

DECLARATION OF RIGHTS, RESTRICTIONS,
AFFIRMATIVE OBLIGATIONS AND CONDITIONS
APPLICABLE TO ALL PROPERTY IN WOODCROFT

WHEREAS, THE WOODCROFT COMPANY, a North Carolina Partnership (the "Company"), is the owner of certain lands located within a community known as "Woodcroft" in Durham, North Carolina.

WHEREAS, the Company wishes to declare certain restrictive covenants affecting certain lands in Woodcroft.

NOW, THEREFORE, the Company does hereby declare that the covenants contained herein shall be covenants running with the land and shall apply to the lands described in Exhibit "A" attached hereto (the "Properties"), and such additions thereto as may hereinafter be made pursuant to paragraph (8) of Part VI hereof. The Company reserves in each instance the right to add additional restrictive covenants in respect to lands to be conveyed in the future within the Properties, or to limit therein the application of this Declaration.

DEFINITIONS

"Woodcroft" when used herein shall refer to the lands in Durham County, North Carolina, which are shown as a part of Woodcroft on the Company's Master Plan as revised from time to time.

Whenever used herein, the term "Company" or "the Company" shall refer to Woodcroft Company, a North Carolina Partnership, its successors and assigns, and any agent or agents appointed by Woodcroft Company, its successors and assigns, to act on its behalf for the purpose of administering or enforcing, in whole or in part, the rights reserved unto the Company in this Declaration.

Whenever used herein, the term "Association" shall refer to Woodcroft Community Association, Inc., a North Carolina non-profit, non-stock corporation, its successors and assigns, and any other community or owners association within Woodcroft organized by the Company or by others with the consent of the Company.

The terms "Property" and "Properties" when used herein shall refer to any tract of land or subdivision thereof in Woodcroft which has been subjected to the provisions of this Declaration of any Supplemental Declaration under the provisions of paragraph (8) of Part VI hereof, as may be referenced in deeds issued by the Company or any third party with the consent of the Company, including, without limitation, all that tract or parcel of land, situate, lying

and being in Durham County, North Carolina, which is more particularly described in Exhibit "A" attached hereto and by specific reference made a part hereof.

The terms "Property Owner", "Owner of Property", and "Owner" when used in this Declaration shall mean and refer to all owners of an interest in real property in Woodcroft which has been subjected to the provisions of this Declaration, including, but not limited to, owners of property or tracts of land and owners of condominium units, whether such property, tracts or units are used or intended to be used for residential, commercial or recreational purposes.

The term "Master Plan" when used in this Declaration shall mean and refer to the drawing which represents the conceptual plan for the future development of Woodcroft. Since the concepts of the future development of Woodcroft is subject to continuing revision and change by the Company, present and future references to the "Master Plan" shall be references to the latest revision thereof.

The term "Open Space" when used in this Declaration shall mean and refer to all those parcels and tracts of land within the Properties designated on the Master Plan or on recorded plats as "Open Space" (hereinafter sometimes referred to as "Open Space Areas").

The term "Private Open Space" when used in this Declaration shall mean and refer to all those parcels and tracts of land within the Properties designated on the Master Plan or on recorded plats as "Private Open Space" (hereinafter sometimes referred to as "Private Open Space Areas").

The covenants and restrictions below will be referred to as the General Property Covenants of July 2, 1984, 1984 and will be recorded in the Register of Deeds Office, Durham, North Carolina, and may be incorporated by reference in deeds to real property issued by the Company by reference to the book and page of recording in the land records of said Register of Deed's office.

PART I.
COVENANTS, RESTRICTIONS AND AFFIRMATIVE
OBLIGATIONS APPLICABLE TO ALL
PROPERTIES IN WOODCROFT

The primary purpose of these covenants and restrictions and the foremost consideration in the origin of same has been the creation of a community which is aesthetically pleasing and functionally convenient. The establishment of certain objective standards relating to design, size and location of dwellings and other structures makes it

impossible to take full advantage of the individual characteristics of each parcel of Property and of technological advances and environmental values. In order to implement the purposes of these covenants, the Company shall establish and amend from time to time objective standards and guidelines, including, but not limited to, Architectural Standards and Construction Specifications, Uniform Sign Regulations, Uniform Mailbox Regulations, Landscape Guidelines, and Environmental Rules and Regulations as defined hereinafter, which shall be in addition to and more restrictive than said Conditional Use, and which shall be binding on all Property Owners within Woodcroft.

