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BOOK 1257 PAGE 452

NORTH CAROLINA
DURHAM COUNTY

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR RAWDON, SECTION
ONE, RECORDED IN PLAT BOOK
109, PAGE 194, DURHAM
COUNTY REGISTRY

THIS DECLARATION, made on the date hereinafter set forth by THE ADAMS-BILT COMPANY, a North Carolina corporation, hereinafter referred to as the "Declarant;"

WITNESSETH: THAT WHEREAS, the Declarant is the owner of certain property lying within the City of Durham, Durham County, North Carolina, which is more particularly described as Rawdon Section One as the same is shown on the map recorded in Plat Book 109, Page 194, Durham County Registry, which tract is more particularly described by metes; and bounds and designated as Tract 1 an Exhibit A attached hereto.

WHEREAS, Declarant will convey the said properties, subject to certain protective covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth;

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

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ARTICLE I

DEFINITIONS

Section 1. "Rawdon Association" shall mean and refer to RAWDON HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "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 Rawdon Association.

Section 3. "Common Area" shall mean all real property, private streets, amenities and private sewage, drainage and water systems located thereon owned by the Rawdon Association for the common use and enjoyment of members of the Rawdon Association.

Section 4. "Lot" shall mean and refer to any plot of land containing a single residence shown upon any recorded map of a portion of the properties with the exception of the Common Area.

Section 5. "Member" shall mean and refer to every person or entity who holds membership in the Rawdon Association.

Section 6. "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 7. "Declarant" shall mean and refer to THE ADAMS-BILT COMPANY, and its successors and assigns to whom the rights of Declarant hereunder are expressly transferred, in whole or in part, and subject to such terms and conditions as the Declarant may impose.

Section 8. "Person" shall mean and refer to any individual, corporation, partnership, association, trustee, or other legal entity.

Section 9. "Building" shall mean and refer to a multi-unit residential structure, constructed or erected on the Property.

Section 10. "Board of Directors" or "Board" means those persons elected or appointed and acting collectively as the Directors of the Rawdon Association, unless a contrary intent is evident.

Section 11. "Common Expenses" shall mean and include:

- (a) All sums lawfully assessed by the Rawdon Association against its members;
- (b) Expenses of administration, maintenance, repair, or replacement of the Common Areas;
- (c) Expenses declared to be common expenses by the provisions of this Declaration or the Bylaws;
- (d) Expenses agreed by the members to be common expenses of the Rawdon Association; and

Section 12. "Amenities" shall mean the facilities constructed, erected or installed on the Common Areas.

Section 13. "Villages Association" shall mean and refer to The Villages of Cornwallis Association, Inc., its successors and assigns.

Section 14. "Villages Declaration" shall mean and refer to that Declaration of Covenants, Conditions and Restrictions for the Villages of Cornwallis recorded in Book 1257, Page 410, Durham County Registry, and all subsequent valid amendments thereto.

Section 15. "Rawdon Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions, and all subsequent valid amendments thereto.

ARTICLE II

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Annexation by Members. Except as provided in §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.

Section 2. Annexation by Declarant. If within 5 years of the date of incorporation of this Association, the Declarant should develop additional lands within the boundaries of the following tract, such additional lands may be annexed to said Properties without the assent of the Class A members: Being all of that 7.912 acres of land designated "Rawdon" as shown on a map recorded in Plat Book 110 Page 27 of the Durham County Registry, which tract is more particularly described by metes and bounds and designated as Tract 2 on Exhibit A attached hereto.

Section 3. Method of Annexation. Annexation of additional Properties shall be accomplished by recording in the Durham County Registry a Declaration of Annexation, duly executed by the Declarant if the Declarant has the right to annex pursuant to Section 2 above (and by the Association if pursuant to Section 1 above), describing the lands annexed and incorporating the provisions of this Declaration, either by reference or by fully setting out said provisions of this Declaration. The additional lands shall be deemed annexed to the Properties on the date of recordation of the Declaration of Annexation, and in the case of an annexation by the Declarant, no action or consent on the part of the Rawdon Association or any other person or entity shall be necessary to accomplish the annexation except the City of Durham if required by its ordinances.

Section 4. Conveyance of common Area Upon Annexation. Subsequent to recordation of the Declaration of Annexation by the Declarant, the Declarant shall deliver to the Rawdon Association one or more deeds conveying any Common Area within the lands annexed as such Common Area is developed, as set forth in Article V, Section 3 of this Declaration.

Section 5. Prohibition of Television Antennae, Satellite Discs and Clotheslines. Television antennae, satellite discs, and outdoor clotheslines are prohibited on the Properties unless approved in writing by the Architectural Committee of the Villages Association.

ARTICLE III

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject to the Rawdon Declaration, including contract sellers, shall be a member of the Rawdon Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership. The Board of Directors may make reasonable rules relating to the proof of ownership of a Lot in this Subdivision.

