

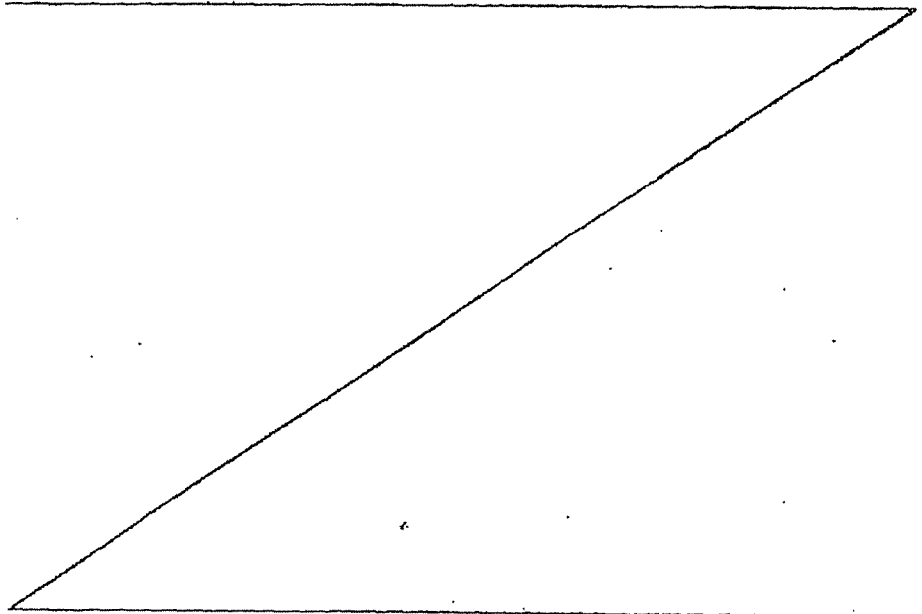
DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
WHITEHALL TOWNHOUSES

THIS DECLARATION, made on the 25th day of March, 1976,
by DSN ASSOCIATES, INC., a North Carolina Corporation (herein-
after referred to as "Declarant");

W I T N E S S E T H:

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

BEGINNING at a concrete monument located in the southwestern edge
of the right of way of Spring Forest Road at the northeast corner
of the N. H. Norwood property; thence with said right of way of
Spring Forest Road South 48 degrees 59 minutes 00 seconds East
400.33 feet to another concrete monument, the northwest corner of
the O. L. Long property; thence with the western property line of
the O. L. Long property South 06 degrees 37 minutes 05 seconds
West 340.09 feet to a point; thence North 88 degrees 55 minutes
16 seconds West 69.80 feet to a point; thence South 10 degrees
09 minutes 45 seconds West 259.63 feet to a point; thence South
84 degrees 50 minutes 54 seconds West 246.94 feet to a point in
the eastern property line of the Norwood property; thence with the
eastern property line of the Norwood property North 06 degrees
25 minutes 17 seconds East 894.17 feet to the point of BEGINNING,
and being the land shown on a map of Whitehall, Section One, dated
March 15, 1976, prepared by Triangle Engineering-Architecture-Planning,
Inc. recorded in Book of Maps 1976, Volume XX, Page 132 of the Wake
County Registry.



WHEREAS, Declarant proposes to develop said land into a Townhouse project consisting of lots for sale and appurtenant common areas and therefore desires to subject said land to this Declaration;

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

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Whitehall Community Services, Inc., its successors and assigns.

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

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be subjected to this Declaration and brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot consists of all land shown on the

recorded map referred to above except the areas designated as residential lots (by number) and garage lots (by the letter "G" and a number) thereon.

Section 5. "Residential Lot" shall mean and refer to any lot designated solely by number on the recorded subdivision map of the Properties referred to above or any subsequently recorded subdivision map of the Properties referring to this Declaration as the same may be amended from time to time.

Section 6. "Garage Lot" shall mean and refer to any lot designated by the letter "G" and a number (for example, G-1, G-2, G-3) on the recorded subdivision map of the Properties referred to above or any subsequently recorded subdivision map of the Properties referring to this Declaration as the same may be amended from time to time.