1. No building, fence, or other structure shall be erected, placed, or altered, nor shall a building permit for such improvement be applied for on any Property in Woodcroft until the proposed building plans, specifications, exterior color or finish, plot plan (showing the proposed location of such building or structure, drives, and parking areas), the land management plan described in paragraph 1 of Part II, and construction schedule shall have been approved in writing by the Company. In addition, the Company may, at its election, require prior written approval of a landscape plan. The Company further reserves the right to promulgate and amend from time to time architectural standards and construction specifications (hereinafter referred to as the "Architectural Standards and Construction Specifications") for specific neighborhoods and areas or for all Properties within Woodcroft, and such Architectural Standards and Construction Specifications shall establish, define, and expressly limit those standards and specifications which will be approved in said neighborhoods and areas or within the Properties, including, but not limited to, architectural style, exterior color or finish, roofing material, siding material, driveway material, landscape design, and construction technique. Refusal or approval of plans, location, exterior color or finish, or specifications may be based by the Company upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Company shall seem sufficient. No alteration in the exterior appearance of any building or structure, including exterior color or finish, shall be made without like prior written approval by the Company. One (1) copy of all plans and related data shall be furnished the Company for its records. In the event approval of such plans is neither granted nor denied within thirty (30) days following receipt by the Company of written demand for approval, the provisions of this paragraph shall be thereby waived.

2. In order to assure that buildings and other structures will be located and staggered so that the maximum view, privacy, sunlight, and breeze will be available to each building or structure within the confines of each

Property, and to assure that structures will be located with regard to the topography of each Property, taking into consideration the location of large trees and other aesthetic and environmental considerations, the Company reserves the right to control absolutely and solely to decide (subject to the provisions of the Zoning Ordinance of the County and City of Durham, North Carolina) the precise site and location of any building or structure on any Property in Woodcroft for reasons which may in the sole and uncontrolled discretion and judgment of the Company seem sufficient. Such location shall be determined only after reasonable opportunity is afforded the Property Owner to recommend a specific site. The provisions of this paragraph shall in no way be construed as a guarantee that the view, privacy, sunlight, or breeze available to a building or structure on a given Property shall not be affected by the location of a building or structure on an adjacent Property.

3. Each Property Owner shall provide space for the parking of automobiles off public streets prior to the occupancy of any building or structure constructed on said property in accordance with reasonable standards established by the Company.

4. Except as may be required by legal proceedings, no sign shall be erected or maintained on any Property by anyone including, but not limited to, a Property Owner, a tenant, a realtor, a contractor, or a subcontractor, until the proposed sign size, color, content, number of signs, and location of sign(s) shall have been approved in writing by the Company. Refusal or approval of size, color, content, number of signs, or location of sign(s) may be based by the Company upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Company seems sufficient. The Company further reserves the right to promulgate and amend from time to time uniform sign regulations (the "Uniform Sign Regulations") which shall establish standard design criteria for all signs, including, but not limited to, real estate sales signs, erected upon any Property in Woodcroft.

The Company and its agent shall have the right, whenever there shall have been placed or constructed on any Property in Woodcroft any sign which is in violation of these restrictions, to enter immediately upon such Property where such violation exists and summarily remove the same at the expense of the Property Owner.

5. It shall be the responsibility of each Property Owner, tenant, contractor, or subcontractor to prevent the development of any unclean, unsightly, unkempt, unhealthy, or unsafe conditions of buildings or grounds on any Property which shall tend to substantially decrease the beauty or safety of Woodcroft, the neighborhood as a whole, or the

specific area. The Company and its agents shall have the right to enter upon any Property for the purpose of correcting such conditions, including, but not limited to, the removal of trash which has collected on the Property, and the cost of such corrective action shall be paid by the Property Owner. Such entry shall not be made until thirty (30) days after the Owner of the Property has been notified in writing of the need to take corrective action and unless such Owner fails to perform the corrective action within said thirty (30) days period; provided, however, that should such condition pose a health or safety hazard, such entry shall not be made until the Owner has been notified in writing of the need to take immediate corrective action and unless such Owner fails to perform the corrective action immediately. The provisions of this paragraph shall not create any obligation on the part of the Company to take any such corrective action.

6. No mailbox shall be erected or maintained on any Property until the proposed mailbox design, color, and location have been approved in writing by the Company. Refusal or approval of design, color, or location may be based by the Company upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Company seems sufficient. No alteration in the exterior appearance of any mailbox shall be made without like prior written approval by the Company. The Company further reserves the right to establish uniform mailbox regulations (the "Uniform Mailbox Regulations") which shall define standard design criteria for all mailboxes erected upon any Property in Woodcroft.

7. Prior to the occupancy of a building or structure on any Property, proper and suitable provisions shall be made for the disposal of sewage by connection with the sewer mains of the Durham public sewer system which is the only system presently approved by Durham County for use in Woodcroft, or other means of sewage disposal if other means are approved by Durham County and City for use in Woodcroft.

