

Mail To: ROBERT W. WILSON, JR.
P.O. BOX 10098
RALEIGH, NC 27605-0098
Prepared By: Poyner & Sprull

DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by MANCHESTER PROPERTIES, INC., a North Carolina corporation, hereinafter referred to as "Declarant", and the undersigned lot owners ("Lot Owners");

W I T N E S S E T H:

WHEREAS, Declarant and the Lot Owners are the owners of certain property in the County of Wake, State of North Carolina, which is more particularly described as follows:

See Exhibit "A" attached hereto.

NOW, THEREFORE, Declarant and Lot Owners hereby declare that all of the properties 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 Manchester Homeowners Association, 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 brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property subjected to easement rights by this Declaration and/or owned by the Association for the common use and enjoyment of the owners, together with all water and sewer lines located on and serving the properties which are located outside public easements and city rights-of-way, except water and sewer lines located on a lot which serve only that lot. The Common Areas to be subjected by this Declaration at the time of its recordation at the Wake County Registry is described as follows:

See Exhibits "B", "C" and "D" attached hereto.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties upon which a Dwelling is to be situated.

Section 6. "Declarant" shall mean and refer to Manchester Properties, 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 7. "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 use and enjoyment in and to the Common Area described in Exhibit "B" for recreational and sedimentation control purposes, 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 suspend the voting rights 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;

(b) 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.

(c) 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;

(d) easements as provided in Articles IV hereof.

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. Use Easement Rights. The Declarant hereby

covenants for itself, its heirs and assigns, that it will convey the fee simple title to the Common Area described in Exhibit "B" which actually lies within the borders of Lots 22 thru 32, inclusive to the initial purchasers of Lots 22 thru 32, inclusive, SUBJECT HOWEVER, to a perpetual non-exclusive easement for use of the lake included therein for sedimentation control and recreatorial purposes only. This easement shall run with the land and inure to the benefit of all owners, their heirs, successors and assigns and shall bind the owners of lots 22 thru 32, their heirs, successors and assigns. The owners of lots 22 thru 32 covenant and agree to convey these lots subject to this perpetual easement. However, this easement shall bind the subservient Lots 22 thru 32, regardless of whether the same is conveyed subject to this easement or not; unless such easement is amended, modified or terminated pursuant to the terms of this Declaration.

Section 4. Access Easement Rights. Every owner shall have a non-exclusive right of ingress and egress to the Common area described in Exhibit "B" across Lot 27 over the area designated as "Late Access Easement" as shown on a Map recorded in Book of Maps 1987, Page 125, Wake County Registry. This easement right shall be the exclusive means of access to the Common Area by each owner and each owner recognizes that any other means of access to the Common Area can constitute a trespass over private owners' lots which actually contain the Common Area described in Exhibit "B".

Section 5. Title to Picnic and Park Area. The Declarant hereby covenants for itself, its heirs and assigns, that it will either retain title to or convey fee simple title to the Common Area described in Exhibit "C" to a private utility Company. It is understood by the Declarant and all members of the Association that the property described in Exhibit "C" may be required for use as a sewage drainage field. Until the property described in Exhibit "C" is used as a sewage drainage field, and subject to the further provisions of this paragraph, the Association shall be entitled to use such property for picnic and park purposes. The Association covenants that the Association shall not use such property in any manner inconsistent with its intended use as a sewage drainage field, including but not limited to making any permanent improvements to the property such as paving or construction of any facility which would impair its use as a sewage drainage field.

Section 6. Picnic and Park Area Rights. Every owner shall have a right and easement of use and enjoyment in and to the Common Area described in Exhibit "C" for recreational, picnicking and park purposes, subject to the conditions described in Section 5 above, and to the following:

(a) the right of the Association to suspend the voting rights 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;

(b) 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.

(c) 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;

(d) easements as provided in Articles V and X hereof.

Section 7. Subdivision Entrance Sign and Landscaping Easement. The Declarant hereby covenants for itself, its heirs and assigns, that it will convey the fee simple title to the Common Area described in Exhibit "D" which actually lies within the borders of Lots 10 and 11 shown on map recorded in Book of Maps 1986, Page 1592 Wake County Registry to the initial purchasers of Lots 10 and 11, SUBJECT HOWEVER, to a perpetual easement for use or such area for the installation, reconstruction and maintenance of the Manchester subdivision entrance signs, landscaping and the split rail fences located on lots 10 and 11. This easement shall run with the land and inure to the benefit of all owners, their heirs, successors and assigns and shall bind the owners of lots 10 and 11, their heirs, successors and assigns.

