to the jurisdiction of the Association any additional real property located in Durham County, North Carolina, which is depicted in the General Plan of Development, as amended from time to time, attached hereto as Exhibit "B", by filing in the Office of the Register of Deeds of Durham County, North Carolina, an Amendment (which may include a Parcel Declaration) which describes the real property to be subjected hereto and which specifically refers to this Declaration. Such Amendment or Amendments may be made without the consent of the Association or its Members or any mortgagees or other lien holders. Any property so annexed and subjected to the terms and conditions of this Declaration shall

not be subject to the Restrictive Covenants set forth in Exhibit "C" unless specifically so adopted and incorporated by reference in an appropriate Amendment. However, the annexed property may be subjected to its own Restrictive Covenants provided that none of the terms thereof conflict with the terms and conditions of this Declaration. All annexed property shall be subject to the Community-Wide Standards (including the Design Review Guidelines contained therein) as amended, from time to time, and the terms and conditions of this Declaration. Any such annexation shall be effective upon the recording of the said Amendment in the Office of the Register of Deeds of Durham County, North Carolina. Lone Pine, Inc., shall have the unilateral right to transfer to any other Person its said right, privilege and option to subject additional real property to this Declaration, provided that such transfer is recorded in the Office of the Register of Deeds of Durham County, North Carolina. Nothing in this Declaration shall be construed to give the Association or the Members any right to approve or disapprove of any such annexation.

SECTION 6.2 Annexation of Additional Property by Designee(s) of Lone Pine, Inc.: Lone Pine, Inc., its successors or assigns, shall have the unilateral right, privilege and option, from time to time, to delegate to any Person all or any portion of its right, privilege and option described in Section 6.1 and elsewhere in this Declaration to subject to the provisions of this Declaration and to the jurisdiction of the Association any additional real property described in Section 6.1, which delegation shall be subject only to such terms, conditions or

limitations, if any, as Lone Pine, Inc., its successors or assigns, deem necessary or desirable. Any action taken by any Person pursuant to any such delegation shall be deemed as fully effective and binding as if taken by Lone Pine, Inc., its successors or assigns.

SECTION 6.3 Annexation by Parcel Declaration: Any group of lots, condominium units or Residential Units, which are subjected to the provisions of this Declaration by an appropriate Amendment, may also be the subject of a separate Parcel Declaration relative to the establishment of additional maintenance areas and Parcel common areas and may also provide for Parcel design review procedures, Parcel assessments, Parcel restrictive covenants, repair and maintenance of improvements within the Parcel, including, without limitation, reconstruction of any damaged or destroyed Parcel improvements, party walls, the establishment of a separate residential homeowner's association for the Parcel and other matters of common concern to the Owners of such Parcel. A Parcel Declaration may also permit the annexation of additional real property to the scheme of such Parcel Declaration. A Parcel Declaration shall be binding upon and affect only lots, condominium units and other Residential Units identified in an instrument recorded in the Office of the Register of Deeds of Durham County, North Carolina, and, then only, to the extent not inconsistent with the provisions of this Declaration. A Parcel Declaration may be amended only in the manner provided for by such Parcel Declaration. A Parcel Declaration and any amendment thereto shall become effective immediately upon its recordation

in the Office of the Register of Deeds of Durham County, North Carolina.

SECTION 6.4 Amendments to this Declaration: Any Amendment to this Declaration, as provided in Section 6.1, may contain such terms and conditions as may be necessary or desirable to reflect the different character, if any, of the real property being annexed or the various housing or community style characteristics and development approaches to which the annexed land or parts thereof may be subjected. The real property subjected to this Declaration may also be the subject of a separate Parcel Declaration so long as none of the provisions thereof conflict with the provisions of this Declaration. All Owners upon recordation of an Amendment shall have a right and non-exclusive easement of enjoyment in and to the Common Areas and an obligation to contribute to the cost of improvement, operation and maintenance of such Common Areas. Any Amendment to this Declaration recorded in accordance with the terms hereof shall be conclusive in favor of all Persons who rely thereon in good faith. From and after the recordation of any Amendment and subject to the terms and provisions of such Amendment, the real property described therein shall be subject to the provisions of this Declaration, the jurisdiction of the Association, the Bylaws of the Association, as amended, from time to time, the Rules and Regulations of the Association, as amended, from time to time, the Corporate Charter of the Association and all other applicable Croasdale Farm documents. Owners of Residential Units in the

annexed real property shall automatically become Members in the Association effective with the annexation.

SECTION 6.5 Notice of Annexation: If Lone Pine, Inc., its successors or assigns, causes additional real property to be annexed to the Croasdaile Farm Community and subjected to the provisions of this Declaration, Lone Pine, Inc. shall advise the Association that it has done so not less than sixty (60) days after the recordation of the Amendment causing such annexation in the Office of the Register of Deeds of Durham County, North Carolina; provided, however, that the failure to notify the Association shall not invalidate or limit the efficacy of the said Amendment or otherwise create any liability for Lone Pine, Inc.

ARTICLE SEVEN

GENERAL PLAN OF DEVELOPMENT

SECTION 7.1 Purpose of General Plan of Development: The General Plan of Development, illustrated by the Land Use Development Plan (Exhibit "B"), is the dynamic design for the development of Croasdaile Farm Community as a planned development and may be modified and amended, from time to time, as provided herein, during the several years required to build the Croasdaile Farm Community. Therefore, because the General Plan of Development is a temporary design, it shall not bind Lone Pine, Inc., to make the additions to the Properties which are shown on the Land Use Development Plan of Croasdaile Farm Community or to improve any portion of such real property in accordance with the General Plan

of Development. Lone Pine, Inc., its successors or assigns, shall have the absolute right and discretion to amend the General Plan of Development in response to changes, including without limitation, to economic, marketing, environmental, technological or social conditions related to the development or marketing of the Properties or to changes in the requirements of government agencies or financial institutions.

SECTION 7.2 No Warranty: The General Plan of Development as amended, from time to time, does not and shall not constitute, nor is it or shall it be construed as a warranty, express or implied, on the part of the Declarant or Lone Pine, Inc., that the Croasdaile Farm Community will be developed in conformity with the said General Plan of Development.

ARTICLE EIGHT

THE ASSOCIATION

SECTION 8.1 Organization: The Association is a corporation organized under the laws of the State of North Carolina and is charged with the duties and vested with the powers conferred upon corporations by law, the powers set forth in the Articles of Incorporation, the Bylaws of the Association, as amended, from time to time, and the rights, powers and obligations set forth in this Declaration. In the event of any inconsistency between and among the Articles of Incorporation of the Association, the Bylaws of the Association and this Declaration, as amended, from time to time, this Declaration shall control, then the Articles

of Incorporation and finally the Bylaws. The officers and directors of the Association shall be required to be either:

- (A) Members of the Association; or
- (B) officers, directors, agents, representatives or employees of the Declarant or Lone Pine, Inc., and their successors in interest.

By accepting a deed for any Common Areas referred to in Section 1.6, which acceptance shall be conclusively evidenced by the recordation of said deed in the Office of the Register of Deeds of Durham County, North Carolina, the Association agrees to be bound by all of the terms, conditions and covenants contained in this Declaration and to assume responsibility for all the duties and obligations imposed upon the Association.

SECTION 8.2 Duties of the Association: The Association shall, in addition to such obligations, duties and functions as are assigned to it by other provisions of this Declaration, have the obligation and duty to do and perform each and every of the following for the benefit of the Owners and for the maintenance, administration and improvement of the Common Areas:

- (A) Common Areas - Accept as part of the Common Areas all real property conveyed to it as such and accept all Owners of annexed Properties as Members of the Association.
- (B) Enforcement - Take such action, whether or not expressly authorized herein or in any other governing instrument, as may be necessary or desirable to enforce the restrictions, limitations, covenants, affirmative

obligations, conditions and other provisions of this Declaration and its Exhibits, both present and future, as well as the other Croasdaile Farm documents.

- (C) Operation of Common Areas - To operate, maintain and otherwise manage or provide for the operation, maintenance and management of the Common Areas, together with all easements for operation and maintenance purposes for the benefit of the Association or its Members. To keep all improvements of whatever kind and for whatever purpose located in or upon the Common Areas in good order, condition and repair.
- (D) Utilities - To acquire, provide and pay for water, sewer, garbage disposal, electrical, telephone, gas and other necessary utility services for the Common Areas.
- (E) Taxes and Assessments - To pay all real and personal property taxes and assessments separately levied upon or assessed against the Association or any property owned by the Association.
- (F) Dedication for Public Use: Upon being directed in writing by Lone Pine, Inc., or its successors to do so, promptly to dedicate such streets and roads and such water, sewer, electrical, telephone and other utility lines or facilities and to grant appropriate easements as may be specified by Lone Pine, Inc., or its successors, to such public authorities, utility companies or similar agencies or bodies as may be designated by Lone Pine, Inc., or its successors, prior to January 1, 2015.

(G) Insurance - To obtain and maintain insurance as provided for by either this Declaration, the Bylaws or any Parcel Declaration, as appropriate.

(H) Rules and Regulations - To make, promulgate, amend and repeal, from time to time, Rules and Regulations of the Association.

SECTION 8.3 Powers and Authority of Association: The Association shall have all of the powers conferred by law upon corporations organized under the laws of the State of North Carolina, subject only to such limitations as may be set forth in its Articles of Incorporation, the Bylaws or this Declaration. In addition, the Association shall have any power incidental to the exercise of any of the express powers conferred upon it including, but not limited to, the following:

(A) Assessment - To assess the Owners and to enforce payment of such Assessments.

(B) Easements and Rights-of-Way - To grant and convey to any third party easements and rights-of-way in, on, over or under the Common Areas for the purposes of constructing, operating or maintaining thereon, therein or thereunder:

(1) underground or overhead lines, cables, wires or other devices for the transmission of electricity and for lighting, heating, power, telephone, cablevision and other appropriate purposes and (2) public sewers, storm water drains, water systems, gas lines or any similar public or quasi-public improvements or facilities.