8. Prior to the occupancy of a building or structure on any Property, proper and suitable provisions for water shall be made by connection with the water lines of the Durham City and County public water system which is the only system presently approved by Durham City and County for use in Woodcroft, or other water system if other water system is approved by Durham City and County for use in Woodcroft.

9. The Company reserves unto itself, its successors and assigns, and its agent, a perpetual, alienable, and releaseable easement and right, on, over and under the Properties to erect, maintain, and use electric, Community Antenna Television, and telephone poles, wires, cables, conduits, drainage ways, sewers, water mains, and other

suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, drainage, or other public conveniences or utilities on, in, or over those portions of such Property as may be reasonably required for utility line purposes; provided, however, that no such utility easement shall be applicable to any portion of such Property as may (a) have been used prior to the installation of such utilities for construction of a building whose plans were approved pursuant to these covenants by the Company, or (b) such portion of the Property as may be designated as the site for a building on a plot plan for erection of a building which has been filed with the Company and which has been approved in writing by said Company. These easements and rights expressly include the right to cut any trees, bushes, or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installaand to maintain reasonable standards of health, safety, and appearance. The Company further reserves the right to locate wells, pumping stations, siltation basins, and tanks within Woodcroft in any Open Space or on any Property designated for such use on the applicable plat of said Property, or to locate same upon any Property with the permission of the Owner of such Property. Such rights may be exercised by any licensee of the Company, but this reservation shall not create any obligation on the part of the Company to provide or maintain any such utility or service.

PART II
 ADDITIONAL RESTRICTIONS TO IMPLEMENT
 EFFECTIVE ENVIRONMENTAL AND
 LAND MANAGEMENT CONTROLS

In order to protect the natural beauty of the vegetation, topography, and other natural features of all Properties within Woodcroft, the following environmental and land management controls are hereby established:

1. Topographic and vegetation characteristics of Properties within Woodcroft shall not be altered by excavation, grading, removal, reduction, addition, clearing, cutting, pruning, seeding, planting, transplanting, or any other means without the prior written approval of the Company. In addition, the Company may, at its election, require prior written approval of a landscape plan. Refusal or approval of plans or any alteration of topographic or vegetation characteristic(s) may be based by the Company upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Company seems sufficient. Written approval will be granted for the minimum amount of earth movement and vegetation reduction required in plans and specifications approved pursuant to the provisions of paragraph 1 of Part I of these covenants.

Should written notice be served by the Company upon any Property Owner requiring corrective alteration of topographic and vegetation characteristics pursuant to paragraphs 3 and 4 of this Part II, such notice shall be deemed to constitute written approval by the Company for such corrective alteration under the provisions of this paragraph 1.

2. Notwithstanding anything in the foregoing to the contrary, the Company reserves the right to promulgate and amend from time to time landscape guidelines (referred to hereinafter as the "Landscape Guidelines") which shall establish approved standards, methods, and procedures for landscape management on specific Properties in Woodcroft and such authorized standards, methods, and procedures may be utilized by the Owners of such specified Properties without prior written approval by the Company; provided, however, no trees measuring six (6) inches or more in diameter at a point two (2) feet above ground level may be removed without the prior written approval of the Company. Approval for the removal of trees located within ten (10) feet of the main dwelling or accessory building or within ten (10) feet of the approved site for such building will be granted unless such removal will substantially decrease the beauty of the Property. The provisions of this paragraph 2 shall in no way constitute a waiver of the requirement to receive prior written approval for any alteration of topographic or vegetation characteristics, pursuant to the provisions of paragraph 1 of Part I, other than for those alterations specifically authorized in said Landscape Guidelines.

3. In order to implement effective and adequate erosion control the Company and its agents shall have the right to enter upon any Property before or after a building or structure has been constructed thereon for the purpose of performing any grading or landscaping work or constructing and maintaining erosion prevention devices. Provided, however, that prior to exercising its right to enter upon the Properties for the purpose of performing any grading or landscaping work or constructing or maintaining erosion prevention devices, the Company shall give the Owner of the Property the opportunity to take any corrective action required by giving the Owner of the Property written notice indicating what type of corrective action is required and specifying in that notice that immediate corrective action must be taken by the Owner. If the Owner of the Property fails to take the corrective action specified immediately, Company or its agent may then exercise its right to enter upon the Property in order to take the necessary corrective action. The cost of such erosion prevention measures, when performed by the Company or its agent, shall be kept as low as reasonably possible. The cost of such work, when performed by the Company or its agent on an improved Property or any Property for which a building permit has been issued