ARTICLE IV

VOTING RIGHTS

Section 1. Voting Classes. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those Owners as defined in Article III with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article III. When more than one person holds such 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 and no fractional vote may be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each Lot in which he holds the interest required for membership by Article III, provided, that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

(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, 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 II, Section 2 above, or

(b) on December 31, 1990.

Section 2. Suspension of Voting Rights. The right of any Member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations.

ARTICLE V

PROPERTY RIGHTS

Section 1. Members' Easements of Enjoyment.

Every member shall have a right and easement of enjoyment in

and to the Common Area, including the rights of ingress and egress, and such easement shall be appurtenant to and shall pass with the right to every Lot, subject to each of the following provisions:

(a) The right of the Rawdon Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Rawdon Common area and in aid thereof to mortgage the Rawdon Common Area, or any portion thereof, provided the rights of such mortgage in said Properties shall be subordinate to the rights of the owners hereunder.

(b) The right of the Rawdon Association to dedicate or transfer all or any part of the Rawdon Common Area for such purposes and subject to such conditions as may be agreed to by the members of the Board of Directors.

(c) The right of the Rawdon Association to dedicate or transfer all or any part of the Rawdon Common Area for utility, drainage, pedestrian walkway and cablevision easements.

(d) The right of the Rawdon Association, acting through its Board, to exchange Rawdon Common Area, as set forth in Section 9, Article XIII of this Declaration.

(e) The right of the Rawdon Association, to formulate publish and enforce rules and regulations as provided in Article IX.

(f) Actions contemplated under subparagraphs (a), (b), and (d) above shall not be taken until the following two steps are met:

(1) Board members entitled to cast three-fourths (3/4) of all the votes of the Board of Directors have voted for such action at a meeting duly called for said purpose, notice of which was sent to every board member not less than fifteen (15) nor more than thirty (30) days in advance of the meeting.

(2) Owners of Lots owning two-thirds (2/3) of the Lots in Rawdon other than those owned by Declarant have approved the action in writing.

The instrument effecting such dedication, transfer, conveyance or mortgage shall be sufficient if executed by appropriate officers of the Villages Association and contains a recital of the above provisions, and that they have been complied with.

Section 2. Delegation of Use. Any Member may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area to the Members of his family, his tenants, or contract purchasers who reside on the Property and to his guests and invitees.

Section 3. Title to the Common Area. The Declarant hereby covenants for itself its heirs and assigns, that, prior to the conveyance of the first lot, it will convey fee simple title to the Common Area shown on the aforementioned map recorded in Plat Book 109, Page 194,

Durham County Registry, to the Rawdon Association, free and clear of all encumbrances and liens, except utility and drainage easements and easements to governmental authorities. Similarly, the Declarant will convey to the Rawdon Association Common Areas which are parts of Rawdon as those portions are annexed in the future until all Common areas, as shown on plans approved by the City of Durham, have been conveyed to the Rawdon Association.

ARTICLE VI

COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and every other owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Villages Association:

- (a) Annual assessments or charges which are common expenses; and
- (b) Special assessments for capital improvements.

Notwithstanding of any provision therein to the contrary the assessment for each Lot owned by Declarant shall be twenty-five percent (25%) of the assessment which is applicable for a lot titled in a name other than Declarant. Furthermore, any provision of this Declaration to the contrary notwithstanding, the Declarant may, at his election, postpone, in whole or in part, the date on which

the assessment shall commence as to a lot or lots provided the Declarant maintains the common areas for which no assessment is being collected during the period of such postponement.

Such assessments shall be fixed, established, and collected from time to time as hereinafter provided.

The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot and improvements against which each such assessment is made. Each such assessment, together with such interest and costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of the Lot at the time the assessment fell due. The personal obligation of an owner for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. All assessments shall be shared equally by the owners of each Lot, except as otherwise provided in this section.

Section 2. Annual Assessment Comprised of Two Parts, Purposes of Assessments. Each lot owner in Rawdon shall pay an annual assessment comprised of two parts: (1) an assessment for Rawdon (hereinafter referred to as the "subdivision portion") and (2) an assessment for the Villages Association (hereinafter referred to as the "Villages portion"). The Villages portion is determined as set forth in Article VI of the Village Declaration. The

subdivision portion is determined by the Rawdon Association as set forth in this Article, subject to the review of the Villages Association as set forth in Section 2 of Article VI of the Villages Declaration. Both the Villages portion and the subdivision portion are levied and collected jointly as one annual assessment by the Villages Association. The subdivision portion of the annual assessment shall be used exclusively for promoting the recreation, health, safety, and welfare of the residents of Rawdon; enforcing these covenants and the rules of the Rawdon Association; improving and maintaining the Common Area lying within Rawdon, including private streets; and paying all common expenses.