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. No fractional vote shall be allowed.

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 Sub-paragraph (b) below, such additional lands are annexed to the Properties without the assent of Class A members on account of the development of such additional lands by the Declarant, all as provided for in Article VII, Section 2, below, or

(b) December 31, 1992.

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, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, cost 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 assessments 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 and in particular for the acquisition, improvement and maintenance of the Common Areas, including the maintenance, repair and reconstruction of all docks, boating ramps, picnic areas, boating and swimming areas, subdivision entrance areas, sedimentation control and the services and facilities devoted to the use, enjoyment, and maintenance of the Common Areas, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes and public assessments assessed against the Common Areas, the

procurement and maintenance of insurance in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

Section 3. Maximum Annual Assessment. Lots. Until January 1, 1988, the maximum annual assessment shall be Sixty and 00/100 (\$60.00) Dollars per lot.

(a) From and after January 1, 1988; the maximum annual assessment may be increased effective January 1 of each year without a vote of membership by up to ten per cent (10%) of the previous year's maximum annual assessment.

(b) From and after January 1, 1988, the maximum annual assessment may be increased above the increase permitted in Section 3.(a) above by a vote of the members; provided that any such charge shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, 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 limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

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, replacement, or maintenance cost of a capital improvement upon the Common Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Section 3 & 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) 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 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis. Notwithstanding any provision in this Declaration, the Articles of Incorporation and By-Laws to the contrary, no lot shall be subject to the assessment until the first day of the month following the subsection of the lot to the provisions of this Declaration.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots as provided in Section 6 above. The first annual assessment for each lot 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.

Section 8. 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 10 percent per annum. The Association

may bring an action at law against the Owner personally obligated to pay the same, and/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 9. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or tax foreclosure or any proceeding 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 10. 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.

An easement is hereby established over the common areas and facilities for the benefit of applicable governmental agencies, public utility companies and public service agencies

as necessary for setting, removal and maintenance of light fixtures and water facilities, sewer and drainage facilities, fire fighting, garbage collection, emergency and rescue activities and law enforcement activities.

ARTICLE V

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 during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot

Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners.

No amendment which would change or delete any provision herein required by Wake County shall become effective until submitted to and approved by the County; provided, however, if the County fails to approve or disapprove such amendment within thirty (30) days after the same has been submitted to it, such approval shall not be required and this covenant shall be deemed to have been fully complied with. Any amendment must be recorded in the Office of the Register of Deeds of Wake County, North Carolina.

Section 4. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior written approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Areas, and amendment of this Declaration of Covenants, Conditions and Restrictions.

ARTICLE VI
ELECTRICAL SERVICE

Declarant reserves the right to subject the above described property to a contract with Carolina Power and Light Company for the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Carolina Power and Light Company by the owner of each lot within said property.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, has hereunto set its hand and seal this 18 day of May, 1987.

MANCHESTER PROPERTIES, INC.

By: C.L. Benson
President


ATTEST:
[Signature]
Secretary

Corporate Seal

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, J. Kay Barham, a Notary Public, certify that F.L. Robbich, Jr. personally came before me this day and acknowledged that he is Said Secretary of Manchester Properties, 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 Said President, sealed with its corporate seal, and attested by himself as its Said Secretary.

WITNESS my hand and notarial seal this 22nd day of June, 1987.

J. Kay Barham
Notary Public


My commission expires:
3/25/90

LOT OWNERS
WIT: [Signature] (SEAL) [Signature] (SEAL) [Signature] (SEAL)
Ronald L. Carlson Linda K. Carlson
Eugene Zimmerman (SEAL) Jane K. Zimmerman (SEAL)

ROBUCK HOMES, INC.

By: [Signature]



ATTEST:

Clifford W. Thomas
Secretary

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, J. Kay Barkam, a Notary of Wake County and State aforesaid, certify that Clifford W. Thomas personally came before me this day and acknowledged that (s)he is Secretary of ROBUCK HOMES, 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 himself as its Secretary.

