

File: Scott
Browning
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Declaration of Condominium
Under the Provisions of Chapter 47C of the General Statutes
of the State of North Carolina, and
Covenants, Conditions and Restrictions
of
Locksley Woods Condominium
Phase I

This Declaration, made this 16th day of November, 1999, by BILL CLARK HOMES OF GREENVILLE, L.L.C., a North Carolina Limited Liability Company ("Declarant"), pursuant to Chapter 47C of the General Statutes of the State of North Carolina, hereinafter known as the "North Carolina Condominium Act" (also "the Act").

WITNESSETH:

WHEREAS, Declarant is the owner in fee simple of certain real estate situated in or near the City of Greenville, County of Pitt and State of North Carolina, legally described on Exhibit "A", together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate except as hereinafter set forth; and,

WHEREAS, Declarant has retained all of the rights as to the land to submit it for the purpose of this condominium under the provisions of Chapter 47C of the General Statutes of North Carolina and as to all things stated in this Declaration; and,

WHEREAS, Declarant desires to submit all of said property to the Act.

NOW, THEREFORE, Declarant, as the owner of said property, hereby declares as follows:

ARTICLE I
Definitions

Definitions. As used herein, the following words and terms shall have the following meanings:

1.1. Act. The North Carolina Condominium Act, Chapter 47C, of the North Carolina General Statutes.

1.2. Additional Real Estate. The real estate described in Exhibit A-1, together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate.

See Instrument recorded
in Book 1815 Page 374

See Instrument recorded
in Book 1873 Page 3

See Instrument recorded
in Book 1944 Page 748

See Instrument recorded
in Book 1627 Page 273

See Instrument recorded
in Book 1233 Page 784

See Instrument recorded
in Book 1369 Page 443

See Instrument recorded
in Book 1554 Page 330

See Instrument recorded
in Book 1514 Page 33

See Instrument recorded
in Book 1623 Page 84

See Instrument recorded
in Book 1709 Page 309

See Instrument recorded
in Book 1770 Page 48

See Instrument recorded
in Book 1014 Page 269

See Instrument recorded
in Book 1022 Page 247

See Instrument recorded
in Book 1045 Page 784

See Instrument recorded
in Book 1092 Page 50

See Instrument recorded
in Book 1149 Page 541

See Instrument recorded
in Book 1215 Page 128

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1.3. Association. Locksley Woods Condominium Association, Inc., a nonprofit corporation organized under the laws of the State of North Carolina.

1.4. Board. The Board of Directors of the Association.

1.5. Bylaws. The Bylaws of the Association, which are hereby incorporated herein and made a part hereof by this reference.

1.6. Common Elements. All portions of the condominium except the units. Limited common elements are common elements.

1.7. Common Expenses. Expenditures made or liabilities incurred by, or on behalf of, the Association, together with any allocations to reserves.

1.8. Condominium. The condominium created by this Declaration.

1.9. Declarant. Developer and (i) any other person who has executed this Declaration or who hereafter executes an amendment to this Declaration to add additional real estate, except security holders and except persons whose interests in the property will not be conveyed to unit owners; and (ii) any person who succeeds to any special Declarant rights pursuant to Section 3-104 of the Act.

1.10. Declarant Control Period. The period commencing on the date hereof and continuing until the earlier of (i) the date seven (7) years after the date of the first conveyance of a unit to a unit owner other than a Declarant; or (ii) the date upon which Declarant surrenders control of the condominium; or (iii) one hundred twenty (120) days after conveyance of seventy-five percent (75%) of the units (including units which may be created pursuant to special Declarant rights) to unit owners other than a Declarant; or (iv) two (2) years after the Declarant has ceased to offer units for sale in the ordinary course of business; or (v) two (2) years after any development right to add new units was last exercised.

