

NORTH CAROLINA
WAKE COUNTY

SEP 25 10 56 AM '80

REGISTER OF DEEDS
WAKE COUNTY, N.C.

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR THE WEDGES AT GREYSTONE -
SECTION ONE, BOOK OF MAPS 1980,
PAGE 730, WAKE COUNTY REGISTRY

THIS DECLARATION, made on the date hereinafter set forth
by AMMONS, INC., a North Carolina corporation, hereinafter
referred to as "Declarant,"

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in
House Creek Township, County of Wake, State of North Carolina,
which is more particularly described on Exhibit "A" attached hereto.

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

NOW, THEREFORE, Declarant hereby declares that all of the
properties within the boundaries of property shown as lots, streets
and common area on a map of The Wedges at Greystone - Section One,
recorded in Book of Maps 1980, Page 730, Wake County Registry,
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.

ARTICLE I

STATEMENT OF PURPOSE AND INTENT

The Declarant is engaged in the development of a tract of land
containing approximately 500 acres of land, located on the west side
of Lead Mine Road North of the City of Raleigh, and to be known as
Greystone Village and herein referred to as "Greystone Village".
Greystone Village will include residential, recreational, shopping
center and office and institutional properties.

In the construction of Greystone Village, the applicable sedi-
mentation and soil erosion laws require developers to observe
practices designed to prohibit the sedimentation of streams not

within the boundaries of the subdivision.

Greystone Village contains two existing lakes (one being 4.3 acres and the other being 5.5 acres). The Declarant intends to construct an additional lake of approximately 20 acres.

The primary purpose of these lakes is to collect such sediment as may result from erosion during the development of Greystone Village and the construction of improvements and to prevent such sediment from polluting streams and drainage areas not within the boundaries of Greystone Village.

The secondary purpose of these lakes is to provide the recreation and beauty which such lakes contribute to a development.

While it is the desire and intent of the Declarant to avoid unreasonable sedimentation of the lakes, whereby they will ultimately be valuable to the subdivision from the standpoint of recreation and aesthetics, it is nevertheless essential to reiterate the primary purpose of the lakes and the absolute right of the Declarant to use them for the collection of sediment during the development of Greystone Village without any obligation to thereafter remove the sediment.

The purpose and intent of this Declaration is to provide for the ownership and the continuing maintenance of two of the lakes of Greystone Village (5.5 acre lake and 20 acre lake), the greenways, planted and landscaped areas in the circles at the end of cul de sacs, areas within the boundaries of access easements which are reserved over Lots for access to common areas, median strips in thoroughfares and other areas suitable for landscaping for the general use and beautification of the subdivision, all of which should enhance the property values and liveability of residents of Greystone Village.

ARTICLE II

DEFINITIONS

SECTION 1. "Association" shall mean and refer to Greystone Association, its successors and assigns.

SECTION 2. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as

"MASTER"

may hereafter be brought within the jurisdiction of the Association.

SECTION 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of all members or designated classes of members of the Association, including greenways and recreational areas.

SECTION 4. "Lot" shall mean and refer to any plot of land shown upon the last recorded subdivision map of the Properties on which such plot appears (provided said map has been approved by Declarant), with the exception of the Common Area, privately owned recreation areas, apartment areas and non residential areas.

SECTION 5. "Lot in Use" shall mean and refer to any lot on which a dwelling unit, other than apartment, has been fully constructed and occupied as a dwelling unit.

SECTION 6. "Member" shall mean and refer to every person or entity who holds membership in the Association.

SECTION 7. "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 8. "Declarant" shall mean and refer to Ammons, Inc. and those of its successors and assigns, if any, to whom the rights of Declarant hereunder are expressly transferred hereafter, in whole or in part, and subject to such terms and conditions as the Declarant may impose.

SECTION 9. "Amenities" shall mean the facilities constructed, erected, or installed on the Common Area for the use, benefit and enjoyment of Members.

ARTICLE III

ANNEXATION OF ADDITIONAL PROPERTIES

SECTION 1. ANNEXATION BY MEMBERS. Except as provided in Section 2 of this Article, additional lands may be added and annexed to the Properties only if both two-thirds (2/3) of all of the votes entitled to be cast, in the aggregate, by Class A members and also

two-thirds (2/3) of all of the votes entitled to be cast by Class B members, if any, are cast in favor of annexation. A meeting shall be duly called for this purpose, written notice of which shall be sent to all members of the Association, setting forth the time, place, and purpose of the meeting, not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

For the purposes of such meeting, the presence thereof of members or proxies entitled to cast sixty (60%) percent of the votes of the Class A members and sixty (60%) percent of the votes of the Class B members, if any, shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called within sixty (60) days thereafter, subject to the notice requirement set forth above, and the required quorum of such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting.

