

H. D. Stone
Rt. 5 Box 364 BOOK 3666 PAGE 254
Dunn, NC 28334

PRESENTED
FOR
REGISTRATION

FEB 27 4 14 PM '86

KENNETH C. WILKINS
REGISTER OF DEEDS
WAKE COUNTY

Prepared By: Hunton & Williams

NORTH CAROLINA

WAKE COUNTY

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
VICTORIA PLACE SUBDIVISION

THIS DECLARATION, made this 27 day of February,
1986 by Stone Builders, a North Carolina General Partnership,
hereinafter referred to as the "Declarant";

WITNESSETH:

WHEREAS, the Declarant is the owner of certain property
in Raleigh Township, Wake County, North Carolina, which is more
particularly described on Exhibit A attached hereto and by this
reference incorporated herein; and

WHEREAS, Declarant will develop the Property in three
phases, as provided herein, the description of the first phase
(Phase I) being attached hereto as Exhibit B, and by this
reference incorporated herein; and

WHEREAS, Declarant will convey all of said property,
subject to certain protective covenants, conditions,
restrictions, liens and charges as hereinafter set forth;

NOW, THEREFORE, the Declarant hereby declares that all
of the property 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

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enhancing and protecting the value, desirability and attractiveness of the real property. These easements, restrictions, covenants, 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 property or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Victoria Place Homeowners Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 2. "Board of Directors" or "Board" means those persons elected or appointed and acting collectively as the Directors of the Association.

Section 3. "Building" shall mean and refer to a home and associated garage constructed or erected on a lot shown on a recorded map of the Property.

Section 4. "Bylaws" means the bylaws of the Association as they now or may hereafter exist.

Section 5. "Home" shall mean and refer to a detached, free-standing dwelling or place of residence and attached or detached garage constructed upon a lot within the property.

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Section 6. "Common area" shall mean and refer to all land within the Property owned by the Association, along with facilities and improvements erected or constructed thereon, for the exclusive use and enjoyment of the members of the Association as shown on the map of Phase I recorded in Map book 1986, page 362 and to be shown on future recorded maps of Phases II and III, as hereinafter provided. In addition, all streets, all water lines located outside public rights-of-way and individual lots, and all sewer lines located outside public rights-of-way, public sanitary sewer easements and individual lots, which water or sewer lines serve the property described on Exhibit A are declared to be common area. Said common area shall be maintained by the Association.

Section 7. "Common expenses" shall mean and include:

- (a) All sums lawfully assessed by the 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) Liability or such other insurance premiums as the code of the City of Raleigh, the Declaration or Bylaws may require the Association to purchase;
- (e) Expenses agreed by the members to be common expenses of the Association.
- (f) Any ad valorem taxes and public assessments levied against the Common Area.

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Section 8. "Common profits" shall mean and refer to the balance of all income, rents, profits and revenues of the Association remaining after the deduction of the common expenses or reserves therefor. Common profits shall not mean or include any sums lawfully assessed against members by the Association.

Section 9. "Declarant" shall mean and refer to Stone Builders, a North Carolina General Partnership, its successors and assigns to whom the rights of Declarant are expressly transferred, or if such successors or assigns should acquire more than one undeveloped lot or undeveloped acreage for the purpose of development, or acquire title to the property under a deed in lieu of foreclosure, judicial foreclosure, or foreclosure under power of sale contained in any deed of trust or one otherwise denominated a "Declarant" hereby.

Section 10. "Lot" shall mean and refer to any plot of land, other than the common area, shown on a recorded subdivision map of the Property and upon which a home has been or may be constructed.

Section 11. "Member" shall mean and refer to every person who is a member of the Association.

Section 12. "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 Property, including

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contract sellers, but excluding those who have such interests merely as security for the performance of an obligation.

Section 13. "Person" shall mean and refer to any individual, corporation, partnership, association, trustee or other legal entity.

Section 14. "Property" shall mean and refer to that certain real property described on Exhibit A. "Phase I" shall mean and refer to that portion of the Property described on Exhibit B.

ARTICLE II

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Additional portions of the Property described on Exhibit A, including common area, may be annexed or "phased" into the subdivision as herein provided. Such additions shall thereupon be merged with Phase I, and shall continue to be subject to the provisions of this Declaration and to the Articles of Incorporation and Bylaws of the Association.