Section 3. Amount of Subdivision Portion of Annual Assessment.

(a) Initial Subdivision Portion. To and including December 31, 1985, the subdivision portion of the initial annual assessment shall not be in excess of \$120.00 per Lot, the exact amount of which shall be determined from time to time as provided in Subsection (d) of this Section 3.

(b) Increase by Rawdon Association. From and after December 31, 1985, the subdivision portion of the annual assessment effective for any year may be increased from and after January 1 of the succeeding year by the Board of Directors, without a vote of the membership, to an amount which may not exceed the original assessment (or revised assessment determined pursuant to subparagraph (c)

below) plus seven (7%) percent of said assessment per year since 1985 or the year the revised assessment was established, whichever is later. This shall be subject to review and changes by the Board of Directors of the Village Association as set forth in Section 2, Article VI of the Villages Declaration.

(c) Increase by members. From and after December 31, 1985, the subdivision portion of the annual assessment may be increased by a percentage greater than permitted by this Article by an affirmative vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for such purpose, written notice of which, setting forth the purpose of the meeting, shall be sent to all members not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting. The limitations herein set forth shall not apply to an increase in assessments undertaken as an incident to a merger or consolidation in which the Rawdon Association is authorized to participate under its Articles of Incorporation.

(d) Criteria for Establishing Subdivision Portion of Annual Assessment. The Rawdon Association is required to set the subdivision portion high enough to enable the Rawdon Association to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the common areas. The fund shall be maintained out of the subdivision portion of annual assessments for common expenses as provided for in this

article. In establishing the subdivision portion of annual assessment for any assessment year, the board of directors shall set the subdivision portion of the annual assessment high enough to cover all current costs and expenses of the Rawdon Association, any accrued debts, and reserves for future needs.

(e) Decrease of Subdivision Portion. The Board of Directors may decrease the subdivision portion of the annual assessment from time to time if in its opinion such decrease is prudent, subject to the review of the Board of Directors of the Village Association as set forth in Section 2, Article VI of the Villages Declaration.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Villages Association, as set forth in Section 5(b) of Article VI of the Villages Declaration, 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 costs of construction or reconstruction, unexpected repair, or replacement of a described capital improvement upon the common area, including the necessary fixtures and personal property related thereto. In addition to the above procedure the Board of Directors of the Rawdon Association may direct the Villages Association to levy a special assessment for the above stated purpose, provided that any such assessment proposed by the Rawdon Association 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, setting forth the purpose of the meeting, shall be sent to all members not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting. The amount of the proposed assessment need not be stated.

Section 5. Uniform Rate of Assessment. Both the subdivision portion of the annual assessment and special assessments must be fixed at a uniform rate for all Lots, on a per Lot basis, and may be collected on a monthly basis or less frequently.

Section 6. Quorum for Any Action Authorized Under Sections 3 and 4. At the first meeting called, as provided in Section 3 and 4 of this Article, the presence at the meeting 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 forthcoming at any meeting, subsequent meetings may be called, subject to the notice requirement set forth in sections 3 and 4 and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the next preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the next preceding meeting.

Section 7. Date of Commencement of Annual Assessments: Due Dates: Effect of Non-Payment of

Assessments: Remedies of the Villages Association. The Date of Commencement of annual assessments and Effect of Non-Payment are set forth in Section 6 and 7 respectively of Article VI of the Villages Declaration. (Failure to pay assessments could result in a lawsuit, and a lien being placed on a Lot).

Section 8. Subordination of Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. A sale or any transfer of any Lot shall not affect the assessment liens; provided, however, that the sale or transfer of any Lot pursuant to foreclosure of a first mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from the liability for any assessment thereafter becoming due or from the lien thereof.

Section 9. Two Months Assessments to be Collected at Closing. At the closing of each sale of a Lot, a sum shall be collected equal to the total assessment for such Lot for the succeeding two months and such sum shall be contributed to the accounts of the Villages Association to be used in the manner specified for annual assessments. This contribution shall not be considered an advance against assessments to become due or a refundable deposit.

Section 10. Management of Funds. All funds collected through assessments shall be managed by the

Villages Association subject to the provisions of this Declaration and the Villages Declaration. Disbursement of funds collected from the subdivision portion paid by Lot owners in Rawdon shall be as directed by the Rawdon Association Board.

ARTICLE VII

MAINTENANCE OF PROPERTIES

Section 1. Maintenance of Common Areas

Maintenance of Common Areas, including private streets, located within Rawdon shall be supervised by the Rawdon Association. Funds for such maintenance shall be supplied from the subdivision portion of the annual assesment.

Section 2. Maintenance of Lots.