WITNESS my hand and notarial seal this 22nd day of June, 1987.

J. Kay Barkam
Notary Public

My commission expires:

3-25-90

CREECH CONSTRUCTION COMPANY

By: [Signature]

ATTEST:

Charlette W. Creech
Secretary

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, J. Kay Barkam, a Notary of Wake County and State aforesaid, certify that Charlette W. Creech personally came before me this day and acknowledged that (s)he is Secretary of CREECH CONSTRUCTION COMPANY, 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 himself as its Secretary.

- | | | |
|------------------------------------|------------------------------------|-------------------------|
| <u>Bob Bailey</u> (SEAL) | <u>Shelia Bailey</u> (SEAL) | WIT: <u>[Signature]</u> |
| <u>Allen C. Tuttle</u> (SEAL) | <u>Maria Tuttle</u> (SEAL) | |
| <u>Lawrence A. Bidwell</u> (SEAL) | <u>Margaret Bidwell</u> (SEAL) | <u>[Signature]</u> |
| <u>Phillip A. Edwards</u> (SEAL) | <u>Janet O. Edwards</u> (SEAL) | <u>[Signature]</u> |
| <u>William E. Lassiter</u> (SEAL) | <u>Annette J. Lassiter</u> (SEAL) | <u>[Signature]</u> |
| <u>Henry Sharp, Jr.</u> (SEAL) | <u>Sonja L. Sharp</u> (SEAL) | <u>[Signature]</u> |
| <u>Richard L. Adams</u> (SEAL) | <u>Martha Adams</u> (SEAL) | |
| <u>Robert C. Bachtel</u> (SEAL) | <u>Debra L. Bachtel</u> (SEAL) | <u>[Signature]</u> |
| <u>David L. Parker</u> (SEAL) | <u>Brenda W. Parker</u> (SEAL) | <u>[Signature]</u> |
| <u>Michael Wayne Carter</u> (SEAL) | <u>Delcia O. Carter</u> (SEAL) | <u>[Signature]</u> |
| <u>Mike Duffie</u> (SEAL) | <u>Sandra S. Duffie</u> (SEAL) | <u>[Signature]</u> |
| <u>Robert Maddin</u> (SEAL) | <u>Nancy J. Kuvila</u> (SEAL) | <u>[Signature]</u> |
| <u>Miane T. Burnette</u> (SEAL) | <u>George A. Burnette</u> (SEAL) | <u>[Signature]</u> |
| <u>William J. Collins</u> (SEAL) | <u>Jeannette G. Collins</u> (SEAL) | <u>[Signature]</u> |
| <u>Gene L. Gray</u> (SEAL) | <u>Gere T. Gray</u> (SEAL) | <u>[Signature]</u> |
| <u>Samuel A. Wood</u> (SEAL) | <u>Linda A. Wood</u> (SEAL) | <u>[Signature]</u> |
| <u>Richard T. Milan</u> (SEAL) | <u>Brenda P. Milan</u> (SEAL) | <u>[Signature]</u> |
| _____ (SEAL) | _____ (SEAL) | |
| _____ (SEAL) | _____ (SEAL) | |

WITNESS my hand and notarial seal this 22nd day of June, 1987.

J. Kay Barham
Notary Public



My commission expires:

3/25/90

COLLINS & GRAY BUILDERS, INC.

By: [Signature]

William J. Collins

ATTEST:

[Signature]
Secretary

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, J. Kay Barham, a Notary of WAKE County and State aforesaid, certify that Steven L. Gray personally came before me this day and acknowledged that he is Secretary of COLLINS & GRAY BUILDERS, 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 himself as its Secretary.

WITNESS my hand and notarial seal this 18th day of May, 1987.

J. Kay Barham
Notary Public



My commission expires:

March 25, 1990

BENCHMARK HOMES CO.

By: Paul Brown
President

ATTEST:

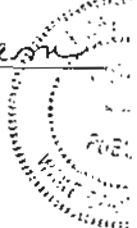
Sharon H. Rosner
Secretary

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, J. Kay Barham, a Notary of Wake County and State aforesaid, certify that Sharon H. Rosner personally came before me this day and acknowledged that (s)he is Secretary BENCHMARK HOMES CO., 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 himself as its Secretary.

WITNESS my hand and notarial seal this 22nd day of June, 1987.