If a quorum is present and the majority of the votes are cast in favor of the annexation, but the majority is less than the two-thirds (2/3) majority either of the Class A or of the Class B votes, or both, required for approval of the annexation, and it appears that the required two-thirds (2/3) majority of either class may be achieved if the members not present or voting by proxy assent to the annexation, then and in that event, the members not present or voting by proxy may assent to or dissent from the proposed annexation in writing within 120 days following the date of the meeting at which the vote was taken. Each member so assenting or dissenting shall be deemed to have cast, respectively, all of the votes to which he is entitled under Article V of this Declaration either in favor of or against the annexation. If the number of votes cast at the meeting in favor of the annexation, together with the votes deemed to have been cast by the members assenting to the annexation, shall constitute the requisite two-thirds (2/3) majority of all votes entitled to be cast by the Class A members, in the aggregate, and by the Class B members, the annexation shall stand approved.

SECTION 2. ANNEXATION BY DECLARANT. The Declarant may annex additional lands to the Properties in the following manner:

(a) If, within ten (10) years of the date of incorporation of the Association, the Declarant should develop additional lands within the boundaries of lands described in Exhibit "A" of the Articles of Incorporation for this Association and shown on the general plan of Greystone Village heretofore submitted to the City of Raleigh, such additional lands may be annexed to said Properties without the assent of the Class A members. Detailed plans for the development of additional lands may be submitted to the City of Raleigh prior to such development if such submission is required by ordinances of the City of Raleigh.

(b) The Declarant may annex to the Properties the additional lands described in Subsection (a) of this Section 2 by recording in the Wake County Registry a declaration of annexation, duly executed by Declarant, describing the lands annexed and incorporating the provisions of this Declaration, either by reference or by fully setting out said provisions therein. The additional land shall be deemed annexed to the Properties on the date of recordation of the declaration of annexation, and no action or consent on the part of the Association or any other person or entity shall be necessary to accomplish the annexation.

(c) Subsequent to recordation of the declaration of annexation by the Declarant, the Declarant shall deliver to the Association one or more deeds conveying any Common Area within the lands annexed as such Common Area is developed.

ARTICLE IV

MEMBERSHIP

SECTION 1. MEMBERS. The Declarant, for so long as it shall be an Owner, and every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessments by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Ownership of such Lot shall be the sole qualification for membership, and no Owner shall have more than one membership, except as expressly provided hereinafter. Membership shall be appurtenant to and may not be

separated from ownership of any Lot which is subject to assessment by the Association. The Board of Directors may make reasonable rules relating to the proof of ownership of a Lot in this subdivision.

ARTICLE V,
VOTING RIGHTS

SECTION 1. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those Owners as defined in Article IV 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 IV. 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 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:

(a) when the total votes outstanding in Class A memberships equal the total votes outstanding in Class B membership; provided, that the Class B membership shall be reinstated with all rights, privileges, and responsibilities if, after conversion of the Class B membership to Class A membership hereunder, 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 within the times and as provided for in Article III, Section 2 above; or

(b) on January 1, 1992.

SECTION 2. The right of any member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations and according to the provisions of Article VI, Section 1(c).

ARTICLE VI
PROPERTY RIGHTS

SECTION 1. Members' Easement of Enjoyment. Every member shall have a right and easement of enjoyment in and to the Common Area and such easement 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 charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(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 the Common Area, or any portion thereof, and the rights of such mortgage in said Properties shall be subordinate to the rights of the homeowners hereunder; provided, however, that if any Common Area is mortgaged while the Class B membership is in existence, the execution of such mortgage shall require the same approval of the membership which is required for Special Assessments for Capital Improvements as set forth in Article VII, Section 4 of this Declaration.

(c) The right of the Association to suspend the voting rights and right to the use of the recreational facilities by a Member or any person to whom he has delegated his right or enjoyment for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed thirty (30) days, for any infraction of its published rules and regulations;

(d) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless approved by members entitled to cast two-thirds (2/3) of the votes of the Class A membership and two-thirds (2/3) of the votes of the Class B membership, if any, and unless written notice of the proposed action is sent to every member not less than

thirty (30) days nor more than sixty (60) days in advance. The instrument effecting such dedication, transfer or conveyance shall be sufficient if executed by appropriate officers of the Association, and contains a recital of the approval of the members;

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

SECTION 2. Delegation of Use. Any member may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

SECTION 3. Title to the Common Area. The Declarant hereby covenants for itself, its heirs and assigns, that it will convey fee simple title to the Common Area shown on the aforementioned recorded map to the Association, free and clear of all encumbrances and liens, prior to the conveyance of the first Lot, except utility, antenna and drainage and sedimentation easements and easements of governmental authorities. Similarly, Declarant will convey to the Association common areas which are parts of Greystone Village as those portions are annexed in the future until all common areas as shown on the plans approved by the City of Raleigh have been conveyed to the Association.