If in the opinion of the Board, an owner fails to maintain his property in a neat and orderly condition or otherwise neglects his property and allows unsightly conditions to develop, the Board, after 30 days written notice to the owner, may, but is not obligated to, take steps to remedy the problem. Such remedy may include, but shall not be limited to; the removal of debris or junked cars, the mowing of grass or cutting of brush and the painting or repair of structures located on the property. The Board may bill such owner for all expenses incurred in correcting the problem. Every owner by acceptance of a deed covenants to pay said bill. Failure to pay said bill shall

allow the Board to file a lien against said property and enforce said lien by action at law.

ARTICLE VIII

ARCHITECTURAL CONTROL & INSPECTION

Except for initial improvements by Declarant, no construction, erection, or installation of any improvements, including, but not limited to, residences, outbuildings, fences, walls, screens (whether by plants or structures) and other structures, shall be undertaken upon the Properties unless the plans and specifications therefor, showing the nature, kind, shape, height, materials and location of the proposed improvements shall have been submitted to the Declarant or its agent and expressly approved in writing. No subsequent alteration or modification of any existing improvements nor construction, erection, or installation of additional improvements may be undertaken on any of the Properties without prior review and express written approval of the Board of Directors of the Villages Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board of the Villages Association.

In general, no exterior alterations or additions to buildings or garages shall be considered for approval unless such alterations or additions are in harmony with existing structures, as to style, shape, color and size. However, this section shall not be construed to mean that the Architectural committee or Board shall have to approve a

proposed alteration or addition that meets the above criteria.

In general, the construction or painting of fences, walls, screens, and other structures will not be permitted if in the opinion of the Declarant, Board, or Architectural Committee, as applicable, such construction or planting constitutes an unreasonable obstruction of the view of another owner.

Generally, approval or disapproval should be issued within thirty days. In the event that the Declarant or the Villages Association, as the case may be, fails to approve or disapprove the site of design of any proposed improvements within sixty (60) days after plans and specifications therefore have been submitted and received, approval will not be required, and the requirements of this Article will be deemed to have been fully met; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Declarant or the Villages Association if they contain erroneous data or fail to present adequate information upon which the Declarant or the Villages Association, as the case may be, can arrive at a decision.

The Declarant and/or the Villages Association (as applicable) shall have the right, at its election, but shall not be required, to enter upon any of the Properties during site preparation or construction, erection, or installation of improvements to inspect the work being undertaken and to

determine that such work is being performed in conformity with the approved plans and specifications and in a good and workmanlike manner, utilizing approved methods and good quality materials.

ARTICLE IX

RULES AND REGULATIONS

The Board of Directors of the Rawdon Association shall have the power to formulate, amend, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the common area lying within Rawdon. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a Book of Resolution which shall be maintained in a place convenient to the owners and available to them for inspection during normal business hours. Parking of all vehicles of any type on the Properties, including common areas, are regulated by the Villages Association pursuant to §3 of Article VII of the Villages Declaration.

ARTICLE X

RESTRICTIVE COVENANTS

Section 1. Lot Size. A Lot shall have a width at the minimum building set back line and an area, that meets the minimum requirements of the Durham City Code. No recombination of Lots shall increase the number of Lots above the number existing before recombination, except as hereinafter set forth.

Section 2. Land Use. No Lot shall be used except for residential purposes; provided, however, that nothing herein shall prevent the conversion of portions of Lots to public or private streets. No building shall be erected, altered, placed or permitted to remain on any Lot other than one detached single-family dwelling or one attached duplex dwelling not to exceed three stories in height, not more than two private garages, and outbuildings incidental to residential use.

Section 3. Dwelling. No dwelling shall be permitted on any Lot which has a finished and heated living area of the main structure, exclusive of one-story open porches and garages, of less than 1000 square feet for a single-family dwelling or of less than 700 square feet for a unit of a duplex dwelling.

Section 4. Building Location. No building shall be located nearer than 30 feet to any front Lot line or nearer than 20 feet to any side street line. For the purpose of this covenant, eaves, steps and open porches shall not be construed as a part of the building.

Section 5. Easements. Easements for installation and maintenance of utilities and drainage facilities are

reserved over the rear ten feet of each lot. In the event that the owner of any Lot shall acquire land adjacent to and in the rear of such Lot, such Lot owner may relocate the easement herein established over the rear line to conform to the increase in the size of his Lot, provided that alteration in drainage does not thereby adversely affect the drainage of any other Lot or interfere with the rights of the owners of other property within this subdivision to services rendered by the easement herein created. Such relocated easement shall be the same width as the original easement.

Section 6. Easement for Encroachments. All Lots shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots to the extent that such initial improvements actually encroach, including, without limitation, such items as portions of the living area of the adjacent duplex dwelling, overhanging eaves, gutters, downspouts, exterior storage rooms and walls. If any encroachment shall occur subsequent to subjecting the property to this declaration as a result of settling or shifting of any building or as a result of any permissible repair, construction, reconstruction, or alteration, there is hereby created and shall be a valid easement for such encroachment and for the maintenance of the same.