- (C) Manager - To employ the services of any Person as Manager, together with employees, to manage and conduct the business of the Association and to enter into contracts for such purposes. The Manager and employees shall have a right of ingress and egress over such portions of the Common Areas and of the Properties as is necessary or desirable in performing their duties.
- (D) Mortgagee Protective Agreement - Subject to such limitations, if any, as may be contained in an individual Parcel Declaration insofar as applicable to the real property subject to such Parcel Declaration, to execute and cause to be recorded, from time to time, agreements in favor of holders or insurers of mortgages secured by portions of the Common Areas or the Properties. Such agreements may condition specified action relevant to this Declaration or the activities of the Association upon approval by a specified group or number of such mortgage holders or insurers.
- (E) Right of Entry - Without liability to any Owner, to cause its agents, independent contractors and employees, after reasonable notice to the Owner, to enter in or upon the Properties for the purpose of enforcing the provisions of this Declaration or any other restrictions or covenants affecting the Properties.
- (F) Rules and Regulations - The Association, through its Board of Directors, may make and enforce reasonable Rules and Regulations governing the use of the Common Areas, which Rules and Regulations shall be consistent

with the rights and duties established by this Declaration. Sanctions for violations of the Rules and Regulations may include reasonable monetary fines and suspension of the right to vote and of the right to use the Common Areas. The Association shall also have the power and authority to bring an action in any court to enforce any restrictions, covenants or conditions affecting the Common Areas or the Properties. Imposition of sanctions shall be as provided in the Bylaws.

- (G) General Authority - To take any other action deemed necessary or desirable by the Association to implement the intent and purposes of this Declaration and for the benefit of the Association and its Members.

ARTICLE NINE

RESTRICTIVE COVENANTS AND LAND USE RESTRICTIONS

SECTION 9.1 Land Use: The Properties, other than the Common Areas, shall be used only for residential and related purposes as may be more particularly set forth in this Declaration, Amendments hereto and any subsequently recorded instruments which create residential associations subject to this Declaration. Any property annexed and subjected to the terms of this Declaration shall not be subject to the Restrictive Covenants set forth in Exhibit "C" unless specifically so adopted and incorporated by reference in an appropriate Amendment.

The restrictive covenants constituting the initial restrictions and standards affecting Lots 1 through 58 of Section "A" of Phase One of Croasdaile Farm are attached hereto as Exhibit "C". These restrictive covenants are independently amendable in accordance with Exhibit "C" and any amendments thereto shall not constitute nor require an amendment to this Declaration. The covenants, conditions and restrictions contained in this Declaration, as amended, and any restrictive covenants affecting the Properties, as amended, shall be a covenant running with the land. Any real property which may be subjected to this Declaration in the future may have separate and independent restrictive covenants and conditions which apply solely to the real property annexed hereto so long as none of the provisions thereof conflict with the provisions of this Declaration. In the event of a conflict between the language contained in the restrictive covenants affecting any portion of the Properties and the language contained in this Declaration, the terms and conditions of the Declaration control. Such restrictive covenants must be set forth in a separate writing which identifies the particular real property affected thereby and be recorded in the Office of the Register of Deeds of Durham County, North Carolina. Such restrictive covenants shall be separately amendable in accordance with their terms and no amendment thereto shall be considered to be an amendment to this Declaration.

ARTICLE TEN

ASSESSMENTS

SECTION 10.1 Creation of Assessments: The Declarant, for the Properties and all portions thereof, including any additional real property annexed to the Properties and subjected to the provisions of this Declaration hereby covenants, and each Owner of any portion of the Properties by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, (or by the acquisition of title to any of the Properties by any other means) is deemed to covenant and agree that for each Residential Unit owned, the Owner shall pay to the Association such Assessments for the upkeep, maintenance and expenses of the Common Areas, insurance costs and operating expenses of the Association as shall be determined by the Board of Directors from time to time. There shall be three kinds of Assessments, namely:

- (A) General Assessments;
- (B) Parcel Assessments; and
- (C) Special Assessments.

SECTION 10.2 General Assessments: General Assessments levied by the Association each year shall be used for the improvement, operation and maintenance of the Association property and to promote the recreation, safety and welfare of the Members. These assessments shall be adequate to finance the operation and activities of the Association, to maintain the Common Areas and to maintain adequate repair and replacement reserves. General Assessments shall be allocated equally among all Residential Units subject to this Declaration. Each apartment in a multi-

family structure shall be considered a separate Residential Unit for purposes of assessing the Owner of the land upon which the multi-family structure is built.

SECTION 10.3 Parcel Assessments: Parcel Assessments, as defined in Section 1.19, may be assessed by the Association against the Owners of Residential Units in a Parcel and shall be used exclusively for the benefit of such Owners for the operation and maintenance of common areas within the Parcel, for the payment of expenses incurred by the Association insofar as they are related to the Parcel and for such other purposes as shall be authorized by the applicable Parcel Declaration. Parcel Assessments shall be in addition to General Assessments.

SECTION 10.4 Special Assessments: In addition to General and Parcel Assessments, the Association may levy a Special Assessment or Assessments during any fiscal year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of a capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto or for any other matter deemed necessary or desirable by the Board of Directors. A Special Assessment must be approved in the manner provided in the Bylaws of the Association.

SECTION 10.5 Personal Obligation for Assessments: Each of the aforementioned Assessments, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Person or Persons who was (were) the Owner(s) of such

Residential Unit at the time the Assessment was levied. In addition, the grantee or transferee of any such Owner shall be jointly and severally liable with the Owner for such portion of any Assessment as was due and payable at the time the grantee or transferee acquired title in or to the Residential Unit; provided, however, that no first mortgagee who obtains title to a Residential Unit pursuant to the remedies provided in his mortgage shall be liable for unpaid Assessments which accrued prior to the said mortgagee's acquisition of title. If two or more Owners subdivide a lot that lies between them, each such Owner shall be jointly and severally liable for any and all Assessments levied against such lot. The subdivided lot shall continue to be a Residential Unit for all purposes. Assessments shall be paid in such manner and on such dates as may be determined by the Board of Directors, from time to time. The Board of Directors shall also have authority to accelerate the balance owed on any Assessment if an Owner is delinquent in making the required payments.

SECTION 10.6 Computation of General and Parcel Assessments: It shall be the duty of the Board of Directors, at least thirty (30) days prior to the Association meeting at which the budget shall be presented to the membership, to prepare an operating budget covering the estimated costs of operating the Association during the coming year. The budget may establish a reserve fund or funds in accordance with a separately prepared capital budget and shall also separately list general and Parcel expenses, if any. The Board of Directors shall cause a copy of the proposed budget

and the amount of the General and Parcel Assessments to be levied against each Residential Unit for the following year to be delivered to each Owner at least fifteen (15) days prior to the Association meeting called for the purpose of approving the budget. The said budget and the said Assessments shall become effective unless disapproved by the vote of at least fifty-one percent (51%) of the vote of all then existing classes of Members of the Association at a meeting of the Members called for that purpose.

In the event the Members disapprove the proposed budget or the Board of Directors should fail, for any reason, to prepare and submit a budget for the succeeding year, then, and until such time as a budget shall have been determined as provided herein, the budget in effect for the then current year shall continue in force. In addition, the prior year's Assessment shall remain in force until a new budget is approved.

SECTION 10.7 Capital Budget: The Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset and the expected repair or replacement cost of same during the succeeding fiscal year. The Board of Directors shall establish the amount sufficient to permit the Association to satisfy its projected capital needs, as presented in the capital budget. The amount so determined by the Board of Directors shall be included within the budget and Assessments as provided in this Article Ten. A copy of the capital budget shall be distributed to each Member in the same manner as the operating budget.

SECTION 10.8 Lien for Assessments: If an Assessment, of any kind, is not paid within sixty (60) days of the due date established by the Board of Directors, the said Assessment shall be delinquent and subject to an interest charge at the maximum interest rate permitted by law. The interest shall be computed from the due date of the payment until the delinquent payment or payments are paid in full. Any Assessment remaining unpaid for more than sixty (60) days, together with interest, costs of collection thereof and reasonable attorney's fees shall constitute a lien upon the delinquent Residential Unit when filed of record in the Office of the Clerk of Superior Court of Durham County, North Carolina, in the manner provided in the General Statutes of North Carolina, as amended. This lien may be enforced by the Association in the manner provided by law. The Association shall have the power to bid for and acquire title to a Residential Unit at a foreclosure sale and may then hold, lease, mortgage and convey the same. If the Association acquires title to a Residential Unit under this Section 10.8 then:

- (A) no right to vote shall be exercised on its behalf;
- (B) no Assessments shall be levied against such Residential Unit; and
- (C) each other Residential Unit shall be charged, in addition to its usual Assessment, its pro rata share of the Assessment that would have been charged said Residential Unit if it had not been acquired by the Association in a foreclosure sale.

Suit to recover a money judgement for unpaid Assessments and attorney's fees shall be maintainable without foreclosing or waiving the lien securing same. Any Owner who is delinquent in paying an Assessment may have his voting rights suspended until such time as the said Owner is no longer delinquent. The lien for Assessments provided for herein shall not be subordinate to the lien of any Mortgage except the lien of a first Mortgage given and made in good faith and for value that is of record as an encumbrance against said Residential Unit prior to the recordation of a claim of lien for Assessments as provided for herein. The sale, conveyance or other transfer of a Residential Unit shall not affect the lien for Assessments provided for herein nor shall such sale, conveyance or other transfer diminish or defeat the personal obligation of the Owner for delinquent Assessments as provided in this Article Ten. However, a sale or transfer of a Residential Unit pursuant to a foreclosure, or other judicial sale or proceeding in lieu of foreclosure, of a first Mortgage shall extinguish the lien for Assessments against said Residential Unit which arose prior to the time of said foreclosure sale or transfer. Liens on account of Assessments which become due after such sale or transfer shall attach, be created, become effective and be foreclosed in accordance with the terms of this Article Ten and the General Statutes of North Carolina.

SECTION 10.9 Property Not Subject to Assessment: The following real property subject to this Declaration shall be exempt from the Assessments created herein:

- (A) Portions of the Properties dedicated to any public authority or agency; and
- (B) Common Areas.

SECTION 10.10 Mortgagee Protection Clause: No breach of the covenants, conditions or restrictions herein contained nor the enforcement of any lien provisions herein shall defeat the lien of any first Mortgage made in good faith and for value; provided, however, said first Mortgage was recorded in the Office of the Register of Deeds of Durham County, North Carolina, prior to the recording in said Office of a claim of lien for Assessments by the Association. However, all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner, his heirs, successors and assigns whose title is derived through foreclosure or other judicial sale or conveyance in lieu of foreclosure of any said first Mortgage.

ARTICLE ELEVEN

PROPERTY RIGHTS

SECTION 11.1 Members' Easements of Enjoyment: Every Member shall as Owner of one or more Residential Units have a right and non-exclusive easement of use and enjoyment in and to the Common Areas. Such right and easement shall be appurtenant to and shall

pass with the title to every Residential Unit subject to the following limitations:

- (A) The right of the Board of Directors to limit the number of guests and to promulgate Rules and Regulations, from time to time, regulating the use and enjoyment of the Common Areas;
- (B) The right of the Board of Directors to suspend the voting rights and right to use the Common Areas by a member: (1) for any period during which any Assessment against a Member's Residential Unit is delinquent, and (2) for a period not to exceed thirty (30) days, after such notice and hearing as may be provided for in the Bylaws of the Association, for any infraction of the Rules and Regulations promulgated by the Board of Directors, from time to time,
- (C) The right of the Board of Directors to authorize the Association to dedicate or transfer any portion of the Common Areas to any public agency, authority or utility for the purpose of providing utilities and similar or related services, and
- (D) The right of the Association to charge a reasonable fee for the use of any recreational facility situated upon the Common Areas.