J. Kay Barham
Notary Public



My commission expires:

3-25-90

Laurie B. Baldwin (SEAL)
Laurie B. Baldwin, Witness

Francine Corcoran (SEAL)
Francine Corcoran, Witness

NORTH CAROLINA
WAKE COUNTY

NORTH CAROLINA
WAKE COUNTY

I, J Kay Barham, a Notary Public of Wake
County, North Carolina, certify that Laurie B. Baldwin personally appeared before
me this day and being duly sworn states that in her presence William J. Collins,
Jeanette G. Collins, Steven L. Gray and Gere T. Gray signed the foregoing instrument.

I, J Kay Barham, a Notary Public of Wake
County, North Carolina, certify that Francine Corcoran personally appeared
before me this day and being duly sworn states that in her presence Lawrence
H. Bidwell, Phillip A. Edwards, Janet O. Edwards, William E. Lassiter, Annette
J. Lassiter, Henry Sharo, Jr., Sonja L. Sharo, Robert C. Bachtel, Debra L.
Bachtel, David L. Parker, and Brenda W. Parker signed the foregoing instrument.


WITNESS my hand and notarial seal, this 19th day of August, 1987.

WITNESS my hand and notarial seal, this 19th day of August, 1987.

J Kay Barham
Notary Public



J Kay Barham
Notary Public



My commission expires:

3/25/87

My commission expires:

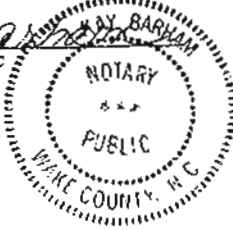
3-25-90

Lawrence H. Bidwell (SEAL)
Lawrence H. Bidwell, Witness

NORTH CAROLINA
WAKE COUNTY

I, J. Kay Barkham, a Notary Public of Wake County, North Carolina, certify that Lawrence H. Bidwell personally appeared before me this day and being duly sworn stated that in his presence Ronald .. Carlson, Linda K. Carlson, Bob Bailey, Sheila Bailey, Margaret Bidwell, Michael Wayne Carter, Delcia O. Carter, Duke Duffie, Sandra S. Duffie, I. Robert Maddin, Nancy J. Kuivila, Diane T. Burnette, George A. Burnette, Samuel A. Veraldi, Linda A. Veraldi, Richard L. Milam, and Brenda P. Milam signed the foregoing instrument.

WITNESS my hand and notarial seal, this 19th day of August, 1987.

J. Kay Barkham
Notary Public


My commission expires:
3/25/90

NORTH CAROLINA - WAKE COUNTY
This going certificate S of J. Kay Barkham
Notary Public is

certified to be correct. This instrument and this certificate are duly registered at the date and time
the book and page shown on the first page hereof.
KENNETH C. WILKINS, Register of Deeds

By P. Anne Redd
Just / Deputy Register of Deeds

Tract 1

Being all of Lots 1 through 10 inclusive and Lots 17 through 21 inclusive, according to map entitled "Manchester Phase I - Part A", dated October 22, 1984, prepared by Kenneth Close, Inc. and recorded in Book of Maps 1984, Page 1820 Wake County Registry.

Tract 2

Being all of Lots 11 through 16 inclusive, according to map entitled "Recombination Plat, Lots 11-16, Manchester, Phase I, Part A", dated January 31, 1985, prepared by Kenneth Close, Inc. and recorded in Book of Maps 1985, Page 207 Wake County Registry.

Tract 3

Being all of Lots 35 through 40 inclusive, according to map entitled "Manchester, Phase II", prepared by Kenneth Close, Inc. and recorded in Book of Maps 1986, Page 766 Wake County Registry.

Tract 4

Being all of Lots 41 through 70 inclusive, according to map entitled "Manchester, Phase III, Lots 40-70", dated July 5, 1985, prepared by Kenneth Close, Inc. and recorded in Book of Maps 1986, Page 631 Wake County Registry.

Tract 5

Being all of Lots 22 through 34 inclusive, according to map entitled "Recombination Map Lots 1, 22-26, Phase I Part A (B.o.M. 1984, Pg.1820), Lots 27-34, Phase II (B.o.M. 1986, Pg. 766) Manchester Subdivision", dated January 1987, prepared by Hobbs & Associates, Registered Land Surveyors and recorded in Book of Maps 1987, Page 125 Wake County Registry.