Section 2. Such annexation or "phasing" of the remainder of the Property into the subdivision shall be accomplished within three (3) years of the date of recordation of the Declaration. The total number of lots within all phases of the Property shall not exceed 92, and all such shall be within the description attached hereto as Exhibit A.

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Section 3. All future annexations or phase additions shall be made in conformity of Section 10-3071(b)(8)(G) of the Code of the City of Raleigh, shall be a minimum of 5 acres in size, shall be contiguous with existing phases, and shall be approved by the appropriate City authorities.

ARTICLE III

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the common area which shall be appurtenant to and shall pass with the title to every assessed lot, subject to each of the following provisions:

- (a) The right of the Association to limit the number of guests of members.
- (b) The right of the Association, in accordance with its Articles and Bylaws, 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 lot owners hereunder.
- (c) The right of the Association to suspend the voting rights and rights to use of the Common Area and facilities (except streets) by a member, or any person to whom he has delegated his voting right, for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.
- (d) The right of the Association to formulate, publish and enforce rules and regulations as provided in Article X.

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(e) Easements as provided in Article X hereof.

Section 2. Delegation of Use. Any owner 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, provided, every such donee shall reside on the Property.

Section 3. Title to Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the common areas located as shown upon the recorded map referred to in the premises of this Declaration, to the Association, free and clear of all liens and encumbrances, at the time of or prior to, the conveyance of the first lot in each respective Phase, except utility and drainage easements and easements to governmental authorities, upon condition that such area as shall be designated "common area" and shall be for the sole and exclusive use and benefit of members, so long as such area is maintained in conformity with the requirements of this Declaration, the Bylaws, and the Articles of Incorporation of the Association, at the sole expense of the Association.

Similarly, the Declarant will convey to the Association, upon the same conditions and for the same uses and purposes, common areas which are parts of any additional phases of the Property developed by it in the future.

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Section 4. Parking Rights and Restrictions. Adequate offstreet parking shall be provided by the owner of each lot for the parking of automobiles and other vehicles owned or controlled by such owner, members of the owner's family or employees of the owner and tenants, and owners (including family members and tenants) of lots covenant and agree not to park their automobiles, trucks, boats, trailers and other vehicles on the streets or common areas located on the property. No trucks, boats, trailers or commercial vehicles shall be stored, housed or parked on the property except within an enclosed garage.

ARTICLE IV

MEMBERSHIP

Every person who is record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the Association, including contract sellers, but excluding persons who hold an interest merely as security for the performance of any obligations, shall be a member of Association. Ownership of such interest shall be the sole qualification for such membership; no owner shall have more than one membership in the Association and there shall be only one vote per lot in such Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment. The Board of Directors may make reasonable rules regarding proof of ownership.

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ARTICLE V

VOTING RIGHTS

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

(a) Class A. Class A members shall be all owners, with the exception of the Declarant. Class A members 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 the owners thereof 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,

(b) Class B. The Class B member shall be the Declarant, and it shall be entitled to three (3) votes for each lot in which it holds a fee or undivided fee interest, 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 earlier:

(1) When the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership; provided, however, that the Class B memberships shall be reinstated with all rights, privileges and responsibilities when and as, after the conversion of the Class B memberships to Class A memberships as herein provided, additional portions of the Property are annexed or "phased" into the subdivision by the Declarant in the manner provided in Article II of this Declaration; or,

(2) The third anniversary of recordation of this Declaration.

ARTICLE VI

COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal

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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 Association:

- (a) Annual assessments or charges;
- (b) Special assessments for capital improvements.

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, costs of collection thereof, and reasonable attorney's fees as may be established by the Association, 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 became due. The personal obligations of an owner for delinquent assessments shall not pass to his successors in title unless expressly assumed by them and then only with the consent of the Association. All assessments shall be shared equally by the owners of each lot.

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Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for promoting the recreation, health, safety and welfare of the residents and the Property; enforcing these covenants and the rules of the Association; providing the services and facilities for purposes and related to the maintenance, use and enjoyment of the common area and facilities, and for the purposes of payment of common expenses.

Section 3. Amount of Annual Assessment.