Section 7. Burden of Support. Every portion of a duplex dwelling unit which contributes to the structural

support of the duplex dwelling shall be burdened with an easement of structural support for the benefit of the other duplex dwelling unit within the same duplex dwelling.

Section 8. Party Wall. Each wall which is built as a part of the original construction along the property line dividing two Lots shall constitute a party wall, and to the extent not inconsistent with other provisions of this instrument, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. The costs 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. 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 adjacent owner thereafter makes use of the wall, such adjacent owner shall contribute to the cost of the restoration thereof in proportion to such use, without prejudice, however, to the right of either owner to call for a larger contribution from the adjacent owner under any rule of law regarding liability for negligence or willful acts or omissions. Notwithstanding any other provision of this paragraph, an owner who by his negligence 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.

If any Lot owner desires to sell his Lot, he may, in order to assure a prospective purchaser that no adjoining

Lot owner has a right of contribution as provided herein, request of the adjoining Lot owner a certification that no right of contribution exists, whereupon it shall be the duty of such adjoining Lot owner to make such certification immediately upon request and without charge, provided, however, that when the adjoining Lot owner claims a right of contribution, the certificate shall contain a statement of the amount claimed. Each such request for certification shall be made in writing, addressed to the owner of the adjoining Lot, and delivered by certified mail, return receipt requested. If the certification is requested in the forgoing manner, but no such certification is received by the requesting Lot owner, or by a party to which the requesting Lot owner has designated in the request that the certification be sent, within 10 days after the request is delivered, then such adjoining Lot owner shall have waived his right to contribute and no certification shall be required.

Every owner shall have an easement and right of entry upon the Lot of any other owner to the extent reasonably necessary to perform repair, maintenance, or reconstruction of a party wall. Such repair, maintenance, or reconstruction shall be done expeditiously, and, upon completion of the work, the owner shall restore such other owner's Lot to as near the same condition as that which prevailed immediately prior to commencement of the work as is reasonably practicable.

Section 9. Change in Roof or Color of Exterior.

The owner of a Lot shall not change the color of the exterior walls of his duplex dwelling unit or the color of his roofing without the written consent of the owner of the adjacent Lot which is a part of the same building unit; nor shall the owner of any such lot change the finish of the exterior wall of his duplex dwelling unit from stain to paint or from paint to stain without the written consent of the owner of the adjacent Lot which is a part of the same building unit.

Section 10. Temporary Structure. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently.

Section 11. Animals. 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 kept, bred or maintained for any commercial purpose.

Section 12. Utility Yard. Garbage cans and clothes lines shall be kept in a screened utility yard and not visible from the street or an adjacent Lot.

Section 13. Mail Box Posts. All mail box support posts shall be of material and design as initially approved by Declarant.

Section 14. Signs. No sign of any kind, except an owner and street number identification, shall be displayed to the public's view on any Lot except one professional sign of not more than 5 square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sale period.

ARTICLE XI

RIGHTS OF FIRST MORTGAGEES AND INSURERS OF FIRST MORTGAGES

Any institutional holder of a first mortgage on a Lot will, upon request in writing to the Rawdon Association, be entitled to (a) inspect the books and records of the Rawdon Association during normal business hours, (b) receive written notice of all meetings of the Association and the right to designate a representative to attend all such meetings (c) receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the Lot securing its mortgage, (d) receive written notice of any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Lot on which it holds the mortgage, (e) receive written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Rawdon Association, (f) receive written notice of any proposed action that requires the consent of a specified percentage of mortgage holders, and (i) be furnished with a copy of any insurance policy owned by the Rawdon

Association. The Rawdon Association may require the payment of expenses incurred in preparing copies and mailing of documents furnished to first mortgage holders pursuant to this Article.

ARTICLE XII

PAYMENT OF TAXES AND ASSESSMENTS ON
COMMON AREA, LIEN IN THE EVENT OF
NON-PAYMENT

The Board of Directors of the Rawdon Association shall provide for the payment of any taxes or assessments levied on the common area by the City of Durham or other governmental authority. Said payments shall be paid by the Villages Association as Common Expenses from the subdivision portion of the annual assessment. In the event the Rawdon Association defaults in the payment of such taxes and assessments, which default shall continue for a period of at least six (6) months, the taxing or assessing governmental authority shall be vested with a lien on each individual Lot which has been made subject to this Declaration in an amount determined by dividing the total taxes and assessments due the governmental authority by the total number of Lots which have been made subject to this Declaration. Such liens may be foreclosed by the governmental authority in the same manner as provided for foreclosure of liens for ad valorem taxes and assessments for public improvements.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Enforcement. The Rawdon Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenant, reservations, liens, and charters now or hereafter imposed by the provisions of this Declaration. Failure by the Rawdon 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. Insurance. The Board of Directors of the Rawdon Association shall obtain casualty and liability insurance coverage on the Common Area in such amounts as the Board deems appropriate. Premiums upon insurance policies purchased by the Board of Directors shall be paid by the Villages Association as a Common Expense from the subdivision portion of the annual assessment.