EXHIBIT A (Sheet 2)

Tract 6

Beginning at a point, the Northeast corner of Lot 34 according to map of Manchester Subdivision, Phase III, recorded in Book of Maps 1986, Page 631 Wake County Registry; thence North 83°45'28" West 552.94 feet to a point; thence North 18°31'22" West 313.75 feet to a point; thence North 69°23'58" East 215.37 feet to a point; thence North 20°50'00" West 5.94 feet to a point; thence in a Northwesterly direction along a curve to the right having a radius of 442.33 feet, an arc distance of 39.21 feet to a point; thence South 69°23'58" West 215.28 feet to a point; thence North 82°56'23" West 150 feet to a point; thence North 07°03'37" East 420.59 feet to a point; thence North 07°27'28" East 57.48 feet to a point; thence North 07°23'17" East 220.71 feet to a point; thence North 07°27'47" East 111.75 feet to a point; thence South 84°06'30" East 20 feet to a point; thence South 84°03'50" East 238.67 feet to a point; thence South 84°06'52" East 155.37 feet to a point; thence South 84°04'58" East 59.85 feet to a point; thence South 84°00'27" East 353.88 feet to a point; thence South 05°22'48" West 106.83 feet to a point; thence South 05°47'44" West 99.83 feet to a point; thence South 04°14'13" West 53.96 feet to a point; thence South 03°54'47" West 24.16 feet to a point; thence South 06°02'38" West 47.95 feet to a point; thence South 05°18'05" West 72.82 feet to a point; thence South 05°21'35" West 147.45 feet to a point; thence North 76°09'10" West 237.55 feet to a point; thence South 05°48'40" West 138.89 feet to a point; thence North 85°14'52" West 239.93 feet to a point; thence in a Southeasterly direction along a curve to the left having a radius of 392.33 feet, a distance of 71.10 feet to a point; thence South 20°50'00" East 278.10 feet to a point; thence in a Southeasterly direction along a curve to the right, having a radius of 359.70 feet, a distance of 53.09 feet to a point; thence North 79°40'04" East 319.84 feet to a point; thence South 05°21'35" West 64.90 feet to a point; thence South 08°00'58" West 140.10 feet to the Point and Place of Beginning, containing 16.5746 acres according to map entitled "Manchester Subdivision, Wake County, Raleigh, N.C., Phase IV", dated August 17, 1987, prepared by John A. Edwards & Company, Consulting Engineers.

EXHIBIT B

Being all of that area within the bounds of Lots 26 through 32 inclusive, lying below the 313.63 foot contour elevation line designated as "Lake Boundary" on map entitled "Recombination Map Lots 1, 22-26, Phase I Part A (B.o.M. 1984, Pg. 1820), Lots 27-34, Phase II (B.o.M. 1986, Pg. 766) Manchester Subdivision", dated January 1987, prepared by Hobbs & Associates, Registered Land Surveyors and recorded in Book of Maps 1987, Page 125 Wake County Registry.

BOOK 4091 PAGE 590

EXHIBIT C

Being all of that certain tract or parcel of land designated as "Future Development Possible Utility Area And Temporary Park" according to map entitled "Recombination Map Lots 1, 22-26, Phase I Part A (B.o.M. 1984, Ph. 1820), Lots 27-34, Phase II (B.o.M. 1986, Pg. 766) Manchester Subdivision", dated January 1987, prepared by Hobbs & Associates, Registered Land Surveyors and recorded in Book of Maps 1987, Page 125 Wake County Registry.

BOOK 4091 PAGE 591

EXHIBIT D

Being that area entitled "Berm" and "Maintenance Easement" containing 0.105 acres over Lot 10 and containing 0.114 acres over Lot 11 shown on map recorded in Book of Maps 1986, Page 1592, Wake County Registry.