SECTION 4. The Association may regulate the parking of boats, trailers, and other such items on the Common Area (including the provision of special facilities for which a reasonable charge may be made).

ARTICLE VII

COVENANT FOR ASSESSMENT

SECTION 1. Creation of the Personal Obligation of Assessments. Notwithstanding any provision or inference in this Declaration to the contrary, no Lot shall be subject to any annual or special assessments until and unless such Lot becomes a Lot in Use, except as follows: Following approval of each area by both the City of Raleigh and either the Veterans Administration or the Federal

Housing Administration and the annexation of each such area by the Declarant, and before the sale of any Lot in the area annexed, the Common Area of such annexed area shall be conveyed to the Association. The obligation to pay the annual assessment as to all Lots in each annexed area shall accrue from the first day of the first month following annexation.

The amount of assessment on each Lot which is not a Lot in Use shall be one-fourth (1/4) of the assessment applicable to a Lot in Use.

The Declarant, for each Lot in Use owned within the Properties, hereby covenants, and each Owner of any Lot in Use, 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: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments on Lots in Use and the annual assessments on lots which are not Lots in Use, together with such interest thereon and costs of collection thereof, as hereinafter provided, including, without limitation, reasonable attorney's fees, shall be the personal obligation of the person who was the Owner of such property for the period of such person's ownership. The personal obligation shall not pass to his successors in title unless expressly assumed by them. All assessments relating to Common Area shall be shared equally by the owners of each Lot in Use.

Notwithstanding the foregoing, the Declarant may, at its election, postpone, in whole or in part, the date on which the assessment shall commence provided that the Declarant maintains the Common Areas for which no assessment is being collected during the period of such postponement. (For example, an assessment may be collected for the maintenance of one lake while the Declarant continues to maintain another lake.)

SECTION 2. Purposes of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the beautification of the Properties, the recreation, health, safety, and welfare of the residents in the Properties, the enforcement of these Covenants and the rules of the Association, and, in particular, for the improvement and maintenance of the Properties and providing the services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area. Nothing herein shall mean that assessments may not be used for the beautification of areas within the subdivision but which are not part of the Common Areas, such as entrance signs, access easements crossing private property, median strips within public streets or the interior of cul de sacs.

SECTION 3. Basic and Maximum Annual Assessments. To and including December 31, 1981, the basic (and maximum) annual assessment shall not be in excess of \$60.00 per Lot in Use, except as otherwise provided herein, the exact amount of which shall be determined from time to time as provided in subsection (c) of this Section 3.

(a) From and after December 31, 1981, the basic annual assessment may be increased by the Board of Directors of the Association effective January 1 of each year, without a vote of the membership, by a percentage which may not exceed the greater of five (5%) percent per year or the percentage increase reflected in the U. S. City average, Consumer Price Index-United States and selected areas for urban wage earners and clerical workers, all items most recent index and percent changes from selected dates (published by the U. S. Bureau of Labor Statistics, Washington, D. C.), or such Index as may replace said Consumer Price Index, for the twelve-month period ending the immediately preceding July 1; such increased assessment shall be the maximum annual assessment.

(b) After December 31, 1981, the basic annual assessments may be increased by an affirmative vote of two-thirds (2/3) of the members or proxies who are entitled to vote at a meeting called for such purpose, and the increased basic annual assessments shall be

the basic annual assessment and be thereafter adjusted pursuant to subparagraph (a) of this Section 3. Written notice of such meeting shall be given by the Board of Directors to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the date, time, place, and purpose of the meeting. The provisions of this subsection shall not apply to nor be a limitation upon any change in the basic and maximum assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(c) After consideration of the current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessments at an amount not in excess of the maximums as determined in subsection (a) of this Section 3.

SECTION 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any new construction, reconstruction of described capital improvements or unexpected repair or replacement of described capital improvements upon the Common Area, including the necessary fixtures and personal property related thereto; provided that any such assessments shall be adopted by a two-thirds (2/3) affirmative vote of each class of members voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the time, place and purpose of the meeting.

SECTION 5. Uniform Rate of Assessments. Both annual and special assessments relating to the Common Area must be fixed at a uniform rate for all Lots in Use and may be collected on either a monthly, quarterly or annual basis. Similarly, annual assessments

relating to the Common Areas must be fixed at a uniform rate for all other Lots and may be collected on a monthly, quarterly or annual basis. Assessments may be collected in advance or in arrears.

SECTION 6. Quorum for any Action Authorized Under Sections 3 and 4. At the first meeting called for the purpose stated in Sections 3 and 4 hereof, the presence at the meeting of members or of proxies entitled to cast sixty percent (60) of all 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. Such subsequent meeting shall be held within sixty (60) days following the preceding meeting.