The Board may secure Officers and Directors insurance in such amounts as the Board deems appropriate. Premiums shall be paid by the Villages Association as a Common Expense from the subdivision portion of the annual assessment.

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

Section 4. FHA/VA Approval. Notwithstanding any provisions in this instrument to the contrary, as long as there is a Class B membership, and if Declarant desires to qualify sections of this subdivision for Federal Housing Administration or Veterans Administration approval (but not otherwise), the following actions will require the prior approval of Federal Housing Administration or the Veterans Administration: Annexation of additional properties, amendment of this Declaration of Covenants, Conditions and Restrictions, merger and consolidations, dissolution and exchange of common areas.

Section 5. Amendment. The covenants, conditions and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for an unlimited number of successive periods of ten (10) years each. This Declaration may be amended by an instrument signed by the owners of not less than sixty six and two thirds percent (66 2/3%) of the Lots that have been made subject to this Declaration.

Furthermore, the Declarant, for so long as it controls the Board, and thereafter, the Board of Directors, may amend this Declaration without the consent of the owners and hereby reserves the right to act on behalf of the owners to conform this Declaration to the requirements of any law or governmental agency having legal jurisdiction over the Property or to qualify the Property or any units therein for

mortgage or improvement loans made, guaranteed or insured by a governmental agency, including, without limitation, Veterans Administration, Federal Housing Administration, Federal National Mortgage Association, Housing and Urban Development and Federal Home Loan Mortgage Corporation, or to comply with the requirements of law or regulations of any governmental corporation or agency regarding purchase of mortgage interests in units by such agency. A letter from any such agency stating that a change is desired or necessary in order to qualify the Property or any units for loans eligible to be guaranteed by, insured by or purchased by such agency, shall be sufficient authority for the amendment of this Declaration.

Such amendment shall be executed in the name of the Association by the President (or Vice-President) and by the Secretary (or Assistant Secretary) of the Association and recorded in the Office of the Register of Deeds of Durham County.

Section 6. Certification of Amendment. If any amendment to these covenants, conditions and restrictions is executed, each such amendment shall be delivered to the Board of Directors of the Rawdon Association. Thereupon, the Board of Directors, shall, within thirty (30) days do the following:

(a) Reasonably assure itself that the amendment has been executed by the Owners of the required number of Lots. (For this purpose, the Board may rely on its roster

of members and shall not be required to cause any title to any Lot to be examined);

(b) Attach to the amendment a certification as to its validity, which certification shall be executed by the Rawdon Association in the same manner that deeds are executed. The following form of certification is suggested:

CERTIFICATION OF VALIDITY OF AMENDMENT TO COVENANTS,
CONDITIONS AND RESTRICTIONS OF RAWDON

By authority of its Board of Directors, Rawdon Homeowners Association hereby certifies that the foregoing instrument has been duly executed by the Owners of _____ percent of the Lots of Rawdon and is, therefore, a valid amendment to the existing covenants, conditions and restrictions of Rawdon.

RAWDON HOMEOWNERS
ASSOCIATION, INC.

BY: _____
President

ATTEST:

Secretary

(c) Immediately, and within the thirty (30) day period aforesaid, cause the amendment to be recorded in Durham County Registry.

All amendments shall be effective from the date of recordation in the Durham County Registry, provided, however, that no such amendment shall be valid until it has been indexed in the name of the Rawdon Association. When

any instrument purporting to amend the covenants, conditions and restrictions has been certified by the Board of Directors, recorded and indexed as provided by this Section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to all persons thereafter purchasing any Lots in Rawdon.

Notwithstanding the foregoing, an amendment which requires the approval of the City Attorney of Durham shall not be effective until approved by said attorney.

Section 7. Restrictions Against Association

Entering Into Contracts. The Rawdon Association shall not enter into contracts of any type until they have been reviewed and approved by the Board of Directors of the Villages Association. Furthermore, the Rawdon Association, shall not enter into contracts or leases (including a management contract) either directly or indirectly unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time upon not more than 30 days notice to the other party thereto.

Section 8. Providing for Traffic Flow. It shall be the responsibility of the Rawdon Association to maintain uninterrupted traffic flow along all private streets within the Properties. If it is necessary for "no parking" signs, street lights or other necessary traffic aids to be erected

in order to accomplish this, this shall be done at the expense of the Rawdon Association as a common expense.