SECTION 11.2 Delegation of Use: The Owner of any Residential Unit may delegate to any occupant thereof the right to the use and enjoyment of the Common Areas and any privilege appurtenant to such Residential Unit subject, however, to the Rules and

Regulations promulgated by the Board of Directors, from time to time.

SECTION 11.3 Title to Common Areas: The Declarant and Lone Pine, Inc., covenant for themselves and their successors in interest that the Common Areas depicted on the General Plan of Development, as amended, from time to time, will be conveyed to the Association in fee simple free of all liens other than easements of record and current year's taxes, if any. The said Common Areas will be conveyed to the Association on a piecemeal basis as the Croasdaile Farm Community is developed in accordance with the said General Plan of Development, as amended, from time to time, and as the land depicted thereon is annexed to and subjected to the terms of this Declaration by an appropriate Amendment.

SECTION 11.4 Association Functions: There is hereby reserved to the Declarant, Lone Pine, Inc., and the Association, or their duly authorized agents, representatives and managers such easements as are necessary or desirable to perform the duties and obligations of the Association as are set forth in this Declaration, the Bylaws of the Association and other Croasdaile Farm documents.

ARTICLE TWELVE

DESIGN REVIEW COMMITTEE

SECTION 12.1 Design Review Committee: The Board of Directors shall appoint a Design Review Committee (hereinafter sometimes

referred to as "DRC") each year consisting of not less than three Persons, none of whom need be a Member of the Association. The DRC shall establish and promulgate, from time to time, the Community-Wide Standards for construction or alteration of Residential Units, landscaping, arboreal and vegetative requirements of Croasdaile Farm Community. The said Community-Wide Standards shall be made available by the Association to Owners, builders and developers who seek to engage in development of or construction upon the Common Areas or the Properties and they shall conduct their operations in accordance with this Article Twelve and the said Standards. The initial Community-Wide Standards are set forth in Exhibit "D" attached hereto and are independently amendable by the DRC, from time to time, in accordance with the terms of Exhibit "D" and any amendments thereto shall not constitute nor require an amendment to this Declaration. An amendment to the Community-Wide Standards shall be effective upon adoption by the DRC and need not be recorded in the Office of the Register of Deeds of Durham County, North Carolina. The DRC shall be subject to the jurisdiction and authority of the Board of Directors.

SECTION 12.2 Improvements and Alterations: Unless and until a plan of construction is approved by the DRC in writing, no structure or appurtenance thereto, whether of a temporary or a permanent nature and whether or not affixed to the ground, shall be commenced, erected, installed, added or permitted to remain on the Common Areas or the Properties. The plans for any grading

and landscaping of property shall also require the prior written approval of the DRC.

Unless and until a plan of alteration is approved by the DRC in writing, no construction, alteration or repair, including, but not limited to, a change in exterior color of any structure, shall be undertaken which affects the external appearance of any improvements to the Common Areas, to a Residential Unit or to the Properties.

No building on the Common Areas or the Properties shall be utilized for a type of use other than that for which it was originally designed without the prior written approval of the DRC. In addition, mature live trees on the Properties, as defined in the Community-Wide Standards, may not be cut down or removed without the prior written approval of the DRC.

Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his Residential Unit or to paint the interior thereof any color desired.

In the event the DRC fails to approve or disapprove an application by the Owner for a proposed improvement to a Residential Unit or other Property located within the Croasdale Farm Community within thirty (30) days after submission of same to the DRC, the said application shall be deemed approved.

SECTION 12.3 Delegation of Design Review Committee's Duties: The Design Review Committee may delegate all or any portion of its authority to the appropriate board or committee of any residential association subjected to the terms of this Declaration; provided, however, that the DRC has determined that

such board or committee has review and enforcement procedures in force and appropriate standards for the construction or alteration of Residential Units, landscaping, arboreal and vegetative requirements which are not less strict than those established by the DRC. This delegation of authority may be revoked by the DRC and jurisdiction reassumed, as provided herein, at any time by giving written notice thereof to the appropriate board or committee.

ARTICLE THIRTEEN

INSURANCE

SECTION 13.1 Ownership of Policies: All insurance policies upon the Common Areas and other Association property shall be purchased by the Association, or its agent, for the benefit of the Association, other residential associations, the Owners and their mortgagees as their interests may appear. The Association may, but shall not be obligated to, assume responsibility for obtaining insurance for Properties owned by any other homeowners' association identified in a Parcel Declaration. Owners may, at their option, obtain additional insurance coverage at their own expense upon their own real and personal property, for their personal liability and such other coverage as they may desire.

SECTION 13.2 Property Insurance: All buildings and improvements upon the Association's property and all personal property included in the term "Common Areas" shall be insured in an amount equal to the maximum insurable replacement value, excluding

foundation and excavation costs or by ninety percent (90%) co-insurance blanket coverage or by such other form of policy as the Board of Directors shall determine, from time to time. Such coverage shall afford protection against: (1) loss or damage by fire or other hazards covered by a standard extended coverage endorsement and (2) such other risks as the Board of Directors shall determine, including vandalism and malicious mischief.

SECTION 13.3 Public Liability Insurance: Public liability insurance shall be purchased by the Association, or its agent, in such amounts and with such coverage as the Board of Directors shall determine, from time to time, including but not limited to an endorsement to cover the Owners. The Association may also purchase such additional types of insurance as it deems necessary or desirable.

SECTION 13.4 Premiums: Premiums for insurance policies purchased by the Association shall be paid by the Association and shall be assessed against the Owners as Common Expenses. Premiums for insurance provided to other homeowner associations or Parcels shall be chargeable to those associations or Parcels.

SECTION 13.5 Proceeds: All insurance policies purchased by the Association shall be for the benefit of the Association, other homeowner associations, the Owners and their mortgagees as their interest may appear. All insurance proceeds shall be payable to the Association as insurance trustee under this Declaration. The Association shall be the agent for every Person or entity having a beneficial interest in any insurance policy or the proceeds

thereof. Exclusive authority to compromise and settle claims under insurance policies obtained by the Association on the Common Areas and Properties shall be vested in the Association. The Association is also authorized to execute and deliver releases to any insurance carrier upon payment of a claim.

SECTION 13.6 Distribution of Insurance Proceeds: Proceeds of insurance policies purchased by the Association shall be payable to the Association, its successors or assigns, as insurance trustee, and shall be distributed to or for the benefit of the beneficial Owners in the following manner:

- (A) Expenses of the Trust: All expenses of the insurance trustee shall be first paid or provisions made therefor.
- (B) Reconstruction or Repair: If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purposes, shall be paid to defray the costs thereof. Any insurance proceeds in excess of the amount required to pay for the costs of repairs or reconstruction of the insured property, shall be retained by and for the benefit of the Association and held in a reserve account for capital improvements.
- (C) Failure to Reconstruct or Repair: If it is determined that the damage or destruction for which the insurance proceeds are paid shall not be repaired or reconstructed then the said proceeds shall be retained

by and for the benefit of the Association and held in a reserve account for capital improvements.

- (D) Other Homeowners' Association: If the damage or destruction, for which the insurance proceeds are paid, relates to property of another homeowners' association, the members of which are also Members of the Association, then the insurance trustee shall pay the said insurance proceeds to such other homeowners' association.

ARTICLE FOURTEEN

DAMAGE AND DESTRUCTION

SECTION 14.1 Estimating Cost of Repairs: Immediately after the damage or destruction of all or any part of the Common Areas covered by insurance written in the name of the Association, the Association shall file and settle all claims arising under such insurance policies and obtain detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Common Areas.

SECTION 14.2 Property to be Repaired or Reconstructed: Any damage or destruction to the Common Areas insured by the Association shall be repaired or reconstructed unless at least seventy-five percent (75%) of the voting Members of the Association shall vote not to repair or reconstruct the damaged property within ninety (90) days after the damage or destruction. No mortgagee shall have the right to participate in the determination of whether the damage or destruction shall be repaired or reconstructed.

SECTION 14.3 Property not to be Repaired or Reconstructed: In the event that it is determined that the damage or destruction of Association property shall not be repaired or reconstructed and no alternative improvements are authorized, then, and in that event, the said property shall be restored to its natural state and maintained as an undeveloped portion of land by the Association.

SECTION 14.4 Insufficient Insurance Proceeds: If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and if the said proceeds are insufficient to defray the costs thereof, the Board of Directors may levy a Special Assessment against all Owners in proportion to the number of Residential Units owned by such Owners. Additional Assessments may be made at any time during or following the completion of any repair or reconstruction to cover the costs of same.

ARTICLE FIFTEEN

AMENDMENTS

SECTION 15.1 Amendment of Declaration: The terms and provisions of this Declaration may be amended only by the affirmative vote (in person or by proxy) of not less than sixty-five percent (65%) of the Class "A" Members and sixty-five percent (65%) of the Class "B" Members at a meeting of the Association called for that purpose. However, the percentage of voting power necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken

under that clause. Any such amendment must be recorded in the Office of the Register of Deeds of Durham County, North Carolina, to be effective. No amendment to this Declaration may revoke, limit or modify any right or privilege conferred upon the Declarant or Lone Pine, Inc., or the assignee of such right or privilege, without the prior written consent of the affected party. Nothing in this Article Fifteen shall be construed to negate or restrict in any manner the right of Lone Pine, Inc. to subject additional real property to this Declaration by an appropriate Amendment as provided in Article Six.

SECTION 15.2 Amendments to Exhibits: All Exhibits to this Declaration are separately amendable in accordance with their terms. No such amendment shall be inconsistent with the provisions of this Declaration nor shall such amendment be considered to be an amendment to this Declaration.

SECTION 15.3 Parcel Declaration Amendments: A Parcel Declaration may be amended only in the manner provided for by such Parcel Declaration and no such amendment shall be inconsistent with the provisions of this Declaration nor shall such amendment be considered to be an amendment to this Declaration.

SECTION 15.4 Restrictive Covenants: Restrictive covenants affecting a separately designated residential area, which is subject to this Declaration, shall be separately amendable in accordance with their terms and no such amendment shall be inconsistent with the provisions of this Declaration nor shall

such amendment be considered to be an amendment to this Declaration.