1.11. First Mortgage and First Mortgagee. A first mortgage is a mortgage or deed of trust which has been recorded so as to give constructive notice thereof and which is a first lien on the units described therein. A first mortgagee is the holder, from time to time, of a first mortgage as shown by the records of the office in which the first mortgage is recorded, including a purchaser at foreclosure sale upon foreclosure of a first mortgage until expiration of the mortgagor's period of redemption. If there be more than one holder of a first mortgage, they shall be considered as, and act as, one first mortgagee for all purposes under this Declaration and the Bylaws.

1.12. Limited Common Elements. Those portions of the common elements allocated by operation of Section 2-102(2) or (4) of the Act for the exclusive use of one, but fewer than all, of the units and also any limited common elements specifically allocated to units on Exhibit "B".

1.13. Occupant. Any person or persons in possession of a unit, including unit owners, the family members, lessees, guests and invitees of such person or persons, and family members, guests and invitees of such lessees.

1.14. Person. A natural person, corporation, limited liability company, partnership, trust or other entity, or any combination thereof.

1.15. Property. The real estate described on Exhibit "A" and the additional real estate described on Exhibit "A-1", if added by Declarant pursuant hereto, together with all building and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate.

1.17. Security for an Obligation. The vendor's interest in a contract for deed, mortgagee's interest in a mortgage, trustee's interest in a deed of trust, purchaser's interest under a sheriff's sale during the period of redemption, or the holder's interest in a lien.

1.18. Security Holder. Any person owning a security for an obligation in a unit.

1.19. Special Declarant Rights. The rights reserved herein and in the Bylaws for the benefit of a Declarant, including all rights stated in Section 1-103(23) of the Act including, not by way of limitation, the following: to complete the improvements indicated on the condominium plans; to maintain sales offices, management offices, models and signs advertising the condominium; to use easements through the common elements; to elect, appoint or remove members of the Board during the Declarant control period; to use recreational facilities for the benefit of owners, lessees or invitees of any person residing in the area described on Exhibit "A-1" or any prospective purchaser of a unit lying within the areas described on Exhibit "A" or Exhibit "A-1" (subject to reasonable use fees to be set by the Board); and to add additional real estate. Declarant shall have no right to subdivide or convert units owned by Declarant.

1.20. Unit. A portion of the condominium, whether or not contained solely or partially within a building, together with its percentage of undivided interest in the common elements as set forth on Exhibit "C". Each unit is designated and delineated on the condominium plans.

1.21. Unit Boundaries. The boundaries of each unit, both as to vertical and horizontal planes, as shown on the condominium plans, are the undecorated surfaces of the perimeter walls, exterior doors and exterior windows facing the interior of the unit, and the topmost surfaces of the subflooring. Included within the boundaries of the unit is the decoration on all interior surfaces, including, without limitation, all paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the decorated surfaces thereof. Also included within the boundaries of a unit are all spaces, interior partitions and other fixtures and improvements. Except as herein specified, the unit boundaries shall be as set forth in Section 2-102 of the Act.

1.22. Unit Owner. The person or person, including the Declarant, owning a unit in fee simple.

1.23. Other Definitions. The definitions as contained in the Act, including Section 1-103, which are not in conflict with the foregoing definitions, have the meanings as stated in the Act.

ARTICLE II
Submission of Property to the Act

2.1. Submission. Developer hereby submits the property as shown on Exhibit "A" to the Act. This parcel of land includes Building 2 which is described on a Map of record entitled Locksley Woods Condominiums, Phase 1 (Revised), Section 1, Building 2, dated October 18, 1999, prepared by Stroud Engineering, P.A. and recorded in Condominium Book 2 at page 39-80 of the Pitt County Registry. This parcel of land also includes the Pool and Recreation area, the access drives to Building 2 and Building 3, and

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the land area for Building 3. Building 3 is under construction as of the date of this Declaration but not yet completed.