PRESENTED FOR REGISTRATION

PREPARED BY + Hall POYNIN & SPURILL, ATTY. P.O. BOX 10096 RALEIGH, NC 27605

NORTH CAROLINA WAKE COUNTY

88 SEP 22 PM 1:30

REGISTERED DEEDS WAKE COUNTY

BK4353FG0060

THIS DECLARATION, made this 15th day of August, 1988, by MANCHESTER PROPERTIES, INC., a North Carolina corporation (hereinafter referred to as "Declarant");

WITNESSETH: That

WHEREAS, MANCHESTER PROPERTIES, INC. executed that certain Declaration of Covenants, Conditions and Restrictions for Manchester dated May 18, 1987 and recorded in Book 4091, Page 564, Wake County Registry (said Declaration being incorporated herein by reference and hereinafter referred to as the "Original Declaration"); and

WHEREAS, the Original Declaration provides substantially that additional land may be annexed to the Declaration.

WHEREAS, Declarant desires to annex said land to the Original Declaration.

NOW, THEREFORE, MANCHESTER PROPERTIES, INC. hereby declares that the hereinafter described property shall be held, sold and conveyed subject to the easements, restrictions, covenants, and conditions contained in the Original Declaration to the same extent as if it had been originally described therein, the description of the said additional land being described on Exhibit "A" attached hereto and made a part hereof.

* * * * *

IN TESTIMONY WHEREOF, MANCHESTER PROPERTIES, INC. has

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caused this instrument to be signed in its corporate name by its President, attested by its Secretary, and its corporate seal to be hereto affixed, all by order of its Board of Directors duly given, the day and year first above written.

MANCHESTER PROPERTIES, INC.

By: [Signature] President

MANCHESTER PROPERTIES, INC. CORPORATE SEAL 1000 NORTH CAROLINA WAKE COUNTY

I, a Notary Public in and for the above County and State do hereby certify that [Signature] personally appeared before me this day and acknowledged that he is Secretary of MANCHESTER PROPERTIES, INC., a corporation, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by himself as its Secretary.

WITNESS my hand and Notarial Seal, this 15th day of September, 1988.

BERNALDINE J. KELLY Notary Public My Commission Expires: 9/5/90

[Signature] Notary Public

NORTH CAROLINA - WAKE COUNTY

The foregoing certificate of Bernaldine J. Kelly

Notary Public is certified to be correct. This instrument and this certificate are duly registered as the date and time and in the book and page shown on the last page hereof.

KENNETH C. WILKINS, Register of Deeds

[Signature] Notary Public

EXHIBIT "A"

Being all of Lots 71-139 according to plat entitled "Manchester Subdivision, Phase V", dated February 25, 1988, prepared by John A. Edwards & Company, Consulting Engineers and recorded in Book of Maps 1988, Page 1299, Wake County Registry.

CONSENT OF MORTGAGEE AND SUBORDINATION

KNOW ALL MEN BY THESE PRESENTS: THAT WHEREAS, the undersigned, CB CONSTRUCTION LOANS,

is the owner and holder of the following described Deed of Trust.


Deed of trust executed by Manchester Properties, Inc. dated April 26, 1988, recorded in Book 4246, Page 102, Wake County Registry, securing Promissory Note payable to CB Construction Loans in the face amount of \$1,250,000.00 and in which Spruillco, Ltd. is named as Trustee;

WHEREAS, the undersigned, CB Construction Loans and Spruillco, Ltd., Trustee, desire by the execution of this instrument to subordinate said Deed of Trust to that certain Declaration of Covenants, Conditions and Restrictions recorded in Book 4091, Page 564, Wake County Registry.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, CB Construction Loans and Spruillco, Ltd., as Trustee in said Deed of Trust, hereby subject and subordinate the above Deed of Trust to the "Declaration of Covenants, Conditions and Restrictions" for Manchester referred to above.

This 15th day of September, 1988.

CB CONSTRUCTION LOANS, a
North Carolina Limited
Partnership

By:  Partner

SPRULLCO, LTD.

By: nt w. w. w.
Vice President

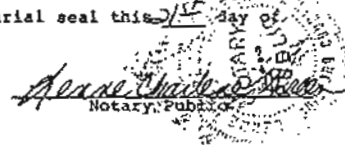


ATTEST:
Charles I. Sprull
Notary Public

NORTH CAROLINA
WAKE COUNTY

Charles I. Sprull, a Notary Public in and for the County and State aforesaid do hereby certify that C. L. Benson, Jr. Partner of CB Construction Loans, a North Carolina Limited Partnership personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

September 21st day of August, 1988. WITNESS my hand and notarial seal this 21st day of August, 1988.