(a) Maximum Annual Assessment. To and including the third anniversary of the recordation of this Declaration, the maximum annual assessment shall not be in excess of FIFTY-FIVE DOLLARS (\$55.00) per lot, the exact amount of which shall be determined from time as provided in this Subsection.

(b) Increase by Association. From and after the date specified in subparagraph (a) above, the maximum annual assessment may be increased effective January 1 of each year by the Board of Directors, without a vote of the membership, by a percentage which may not exceed ten percent (10%).

(c) Increase by Members. From and after the date specified in subparagraph (a) above, the annual assessment may be increased 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 thirty (30) days nor more than sixty (60) days in advance of the meeting. The limitation herein set forth shall not apply to any increase in assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(d) Criteria for establishing Annual Assessment. In proposing the annual assessment for any assessment year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts, and reserves for future needs.

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(e) Lots Owned by Declarant. Notwithstanding anything in this Article VI to the contrary, all lots owned by Declarant and held for sale shall be assessed at the same amount as all other lots.

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 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, 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, written notice of which, setting forth the purpose of the meeting, shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

Section 5. Uniform Rate of Assessment. Both annual 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, quarterly or annual basis.

Section 6. Quorum for an Action Authorized under

Sections 3 and 4. At the first meeting called, as provided in

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Sections 3 and 4 hereof, 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, another meeting 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 preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessment:

Due Dates. The annual assessments provided for herein shall be paid in monthly, quarterly or annual installments and the payment of such shall commence as to each lot on the first day of the year following the recordation of the Declaration. 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, upon demand at any time, shall furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid. A properly executed certificate

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of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments:

Remedies of the Association. Any assessments or portion thereof which are not paid when due shall be delinquent. If the assessment or any portion thereof is not paid within thirty (30) days after the due date, the same shall bear interest from the date of delinquency at the rate of eight percent (8%) per annum. The Association may bring an action against the owner personally obligated to pay the same, or foreclose the lien against the property, and, in either event, interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessment 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 on any lot shall be subordinate to the lien of any first mortgage and ad valorem taxes on such lot. Sale or transfer of any lot shall not affect the assessment lien; however, the sale or transfer of any lot pursuant to such mortgage 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

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from liability for any assessments thereafer becoming due or
from the lien thereof.

ARTICLE VII

MAINTENANCE

If, in the opinion of the Association, any owner shall fail to maintain any lot owned by him in a manner which is reasonably neat and orderly or shall fail to keep improvements constructed thereon in a state of repair so as not to be unsightly, all in the opinion of the Association, the Association in its discretion, by the affirmative vote of two-thirds (2/3) of the members of the Board of Directors, and following ten (10) days written notice to the Owner, may enter upon and make or cause to be made repairs to such improvements and perform such maintenance on the lot as the removal of trash, cutting of grass, pruning of shrubbery, seeding and items of erosion control. The Association shall have an easement for the purpose of accomplishing the foregoing. The reasonable cost incurred by the Association in rendering all such services, plus a service charge of fifteen percent (15%) of such cost, shall be added to and become a part of the assessment to which such lot is subject.

ARTICLE VIII

ARCHITECTURAL CONTROL

No building, fence, signs, wall, antenna, satellite

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dish, clothesline or other structure shall be commenced, erected, or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the said improvements or alterations shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Committee. In the event that the said Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to them, approval will not be required and this Article will be deemed to have been fully complied with; provided, that the plans and specifications required to be submitted shall not be deemed to have been received if they contain erroneous data or fail to present accurate information upon which the Committee can arrive at a decision.

The said Committee shall have the right, at their election, to enter upon any lot during construction, erection or installation of improvements or alterations to inspect the work being undertaken in order 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.

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The initial Architectural Committee shall consist of Dwight D. Stone, H. D. Stone, Edward M. Harrington and Thomas L. White, Jr. At such time as the Class B membership is converted into a Class A membership, the Architectural Committee shall be those persons named as such by the Board of Directors.

ARTICLE IX

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, amend, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the yards of each lot and the common area. 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 Resolutions, which shall be maintained in a place convenient to the owners and available to them for inspection during normal business hours.

Section 2. Use of Property. Each lot, building, the home thereon and the common area shall be for the following uses and subject to the following restrictions, and, in addition, to those set forth in the Bylaws:

- (a) All lots, buildings and the common area shall be used for residential and related purposes. No lot may be subdivided. Declarant may use one or more homes for offices and/or models for sales purposes.