SECTION 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots in Use and other Lots, then existing, on the first day of the month following the conveyance of a portion of the Common Area, unless postponed by the Declarant. The first annual assessments shall be adjusted according to the number of months remaining in the fiscal year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. If the Board of Directors of the Association shall determine that it would be inequitable to require the payment of the full amount of annual assessment as might be the case if only a portion of the amenities are available for the use of members the Board may waive payment of any portion of the assessment. The due dates and appropriate penalties for late payment 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 reasonable charge may be made to defray the actual cost of furnishing such certificate. Such certificate shall constitute conclusive evidence of payment of any assessment therein stated to have been paid.

SECTION 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessments are not paid within thirty (30) days after the due date, assessment shall bear interest from the date of delinquency at the lesser of the highest lawful rate or twelve (12%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, and 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.

ARTICLE VIII

USE RESTRICTIONS

SECTION 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Area.

SECTION 2. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties which may be or may become a nuisance or annoyance to the neighborhood.

ARTICLE IX

EASEMENTS

All of the Properties, including Lots and Common Area, shall be subject to such easements for 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 by the Declarant or by his successors in title, prior to the conveyance of Lots to subsequent owners or the conveyance of Common Area to the Association; and the Association shall have the power and authority to grant and

establish upon, over, under and across the Common Area conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Properties.

It is contemplated that as Greystone Village is developed the Declarant will create pedestrian access easements which will provide for members convenient means of ingress and egress to and from the Common Areas. Such easements shall be for pedestrian traffic only and no vehicles shall be permitted to use such easement, except that bicycles may be taken across such easement areas provided they are not being ridden within the easement areas.

In keeping with the statement of the primary purposes of the lakes in Greystone Village as recited in Article I, easements for the sedimentation of all lakes within the boundaries of Greystone Village, now existing or hereafter constructed, are reserved for the benefit of Declarant and its successors in title to any portion of this subdivision who are engaged in the development of land and/or the construction of improvements within this subdivision. In the exercise of such easement rights neither the Declarant or its said successors shall have any liability whatsoever to either the Association or any Owner, regardless of the unreasonableness of the sedimentation.

ARTICLE X

RIGHTS OF FIRST MORTGAGEES AND INSURERS OF FIRST MORTGAGES

SECTION 1. Notice of Default to First Mortgagees and Insurers of First Mortgages. In the event that any Member is in default in any obligation hereunder which remains unpaid for a period of sixty (60) days, every lender who is a first mortgagee as to the Lot of the defaulting Member and the insurer of such first mortgage, shall be immediately notified of such default, provided that such lender and or insurer shall have given notice to the Association that it is a first mortgagee or insurer as to the Lot of such Member and shall have requested the notice of default as herein set forth.

SECTION 2. Right to Inspect Books of the Association. Every first mortgagee and or insurer of a first mortgage of the Lot of a

Member of the Association shall have the right during regular business hours to examine the books and records of the Association.

ARTICLE XI

GENERAL PROVISIONS

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

SECTION 2. Severability. Invalidation of any 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. Exchange of Common Area for other Portions of the Properties. Notwithstanding any provision herein to the contrary, except as provided in Section 9 of this Article XI, it is expressly provided that the Association may convey to the Declarant, as well as any other member, in exchange for other portions of the Properties conveyed by the Declarant or other member of the Association, any portion of the Common Area theretofore conveyed to the Association, all as provided in the Articles of Incorporation of the Association. Upon such conveyance, the area thus conveyed to the Declarant shall become Common Area and subject to the Provisions of these Covenants relating to Common Area. The following hypothetical is by way of illustration and not of limitation: Due to a surveying error or the erroneous plotting of topo lines, a greenway intended to extend along a drainage area is incorrectly located. Thereafter, upon discovery of the error subsequent to the time of the conveyance of the greenway to the Association, such error could be corrected by an exchange of land between the Declarant and the Association.

SECTION 4. Amendment. The covenants, conditions and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association,

or the owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. The covenants, conditions and restrictions of this Declaration may be amended during the thirty-year (30) period by an instrument signed by the Owners of not less than ninety (90%) percent of the Lots existing at the time of such amendment, and thereafter by an instrument signed by the Owners of not less than seventy-five (75%) percent of the Lots; provided, however, that the Board of Directors of the Association may amend this Declaration to correct any obvious error or inconsistency in drafting, typing, or reproduction without action or consent of the Owners, and such amendment shall be certified as an official act of the Board and recorded in the Wake County Registry.