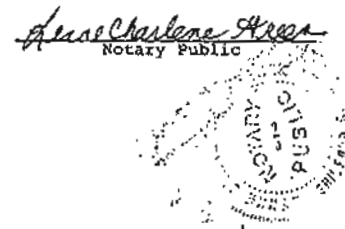
My commission expires:

November 20, 1990

NORTH CAROLINA
WAKE COUNTY

This 21st day of September, 1988, personally came before me, Charles I. Sprull, a Notary Public in and for the said County and State, who being by me duly sworn says that he is the Vice President of Sprullco, Ltd., a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said writing was signed and sealed by him in behalf of said corporation by its authority duly given. And the said Vice President acknowledged the said instrument to be the act and deed of said corporation.

WITNESS my hand and notarial seal this 21st day of September, 1988.



My commission expires:

November 20, 1990

000108
NORTH CAROLINA
WAKE COUNTY

PRESENTED FOR REGISTRATION
80 SEP 22 PM 1:30
REGISTERED
WAKE COUNTY

PREPARED BY
POTNER & SPRULL, ATTY.
P.O. BOX 10096
RALEIGH, NC 27605

THIS DECLARATION, made this 15th day of August, 1988, by MANCHESTER PROPERTIES, INC., a North Carolina Corporation, hereinafter called Declarant;

WITNESSETH:

WHEREAS, the Declarant is the owner of the real property described in Article I of this Declaration and is desirous of subjecting said real property to the protective covenants hereinafter set forth; each and all of which is and are for the benefit of such property and for each owner thereof, and shall insure to the benefit of and pass and run with said property and each and every lot or parcel thereof, and shall apply to and bind the successors in interest and any owner thereof.

NOW, THEREFORE, the Declarant hereby declares that the real property described in and referred to in Article I hereof is and shall be held, transferred, sold and conveyed subject to the protective covenants set forth below.

ARTICLE I

The real property which is and shall be held, transferred, sold and conveyed subject to the protective covenants set forth in Articles of this Declaration is located in the County of Wake, State of North Carolina, and is more particularly described on Exhibit A attached hereto and by this reference made a part hereof.

No property other than that described above shall be deemed subject to the Declaration until specifically made subject hereto.

The Declarant may, from time to time, subject additional real property to the protective covenants and restrictions herein set forth by appropriate reference hereto.

ARTICLE II

The lots described in Article I hereof shall be known and described as residential lots. No building shall be erected, altered, placed or permitted to remain on any residential lot other than one detached single-family dwelling not to exceed two stories in height (exclusive of basement and attic) and a private garage for not more than two cars. However, the Declarant reserves the right to erect and place a temporary sales office on any lot still owned by it and to be used only as a sales office for a period not to exceed four years.

ARTICLE III

All dwellings constructed on lots in this subdivision shall have an enclosed area of the main structure, exclusive of one-story open porches and garages, of a least 1600 square feet for a one-story dwelling, and at least 1800 square feet for a dwelling having more than one story.

ARTICLE IV

No dwelling shall be erected on any lot nearer to the front lot line than 40 feet, nor nearer to the side line than 10 feet; provided, however, that on corner lots the dwelling may face either street and may be located no nearer than 20 feet to one street if the same is at least 40 feet from the other street. For the purpose of this covenant, eaves, steps and open porches shall not be considered as a part of a dwelling, provided, however, that this shall not be construed to permit any portion of a dwelling on a lot to encroach upon another lot.

ARTICLE V

No dwelling shall be erected or placed on any lot having a width less than 75 feet at the minimum building setback line; nor shall any dwelling be erected or placed on any lot having an area of less than 40,000 square feet, except that a dwelling may be erected or placed on all lots as shown on said

recorded plat, regardless of width at the minimum building setback line or area in square feet.

ARTICLE VI

No noxious or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No trade materials or inventories may be stored upon the premises and no trucks, tractors, or inoperable automobiles may be stored or regularly parked on the premises. No business activity or trade of any kind whatsoever, which shall include but not be limited to the use of any residence as a doctor's office or professional office of any kind, a fraternity house, a rooming house, a boarding house, an antique shop or gift shop, shall be carried on upon any lot. Except with the prior approval of Declarant or the Architectural Committee, no communication tower, television tower or satellite dish shall be erected or placed upon any lot.