2.2. Name. The property shall hereafter be known as Locksley Woods Condominium.

2.3. Location. The property subject to this Declaration is entirely located in Pitt County, North Carolina.

2.4. Plats and Plans. The initial plats and plans of Locksley Woods are recorded at the Register of Deeds of Pitt County, North Carolina in Condominium Book 2, at page 88-89 and are entitled "Locksley Woods Condominiums, Phase 1 (Revised), Section 1, Building 2". Building 2 is a part of Phase One of the Locksley Woods Condominium which has been submitted to the Act in paragraph 2.1 of this Declaration. Phase One is described on Exhibit "A" as containing 2.511 acres and is the western portion (or approximately 1/2) of that land shown on a map entitled Locksley Woods, Phase 1 (Revised), dated June 1, 1999, prepared by Stroud Engineering, P.A. and recorded in Map Book 52 at page 32 of the Pitt County Registry.

2.5. Division of Property into Separately Owned Units. Developer, pursuant to the Act, and to establish a plan of condominium ownership for the condominium, does hereby divide the property into units and does hereby designate all such units for separate ownership, subject, however, to the provisions of Section 2.6 hereof.

2.6. Alterations of Units. Subject to the provisions of the Bylaws, a unit may be altered pursuant to the provisions of Section 2-111 of the Act.

2.7. Limited Common Elements. The limited common elements serving or designated to serve each unit are hereby allocated solely and exclusively to each unit. In addition to those defined in Section 1.13, limited common elements include those set forth on Exhibit "B" and are hereby allocated to units as shown on Exhibit "B".

2.8. Unit Allocations. The allocations to each unit of a percentage of undivided interest in the common elements, of votes in the Association, and of a percentage of the common expenses, are as stated on Exhibit "C". The votes in the Association are allocated to all units as stated on Exhibit "C".

2.9. Encumbrances. The liens, defects and encumbrances on the property to which the rights of unit owners and occupants are hereby made subject are set out on Exhibit "D".

2.10. Reservation of Special Declarant Rights. Declarant hereby reserves all special Declarant rights as herein stated and as further defined by the Act and specifically stated in Section 1-103 (23) of the Act.

2.11. Declarant Control Period. Declarant reserves the right to control the Association as set forth in Section 1.10 of the Declaration and further defined in Section 3-103(d) and (e) of the Act.

ARTICLE III

Additional Real Estate and Condominium Expansion

3.1. Declarant's Right to Develop and Add Additional Real Estate. Declarant expressly reserves the right to add all or any portion of the additional real estate to the condominium by recording of an amended

Declaration as set forth in Sections 2-117 and 2-118 of the Act. All or part of the additional real estate identified and described on Exhibit "A-1" may be added to the condominium at different times, but no assurances are made in regard to the order in which such portions may be added. Declarant shall have no duty or obligation of any kind to add any or all of the additional real estate. Notwithstanding, the foregoing developer shall retain all voting rights for any units that have not been sold at the end of the Declarant control period. The method of adding the additional real estate to the condominium shall be pursuant to Section 2-110 of the Act.

3.2. Maximum Number of Additional Units; Units Restricted to Residential Use. The number of units in the condominium is approximately two hundred and thirty four (234) units. The actual number of units is determined by the City of Greenville Zoning Ordinance (Sec. 9-4-143) and is subject to variance as required by the City of Greenville. This number of units is based on the assumption that each building will contain eight units and that all of the areas available to be annexed into the condominium are in fact annexed. No assurances are given by this paragraph that any of the area will be annexed beyond Phase I. No other units are required to be built by the developer and are labeled on the plans as "need not be built".

3.3. Expansion by Merger. At the inception of this condominium, no expansion by merger or consolidation of the condominium is contemplated. The condominium does have and reserves the right to expand by merger with any other legally separate project pursuant to Section 2-121 of the Act. No merger or consolidation shall be effective unless agreed to by unit owners who represent at least 67% of the votes in the Association. Any document of merger shall be in writing and recorded in the Office of the Register of Deeds of Pitt County and shall comply with Section 2-121(c) of the Act.

3.4. Property Rights of Unit Owners in Added Areas. Unit owners in new phases of the condominium shall share an undivided interest in the project's total common elements. Such undivided interest shall be calculated and recalculated from time to time as new phases are added as set forth in Exhibit "C".