Section 7. "Lot" shall mean and refer to a residential lot as defined above. Such term does not include a garage lot.

Section 8. "Declarant" shall mean and refer to DSN ASSOCIATES, INC., its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 9. "Member" shall mean and refer to every person or entity who holds membership in the Association.

ARTICLE II

PROPERTY RIGHTS

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

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

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

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded; provided, however, that no membership vote shall be required with respect to easements granted by the Association pursuant to Article X hereof.

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

(e) the right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to

mortgage said property, and the rights of such mortgagee in said properties shall be subordinate to the rights of the homeowners hereunder;

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

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

Section 3. Title to the Common Area. The Declarant hereby covenants for itself, its successors or assigns, that prior to the conveyance of the first Lot, it will convey fee simple title to the Common Area to the Association, free and clear of all encumbrances and liens except utility easements and the easements, restrictions, covenants and conditions set forth herein. Further, if ad valorem taxes for the current year have been separately assessed against the Common Area, the same shall be prorated between Declarant and the Association as of the transfer date; otherwise such taxes shall be paid by Declarant.

Section 4. Parking Rights. Ownership of each Lot shall entitle the owner or owners thereof to the use of automobile parking spaces, which shall be as near and convenient to said Lot as is reasonably possible, together with the right of ingress and egress to and from said parking areas, as provided herein.

The Association shall permanently assign parking spaces to provide two parking spaces for each dwelling; provided, however, that ownership of a Garage Lot shall be treated as an assignment of one parking space for purposes of this provision. The assigned parking space or spaces shall be as near the dwelling to which it is assigned as is reasonably possible. The remaining parking spaces

shall be unassigned, but the Association may adopt reasonable rules and regulations regarding use of the same.

The Association may regulate the parking of boats, trailers and other such items on the Common Area. No boats or trailers shall be parked within the right of way of any street or driveway serving more than one Lot.

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

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

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

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

Class A. Class A Members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership, but provided that the Class B membership shall be reinstated if thereafter, and before the time stated in Subparagraph (b) below, additional lands are annexed to the Properties pursuant to Article VII, Section 2, below, and as the result of such annexation, the Declarant, and its successors and assigns, own more than one-fourth (1/4) of the total Lots subject to this Declaration.

(b) on December 31, 1982.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, such assessments to be

established and collected as hereinafter provided, and (3) to the appropriate governmental taxing authority, a pro rata share of ad valorem taxes levied against the Common Area and a pro rata share of assessments for public improvements to the Common Area if the Association shall default in the payment thereof for a period of six (6) months, all as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be charged and continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for the delinquent assessment shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties, to maintain, improve and operate the Common Area, to maintain and improve the Lots (including Garage Lots) and improvements thereon as herein provided, and to administer the Association's affairs, such uses to include (but not be limited to) the cost of repairs, replacements and additions to the Common Area, Lots (including Garage Lots) and improvements situated thereon, the cost of labor, equipment and materials related to operation of the Common Area, the cost of management and supervision of the Association's affairs, the payment of taxes assessed against the Common Area, the procurement and

maintenance of insurance in accordance with the By-Laws, the employment of agents, attorneys, accountants, consultants and others to represent, advise or assist the Association when necessary, and such other needs as may arise.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the annual assessment shall be four hundred twenty dollars (\$420.00) per Lot. Thereafter, such assessment shall be established (and increased or decreased from time to time) by the Board of Directors of the Association in accordance with the following provisions:

(a) Until Declarant's Class B membership in the Association ceases and is converted to Class A membership pursuant to Article III hereof, the annual assessment may be increased each year by not more than sixty dollars (\$60.00) per Lot above the assessment for the previous year without a vote of the membership, but the annual assessment may not be increased during any such year by more than sixty dollars (\$60.00) per Lot unless such increase has been approved by a vote of a majority of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

(b) After Declarant's Class B membership in the Association ceases and is converted to Class A membership pursuant to Article III hereof, the annual assessment shall be established (and increased or decreased from time to time) by the Board of Directors of the Association without a vote of the membership.