SECTION 5. Procedure for Certification and Recordation of Amendment. Any instrument amending these covenants, conditions, and restrictions other than an amendment by the Board to correct an error or inconsistency in drafting, typing, or reproduction shall be delivered following execution by the Owners, to the Board of Directors of this Association. Thereupon, the Board of Directors shall, within thirty (30) days after delivery, do the following:

(a) Reasonably assure itself that the amendment has been executed by the Owners of the required number of Lots as provided in Section 4 of this Article. (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 Association in the same manner that deeds are executed. The following form of certification is suggested:

CERTIFICATION OF VALIDITY OF AMENDMENT TO COVEMANTS
CONDITIONS AND RESTRICTIONS OF GREYSTONE VILLAGE

By authority of its Board of Directors, Greystone Association

hereby certifies that the foregoing instrument has been duly executed by the Owners of _____ percent of the Lots of Greystone Village and is, therefore, a valid amendment to the existing covenants, conditions and restrictions of Greystone Village.

This the _____ day of _____, 19 ____.

GREYSTONE ASSOCIATION

By

ATTEST:

President

Secretary

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

All amendments shall be effective from the date of recordation in the Wake County Registry, provided, however, that no such instrument shall be valid until it has been indexed in the name of this 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 the Owners of all Lots in Greystone Village.

SECTION 6. Amendment of Declaration Without Approval of Owners. The Declarant, without the consent or approval of any other owner, shall have the right to amend this Declaration to conform to the requirements of any law or governmental agency having legal jurisdiction over the Property or to qualify the Property or any Lots and improvements thereon for mortgage or improvement loans made by, guaranteed by, sponsored by or insured by a governmental agency or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by, or under the substantial control of, the United States Government or the State of North Carolina, regarding purchase or sale in such lots and improvements, or mortgage interests therein, as well as any other law or regulation relating to the control of the Property, including, without limitation, ecological controls, construction standards, aesthetics, and matters affecting the public

health, safety and general welfare. A letter from an official of any such corporation or agency, including, without limitation, the Veterans Administration (VA), U. S. Department of Housing and Urban Development (HUD), the Federal Home Loan Mortgage Corporation, Government National Mortgage Corporation, or the Federal National Mortgage Association, requiring an amendment as a condition of approval, or suggesting an amendment, shall be sufficient evidence of the approval of such amendment of VA, HUD and/or such corporation or agency.

No amendment made pursuant to this Section shall be effective until duly recorded in the Wake County Registry.

SECTION 7. Right of Declarant or Association to Amend to Achieve Tax-Exempt Status. The Declarant, for so long as it shall retain control of the Association, and, thereafter, the Board of Directors of the Association, may amend this Declaration as shall be necessary, in its opinion, and without the consent of any Owner, in order to qualify the Association or the Properties or any portion thereof, for tax-exempt status. Such amendment shall become effective upon the date of its recordation in the Wake County Registry.

SECTION 8. Protective Covenants for Lots. Nothing herein shall affect the Declarant's right to establish from time to time appropriate protective covenants governing the use of Lots and the size and location of building thereon. (Further, nothing herein shall be deemed to grant to the Association any right to govern the Use of any Lot by its owner, except for the exercise of easements rights owned by the Association which are located on the Lots of Owners.)

SECTION 9. FHA/VA Approval. Notwithstanding any provision in this instrument to the contrary, as long as there is a Class B membership, the following actions shall be allowed if Declarant desires to qualify sections of Greystone Village for Federal Housing Administration or Veterans Administration approval (but not otherwise), and only if the actions have received the prior approval of the

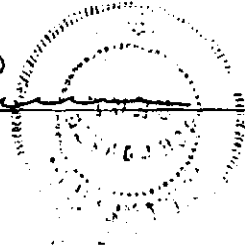
Federal Housing Administration or the Veterans Administration: (1) annexation of additional properties, and dedication of additional Common Areas; (2) exchange of Common Area for other portions of the properties; (3) amendment of this Declaration of Covenants, Conditions and Restrictions.

SECTION 10. Other Associations. Nothing herein shall affect the Declarant's right to establish other associations (e.g. town-house associations) and in connection therewith designate common areas solely for the benefit of members of such associations. The annexation to Greystone Association of areas within such associations shall not entitle the members of Greystone Association to the use of Common Areas established for the benefit of members of such other associations.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this instrument on this the 24th day of September, 1980.

AMMONS, INC.

BY [Signature]
President



ATTEST:

[Signature]
Secretary

NORTH CAROLINA WAKE COUNTY

This 24th day of September, 1980, personally came before me, [Signature], a notary public, [Signature], who, being by me duly sworn, says that he is President of AMMONS, INC., and that the seal affixed to the foregoing or annexed instrument in writing is the corporate seal of said Corporation, and that said writing was signed and sealed by him in behalf of said Corporation by its authority duly given. And the said [Signature], acknowledged the said writing to be the act and deed of said Corporation.

WITNESS my hand and official seal this 24th day of September, 1980.