ARTICLE SIXTEEN

MISCELLANEOUS

SECTION 16.1 Gender: The use of the masculine gender in this Declaration shall be deemed to refer to the feminine or neuter gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

SECTION 16.2 Waiver: No provision contained in this Declaration or the Exhibits hereto shall be deemed to have been waived by reason of any failure to enforce same, irrespective of the number of violations or breaches which may occur.

SECTION 16.3 Invalidity: Invalidation of any of the covenants, restrictions or provisions of this Declaration or the Exhibits hereto by judgment, court order, statute or ordinance shall in no way affect any of the remaining provisions hereof and the same shall continue in full force and effect.

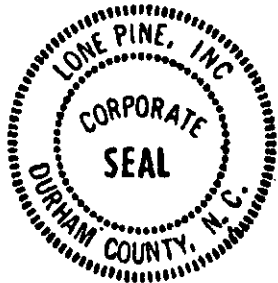
SECTION 16.4 Captions: The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

SECTION 16.5 Covenants Running with Land: The terms and provisions of this Declaration shall be deemed to be covenants running with the land embraced by the Properties and shall be enforceable by the Association or the Owners, their heirs,

successors and assigns from the date this Declaration is recorded in the Office of the Register of Deeds of Durham County, North Carolina, until twelve o'clock noon, local time, on December 31, 2015, after which time they shall automatically be extended for successive ten (10) year periods, unless an instrument in writing, signed by a majority of the then Owners, revoking or terminating the same, shall be filed in the Office of the Register of Deeds of Durham County, North Carolina, within the twelve (12) month period preceeding the beginning of each successive period of ten (10) years.

SECTION 16.6 Enforcement: Enforcement of these restrictions and conditions shall be by proceedings at law or in equity against any Person violating or attempting to violate any covenant or condition affecting any of the Properties, either to restrain violation thereof or to recover money damages therefor.

IN WITNESS WHEREOF, the Declarant has set its hand and seal the day and year first above written.



DECLARANT

CROASDAILE FARM I, LIMITED PARTNERSHIP by its sole general partner, LONE PINE, INC.

BY: Richard J. Boles (SEAL)
Richard J. Boles, President

ATTEST:
J. S. Oakley
J. S. Oakley, Secretary

In order to acknowledge their consent to the terms and conditions of this Declaration and their willingness to assume the duties and obligations imposed upon them in the Declaration, Lone Pine, Inc. and Croasdaile Farm Master Homeowner Association, Inc. have each affixed their hands and seals the day and year first above written.



LONE PINE, INC.

BY: Richard J. Boles (SEAL)
Richard J. Boles, President

ATTEST:

J. S. Oakley
J. S. Oakley, Secretary



CROASDAILE FARM MASTER HOMEOWNER ASSOCIATION, INC.

BY: George D. Beischer (SEAL)
George D. Beischer, President

ATTEST:

Kathleen G. Brooker
Kathleen G. Brooker, Secretary

STATE OF NORTH CAROLINA

COUNTY OF DURHAM

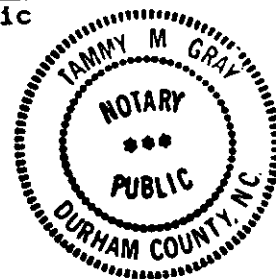
I, Tammy M. Gray, a Notary Public of the County and State aforesaid, certify that Jo S. Oakley personally came before me this day and acknowledged that she is the Secretary of Lone Pine, Inc., a North Carolina corporation, which executed the foregoing instrument as the sole general partner of CROASDAILE FARM I, LIMITED PARTNERSHIP, a North Carolina limited partnership, and that by authority duly given and as the act of the corporation as the sole general partner, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by her as its Secretary.

WITNESS my hand and official stamp or seal, this 3rd day of August, 1987.

Tammy M. Gray
Notary Public

My Commission Expires:

November 7, 1990



STATE OF NORTH CAROLINA

COUNTY OF DURHAM

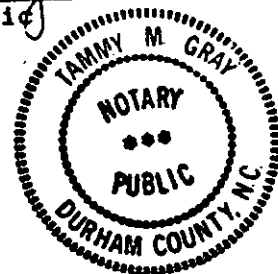
I, Tammy M. Gray, a Notary Public of the County and State aforesaid, certify that Jo S. Oakley personally came before me this day and acknowledged that she is the Secretary of LONE PINE, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by her as its Secretary all by order of its Board of Directors duly given and said instrument is the act and deed of said corporation.

WITNESS my hand and official stamp or seal, this the 3rd day of August, 1987.

Tammy M. Gray
Notary Public

My Commission Expires:

November 7, 1990



STATE OF NORTH CAROLINA

COUNTY OF DURHAM

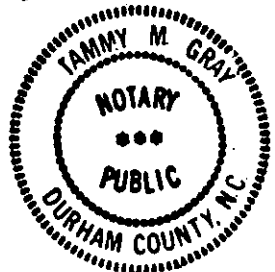
I, Tammy M. Gray, a Notary Public of the County and State aforesaid, certify that Kathleen G. Brooker personally came before me this day and acknowledged that she is the Secretary of CROASDAILE FARM MASTER HOMEOWNER ASSOCIATION, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by her as its Secretary all by order of its Board of Directors duly given and said instrument is the act and deed of said corporation.

WITNESS my hand and official stamp or seal, this the 3rd day of August, 1987.

Tammy M. Gray
Notary Public

My Commission Expires:

November 7, 1990



State of North Carolina-Durham County
The foregoing certificate(s) of Tammy M. Gray
A Notary (Notaries) Public for the Designated Governmental
units is (are) certified to be correct.

This the 10 day of Aug, A.D. 1987
Ruth C. Garrett Ruth C. Garrett
Register of Deeds By: Assistant, Deputy
Register of Deeds

FILED
BOOK 1393 PAGE 137-226
Aug 10 2 26 PM '87

RUTH C. GARRETT
REGISTER OF DEEDS
DURHAM COUNTY, NC

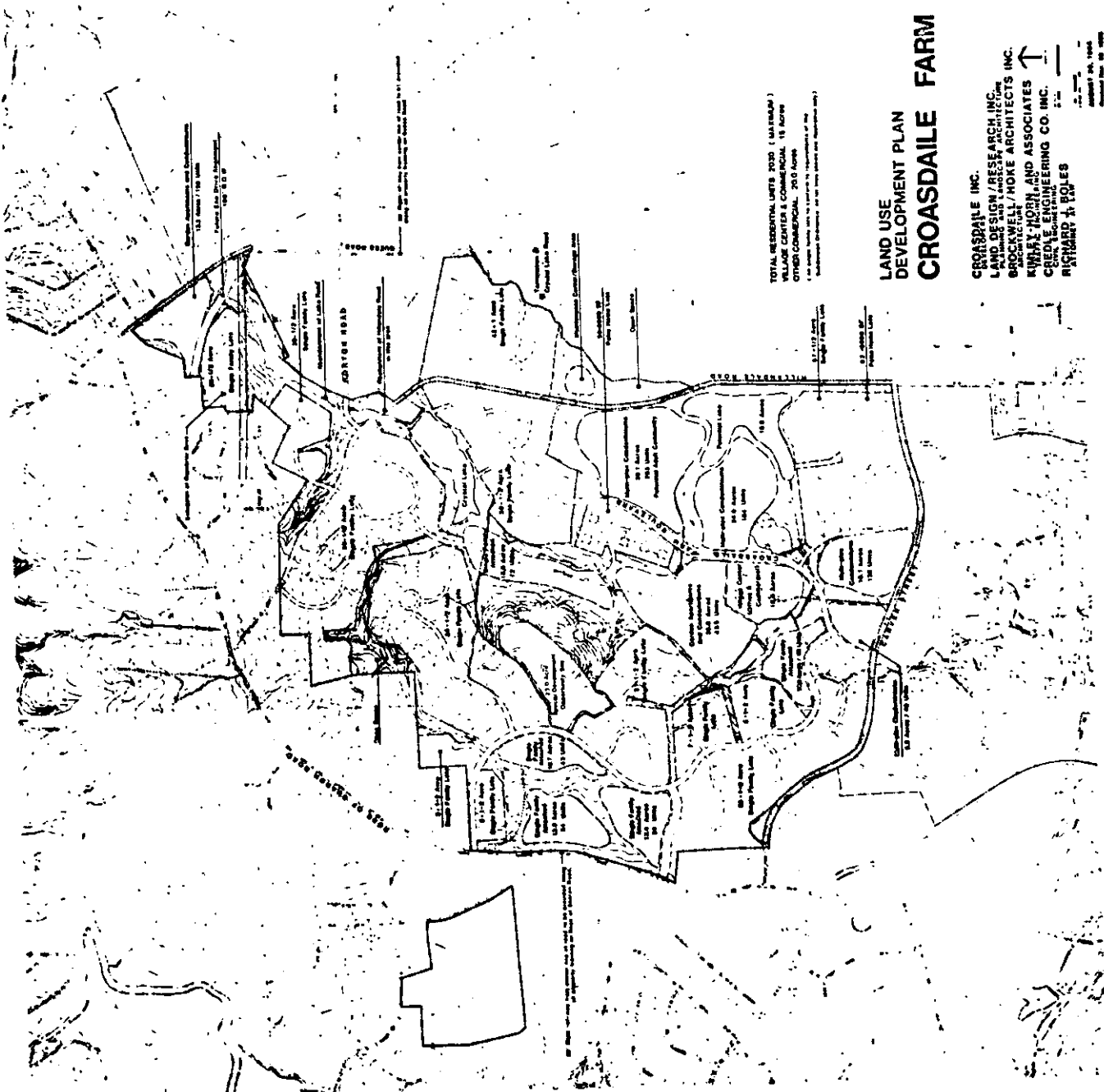
P9188

EXHIBIT "A" TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CROASDAILE FARM

The real property initially subjected to the Declaration of Covenants, Conditions and Restrictions for Croasdaile Farm consists of all of that certain tract of land containing 163.44 acres, more or less, and being the PROPERTY OF CENTRAL CAROLINA BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, AS TRUSTEE, UNDER TRUST AGREEMENT DATED JULY 24, 1985, FOR BENEFIT OF FRANCES HILL FOX, et al., as shown on Map 1 and Map 2 prepared by Credle Engineering Company, Inc., dated 2-17-86, and recorded in Plat Book 111 at Pages 118 and 119, Durham County Registry, to which reference is hereby made for a more accurate description. This Declaration shall also apply to such additional real property as is specifically annexed to Croasdaile Farm and subjected to the provisions of this Declaration by an appropriate Amendment.

EXHIBIT "B" TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CROASDAILE FARM

NEED NOT BE DEVELOPED



TOTAL RESIDENTIAL UNITS 7000 (MAXIMUM)
 VILLAGE CENTER & COMMERCIAL 10 ACRES
 OTHER COMMERCIAL 200 ACRES
 * All areas shown are to be developed by the owner of the land.