(c) If Declarant's Class B membership terminates, but is hereafter reinstated as provided in Article III hereof, then the limitation upon annual increases in such assessments without a vote of the membership shall likewise be reinstated.

Section 4. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto. If any such assessment exceeds one hundred fifty dollars (\$150.00) per Lot, then such assessment shall have the assent of a majority of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose; otherwise, such assessment shall be approved by the Board of Directors of the Association without a vote of the membership.

Section 5. Notice and Quorum for Any Action Authorized

Under Section 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 of this Article shall be sent to all Members not less than 10 days nor more than 50 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty percent (50%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the

required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 50 days following the preceding meeting.

Section 6. Assessment Rate. Both annual and special assessments must be fixed at a uniform rate for all Lots (except as provided in the last paragraph of Article VIII); provided, however, that so long as any Lot owned by Declarant is unoccupied as a residence, the amount of the assessment for each such Lot shall be ten percent (10%) of the regular assessment for other Lots. Assessments may be collected on a monthly basis.

Garage Lots shall not be separately assessed; rather the uniform assessment rate against residential lots as provided above shall be deemed to include assessments attributable to Garage Lots. The lien of any assessment against a Lot shall extend to the Garage Lot, if any, owned by the Owner of such Lot and used in conjunction with the use of such Lot.

Section 7. Loans From Declarant. If the funds available to the Association from annual assessments are not sufficient to defray reasonable expenses incurred by the Association pursuant to Section 2, Article IV hereof, then subject to the terms, conditions and limitations hereinafter set forth, Declarant shall lend sufficient additional funds to the Association to enable it to defray such expenses. Such obligation of Declarant, shall, however, be subject to the following terms, conditions and limitations:

(a) Maximum Loan. Declarant's obligation hereunder shall be limited to loans which do not exceed amounts which Declarant would pay if the assessments against its unoccupied Lots were 100% of the regular assessments for other Lots and such obligation shall be further reduced to the extent Declarant has paid assessments against its unoccupied Lots in an amount equal to ten percent

(10%) of the regular assessment for other Lots.

(b) Existence of Obligation. Declarant's obligation to make such loans shall exist only while its Class B membership in the Association exists. Specifically, such obligation shall terminate when its Class B membership terminates and shall be reinstated thereafter only for periods during which Declarant's Class B membership is reinstated.

(c) Type Loan. Such loans shall be unsecured, shall not bear interest, and shall not be repaid except as provided herein.

(d) Repayment. Such loans may be partially or completely repaid from time to time when the Association possesses funds in excess of its reasonable needs.

(e) Maturity Date. Such loans shall in any event become due and payable one year after Declarant's Class B membership in the Association terminates; provided, however, that if Declarant's Class B membership is reinstated within such one year period, then such maturity date shall be extended (one or more times) until one full year has passed during which Declarant has not been a Class B Member. On or before the due date, the Association shall use all funds available to it after payment of reasonable expenses incurred during such year to repay any then outstanding loans made to the Association by Declarant. If the funds available to the Association at that

time are not sufficient to repay such loans in full, the balance of such loans, after making payment of all sums available to the Association, shall be contributed to the Association's capital by Declarant, and the Association shall not have any further obligation to repay such loans.

Section 8. Date of Commencement of Annual Assessments:

Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid, and if not, the amount due.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage (the term "mortgage" shall include a deed of trust) and ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a first mortgage or foreclosure of a tax lien or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. All properties dedicated to, and accepted by, a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE V

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes and garages upon the Properties and placed on the dividing line between the Lots (or Garage Lots) and all reconstruction or extensions of such walls shall constitute party walls, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls, lateral support in below-ground construction and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared

by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions..

Section 4. The owner of any Lot may construct, reconstruct or extend a party wall in any direction (subject to and within the limitations of architectural control and other limitations of these Covenants) with the right to go upon the adjoining Lot to the extent reasonably necessary to perform such construction. Such construction shall be done expeditiously. Upon completion of such construction, such owner shall restore the adjoining Lot to as near the same condition which prevailed on it before the commencement of such construction as is reasonably practicable.