[Signature]
Notary Public

My commission expires:

10-14-84

NORTH CAROLINA - WAKE COUNTY

The foregoing certificate of [Signature]

Notary (s)/was 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.

EXHIBIT "A"

Those certain tracts or parcels of land in House Creek Township, Wake County, North Carolina, bounded and described as follows:

Tract No. 1: BEGINNING at a point in the center of the Lead Mine Road corner with K. T. H. Lynn, said point being witnessed by an iron stake placed 18 feet west of said center line, runs thence North 86° West 1,274 feet to an iron pipe R. O. Stephens line; thence North 3° East 2,122 feet to an iron pipe W. D. Orr line; thence South 85° 30' East 2,681 feet to a point in the center line of the Lead Mine Road, said point being marked by an iron stake placed 18 feet West of the center line of said Road; thence along the center line of the Lead Mine Road, the following courses and distances to-wit: South 20° West 583 feet; South 55° West 730 feet; South 38° West 950 feet; South 26° West 300 feet to the place of Beginning, containing 96.5 acres, according to Map and survey made by Pittman Stell, County Surveyor, August 11, 1944. It is the property allotted to Miss Eva Lynn in the division of her father's estate and it is the same property conveyed by her to Dr. J. Worth Lynn on March 27, 1941 by deed recorded in Book 860, at Page 180 Wake County Registry and by Dr. J. W. Lynn and wife, conveyed to Willie M. Lynn and wife by deed dated May 24, 1943 and recorded in Book 894, Page 494, Wake County Registry. This is the identical parcel of land which was conveyed by Charles H. Warren et ux to Julian T. Baker and Nancy F. Baker, his wife, by deed dated July 25, 1956, recorded in said Registry in Book 1247, Page 147.

Tract No. 2: BEGINNING at an iron stake, Roxanna Eva Lynn's corner (formerly) at the edge of the road leading to Raleigh known as the Lead Mine Road, and runs thence North 85° 55' West 2,820 feet to an iron stake, now or formerly John Rochell's corner; thence North 06° 50' East 1,430 feet to an iron stake; runs thence South 85° 55' East 3,134 feet along formerly Piper's line to an iron stake at the edge of the Raleigh or Lead Mine Road; runs thence with said Raleigh or Lead Mine Road South 19° West 1,496 feet to the point and place of Beginning, containing 100.2 acres, more or less, and being the identical property conveyed by W. D. Orr and wife, Addie F. Orr to I. L. Cole and wife, Lottie F. Cole (Lottie F. Cole and Lottie Alderson Cole being one and the same person) by deed dated November 24, 1945, and recorded in Book 929, Page 240, Wake County Registry. This is the identical land that was conveyed by Ira Lee Cole et al to Julian T. Baker and Nancy F. Baker, his wife, by deed dated August 18, 1960, recorded in said Registry in Book 1422, Page 396.

Tract No. 3: BEGINNING at a nail in a cap at the center line of Lead Mine Road, said point lying in the Southern Boundary of the Raymond Beck Property; runs thence with Beck Southern land line North 85° 49' West 416.41 feet to a stake; thence North 04° 51' East 46.50 feet to a stake; thence North 85° 40' West 874.02 feet to a stake; thence South 05° 00' West 607 feet to a stake; thence North 86° 15' West 1,303 feet to a stake in the John Biggon Heirs Eastern land line; runs thence South 04° 00' West 1,146 feet to a stake in the Northern Boundary line of Hidden Valley Subdivision; runs thence South 87° 15' East 2,613 feet to a nail in the center line of Lead Mine Road; thence with the center line of Lead Mine Road the following courses and distances: North 00° 15' West 300 feet to a point, North 01° 12' East 455.06 feet to a point, North 01° 33' East 211.20 feet to a point, North 02° 50' East 93.07 feet to a point, North 05° 16' East 240.90 feet to a point; thence leaving said road North 83° 00' West 84.70 feet to a stake, North 07° 00' East 59.20 feet to a stake, South 83° 00' East 83.73 feet to a point in the center line of Lead Mine Road; runs thence with the

center line of said road North 08° 20' East 294.20 feet to the point and place of Beginning and being the property of "Mrs. K. T. H. Lynn" according to a survey dated October 24, 1968 by Smith & Smith, Registered Land Surveyor, and containing 83.39 acres. This is the identical land which was conveyed by John Joseph Lynn et al to Julian T. Baker and Nancy F. Baker, his wife, by deed dated June 8, 1977, recorded in said Registry in Book 2513, Page 71.