LAND USE DEVELOPMENT PLAN
CROASDAILE FARM

CROASDAILE INC.
 LAND DESIGN / RESEARCH INC.
 BROCKWELL / MORE ARCHITECTS INC.
 RIVINGTON AND ASSOCIATES
 CREBLE ENGINEERING CO. INC.
 RYLAND & POLES

EXHIBIT "C" TO DECLARATION OF
COVENANTS, CONDITIONS AND
RESTRICTIONS FOR CROASDAILE FARM

STATE OF NORTH CAROLINA

COUNTY OF DURHAM

War Deed.
BK 1319
Pg 1
4-20-89

THIS DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS AND
CONDITIONS, made and entered into this the 3rd day of
August, 1987, by and between CROASDAILE FARM
I, LIMITED PARTNERSHIP, a North Carolina limited partnership
(hereinafter the "Developer") and PROSPECTIVE PURCHASERS, their
heirs, successors and assigns, of Lot Nos. 1 through 58 of
Section "A" of Phase One of Property of Croasdaile Farm I,
Limited Partnership, in Durham County, North Carolina, as shown
on the Plat hereinafter referred to.

WITNESSETH:

WHEREAS, the Developer is the owner of all that tract of
real property located in Durham County, North Carolina, which has
been subdivided into Lots numbered 1 through 58, and being more
particularly described on that certain Plat entitled
Sheet No. One and Sheet No. Two, Phase One, Section "A" of
Property of Croasdaile Farm I, Limited Partnership, prepared by
Credle Engineering Company, Inc., and recorded in Plat Book
115, at Pages 23 and 24, Durham County
Registry, to which reference is hereby made for a more accurate
description; and

Date: 5/8/87
D: CRF1-#3
F: Restrict. Cov

WHEREAS, the Developer proposes to sell and convey the Lots shown on the aforesaid Plat for residential purposes and to develop said Lots into a well planned residential community; and

WHEREAS, the Developer, prior to selling and conveying the aforesaid Lots, desires to impose upon them the Restrictive and Protective Covenants and Conditions hereinafter set forth (sometimes collectively referred to herein as the "Restrictive Covenants") for the benefit of all those who acquire title to any of said Lots. The Restrictive Covenants herein set forth shall inure to the benefit of each person, corporation or other entity, and the heirs, successors and assigns thereof, who acquire title to any of said numbered Lots;

NOW, THEREFORE, the Developer hereby declares that Lot Nos. 1 through 58 of Section "A" of Phase One of the Property of Croasdaile Farm I, Limited Partnership, and being more particularly described in Plat Book 115, at Pages 23 and 24, Durham County Registry, to which reference is hereby made for a more accurate description, shall be held, conveyed, encumbered, leased, used, occupied and improved subject to the Restrictive Covenants set forth herein. These Restrictive Covenants shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in and to the said real property or any parts thereof. These Restrictive Covenants shall become a part of each instrument conveying or transferring any of said numbered Lots, or portions thereof, as fully and to the same extent as if set

BOOK 1393 PAGE 192
forth therein. As a condition of the sale or conveyance of any
of said numbered Lots, the grantees agree and covenant to abide
by these Restrictive Covenants.

ARTICLE ONE

DEFINITIONS

SECTION 1.1 Assessments: The term "Assessments", as used herein,
shall have the same meaning as in the Declaration of Covenants,
Conditions and Restrictions for Croasdaile Farm, which is duly
recorded in the Office of the Register of Deeds of Durham County,
North Carolina and to which these Restrictive Covenants are
subordinate.

SECTION 1.2 Association: The term "Association", as used herein,
shall mean the Croasdaile Farm Master Homeowner Association, Inc.

SECTION 1.3 Board of Directors: The term "Board of Directors",
as used herein, shall mean the elected body governing the
Association as provided by North Carolina corporate law.

SECTION 1.4 Common Areas: The term "Common Areas", as used
herein, shall mean all real and personal property now or
hereafter owned by the Association for the common use and
enjoyment of Lot owners.

SECTION 1.5 Community-Wide Standards: The term "Community-Wide
Standards", as used herein, shall mean the architectural,
landscape, arboreal, vegetative and aesthetic standards of the
Croasdaile Farm Community as determined and promulgated by the
Design Review Committee, from time to time.

SECTION 1.6 Croasdaile Farm Community: The term "Croasdaile Farm Community", as used herein, shall mean the residential community depicted on the Land Use Development Plan of Croasdaile Farm, as amended, from time to time, which is Exhibit "B" to the Declaration of Covenants, Conditions and Restrictions for Croasdaile Farm, all of which is duly recorded in the Office of the Register of Deeds of Durham County, North Carolina.

SECTION 1.7 Declaration: The term "Declaration", as used herein, shall mean the Declaration of Covenants, Conditions and Restrictions for Croasdaile Farm, as amended, from time to time, which is duly recorded in the Office of the Register of Deeds of Durham County, North Carolina, and to which these Restrictive Covenants are Exhibit "C".

SECTION 1.8 Design Review Committee: The term "Design Review Committee", as used herein, shall mean the committee appointed by the Board of Directors, from time to time, to establish Community-Wide Standards for the construction, alteration or improvement of property within the Croasdaile Farm Community.

SECTION 1.9 Lot: The word "Lot", as used herein, shall mean any one of Lot Nos. 1 through 58, of Section "A" of Phase One of the Property of Croasdaile Farm I, Limited Partnership, as shown on the Plat and Survey thereof referred to above. A Lot is sometimes referred to herein as the "property".

SECTION 1.10 Person: The word "Person", as used herein, shall mean a natural person, a corporation, a partnership, a trust or other legal entity and the heirs, successors and assigns thereof.

SECTION 1.11 Rules and Regulations: The term "Rules and Regulations", as used herein, shall mean such Rules and Regulations as may be adopted by the Board of Directors of the Association, from time to time, governing the use and occupation of the Lots and the Common Areas.

ARTICLE TWO

GENERAL

SECTION 2.1 Governing Document: Lot Nos. 1 through 58 of Section "A" of Phase One of the Property of Croasdaile Farm I, Limited Partnership, and these Restrictive Covenants are expressly made subject to the terms and provisions of the Declaration of Covenants, Conditions and Restrictions for Croasdaile Farm which is duly recorded in the Office of the Register of Deeds of Durham County, North Carolina. These Restrictive Covenants are Exhibit "C" to said Declaration.

SECTION 2.2 Homeowner Association: The Croasdaile Farm Master Homeowner Association, Inc., has been organized to own, manage and operate the Common Areas in the Croasdaile Farm Community, to enforce the Declaration, these Restrictive Covenants and to make such Rules and Regulations as it deems necessary or desirable, from time to time, governing the use and occupation of the Lots and the Common Areas.

SECTION 2.3 Membership Association: Each owner of a Lot, or portion thereof, shall be a member of the Association and the said owners, their heirs, successors and assigns, by acquiring title to such Lot, covenant and agree among themselves and with the Developer as follows with respect to the Association:

- (A) That each owner of a Lot agrees to be bound by the terms and provisions of the Declaration, these Restrictive Covenants, the Articles of Incorporation of the Association, the Bylaws of the Association and the Rules and Regulations of the Association, all as may be amended, from time to time.
- (B) That each owner of a Lot will take any and all action necessary or desirable to remain in good standing as a member of the Association.
- (C) That any and all unpaid Assessments levied by the Association shall be a lien upon the Lot and improvements thereon and shall also be a personal obligation of each owner so assessed, all of which is more particularly set forth in the Declaration.
- (D) That membership in the Association shall be appurtenant to and may not be separated from ownership of a Lot in the Croasdaile Farm Community, and such membership shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to such Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association appurtenant thereto to

the new owner thereof.

- (E) That the Association and each owner of a Lot, their heirs, successors and assigns shall have the right to bring a proceeding at law or in equity against any person or entity violating or attempting to violate any of the Restrictive Covenants contained herein, either to restrain violation thereof or to recover money damages therefor. The remedies provided herein are cumulative and are in addition to any other remedies available.
- (F) That an owner of a Lot may delegate his rights under these Restrictive Covenants to his family, his tenants or contract purchasers who reside on the property.
- (G) That each owner of a Lot shall be subject to and bound by the requirements of the Community-Wide Standards for Croasdaile Farm (and the Design Review Guidelines contained therein) as amended, from time to time, and which is Exhibit "D" to the Declaration of Covenants, Conditions and Restrictions for Croasdaile Farm, as amended, from time to time, all of which is recorded in the Office of the Register of Deeds of Durham County, North Carolina.

SECTION 2.4 Termination or Amendment: These Restrictive Covenants may be amended by the vote of not less than eighty percent (80%) of the then Lot owners; however, no such amendment may conflict with or be in derogation of any term, provision or condition of the Declaration, as amended, from time to time. This Section 2.4 may not be amended.

SECTION 2.5 Variances: The Board of Directors in its absolute discretion may allow reasonable variances and adjustments to these Restrictive Covenants in order to alleviate practical difficulties and hardship in their enforcement and operation. No variance shall violate the spirit or the intent of this document or any term or provision of the Declaration. In order to be effective, a variance shall be set forth in a written instrument duly executed by the Association, shall specifically refer to these Restrictive Covenants and shall be recorded in the Office of the Register of Deeds of Durham County, North Carolina.

SECTION 2.6 Captions: The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Restrictive Covenants nor the intent of any provision hereof.

SECTION 2.7 Invalidity: Invalidation of any of the covenants, restrictions or provisions of these Restrictive Covenants by judgment, court order, statute or ordinance shall in no way affect any of the remaining provisions hereof and the same shall continue in full force and effect.

SECTION 2.8 Waiver: No provision contained in these Restrictive Covenants shall be deemed to have been waived by reason of any failure to enforce same, irrespective of the number of violations thereof.

SECTION 2.9 Gender: The use of the masculine gender in this document shall be deemed to refer to the feminine or neuter gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

ARTICLE THREE

PERMITTED AND PROHIBITED USES

SECTION 3.1 Use of Lots: The following use restrictions shall apply to the Lots:

- (A) No residence may be erected on less than one Lot; however, one or more Lots may be used as a single building plot. Adjoining property owners may adjust a common boundary line by the sale or exchange of property between such owners provided that such sale or exchange otherwise satisfies the requirements of these Restrictive Covenants. The Lots shall be used only for single family residences with such customary outbuildings as may be approved by the Design Review Committee.
- (B) The premises shall not be used or occupied by other than a single family and family servants and shall not be used other than for residential use.
- (C) No commercial or business activity of any kind shall be permitted on the premises.
- (D) Garages shall be for the use only of the occupants of the residence to which they are appurtenant and may be attached or detached from the residence.