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(b) Nothing shall be kept and no activity shall be carried on in any building or home or on the common area which will increase the rate of insurance, applicable to residential use, for the property or the contents thereof. No owner shall do or keep anything, nor cause or allow anything to be done or kept, in his home or on the common area which will result in the cancellation of insurance on any portion of the property, or the contents thereof, or which will be in violation of any law, ordinance, or regulation. No waste shall be committed on any portion of the common area. All garbage receptacles, containers and enclosures shall be located so as to not be unsightly and said locations shall be as originally designated or constructed by Declarant or as approved by the Architectural Committee.

(c) No immoral, improper, offensive or unlawful use shall be made of the property, or any part thereof, and all valid laws, ordinances, and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any government agency having jurisdiction thereof, relating to any portion of the property, shall be complied with, by and at the sole expense of the owner or the Association, whichever shall have the obligation to maintain or repair such portion of the property.

(d) Nothing shall be done in or to any home or garage or in, to or upon any of the common area which will impair the structural integrity of any building, home, garage, or portion of the common area or which would impair or alter the exterior of any building or portion thereof, except in the manner provided in this Declaration.

(e) No industry, business, trade, occupation, or profession of any kind, whether commercial or otherwise, shall be conducted, maintained or permitted on any part of the property, except that the Declarant or its agents may use up to two homes for sales or display purposes.

(f) Except as may be required by the City of Raleigh ordinances, no owner shall display, or cause or allow to be displayed, to public view any sign, placard, poster, billboard or identifying name or

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number upon any home, building or any portion of the common area, except as may be allowed by the Association provided, however, that the Declarant and any mortgagee who may become the owner of any lot, or their respective agents, may place "For Sale" or "For Rent" signs on any lot owned by it.

(g) No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the common area except at the direction of and with the express written consent of the Association.

(h) The common area shall be used only for the purposes for which they are intended and reasonably suited and which are incident to the use and occupancy of the homes, subject to any rules or regulations that may be adopted by the Association pursuant to its Bylaws.

(i) No single story building shall be erected on a lot unless same contains at least 900 square feet; no two-story building shall be erected having fewer than 1200 square feet total with at least 750 square feet on the first level; and no one and one-half story building shall be erected having a first floor containing fewer than 750 square feet on the first level. In each case, the square foot minimums are exclusive of porches, decks and garages.

Section 3. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and provided further that they are kept in the home of the Owner.

ARTICLE X
EASEMENTS

Section 1. Walks, Drives, Parking Areas and Utilities.

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All of the property, including lots and common area, shall be subject to a perpetual non-exclusive easement or easements in favor of all Owners of lots for their use and the use of their immediate families, guests, invitees, tenants or lessees for all proper and normal purposes and for ingress and egress and regress and to such easements for private streets, driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television antenna lines, and other public utilities as shall be established prior to subjecting the property to this Declaration by the Declarant or its predecessors in title. The 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.

Section 2. Reserved to Declarant. Every lot shall be subject to an easement for entry and encroachment by the Declarant for a period not to exceed eighteen (18) months following conveyance of a lot to an owner for the purpose of correcting any problems that may arise regarding grading and drainage. The Declarant, upon making entry for such purpose, shall restore the affected lot or lots to as near the original condition as practicable.

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Further, Declarant reserves the right to subject the real property in this subdivision 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 continuing monthly payment to Carolina Power and Light Company by the owner of each lot.

Section 3. Emergencies. Every lot and home shall be subject to an easement for entry by the Association for the purpose of correcting, repairing or alleviation any emergency condition which arises upon any lot or within any home and which endangers any building or portion of the common area.

Section 4. An easement is hereby established over all lots and common area for the benefit of applicable governmental agencies for the setting, removing and reading of water meters, maintaining and replacing water, drainage and drainage facilities, fire fighting, law enforcement, garbage collection and the delivering of mail.

Section 5. If any dwelling is located closer than five (5) feet from its lot line, the owner thereof shall have a perpetual access easement over the adjoining lot to the extent reasonably necessary to perform repair, maintenance or reconstruction of his dwelling. Such repair, maintenance or reconstruction shall be done expeditiously and, upon completion

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of the work, the owner shall restore the adjoining lot to as near the same condition as that which prevailed prior to the commencement of the work as is reasonably practicable.