Section 9. Exchange of Common Area. With approval as set forth in Section 1(f) of Article V of this Declaration, the Rawdon Association, acting through its Board, from time to time may exchange with Declarant or any member a portion of the Common Area for a portion of the real property owned by such member within Rawdon Subdivision, provided that the real proeprty acquired by the Association in the Exchange; (a) is free and clear of all encumbrances except the Rawdon and Village Declaration, and easements for drainage, utilities, and sewers; (b) is contiguous to other portions of the Common area; and (c) has approximately the same area and utility as the portion of the Common Area exchanged. The real property so acquired by the Association shall be a part of the Common Area, and, without further act of the Rawdon Association or membership, shall be released from any provisions of the Rawdon Declaration except those applicable to the Common area. The portion of the Common Area so acquired by Declarant or a member, without further act of the Rawdon Association or membership, shall cease to be Common Area and shall be subject to those provisions of the Rawdon Declaration that were applicable to the real property conveyed to the Rawdon Assocation by the member.

Section 10. Garbage Collection. All garbage collection services shall be hand refuse collection provided by the City of Durham.

Section 11. Intervention of Villages Association. If, in the opinion of the Board of the Villages Association, the Board of the Rawdon Association fails to perform any of its duties as set forth in this Declaration, the Board of the Villages Association, may, but is not obligated to, assert control and perform said duties, until the Rawdon Board, in the opinion of the Villages Board, is ready to perform and properly execute its responsibilities.

Section 12. Conflict of Declarations. In the event of a conflict between the provisions of this Declaration and the Villages Declaration, the provisions of the Villages Declaration shall take precedence and be controlling.

ARTICLE XIV

EASEMENTS

Section 1. Walks, Drives, Parking Areas and Utilities. All of the Property, including Lots and Common area, shall be subject to such easements for private streets, driveways, walkways, parking areas, water lines, irrigation systems, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television antenna lines, cable television and other public utilities as shall be established prior to subjecting the Property to this Declaration by the Declarant, and the

Rawdon
/Association shall have the power and authority to grant and to establish in, over, upon, and across the common Area conveyed to it such further easements as are requisite for the convenient use and enjoyment of the Property.

The Declarant reserves the right to subject the real property covered by this Declaration to a contract with a 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 the power and light company by the owner of each Lot.

Section 2. Easements Appurtenant to Lots. All Common Area, including private streets, shall be subject to an easement in favor of every Lot to which they are adjacent or which they are designated to serve and shall be deemed appurtenant to each such Lot, whereby the owner of each such Lot shall be entitled to use them as a means of ingress, egress and regress and such other uses as shall have been designated. Such easement shall be superior to the lien of every mortgage or deed of trust.

Section 3. Emergencies. Every Lot shall be subject to an easement for entry by the Rawdon Association for the purpose of correcting, repairing, or alleviating any emergency condition which arises upon any Lot and that endangers any building or portion of the Common Area.

Section 4. Easement for Governmental Agencies.
An easement is hereby established over the Common Area for

the benefit of applicable governmental agencies, public utility companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical, telephone, gas and cable antenna lines, fire fighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this instrument this the 14th day of January, 1986.

THE ADAMS-BILT COMPANY

BY: [Signature]
President

ATTEST:
Alice Q. Hutchins
Assistant Secretary



NORTH CAROLINA
WAKE COUNTY

I, the undersigned, a Notary Public in and for said State and County, do hereby certify that Alice Q. Hutchins personally appeared before me this day and acknowledged that she is Ass't. Secretary of THE ADAMS-BILT COMPANY, a 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 herself as its Ass't. Secretary.

WITNESS my hand and notarial seal this the 14th day of January, 1986.

Kaye M. Horton
Notary Public

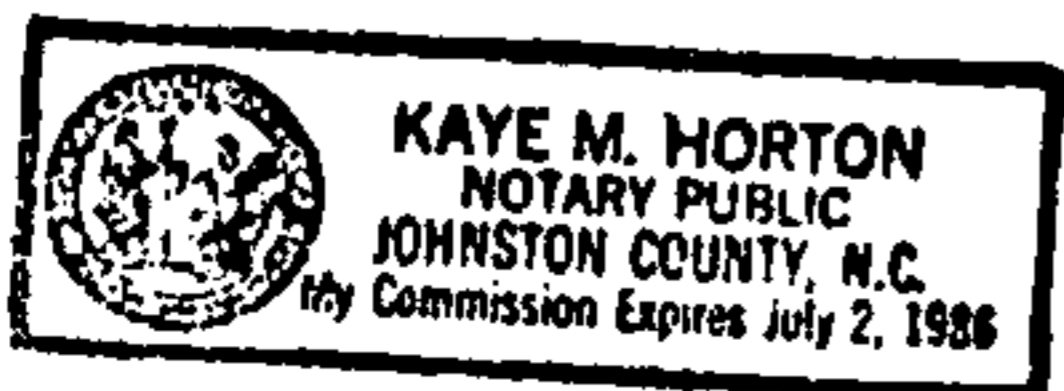
My Commission Expires:

7-2-86

sal/dhb2

FILED
BOOK 1257 PAGE 452-492

JAN 21 2 20 PM '86



RUTH C. GARRETT
REGISTER OF DEEDS
DURHAM COUNTY, NC

State of North Carolina - Durham County
The foregoing certificate(s) of Kaye M. Norton
Notary (Notaries) Public of the Designated Governments
this is (are) certified to be correct.
This the 21st day of April, A.D. 1986
Ruth C. Garrett [Signature]
Register of Deeds By: Assistant, Deputy
Register of Deeds

BOOK 1257 PAGE 491

Exhibit "A"

TRACT 1: Rawdon Phase I

BEGINNING at an iron pipe in the eastern line of property now or formerly belonging to Marvin O. Roberts, said pipe being South 00° 00' 21" East 585.56 feet from where the centerline of the 50 foot Public Service Company of North Carolina Gas line easement intersects the property now or formerly belonging to Mary Spencer as shown on a map recorded in Plat Book 107, Page 57, of the Durham County Registry; thence from said point of beginning South 81° 29' 21" East 153.58 feet to an iron pipe in the western line of the 40 foot right-of-way of Rawdon Drive; thence with the western line of the 40 foot right-of-way of Rawdon Drive, along a curve bending to the right with a radius of 295.98 feet, a curve distance of 121.80 feet to a point; thence crossing Rawdon Drive, South 57° 54' 51" East 40 feet to a point in the eastern line of the 40 foot right-of-way of Rawdon Drive; thence with the eastern line of the 40 foot right-of-way of Rawdon Drive North 32° 05' 09" East 16.50 feet to an iron pipe; thence South 56° 42' 55" East 154.61 feet to an iron pipe; thence South 07° 50' 24" East 45 feet to an iron pipe; thence South 78° 02' 53" East 81.63 feet to an iron pipe in the western line of the 60 foot right-of-way of Yorktown Avenue; thence with the western line of the 60 foot right-of-way of Yorktown Avenue on a curve bending to the left with a radius of 2,114.07 feet, a curve distance of 118.39 feet to a point; thence continuing with the eastern line of the 60 foot right-of-way of Yorktown Avenue the following courses and distances, South 10° 05' 09" West 7.5 feet, South 10° 05' 09" West 108.00 feet, South 10° 05' 09" West 80.5 feet to an iron pipe; thence leaving Yorktown Avenue North 70° 42' 04" West 166.67 feet to an existing iron pipe in the eastern line of the 40 foot right-of-way of Rawdon Drive; thence crossing Rawdon Drive South 75° 05' 09" West 40 feet to a point in the western line of the 40 foot right-of-way of Rawdon Drive; with the western line of the 40 foot right-of-way of Rawdon Drive North 14° 54' 51" West 193.09 feet to a point; thence continuing with the western line of the 40 foot right-of-way of Rawdon Drive along a curve bending to the right with a radius of 295.98 feet, a curve distance of 44 feet to an iron pipe; thence leaving Rawdon Drive South 83° 36' 16" West 151.40 feet to an iron pipe in the eastern line of property now or formerly belonging to Marvin O. Roberts; thence with the eastern line of Marvin O. Roberts North 00° 00' 21" West 116.36 feet to the point and place of beginning and being all of Rawdon Phase I as shown on a map recorded in Plat Book 109, Page 194, of the Durham County Registry.

Exhibit "A"

TRACT 2: 7.912 Acres a "Portion of Rawdon" Plat Book 110 Page 27
Durham County Registry.

BEGINNING at an iron pipe set in the eastern line of property now or formerly belonging to Mary Spencer, said pipe also marking the center line of a 50 foot easement for the Public Service Company of North Carolina Gas Line; thence with the center of said easement South 55° 36' East 664.57 feet to an iron pipe in the western line of the 60 foot right-of-way of Yorktown Avenue; thence with the western line of the 60 foot right-of-way of Yorktown Avenue on a curve bending to the left with a radius of 2,114.07 feet, a curve distance of 406.72 feet to a point; thence continuing with the western line of the 60 foot right-of-way of Yorktown Avenue South 10° 05' 09" West 196.00 feet to an iron pipe; thence leaving Yorktown Avenue, North 70° 42' 04" West 166.67 feet to a point; thence South 75° 05' 09" West 40 feet to a point; thence North 14° 54' 51" West 82.5 feet to a point; thence South 75° 05' 09" West 115 feet to a point; thence North 48° 15' 28" West 102.45 feet to an iron pipe in the eastern line of property now or formerly belonging to Marvin O. Roberts; thence with the eastern line of Roberts and Spencer North 00° 00' 21" West 796.43 feet to a point and place of beginning and being "A Portion of Rawdon" containing 7.912 acres as shown on a map recorded in Plat Book 110 Page 27, of the Durham County Registry.