- (E) When the construction of any building or other improvement is once begun, work thereon must be prosecuted diligently and must be completed within eighteen (18) months from the time construction began.
- (F) No outbuilding, garage, shed, tent, trailer or temporary building of any kind shall be erected, permitted or maintained prior to the commencement of the erection of a residence, as is permitted hereby, and no outbuilding, garage, shed, tent, trailer, basement or temporary building shall be used for permanent or temporary residence purposes; provided, however, that this paragraph shall not be construed to prevent the use of a temporary construction shed during the period of actual construction on such property nor the use of adequate sanitary toilet facilities for workmen during the construction period.
- (G) No owner of any part of the property will do or permit to be done any act upon his property which may be, is or may become a nuisance.
- (H) No sign of any character shall be displayed or placed upon any part of the property except as may be expressly authorized by the Design Review Committee.
- (I) No animals, birds or fowl shall be kept or maintained on any part of the property; provided, however, that dogs, cats and pet birds may be kept thereon in reasonable numbers as pets for the pleasure and use of the occupants so long as they do not become a nuisance to other owners in the development and provided further

that they are not kept, bred or maintained for any commercial use or purpose.

- (J) No garbage incinerators shall be permitted.
- (K) Garbage and trash receptacles shall be in complete conformity with the requirements of the Design Review Committee.
- (L) No boats, trailers or habitable motor vehicles of any nature shall be kept on or stored on any part of the property except within an enclosed garage; however, a boat or a boat trailer may be parked or stored on that portion of the Lot away from the street and screened from view as may be required by the Design Review Committee.
- (M) No substantial changes in the elevation or topography of the property shall be made without the approval of the Design Review Committee.
- (N) No weeds, underbrush or other unsightly vegetation shall be permitted to grow or remain upon any part of the property and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain thereon.
- (O) Lot Nos. 1 through 58 of Section "A" of Phase One of the Property of Croasdaile Farm I, Limited Partnership, are and shall be a part of the Croasdaile Farm Community.

SETBACKS AND CONSTRUCTION REQUIREMENTS

SECTION 4.1 Setbacks and Construction Requirements: The following setbacks and construction requirements shall apply to the Lots:

- (A) No single family residence shall be constructed on less than one Lot and no building or other structure shall be located on any Lot closer than forty (40) feet to the front Lot line, forty (40) feet to the rear Lot line and fifteen (15) feet to each side Lot line. If one or more Lots are combined with a contiguous Lot, these setback requirements shall apply to the combined Lot.
- (B) The minimum size of all single family dwellings shall be not less than two thousand two hundred (2,200) square feet of heated finished living space.
- (C) No construction, alteration or improvement to a Lot or a change in its arboreal or vegetative conditions shall be made or begun without the prior written approval of the Design Review Committee as is provided in the Community-Wide Standards, as amended, from time to time, for the Croasdaile Farm Community, which standards are Exhibit "D" to the Declaration of Covenants, Conditions and Restrictions for Croasdaile Farm, all of which is recorded in the Office of the Register of Deeds of Durham County, North Carolina.

ARTICLE FIVE

DURATION OF RESTRICTIVE COVENANTS

SECTION 5.1 Term: The Restrictive Covenants set forth in this instrument shall continue in full force and effect until twelve o'clock noon, local time, on December 31, 2015, after which time they shall automatically be extended for successive ten (10) year periods, unless an instrument in writing, signed by a majority of the then owners of Lots 1 through 58, of Section "A" of Phase One of Property of Croasdaile Farm I, Limited Partnership, revoking or terminating the same, shall be filed in the Office of the Register of Deeds of Durham County, North Carolina within the twelve (12) month period preceeding the beginning of each successive period of ten (10) years.

ARTICLE SIX

LIBERAL CONSTRUCTION

SECTION 6.1 Construction: These Restrictive Covenants shall be construed liberally to effect their purpose of creating a subdivision in the Croasdaile Farm Community which is administered by the Association and at all times subject to the terms and conditions of the Declaration, as amended, from time to time.

IN TESTIMONY WHEREOF, Croasdaile Farm I, Limited Partnership, has affixed its hand and seal the day and year first above written.



CROASDAILE FARM I, LIMITED PARTNERSHIP by its sole General Partner, LONE PINE, INC.

BY: Richard J. Boles (SEAL)
Richard J. Boles, President

ATTEST:

Jo S. Oakley
Jo S. Oakley, Secretary

STATE OF NORTH CAROLINA

COUNTY OF DURHAM

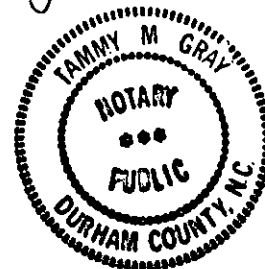
I, Tammy M. Gray, a Notary Public of the County and State aforesaid, certify that Jo S. Oakley personally came before me this day and acknowledged that she is the Secretary of Lone Pine, Inc., a North Carolina corporation, which executed the foregoing instrument as the sole general partner of CROASDAILE FARM I, LIMITED PARTNERSHIP, and that by authority duly given and as the act of the corporation as the sole general partner, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by her as its Secretary.

WITNESS my hand and official stamp or seal, this 3rd day of August, 1987.

Tammy M. Gray
Notary Public

My Commission Expires:

November 7, 1990



BOOK 1393 PAGE 204

EXHIBIT "D" TO DECLARATION
OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR CROASDAILE FARM

COMMUNITY-WIDE STANDARDS
FOR
CROASDAILE FARM

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Beischer & Boles, Attorneys at Law
Suite 101
Durham, N.C. 27705

Date: 5/8/87
D: CRF Exhibits.Ho
F: Design.Rev

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OF
COMMUNITY-WIDE STANDARDS
FOR
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COMMUNITY-WIDE STANDARDS
FOR
CROASDAILE FARM

INTRODUCTION

The Board of Directors of Croasdaile Farm Master Homeowner Association, Inc., has appointed a Design Review Committee (hereinafter sometimes referred to as "DRC") consisting of three persons for the purpose of establishing Community-Wide Standards for the construction, alteration or improvement of property located within the Croasdaile Farm Community. In order to implement these Community-Wide Standards, the DRC has established the following Design Review Guidelines. These Design Review Guidelines (hereinafter sometimes referred to as the "Guidelines") are intended to establish Croasdaile Farm as an attractive residential community with ample, landscaped open areas, attractive structures and vegetation and to maintain the highest possible aesthetic standards for the community as a whole. In addition, the Guidelines are intended to protect homeowners and tenants in Croasdaile Farm against undesirable land uses within the community as well as haphazard development. Because these Guidelines are intended to address a broad range of new construction, alterations, arboreal, vegetative and general aesthetic requirements, it is impossible to address in advance every conceivable situation which the Guidelines are intended to encompass. The DRC, in reaching its decisions, will review each application for construction, alteration or improvement to property located within the Croasdaile Farm Community and will also make reference to any restrictive covenants affecting the

said property as well as these Guidelines. The DRC shall have the absolute and exclusive right to approve or disapprove any application submitted to it if the same is not in accordance with these Guidelines. The Croasdaile Farm Community shall mean and refer to the area depicted in the General Plan of Development for Croasdaile Farm, as amended, from time to time, which is the Land Use Development Plan of Croasdaile Farm prepared by Land Design/Research, Inc., all of which is depicted on Page D-18. Provided, however, that no portion of such property shall be subject to these Guidelines prior to the time it is annexed and subjected to the provisions of the Declaration of Covenants, Conditions and Restrictions for Croasdaile Farm, which is recorded in the Office of the Register of Deeds of Durham County, North Carolina.

ARTICLE ONE
APPROVALS REQUIRED

SECTION 1.1 DESIGN REVIEW COMMITTEE

The Design Review Committee shall be appointed by the Board of Directors of Croasdaile Farm Master Homeowner Association, Inc., and shall serve at the pleasure of the said Board. A member of the DRC may be removed by the Board of Directors at any time, with or without cause. No construction, alteration or improvement to property in the Croasdaile Farm Community shall take place except in strict compliance with these Design Review Guidelines and until the written approval of the DRC has been obtained as provided herein.

SECTION 1.2 APPROVAL OF GOVERNMENTAL AGENCIES

In addition to obtaining the prior written approval of the Design Review Committee, it is the homeowner's responsibility to obtain all necessary approvals and permits from any city, county or state governmental agency having jurisdiction over the subject matter prior to beginning any construction, alteration or improvement to property within the Croasdaile Farm Community. The appropriate governmental officials should be contacted prior to beginning any work in order to ascertain what permits will be required. Approval of a governmental agency for any construction, alteration or improvement to property does not preclude the need for Design Review Committee approval and vice versa.

ARTICLE TWO
DESIGN REVIEW PROCEDURES

SECTION 2.1 DESIGN REVIEW PROCEDURES

No construction, alteration or improvement to property in the Croasdaile Farm Community, including changes to the arboreal or vegetative conditions, shall be undertaken without the prior written approval of the DRC. A complete application for such approval must be submitted to the DRC, contain the documentation required in Section 3.1 and provide the information described in Section 3.2. Incomplete applications will not be considered. The applicant shall also furnish the DRC any other information or documentation which the DRC deems necessary or desirable in reaching its decision. An application may be "Approved", "Approved Subject to Conditions" or "Disapproved".

The decisions of the DRC shall be effective as of the date indicated on Form DRC 87-2. Actions taken by the DRC shall be final and not subject to appeal or review. However, plans and specifications revised in accordance with the DRC's recommendations may be resubmitted for consideration by the DRC. If a complete application is not disapproved within thirty (30) days after the date of receipt indicated on Form DRC, 87-1, it shall be deemed to be approved. If the applicant desires a variance from the requirements of these Guidelines, he should specifically set forth in his application the variance requested and the reasons therefor.

SECTION 2.2 DESIGN REVIEW STANDARDS

Generally, the DRC will use the following standards in reviewing an applicant's compliance with these Guidelines:

- (A) The submission of a complete application as provided in Sections 3.1 and 3.2, as well as any other information required by the DRC;
- (B) Conformity with any restrictive covenants or other land use restrictions affecting the property;
- (C) Applicable zoning requirements;
- (D) The impact of the proposed changes on the Croasdaile Farm open space areas, both present and projected. This would include a consideration of the effect of the removal of trees or vegetation, use of fencing, building height and changes to the topography;
- (E) Compatibility of the proposed improvement with the neighborhood setting. Compatibility is defined as

similarity in quality of workmanship, use of materials and construction details;

- (F) How proposed landscaping and vegetation will enhance the value of existing or proposed structures;
- (G) How the proposed improvement will affect the access, view, sunlight and drainage of the surrounding properties;
- (H) The impact, if any, on the adjacent properties; and
- (I) Any other factors deemed relevant by the DRC.