Section 5. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 6. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7. Certification by Adjoining Property Owner That No Contribution is Due. If any Owner desires to sell his property, he may, in order to assure a prospective purchaser that no adjoining property owner has a right of contribution as provided in this Article V, request of the adjoining property owner or property owners a certificate that no right of contribution exists, whereupon it shall be the duty of each adjoining property owner to make such certification immediately upon request and without charge; provided, however, that where the adjoining property owner claims a right of contribution, the certification shall contain a recital of the amount claimed.

Section 8. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VI

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, color, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee,

fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VII

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Except as provided in Section 2 of this Article, annexation of additional property shall require the assent of two-thirds (2/3) of the Class A membership and two-thirds (2/3) of the Class B membership, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The presence of members or of proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

Section 2. Declarant plans to develop additional land within the boundaries of the 42.863 acre tract more particularly described on Exhibit A attached hereto. Declarant, therefore, reserves the right at any time prior to December 31, 1982, that Declarant determines to take the action so contemplated, to submit portions of such additional land, all easements, rights and appurtenances belonging thereto, and all articles of personal property existing for the common use of the Lot owners to the provisions of this Declaration from time to time. In such event, Declarant hereby covenants for itself, its successors or assigns, that it will convey fee simple title to the Common Area constituting a portion

of the additional land submitted to this Declaration to the Association, free and clear of all encumbrances and liens except utility easements and ad valorem taxes for the year of transfer which shall be prorated to the transfer date if separately assessed (otherwise such taxes shall be paid by Declarant), prior to the conveyance of the first Lot located in such additional land and that such additional land will be contiguous to land already subjected to this Declaration. Further, Declarant expressly agrees that there will not be constructed on the entire property (including the additional land) more than 200 homes or dwelling units and that the homes and dwelling units constructed in subsequent phases shall be architecturally compatible with any homes or dwelling units previously constructed on the Property. The submission of such additional land to the provisions of this Declaration may be accomplished by an amendment to this Declaration executed by Declarant with the same formalities as this instrument. Such amendment must refer to the volume and page in which this instrument is recorded and must describe the additional land being submitted to this Declaration and the portions thereof being designated as Common Area. Such amendment shall become effective upon the recordation of same. Thereafter, upon conveyance of the Common Area located in such additional land to the Association, the owners of the Lots situated therein shall become members of the Association in accordance with the provisions of this Declaration.

The Declarant reserves the right to submit such additional land to this Declaration in accordance with the foregoing provisions without the consent of the Association, its members or Lot owners.

ARTICLE VIII

EXTERIOR MAINTENANCE

In addition to maintenance of the Common Area, and subject to the provisions of Article XII hereof, the Association shall provide exterior maintenance upon each Lot and Garage Lot which is subject to assessment hereunder, as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces (including exterior storage sheds), trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces or utility systems serving a particular Lot. Further, the owner of any Lot may elect to maintain the area within any private patio wall (such walls have two sides) at the rear of his Lot provided such area is maintained in a neat and orderly manner compatible with general maintenance of the Common Area. Further, the owner of any Lot may at his election plant trees, shrubs, flowers and grass in his rear yard and may also maintain portions or all of his rear yard provided that such maintenance by the owner does not hinder the Association in performing its maintenance of the exterior of the house and the remaining yard spaces. No such maintenance by a Lot owner shall reduce the assessment payable by him to the Association. If, in the opinion of the Association any such owner fails to maintain his rear yard or patio area in a neat and orderly manner, the Association may revoke the owner's maintenance rights for a period not to exceed one year. The Owner shall not plant any vegetation in the front yard except with the prior written approval of the Association.

(As a matter of information to future members of this Association, the developers wish to make it known that it is a part of the original plan of development to construct a variety of dwellings, some of which will be served by garages. Some dwellings may require more maintenance than others and owners of Lots not served by a garage will not benefit directly from the exterior maintenance of garages. Nevertheless, it is believed

that all members of the Association will be benefited by providing exterior maintenance and that a uniform rate of charge therefor should be made without regard to the actual cost of maintenance of each dwelling or garage.)

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

ARTICLE IX

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each Lot and the Common Areas.