ARTICLE VII

No trailer (except recreational vehicles and boats which are parked behind the dwelling), tent, shack, or barn shall be erected or placed on any lot covered by these covenants. A storage shed may be permitted at the rear of each lot upon approval of the Architectural Committee after the plans and specifications or a photograph and a plot plan showing the proposed location have been submitted for approval.

ARTICLE VIII

An easement is reserved over the rear 5 feet of each lot and over a strip 5 feet in width along the side lines of each lot for the installment of utilities and drainage facilities.

ARTICLE IX

In the event that the dwelling is constructed nearer to the adjacent lot line than is permitted by these restrictive

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covenants, but not nearer than 5 feet to such line, such violation may be waived by the execution and recording in the Wake County Registry of an instrument in writing signed by the Declarant, and by the owners of the adjacent lot on the side on which the violation occurs. Declarant reserves the right to waive minor violations of the front and side street lot line setback requirements. Violations not in excess of 10% of the minimum shall be deemed minor. Upon the execution and recording of such waiver or waivers, such violations shall not thereafter be deemed existing.

ARTICLE X

No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept, provided that they are not bred or maintained for any commercial purpose.

ARTICLE XI

No lot or portion thereof shall be dedicated or used for a public street without the written consent of the Declarant, its successors or assigns.

ARTICLE XII

No fence, wall, hedge, or mass planting shall be erected or permitted to remain on any lot closer to the front lot line than the front of the dwelling erected on said lot.

ARTICLE XIII

ARCHITECTURAL APPROVAL. No building shall be erected, placed, or altered on any premises in said development until the building plans, specifications and plat showing the location of such buildings have been approved in writing as to conformity and harmony of external design with existing structures in the development, as to location of the building with respect to typography and finished ground elevation, and as to finished living area, by Declarant or by an architectural committee (the

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Architectural Committee) designated and appointed by Declarant or its assigns. In the event Declarant or said committee fails to approve or disapprove such design or location within thirty days after said plans and specifications have been submitted to it or, in any event, if no suit to enjoin the erection of such building or the making of such alterations has been commenced prior to the completion thereof, such approval will not be required and this covenant will be deemed to have been fully complied with. Declarant and members of such committee shall not be entitled to any compensation for services performed pursuant to this covenant.

ARTICLE XIV

Enforcement of these covenants shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violation or to recover damages.

ARTICLE XV

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

ARTICLE XVI

These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten years unless an instrument signed by a majority of the then owners of the lots has been recorded agreeing to change said covenants in full or in part.

ARTICLE XVII

Declarant reserves the right to subject said property to a contract with Carolina Power and Light Company for the

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

IN TESTIMONY WHEREOF, Manchester Properties, Inc. has caused this instrument to be executed in its corporate name by its President, attested by its Secretary and its corporate seal to be hereto affixed, by order of its Board of Directors duly met on the day and year first above written.

MANCHESTER PROPERTIES, INC.

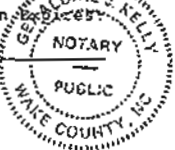
By [Signature] PRESIDENT

STATE OF NORTH CAROLINA
COUNTY OF WAKE

This 21st day of September, 1988, personally came before me, Seraldine J. Kelly, a Notary Public in and for the County and State aforesaid, J. H. Rebeck, Jr., who being by me duly sworn says that he is the President of Manchester Properties, Inc., that the seal affixed to the foregoing instrument in writing is the corporate seal of the Company, and that said writing was signed and sealed by him in behalf of said Corporation, by its authority duly given. And the said J. H. Rebeck, Jr. acknowledged the said writing to be the act and deed of said corporation.

WITNESS my hand and notarial seal, this 21st day of September, 1988.

Seraldine J. Kelly
Notary Public

My Commission Expires 8/5/90


NORTH CAROLINA - WAKE COUNTY

The foregoing certificate of Seraldine J. Kelly

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

REGISTERED IN THE REGISTER OF DEEDS

By [Signature]
Notary Public

EXHIBIT "A"

Being all of Lots 71-109 according to plat entitled "Manchester Subdivision, Phase V", dated February 25, 1988, prepared by John A. Edwards & Company, Consulting Engineers and recorded in Book of Maps 1988, Page 1299, Wake County Registry.