ARTICLE THREE
APPLICATION REQUIREMENTS

SECTION 3.1 DOCUMENTS TO BE SUBMITTED

An applicant must submit to the DRC a complete set of the documents described below as may be appropriate for the type of construction, alteration or improvement contemplated. A complete application must contain the documentation required herein and the information set forth in Section 3.2. Incomplete applications will not be reviewed by the DRC and are deemed to be automatically disapproved.

(A) Dwelling Units

- (1) Application Form DRC 87-1
- (2) site plan
- (3) plan view of all floors
- (4) all elevations
- (5) landscape plan
- (6) number of square feet of heated, finished space on each floor
- (7) number of square feet of unheated space on each floor
- (8) number of square feet of each porch, deck or patio area
- (9) schedule of exterior colors and finishes
- (10) location of house number

(B) Fences

- (1) Application Form DRC 87-1
- (2) site plan
- (3) elevations showing height and materials
- (4) construction details
- (5) schedule of exterior colors and finishes

(C) Decks

- (1) Application Form DRC 87-1
- (2) site plan
- (3) plan view
- (4) all elevations
- (5) number of square feet
- (6) schedule of exterior colors and finishes

(D) Storage Sheds and Outbuildings

- (1) Application Form DRC 87-1
- (2) site plan
- (3) plan view
- (4) all elevations
- (5) number of square feet
- (6) schedule of exterior colors and finishes

(E) Patios

- (1) Application Form DRC 87-1
- (2) site plan
- (3) plan view
- (4) number of square feet
- (5) schedule of materials
- (6) schedule of exterior colors and finishes

(F) Outside Hot Tubs and Whirlpools

- (1) Application Form DRC 87-1
- (2) site plan
- (3) plan view
- (4) all elevations
- (5) schedule of exterior colors and finishes

(G) Sun Control Devices

- (1) Application Form DRC 87-1
- (2) site plan (if device is not attached to dwelling)
- (3) plan view
- (4) all elevations
- (5) schedule of materials
- (6) schedule of exterior colors and finishes

(H)Swimming Pools and Filter Enclosures

- (1) Application Form DRC 87-1
- (2) site plan
- (3) plan view
- (4) all elevations
- (5) section details through pool
- (6) schematic of piping system
- (7) fence enclosure [see Section 3.1(B)]
- (8) landscape plan

(I)Garages and Carports

- (1) Application Form DRC 87-1
- (2) site plan
- (3) plan view
- (4) all elevations
- (5) number of square feet
- (6) schedule of exterior colors and finishes

(J)Driveways and Walkways

- (1) Application Form DRC 87-1
- (2) site plan
- (3) plan view
- (4) schedule of materials
- (5) schedule of exterior colors and finishes

(K)Porches

- (1) Application Form DRC 87-1
- (2) site plan
- (3) plan view
- (4) all elevations
- (5) schedule of materials
- (6) schedule of exterior colors and finishes

(L)Greenhouses

- (1) Application Form DRC 87-1
- (2) site plan
- (3) plan view
- (4) all elevations
- (5) schematic diagram of heat source
- (6) schedule of materials
- (7) schedule of exterior colors and finishes

(M)Outside Heating or Cooling Devices

- (1) Application Form DRC 87-1
- (2) site plan
- (3) landscape plan

(N) Antennas, Dish Antennas or other Structures having any Device for the Reception or Emission of Electronic Signals

- (1) Application Form DRC 87-1
- (2) site plan
- (3) construction details
- (4) schedule of materials
- (5) landscape plan
- (6) schedule of exterior colors and finishes

(O) Clotheslines

- (1) Application Form DRC 87-1
- (2) site plan

(P) Pet Housing

- (1) Application Form DRC 87-1
- (2) site plan
- (3) plan view
- (4) all elevations
- (5) fencing [see Section 3.1 (B)]
- (6) number of square feet of enclosed area
- (7) schedule of materials
- (8) schedule of exterior colors and finishes

(Q) Exterior Lighting

- (1) Application Form DRC 87-1
- (2) site plan
- (3) manufacturer's technical data

(R) Changes to Exterior Colors or Finishes

- (1) Application Form DRC 87-1
- (2) all elevations
- (3) schedule of materials
- (4) schedule of colors and finishes

(S) Mailboxes

- (1) Application Form DRC 87-1
- (2) site plan
- (3) all elevations
- (4) construction details
- (5) schedule of materials
- (6) schedule of exterior colors and finishes

(T)Permanent Barbeques

- (1) Application Form DRC 87-1
- (2) site plan
- (3) construction details
- (4) schedule of materials
- (5) schedule of exterior colors and finishes

(U)Removal of 4" Diameter or Larger Trees (measured 6 " above the ground)

- (1) Application Form DRC 87-1
- (2) site plan showing location of tree or trees to be removed
- (3) schedule stating:
 - (A) type of tree(s)
 - (B) approximate spread of each affected tree
 - (C) whether tree(s) is(are) dead or alive

(V)Landscaping

- (1) Application Form DRC 87-1
- (2) landscape plan

(W)Retaining Walls

- (1) Application Form DRC 87-1
- (2) site plan
- (3) all elevations
- (4) construction details
- (5) schedule of materials
- (6) schedule of exterior colors and finishes

(X)Garbage and Refuse Storage Areas

- (1) Application Form DRC 87-1
- (2) site plan
- (3) plan view
- (4) all elevations
- (5) number of square feet
- (6) schedule of materials
- (7) schedule of exterior colors and finishes

(Y)Irrigation Systems

- (1) Application Form DRC 87-1
- (2) landscape plan
- (3) schematic of piping system

(Z)Vegetable Gardens

- (1) Application Form DRC 87-1
- (2) landscape plan

(AA) Solar Equipment

- (1) Application Form DRC 87-1
- (2) site plan
- (3) construction details

SECTION 3.2 DOCUMENT REQUIREMENTS

The site plan, plan views, elevations, landscape plan and schedule of exterior colors and finishes required by Section 3.1 to be submitted to the DRC as part of an application for construction, alteration or improvement to property in Croasdaile Farm shall contain the following information and conform to the following standards:

(A) Site Plan

- (1) may be either on an 18" by 24" sheet or a 24" by 36" sheet
- (2) shall show the lot number
- (3) shall be drawn to a scale of not less than 1" = 20 feet
- (4) shall show a North arrow
- (5) shall set forth the calls and distances of all property lines
- (6) shall show all front, rear and side setbacks from the property lines in a continuous dashed line with the setbacks dimensioned from the property lines
- (7) shall show existing and proposed contours
- (8) shall depict Croasdaile Farm Planting Easement on property, if any
- (9) shall show the actual outline footprint of all structures including dwelling and outbuildings
- (10) shall show the actual size and location of all patios, decks, porches, driveways, walkways, steps, fences, etc., with driveways and fences dimensioned from the property lines
- (11) shall show the location of all storm drainage lines and locations of inlets and outlets
- (12) shall show the name, address and telephone number of person preparing site plan
- (13) shall show the name, address and telephone number of owner

(B) Plan Views

- (1) may be either on an 18" by 24" sheet or 24" by 36" sheet
- (2) shall show the lot number
- (3) shall be drawn to a scale of either 1/8" = 1 foot or 1/4" = 1 foot
- (4) shall show the overall dimensions of the structure with all changes in wall directions dimensioned
- (5) shall show all rooms and areas titled as to use (e.g. bedroom, kitchen, etc.)
- (6) floor plans shall match plan as shown on site plan and have the same orientation
- (7) shall show the name, address and telephone number of person preparing plan view
- (8) shall show the name, address and telephone number of owner

(C) Elevations

- (1) may be either on an 18" by 24" sheet or a 24" by 36" sheet
- (2) shall show the lot number
- (3) shall be drawn on a scale of either 1/8" = 1 foot or 1/4" = 1 foot and shall match the scale used on the plan view
- (4) the elevations required shall include all four primary elevations such as front, rear and both sides plus any other elevations required to totally depict the structure or improvement
- (5) shall depict the materials used (e.g. brick, siding, trim, windows, roofs, etc.)
- (6) shall show the name, address and telephone number of person preparing plan view
- (7) shall show the name, address and telephone number of owner

(D) Landscape Plan

- (1) may be either on an 18" by 24" sheet or a 24" by 36" sheet
- (2) shall show the lot number
- (3) shall be drawn to a scale of not less than 1" = 20 feet
- (4) shall provide a site plan survey showing all calls and distances and a North arrow
- (5) shall show all front, rear and side setbacks from property lines in a continuous dashed line
- (6) shall show existing and proposed contours
- (7) shall show location of Croasdaile Farm Planting Easements on property, if any
- (8) shall show the actual outline footprint of all structures on the property

- (9) shall show the location and dimensions of all existing and proposed patios, decks, driveways, walkways, steps, fences, etc.
- (10) shall show the location of existing tree line and landscape features
- (11) shall show the location of new landscape plantings and provide name, quantity and size of proposed plant materials
- (12) shall show the schematic diagram of the lawn irrigation system, if any
- (13) shall show the name, address and telephone number of person preparing landscape plan
- (14) shall show the name, address and telephone number of owner

(E) Exterior Color and Material Schedule

- (1) shall show the lot number
- (2) shall provide a schedule of colors and materials including, but not limited to, stain and paint colors for trim, siding, doors, shutters, stucco, etc.
- (3) shall provide color sample chips
- (4) shall describe roof color and brick or masonry color
- (5) if new construction, the colors may be set forth on the elevation plans submitted
- (6) shall supply samples of exterior materials and colors
- (7) shall show the name, address and telephone number of person preparing the exterior color and material schedule
- (8) shall show the name, address and telephone number of owner

ARTICLE FOUR
ENFORCEMENT

SECTION 4.1 ENFORCEMENT OF DESIGN REVIEW GUIDELINES

The Croasdale Farm Master Homeowner Association, Inc., its successors and assigns, and the owners of property in the Croasdale Farm Community and their heirs, successors and assigns may enforce any of the Design Review Guidelines by proceeding at law or in equity against any person or entity violating or attempting to violate any of the said Guidelines or the decisions

of the Design Review Committee, either to restrain violation thereof or to recover damages therefor.

ARTICLE FIVE
AMENDMENT

SECTION 5.1 AMENDMENT OF DESIGN REVIEW GUIDELINES

The Design Review Guidelines may be amended, from time to time, by the Design Review Committee. No such amendment shall be deemed to be an amendment to any other document, deed or declaration to which they may be an exhibit, attachment or schedule. The Guidelines are separately amendable in accordance with the provisions of this Section 5.1. Any amendment adopted by the Design Review Committee shall be effective on the date of adoption unless another date is specified by the said Committee. Amendments to the Design Review Guidelines may, but are not required to, be recorded in the Office of the Register of Deeds of Durham County, North Carolina. The failure to record any amendment shall not, in any respect, invalidate or limit its efficacy.