Section 2. Use of Properties. No portion of the Properties (except for temporary office of the Declarant and/or model townhouses used by Declarant) shall be used except for residential purposes and for purposes incidental or accessory thereto.

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

Section 4. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and provided further that the Association may make reasonable rules and regulations regarding such household pets.

Section 5. Dwelling Specifications. No dwelling shall be constructed or permitted to remain on any Lot having an area of the main structure, exclusive of open porches and decks, of less than 1,200 square feet for a one-story dwelling nor less than 1,350 square feet for a dwelling of more than one-story.

Section 6. Declarant has constructed, or may construct, dwellings on the Lots which, in many instances, have, or may have, patios, decks or similar areas designed to serve a particular dwelling or Lot, and in some instances, such areas are or may be enclosed on two sides by privacy walls or fences which extend beyond the boundaries of the particular Lot being served thereby and are located on portions of the Common Area adjacent or convenient to the owner's Lot. In such instances, the Lot owner shall be entitled to the exclusive use of such area (subject to the Association's right to enter upon the same to provide maintenance services), whether or not included within his Lot. In addition, the Lot owner shall have the right to repair or reconstruct any such privacy walls or fences at their original locations. If a Lot owner desires to construct additional such fences or to relocate such fences, the written consent of the Association shall be required.

Section 7. Declarant has constructed or may construct storage sheds to serve particular Lots which, in some instances, are located on Common Area adjacent or convenient to such Lots. The owners of such Lots are hereby granted the right to use such storage sheds as located by Declarant, subject, however, to the right of the Association to require that the same be relocated on the owners' Lots if such use interferes with the use of the Common Area by other Lot owners.

ARTICLE X

EASEMENTS

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

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

All Lots and Garage Lots shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots (and Garage Lots) by the Declarant to the extent that such initial improvements actually encroach including, but not limited to, such items as overhanging eaves, gutters and downspouts and walls. Further, in some instances, exterior storage sheds have been constructed on and across the property line separating adjacent Lots with a view to having one storage shed (with separate compartments) serve the two adjacent Lots on which the same is situated, and the Owners of such Lots shall have easements to use such storage sheds (subject to reasonable rules and regulations of the Association) in the intended manner for as long as such sheds remain usable.

ARTICLE XI

GARAGE LOTS

Garage Lots are included within the Properties for the purpose of allowing the common owner of a Lot and a Garage Lot to store his motor vehicles and other items in the garage constructed on such Garage Lot, and ownership of a Garage Lot shall be deemed incidental or accessory to ownership of a Residential Lot. No Garage Lot shall be used as a dwelling or for any other purpose contrary to the intended use of same.

No Owner shall have the right to sell, encumber or otherwise transfer his Garage Lot separately from his Residential Lot unless such sale, encumbrance or other transfer is made to another Lot Owner.

RESTORATION OF BUILDINGS

If any dwelling situated on a Lot or any garage situated on a Garage Lot is partially or completely destroyed, the Owner shall at his expense, restore, repair or rebuild the same in a manner substantially similar to the original construction thereon (or subject to the Association's architectural control, rebuild a different structure thereon) or such Owner shall, at his expense, demolish the same and clean the Lot of debris and trash, leaving the same in a neat and orderly manner. If any Owner fails to clear his Lot as aforesaid with 30 days after notice from the Association, then the Association may clear such Lot and assess the cost thereof to the Owner, which assessment shall be collectible from the Owner or through foreclosure of the lien on his Lot.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended with the affirmative written consent of two-thirds (2/3) of the votes of each Class of members. Such amendment shall be

executed by the Association, shall contain a certification by an officer of the Association that two-thirds (2/3) of each class of members have consented to such amendment in writing, shall refer to the volume and page in which this instrument (and any Supplemental Declaration) is recorded and shall become effective upon recordation. Provided, however, the foregoing provisions shall not apply to amendments hereto executed by Declarant to annex additional land pursuant to Section 2 of Article VII hereof.

IN WITNESS WHEREOF, the undersigned, being the Declarant Corporation has caused this Declaration to be executed by its duly authorized officers with corporate seal affixed hereunto, all as of the day and year first above written.