ARTICLE XI

RIGHTS OF INSTITUTIONAL LENDERS

Section 1. The prior written approval of each institutional holder of a first deed of trust on lots in the property will be required for the following:

- (a) The abandonment or termination of the development of the whole property except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;
- (b) Any material amendment to the Declaration or to the Bylaws of the Association.

Section 2. Upon written request, any institutional holder of a first deed of trust on a lot will be entitled to:

- (a) inspect the books and records of the Association during normal business hours;
- (b) receive an annual financial statement of the Association within 90 days following the end of any fiscal year; and
- (c) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

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Section 3.

(A) In the event of substantial damage to or destruction of any lot or any part of the common area, the institutional holder of any first mortgage on a lot will be entitled to timely written notice of any such damage or destruction.

(B) If any lot or portion thereof or the common area or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the institutional holder of any first mortgage on a lot will be entitled to timely written notice of any such proceeding or proposed acquisition.

(C) The holder of a first mortgage on any lot shall be given prompt notice of any default in the lot mortgagor's obligation hereunder not cured within thirty (30) days of said default, such notice to be directed to such mortgagee at its address shown on the recorded security instrument.

ARTICLE XII

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

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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. Validation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions, which shall remain in full force and effect.

Section 3. Amendment. The covenants, conditions 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 the owners of not less than ninety percent (90%) of the lots, and thereafter by an instrument signed by the owners of not less than seventy-five percent (75%) of the lots. All amendments shall be certified as an official act of the Association by the Secretary thereof and shall forthwith be recorded in the Wake County Registry. All amendments shall become effective upon recordation, provided that no such amendment shall be effective unless the Raleigh city attorney or his designee has approved the amendment or such attorney or designee has failed to

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comment within 20 days after receiving a copy of a proposed amendment; such failure to comment being deemed the equivalent of approval.

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 and/or the Veterans Administration: dedication of common area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 5. Lease of Homes. No home shall be leased for transient or hotel purposes, nor may any owner lease less than the entire unit, nor shall any such lease be for any period of less than thirty (30) days. Any lease must in writing and provide that the terms of the lease and occupancy of the unit shall be subject in all respects to the provisions of the Declaration of Covenants, Conditions and Restrictions and Bylaws of the Association and any failure by any lessee to comply with the terms of such documents shall be a default under the lease.

Section 6. Conflicts. In the event of any irreconcilable conflict between the Declaration and the Bylaws of the Association, the provisions of this Declaration shall control. In the event of any irreconcilable conflict between this Declaration or the Bylaws of the Association and the

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Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.

Section 7. Maintenance of Private Streets. The maintenance and repair of the streets serving the various lots, which streets are part of the common area, shall be and remain the duty and responsibility of the Association, and the Association shall have full authority to make rules and regulations governing the use, maintenance and operation of such streets.

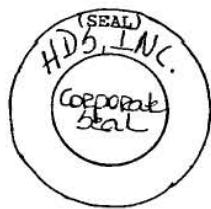
As provided in Section 10-3074(b) and (c) of the Code of the City of Raleigh, in no case shall the City be responsible for failing to provide any emergency or regular fire, police or other public service to the property or/to the lot owners when such failure is due to inadequate design or construction, blocking of access routes, or any other factor within the control of Declarant, the Association or the lot owners.

Section 8. In compliance with Section 10-3071(8)(c), Declarant hereby covenants, with respect to portions of the Property not included in Phase I, that it will complete development of such remaining portions of the Property in general conformity with the preliminary and revised cluster unit development plan heretofore approved by the City of Raleigh Planning Department, and further, that it will annex or

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phase all such remaining portions of the Property into the subdivision within three (3) years of the date of recordation of this Declaration. This covenant shall expire upon completion of such development of the entire Property.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed in its name by its two corporate General Partners by authority duly given.