Tract No. 4: BEGINNING at a post oak tree in the line of Tract No. 2 of the Lynn Estate and said post oak tree being the Southeast corner of the Harward Tract, and runs thence North 3° 00' East and with the Eastern line of the Harward Tract a distance of 2,171 feet to the Northwest corner of Tract No. 1 of the Lynn Estate, and also being a corner of the Black Tract and Harward Tract; thence South 87° 00' East with the line of the Black Tract a distance of 2,755.5 feet to the Northeast corner of said Tract No. 1, said corner also being the Northwest corner of Tract No. 5; thence South 3° 00' West with the said line of Tract No. 5 a distance of 2,940.3 feet to a stake in the line of Tract No. 4; thence North 87° 00' West with the line of said Tract No. 4 of the Lynn Estate a distance of 1,303.5 feet to a stake on a hill above Liggon's Branch; thence North 3° 00' East a distance of 204.6 feet to a stake near said Liggon's Branch; thence North 87° 00' West and with said Liggon's line a distance of 1,490.5 feet to a large pine stump and being the Southwest corner of Tract No. 2, thence North 62° 06' West up a ravine a distance of 310.5 feet to a stake in the field on left of said ravine; thence up said ravine North 34° 47' West a distance of 302.8 feet to a stake; thence North 82° 23' West a distance of 626.1 feet to the property right-of-way of the State Highway; thence North 00° 15' East and with the right-of-way of State Highway a distance of 211.5 feet to the Harward line, thence South 82° 23' East and with the said Harward line a distance of 1,103 feet, more or less, to the point of the Beginning. Said boundary containing Tract No. 1 and Tract No. 2 and an additional tract providing an outlet to said State Highway having a total area of 200 acres, more or less. The foregoing lands are located in House Creek Township, Wake County, North Carolina, and on the Raleigh-Oxford State Highway and about eight miles from the City of Raleigh, North Carolina.

The above described property being the same as conveyed to Ross O. Stevens and wife, Rose Elizabeth Stevens, by J. J. Lynn et al, by deed dated April 22, 1941 and recorded in Book 862, Page 461, Wake County Registry.

This is the identical land which was conveyed by Ross O. Stevens and Rose Elizabeth Stevens, his wife, to Ashby L. Baker by deed recorded in Book 1098, Page 8, Wake County Registry. See also Will of Ashby L. Baker, Will Book 2, Page 134, in the records of the Clerk of Superior Court for Wake County, North Carolina.

Tract No. 5: BEGINNING at an iron pipe set January 31, 1978, according to a survey entitled "Property of Raymond Beck and wife, Ethel L. Beck" dated April 5, 1968, and revised January 31, 1978 by Smith and Smith, Registered Land Surveyors, Apex, North Carolina. Said beginning point also being the common corner of a 3.66 acre tract and a 0.45 acre tract and the property of K. T. H. Lynn according to the aforementioned survey, running thence from said iron pipe the following courses and distances: North 04° 51' East 347.37 feet to a iron pipe; running thence North 85° 40' West 870.55 feet to an existing iron stake; running thence South 05° 00' West 350 feet to an iron pipe set January 31, 1978 and running thence South 85° 40' East 874.02 feet to the point and place of Beginning and being a 7.0 acre tract according to the survey referenced above. Also being the property shown on a plat recorded in Book of Maps 1978, Volume 3, Page 358, Wake County Registry. The foregoing property was conveyed to Ammons, Inc. by deed dated July 13, 1979 and recorded in Book 2755, Page 444, Wake County Registry.

Tract No. 6: BEGINNING at a point where the lands of the Grantors corner with the lands of Harry Pilos and I. L. Cole, said point lying to the West of the new Lead Mine Road and being in the South line of Pilos and the North line of Cole; running thence with the East line of I. S. Cole to that point in the center of the new Lead Mine Road where the East line of I. L. Cole intersects with the center line of the Lead Mine Road; thence with the center of the new Lead Mine Road in a Northerly direction to the point where the South line of Pilos intersects with the center of the said road; thence with the Pilos South line in a Westerly direction to the point and place of Beginning, and being all of the land owned by the Grantors lying on the West side of the new Lead Mine Road, and the East side of I. L. Cole and being a portion of the land conveyed to L. A. Julien and Orred C. Julien, his wife, by deeds recorded in Book 1279, Page 63; Book 1320, Page 90; and Book 1135, Page 689, Wake County Registry.

This is the identical parcel of land which was conveyed to Julian T. Baker and Nancy F. Baker, his wife, by L. A. Julien and Orred C. Julien, his wife, by deed dated August 31, 1960 and recorded in Book 1422, Page 447, Wake County Registry.

This tract was conveyed to Julian T. Baker by deed dated October 3, 1978 and recorded in Book 2665, Page 687, Wake County Registry.

NORTH CAROLINA
WAKE COUNTY

PRESENTED
REGISTRATION

MAY 21 10 51 AM '86
T. F. ADAMS, JR.
REGISTER OF DEEDS
WAKE COUNTY, N.C.

AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND
RESTRICTIONS FOR THE WEDGES AT
GREYSTONE - SECTION ONE, BOOK
OF MAPS 1980, PAGE 730, WAKE
COUNTY REGISTRY

THIS AMENDMENT TO DECLARATION, made on the 19th day of May, 1981, by and between AMMONS, INC., FORD HOMES, INC., FRANKLIN-LEE HOMES, INC., GREENBRIER REALTY AND CONSTRUCTION COMPANY and AMMONG CONSTRUCTION COMPANY, all North Carolina corporations.

W I T N E S S E T H:

THAT WHEREAS,

A. Ammons, Inc., as Declarant, executed and caused to be recorded in the Wake County Registry in Book 2864, Page 290, an instrument entitled "Declaration of Covenants, Conditions and Restrictions for The Wedges at Greystone - Section One, Book of Maps 1980, Page 730, Wake County Registry, herein referred to as the "Declaration";

B. The parties hereto desire to amend the Declaration as herein set forth;

NOW, THEREFORE, in consideration of the premises, valuable consideration exchanged between the parties hereto and the execution of this document by each of the parties hereto, Ammons, Inc., Ford Homes, Inc., Franklin-Lee Homes, Inc., Greenbrier Realty and Construction Company and Ammons Construction Company do hereby agree, each with the others, as follows:

1. That Section 1 of Article VII of the Declaration is amended by deleting Section 1, Article VII as it appears in the Declaration and inserting in its stead the following:

SECTION 1. Creation of the Personal Obligation of Assessments. Notwithstanding any provision or inference in this Declaration to the contrary, no Lot shall be subject to any annual or special assessments until and unless such Lot becomes a Lot in Use, except as follows: Following approval of each area by both the City of Raleigh and either the Veterans Administration or the Federal Housing Administration and the annexation of each such area by the Declarant, and before

the sale of any Lot in the area annexed, the Common Area of such annexed area shall be conveyed to the Association. The obligation to pay the annual assessment as to all Lots in each annexed area shall accrue from the first day of the first month following annexation.

The amount of assessment on each Lot which is not a Lot in Use shall be one-fourth (1/4) of the assessment applicable to a Lot in Use.

The Declarant, for each Lot in Use owned within the Properties, hereby covenants, and each Owner of any Lot in Use, 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: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments on Lots in Use and the annual assessments on lots which are not Lots in Use, together with such interest thereon and costs of collection thereof, as hereinafter provided, including, without limitation, reasonable attorney's fees, 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 and shall be the personal obligation of the person who was the Owner of such property for the period of such person's ownership. The personal obligation shall not pass to his successors in title unless expressly assumed by them. All assessments relating to Common Area shall be shared equally by the owners of each Lot in Use.

Notwithstanding the foregoing, the Declarant may, at its election, postpone, in whole or in part, the date on which the assessment shall commence provided that the Declarant maintains the Common Areas for which no assessment is being collected during the period of such postponement. (For

example, an assessment may be collected for the maintenance of one lake while the Declarant continues to maintain another lake.)

If any person shall purchase land within the boundaries of the Property and shall apply to the secretary of the Association, or such person who has been designated by the Association for the maintenance of payment records, for information as to whether assessments applicable to the land being purchased is subject to any past due assessments, it shall be the duty of the secretary or other person in charge of assessment records to immediately issue a written statement as to whether the land being purchased is subject to past due assessments. If such issued statement indicates the status of past due assessments, the purchaser of land shall be entitled to rely upon the accuracy of such statement and shall purchase free of any lien for past due assessments not shown on such statement.

2. Article VII of the Declaration is further amended by adding the following section to be known as Section 9 at the end of Article VII:

SECTION 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien; provided, however, that the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof.

Except as amended herein the Declarations remain unchanged and in full force and effect.

IN TESTIMONY WHEREOF, this instrument has been executed by the parties hereto on this the day and year first above written.

AMMONS, INC.

By [Signature]
President

ATTEST:
[Signature]
Secretary

FORD HOMES, INC.

By [Signature]
President

ATTEST:
[Signature]
Secretary

FRANKLIN-LEE HOMES, INC.

By [Signature]
President

ATTEST:
[Signature]
Secretary

GREENBRIER REALTY AND CONSTRUCTION COMPANY

By [Signature]
President

ATTEST:
[Signature]
Secretary

AMMONS CONSTRUCTION COMPANY

By [Signature]
President

ATTEST:
[Signature]
Secretary

NORTH CAROLINA
WAKE COUNTY

I, the undersigned, a Notary Public in and for said State and County, do hereby certify that [Signature] personally appeared before me this day and acknowledged that she is Secretary of AMMONS, INC., 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, [Signature], sealed with its corporate seal, and attested by herself as its Secretary.

WITNESS my hand and notarial seal this the 20th day of May, 1981.

[Signature]
Notary Public

My Commission Expires:
4-14-84