ATTEST:

DSN ASSOCIATES, INC.



K. Neal Hunt
Secretary

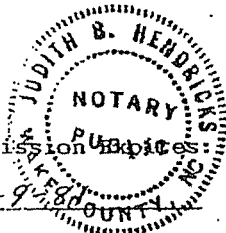
BY: Dan C. Austin
President

STATE OF NORTH CAROLINA

COUNTY OF Wake

This 25th day of March, 1976, personally appeared before me, the undersigned, a Notary Public in and for the County and State aforesaid, Dan C. Austin and K. Neal Hunt, who, being by me first duly sworn, say that they are the President and Secretary, respectively, of DSN ASSOCIATES, INC., that the seal affixed to the foregoing instrument in writing is the corporate seal of the corporation, and that said writing was signed and sealed by them in behalf of said corporation by its authority duly given. And the said President and Secretary acknowledged the said writing to be the act and deed of said corporation.

WITNESS my hand and notarial seal this 25th day of March, 1976.



Judith B. Hendricks
Notary Public

My Commission Expires:

2-9-78

BEGINNING at a point in the southern edge of the right of way of Spring Forest Road, said point being the northeastern most corner of property now or formerly owned by the N. H. Norwood heirs; thence along the southern edge of the right of way of Spring Forest Road, South 48 deg. 59 min. East 400.33 feet to a point; thence leaving said right of way line of Spring Forest Road, South 06 deg. 37 min. 05 sec. West 662.80 feet to a point; thence South 25 deg. 50 min. 07 sec. West 1,554.18 feet to a point; thence South 60 deg. 49 min. 01 sec. East 199.90 feet to a point; thence South 17 deg. 40 min. 10 sec. West 573.94 feet to a point on the east bank of Marsh Creek; runs thence on a traverse of said Creek the following courses and distances: South 83 deg. 20 min. 57 sec. West 106.72 feet; North 73 deg. 25 min. 44 sec. West 53.32 feet; North 53 deg. 49 min. 43 sec. West 173.76 feet; North 16 deg. 52 min. 54 sec. West 101.07 feet; South 84 deg. 49 min. 05 sec. West 96.09 feet; North 46 deg. 36 min. 52 sec. West 210.26 feet; North 06 deg. 07 min. 49 sec. West 241.78 feet; and North 79 deg. 36 min. 51 sec. East 14.42 feet to a point in the center of Marsh Creek; thence along the center line of Marsh Creek, North 04 deg. 44 min. 52 sec. East 732.71 feet; thence running along the center line and the east bank of said Creek, North 05 deg. 06 min. 51 sec. West 538.14 feet to a point; thence South 84 deg. 54 min. 39 sec. West (and crossing said Marsh Creek) 42.61 feet to a point; thence North 5 deg. 12 min. 41 sec. West 144.59 feet to a point in the southern line of the property of the N. H. Norwood heirs; thence along the southern line of the property of the N. H. Norwood heirs and again crossing Marsh Creek, North 84 deg. 50 min. 54 sec. East 985.17 feet to a point, a corner of the property of the N. H. Norwood heirs; thence along the eastern line of the property of the N. H. Norwood heirs, North 06 deg. 25 min. 17 sec. East 894.17 feet to the point and place of BEGINNING, and containing 42.863 acres and being the same property as shown on that certain survey entitled "Whitehall Property of DSN Associates, Inc., Raleigh, N. C.", dated July 25, 1975, prepared by Triangle Engineering-Architecture-Planning, Inc., Raleigh, North Carolina, and recorded in Book of Maps 1975, Volume 2, Page 195 of the Wake County Registry, North Carolina.

CONSENT OF MORTGAGEE

KNOW ALL MEN BY THESE PRESENTS: THAT

WHEREAS, the undersigned, BVA CREDIT CORPORATION, a Virginia corporation, owner and holder of the following described Deed of Trust which covers the townhouse property described in the annexed Declaration of even date herewith of which this is a part.