3.5. Compatibility of Style, Completion Prior to Annexation, Etc. Any buildings and units that may be erected upon the additional real estate or a portion thereof will be compatible with the other buildings and units in the condominium in terms of architectural style, quality of construction, principal materials employed in construction, and size. All improvements in each area subject to any Amended Declaration shall be substantially completed prior to the recording of the Amended Declaration.

3.6. Applicability of Restrictions. All restrictions in this Declaration and the Bylaws effecting use, occupancy and alienation of units will apply to any and all additional units that may be created within the additional real estate.

3.7. Other Improvements and Common Elements. In addition to the buildings and units that may be erected upon the additional real estate or a portion thereof, the other improvements and common elements that may be made or created upon or within the additional real estate, or each portion thereof which may be added to the condominium, will be generally similar in quality and quantity to the improvements and common elements located in the condominium.

3.8. Applicability of Assurances if Additional Real Estate Not Added. The assurances made in this Article III will not apply with respect to any additional real estate that is not added by an Amended Declaration to the Condominium.

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ARTICLE IV
Easements

4.1 Owner's Easements. Each unit owner shall have an unrestricted right of ingress, egress and regress to the unit owned by said owner. This right shall be perpetual and passes with each unit sale to each new and subsequent owner of the unit. Any conveyance, encumbrance, judicial sale, or other transfer (voluntary or involuntary) of any individual interest in the common elements shall be void unless the unit to which that interest is allocated is also transferred.

4.2 Encroachments. In the event that, by reason of the construction, reconstruction, repair, shifting, settlement, other movement of any portion of the improvements, rehabilitation, alteration or improvement of the buildings or improvements comprising a part of the property, any part of the common elements now or hereafter encroaches upon any part of any unit, or any part of any unit now or hereafter encroaches upon any part of the common elements, or upon any part of another unit, an easement for the continued existence and maintenance of each such encroachment is hereby declared and granted and shall continue for so long as each such encroachment exists; provided that in no event shall an easement for such encroachment be created if such encroachment is detrimental to or interferes with the reasonable use and enjoyment of the common elements or units so encroached upon.

4.3 Easements Through Walls. Easements are hereby declared and granted to the Association and to such persons as are authorized by the Association to install, lay, maintain, repair and replace any chutes, flues, ducts, vents, pipes, wires, conduits and other utility installations, and structural components running through the walls of the units, whether or not such walls lie in whole or in part within the boundaries of any unit.

4.4 Easements to Repair, Maintain, Restore and Reconstruct. Wherever in, and whenever by, this Declaration, the Bylaws or the Act, a unit owner, the Association, the Board, or any other person, is authorized to enter upon a unit or the common elements to repair, maintain, restore or reconstruct all or any part of a unit or the common elements, such easements as are necessary for such entry and such repair, maintenance, restoration or reconstruction are hereby declared and granted.

4.5 Declarant's Easement. Declarant hereby reserves such easements through the common elements as may be reasonably necessary for the purposes of discharging its obligations, exercising special Declarant rights, and completing the development and construction of the condominium, which easements shall exist as long as reasonably necessary for such purposes.

4.6 Easements to Run with Land. All easements and rights described in this Article IV are appurtenant easements running with the land and, except as otherwise expressly provided in this Article IV, shall be perpetually in full force and effect and shall inure to the benefit of and be binding upon Declarant, the Association, unit owners, occupants, security holders and any other person having any interest in the condominium or any part of any thereof. The condominium and every part thereof shall be conveyed and encumbered subject to and together with all easements and rights described in this Article IV, whether or not specifically mentioned in any such conveyance or encumbrance.

4.7 Cable Television Easement and License. Declarant is presently negotiating a cable television wiring agreement which will provide cable television to the units. Easements are reserved for installing and

maintaining cable television lines in the Locksley Woods Condominium. All easements herein reserved shall be pursuant to any agreement to provide cable television and will accommodate such agreement. Such easements will be entered into by Declarant and/or the Association.