STONE BUILDERS, a North Carolina
General Partnership

By: HDS, Inc. General Partner
BY: Hawley Stone
President

ATTEST:
W.A. Main Jr.
Secretary

APPROVED:

CITY OF RALEIGH

BY: M.J. Bostwick

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NORTH CAROLINA
Wake COUNTY

I, the undersigned Notary Public, certify that on the
37 day of SEPTEMBER, 1986, before me personally came
Sherry D. Mills, to me personally known, who
being by me duly sworn, did depose and say that he is
Assistant Secretary of HDS, INC., the corporation described in
the foregoing instrument, which corporation is a general
partner of Stone Builders, a North Carolina General
Partnership; that by authority duly given and as the act of
said corporation, acting as general partner of said General
Partnership, the foregoing instrument was signed in its name by
its Vice President, sealed with its corporate seal and attested
by said Assistant Secretary.

Sherry D. Mills
Notary Public



NORTH CAROLINA — WAKE COUNTY
The foregoing certificate _____ of _____

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

By P. Anna Redd
Asst./Deputy Register of Deeds

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EXHIBIT A

Being A Description Of All Real Property
To Be Devoted Presently Or In the Future
For The Development at Victoria Place

Lying and being in the City of Raleigh, Wake County, North Carolina and being all that certain 26.65 acre parcel (exclusive of Rights of Way for Bertie Drive and Longview Lake Drive, which contain 0.82 acre) as shown on that certain plat of survey entitled "Property of Longview Gardens, Inc., Raleigh, North Carolina" prepared by John A. Edwards and Co., Engineer, dated November 20, 1985 and recorded in Book of Maps 1985 at page 2145, Wake County Registry. Being all of that real property conveyed to Stone Builders, a North Carolina General Partnership by deed recorded in Book 3612, page 242, Wake County Registry.

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EXHIBIT B

Being a portion of the property described in Exhibit A to the attached Declaration of Covenants, Conditions and Restrictions of Victoria Place Subdivision, more fully described as follows:

BEGINNING at an iron stake located at the "control corner" on the map hereinafter referred to, said stake being located in the southern right of way line of Calvert Drive just east of the intersection of said southern right of way line of Calvert Drive with the eastern right of way line of Dickens Drive in the City of Raleigh, said point also having North Carolina Grid Coordinates of: N = 739,583.21 and E = 2,118,608.31, and running;

Thence, crossing Calvert Drive, North 01° 19' 05" West 47.50 feet to an iron stake in the northern right of way line of Calvert Drive; thence the same course an additional 2.5 feet to another iron stake;

Thence, South 88° 40' 55" West 18.03 feet to an iron stake marking the beginning of a curve to the right or north;

Thence, along said curve to the right or north, said curve having a radius of 25.0 feet, an arc distance of 39.94 feet to an iron stake;

Thence, North 01° 12' 33" East 100.0 feet to an iron stake;

Thence, North 85° 49' 03" East 150.44 feet to an iron stake;

Thence, North 04° 28' 01" East 202.85 feet to an iron stake;

Thence, North 79° 50' 50" East 227.08 feet to an iron stake;

Thence, South 37° 21' 24" East 205.53 feet to a point in the northern line of Calvert Drive as shown on the plat hereafter referred to;

Thence, crossing Calvert Drive, South 36° 06' 09" East 45.69 feet to an iron stake;

Thence, South 44° 34' 59" East 107.14 feet to an iron stake, a corner (now or formerly) with E.J. Schumack;

Thence South 52° 38' 37" West, with the Schumack line 176.92 feet to an iron pipe;

Thence, continuing with the Schumack line, South 20° 28' 35" East 251.86 feet to an iron pipe;

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Thence with the line of Longview Garden lots, the following
3 calls:

- 1) South $73^{\circ} 28' 27''$ West, 245.48 feet to an iron pipe;
- 2) North $61^{\circ} 29' 22''$ West 124.65 feet to an iron pipe;
and,
- 3) North $03^{\circ} 40' 15''$ West 206.47 feet, to an iron stake in
the southern right of way line of Calvert Drive;

Thence, with the southern right of way line of Calvert Drive
and the line of Longview Gardens, South $88^{\circ} 40' 55''$ West 161.24
feet to the control corner, the point and place of BEGINNING,
containing 5.60 acres including street right of way, according to
a plat of survey of the same entitled "Subdivision, Victoria
Place, Phase One" prepared by Surveying Associates, Inc., dated
January 13, 1986, and recorded in Book of Maps 1986 at page
362, Wake County Registry.