Deed of Trust dated July 3, 1975 executed by DSN Associates, Inc., a North Carolina corporation, recorded in Book 2334, Page 226, Wake County Registry securing Promissory Note payable to BVA Credit Corporation, a Virginia corporation, in the face amount of \$7,000,000.00 in which Richard G. Joynt and C. Ronald Nease are named as Trustees.

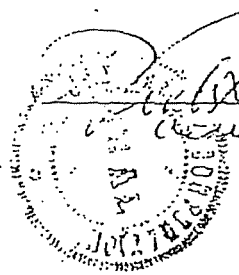
WHEREAS, the undersigned, BVA CREDIT CORPORATION and RICHARD G. JOYNT and C. RONALD NEASE, Trustees, desire by the execution of this instrument to subordinate said Deed of Trust to the foregoing Declaration.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the said BVA CREDIT CORPORATION and RICHARD G. JOYNT and C. RONALD NEASE, as Trustees in said Deed of Trust, hereby consent to the execution and delivery of the foregoing "Declaration of Covenants, Conditions and Restrictions" for Whitehall Townhouses and to the filing thereof in the Office of the Register of Deeds of Wake County, North Carolina, and they do hereby further subject and subordinate said Deed of Trust to the foregoing instrument.

This 14th day of April, 1976.

ATTEST:

BVA CREDIT CORPORATION

 [Signature]
Secretary

By [Signature]
President

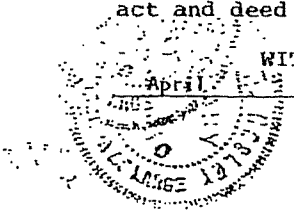
[Signature] (SEAL)
RICHARD G. JOYNT, Trustee

[Signature] (SEAL)
C. RONALD NEASE, Trustee

COMMONWEALTH OF VIRGINIA

COUNTY OF HENRICO

This 19th day of April, 1976, personally appeared before me, the undersigned, a Notary Public in and for the County and Commonwealth aforesaid, John J. Dickinson and Violet W. Giannotti, who, being by me first duly sworn, say that they are the Senior Vice President and Assistant Secretary, respectively, of BVA CREDIT CORPORATION, that the seal affixed to the foregoing instrument in writing is the corporate seal of the corporation, and that said writing was signed and sealed by them in behalf of said corporation by its authority duly given. And the said Senior Vice President and Assistant Secretary acknowledged the said writing to be the act and deed of said corporation.



WITNESS my hand and notarial seal this 19th day of April, 1976.

Jeanne M. Hooley
Notary Public

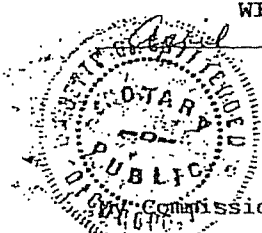
My Commission expires:

October 28, 1979

COMMONWEALTH OF VIRGINIA

City
COUNTY OF *Richmond*

Before me, the undersigned, a Notary Public in and for the ~~County~~ *City* and Commonwealth aforesaid, personally appeared this day RICHARD G. JOYNT and acknowledged the due execution of the foregoing instrument.



WITNESS my hand and notarial seal this 21st day of April, 1976.

Betty W. Cretenden
Notary Public

My Commission expires:

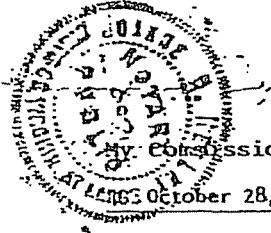
8-12-78

COMMONWEALTH OF VIRGINIA

COUNTY OF HENRICO

Before me, the undersigned, a Notary Public in and for the County and Commonwealth aforesaid, personally appeared this day C. RONALD NEASE and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal this 19th day of April, 1976.



James M. Wesley
Notary Public

NORTH CAROLINA--WAKE COUNTY

The foregoing certificate of *Judith B. Hendricks*
Robert L. Hendricks
Virginia, and James M. Hendricks
Notary Public Notary Public in
(and) certified to be correct. This instrument was presented for registration and recorded in this
office in Book *2397* Page *31*
This *28* day of *April*, 1976, at *11:00* o'clock *A*. M.
R. E. McENZIE, JR., Register of Deeds
By *Dennis R. Hilland*
Deputy Register of Deeds