SECTION 5.2 AVAILABILITY OF GUIDELINES

The Design Review Guidelines shall be made available by the Design Review Committee to property owners, builders and developers who seek to engage in the development, construction, alteration or improvement of property in the Croasdaile Farm Community. The Croasdaile Farm Master Homeowner Association, Inc., may charge a fee for copies of the Design Review Guidelines.

ARTICLE SIX
MISCELLANEOUS

SECTION 6.1 WAIVER

No requirement of the Design Review Committee or of the Design Review Guidelines shall be deemed to have been waived by reason of any failure to enforce same, irrespective of the number of violations or breaches which may occur.

SECTION 6.2 INVALIDITY

Invalidation of any of the provisions of this document by judgment, court order, statute or ordinance shall in no way affect any of the remaining provisions hereof and the same shall continue in full force and effect.

SECTION 6.3 CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this document nor the intent of any provision hereof.

SECTION 6.4 FEES

The Croasdaile Farm Master Homeowner Association, Inc., may authorize the Design Review Committee to charge a fee for its services in an amount fixed by the Board of Directors of said Association.

SECTION 6.5 NO LIABILITY

Neither the Croasdaile Farm Master Homeowner Association, Inc., nor the members of the Design Review Committee, or any agent thereof, shall be responsible for defects, errors or

omissions in any plans, specifications or other materials submitted to it nor for any structural or other defects in the construction thereof. No act or failure to act by the DRC, with respect to the enforcement or performance of any of the DRC's powers and duties, including, without limitation, improper approval of an application, shall create any liability on the part of the Croasdaile Farm Master Homeowner Association, Inc., the DRC, its members or agents.

SECTION 6.6 INSPECTION RIGHTS

The members of the DRC or their agents shall have the right, but not the obligation, to inspect all construction, alterations or improvements to property in the Croasdaile Farm Community.

SECTION 6.7 NO LIEN

The requirements of the Design Review Guidelines shall not constitute a lien or encumbrance on any lot and any subsequent purchaser for value and without notice thereof shall in no way be affected by the failure of his predecessors in title to comply with the terms hereof.

SECTION 6.8 GENDER

The use of the masculine gender in this document shall be deemed to refer to the feminine or neuter gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, the Design Review Committee has adopted these Design Review Guidelines this the 3rd day of August, 1987.

CROASDAILE FARM DESIGN REVIEW COMMITTEE

BY: [Signature] (SEAL)
One of Three Members

BY: [Signature] (SEAL)
One of Three Members

BY: [Signature] (SEAL)
One of Three Members

STATE OF NORTH CAROLINA

COUNTY OF DURHAM

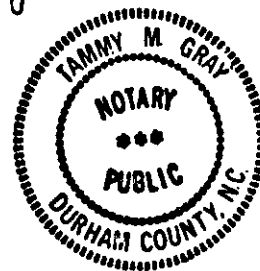
I, Tammy M. Gray, a Notary Public in and for the above named County and State, do hereby certify that the due execution of the foregoing instrument was this day acknowledged before me by George O. Beischer for the purposes therein expressed.

Witness my hand and notarial seal or stamp this 3rd day of August, 1987.

Tammy M. Gray
Notary Public

My Commissions Expires:

November 7, 1990



STATE OF NORTH CAROLINA

COUNTY OF DURHAM

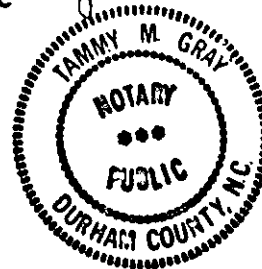
I, Tammy M. Gray, a Notary Public in and for the above named County and State, do hereby certify that the due execution of the foregoing instrument was this day acknowledged before me by Samuel W. Brockwell for the purposes therein expressed.

Witness my hand and notarial seal or stamp this 3rd day of August, 1987.

Tammy M. Gray
Notary Public

My Commissions Expires:

November 7, 1990



STATE OF NORTH CAROLINA

COUNTY OF DURHAM

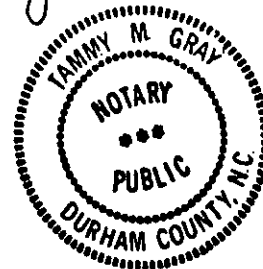
I, Tammy M. Gray, a Notary Public in and for the above named County and State, do hereby certify that the due execution of the foregoing instrument was this day acknowledged before me by Timothy C. Hoke for the purposes therein expressed.

Witness my hand and notarial seal or stamp this 3rd day of August, 1987.

Tammy M. Gray
Notary Public

My Commissions Expires:

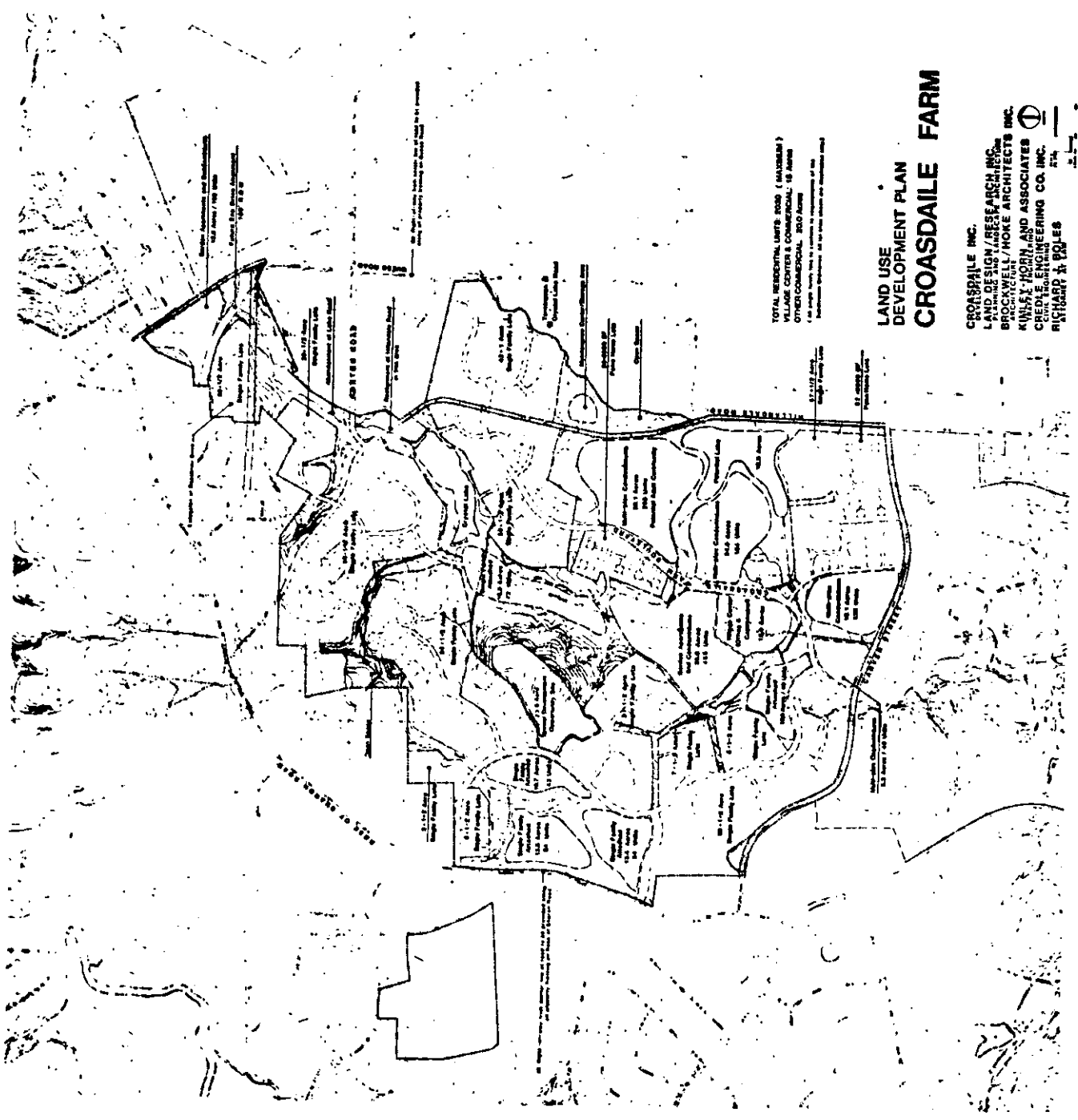
November 7, 1990



MAP OF CROASDAILE FARM COMMUNITY

NEED NOT BE DEVELOPED

BOOK 1393 PAGE 224



TOTAL RESIDENTIAL UNITS: 2000 (MAXIMUM)
TOTAL COMMERCIAL UNITS: 10 (MAXIMUM)
TOTAL COMMERCIAL SQA: 100,000

LAND USE
DEVELOPMENT PLAN
CROASDAILE FARM

CROASDAILE INC.
LAND DESIGN/RESEARCH INC.
PLANNING AND ARCHITECTURE
ARCHITECTURE/MOKE ARCHITECTS INC.
KIMLEY-HORN AND ASSOCIATES
CREDLE ENGINEERING CO. INC.
CIVIL ENGINEERING
SURVEYING & PROJECTS

APPLICATION FOR
CONSTRUCTION, ALTERATION OR IMPROVEMENT
TO PROPERTY IN CROASDAILE FARM

The undersigned hereby makes application to the Croasdale Farm Design Review Committee for approval of the construction, alteration or improvement of property in the Croasdale Farm Community as set forth in the attached documents.

LOT NO. _____

Name of Applicant: _____
(Please Print)

Street Address: _____

City: _____ State _____ Zip _____

Telephone Nos.: Home(_____) Business(_____) _____

Signature of Applicant

Signature of Applicant

Please also complete the section below if the name of the person preparing the application differs from name of applicant.

Name of Person
Preparing Application: _____
(Please Print)

Company Name: _____

Street Address: _____

City: _____ State _____ Zip _____

Telephone Nos.: Home(_____) Business(_____) _____

DATE APPLICATION RECEIVED BY DRG:

(To be filled in by DRG)

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DESIGN REVIEW COMMITTEE

APPROVAL FORM

TO: _____

Your application for the construction, alteration or improvement to LOT NO. _____ in the Crossdaile Farm Community has been reviewed by the Design Review Committee and the following decisions have been made with regard thereto.

_____ Your application is APPROVED as submitted.

_____ Your application is DISAPPROVED.

_____ Your application is APPROVED SUBJECT TO CONDITIONS.

This action is effective this _____ day of _____, 19____.

DESIGN REVIEW COMMITTEE

BY: _____
MEMBER

FORM DRC 87-2