ARTICLE V
Restrictions, Conditions and Covenants

5.1. Compliance with Declaration, Bylaws and Rules and Regulations. Each unit owner and occupant shall comply with all applicable provisions of the Act, this Declaration, the Bylaws, the Articles of Incorporation of the Association, and rules and regulations promulgated by the Board or the Association, as amended. Failure to comply shall be grounds for an action by the Association, an aggrieved unit owner, or any person adversely affected, for recovery of damages, injunction or other relief.

5.2. Administration of Condominium. the condominium shall be administered in accordance with the provisions of the Act, this Declaration and the Bylaws.

5.3. Use Restricted: Use by Declarant.

(a) The units shall be occupied and used by unit owners and occupants for residential purposes only.

(b) No "For Sale" or "For Rent" signs or other window displays or advertising shall be maintained or permitted by any unit owner or occupant on any part of the condominium without the prior written consent of the Board or as provided for by the rules and regulations promulgated from time to time by the Board or the Association or in the Bylaws.

(c) The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, Declarant may maintain signs, sales offices for sales of units in the condominium and models for the purpose of demonstrating units to be sold. Declarant shall have the right to relocate, from time to time, and to discontinue and reestablish, from time to time, signs, sales offices for sales of units in the condominium and models within the condominium, until all of the units have been conveyed to a unit owner other than a Declarant, any one or more of such offices or models. Declarant also shall have the right to change the use or combination of uses of such signs, offices or models, provided that such offices or models shall be used only for sales offices or models. The total number of such offices or models maintained at any time by a Declarant shall not exceed one (2) sales offices and four (4) models, and the size of any such originally established or relocated or reestablished office or model shall not exceed the size of the largest unit in the condominium. Where there are unsold units in the project still owned by the Declarant, the Declarant, subject to the provisions of 6.2(a) of this Declaration, shall have the same rights and duties of any unit owner .

(d) Declarant also may maintain signs on the common elements advertising the condominium until all of the units have been conveyed to unit owners other than a Declarant. Declarant shall remove all such signs not later than thirty (30) days after all of the units have been conveyed to unit owners other than Declarant and shall repair or pay for the repair of all damage done by removal of such signs.

(e) The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, the Association may maintain an office in the condominium for management of the condominium.

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5.4. Hazardous Use and Waste. Nothing shall be done to or kept in any unit or the common elements that will increase any rate of insurance maintained with respect to the condominium without the prior written consent of the Board. No unit owner or occupant shall permit anything to be done to or kept in his unit or the common elements that will result in the cancellation of insurance maintained with respect to the condominium, or that would be in violation of any law, or that will result in the commitment of waste (damage, abuse or destruction) to or in his unit or the common elements.

5.5. Alterations of Common Elements. No unit owner or occupant, except Declarant during the Declarant control period, shall alter, construct anything upon, or remove anything from, the common elements, or paint, decorate, landscape or adorn any portion of the common elements, without the prior written consent of the Board. Nothing herein shall prohibit the relocation of boundaries between adjoining units pursuant to Section 2-112 of the Act.

5.6. Nuisance. No noxious or offensive activity shall be conducted upon any unit or in the common elements nor shall anything be done thereon which may or may become an annoyance or nuisance to the unit owners.

5.7. Outside Antennas. Outside radio or television antennas or other similar reception devices (including satellite discs) will not be permitted on the condominium property without application to the Board. The Board in, its sole discretion, may permit such outside radio or television antennas or other similar reception devices (including satellite discs) subject to the rules and regulations adopted by the Board.

5.8. Prohibition of Renting for Transient or Hotel Purposes; Leases. No unit owner shall rent his unit for transient or hotel purposes which, for purposes of this Declaration, shall be defined as either a rental for any period less than thirty (30) days or any rental if the lessee of the unit is provided customary hotel services. Each permitted lease shall lease an entire unit, shall be in writing, and shall be subject to this Declaration and the Bylaws, and any failure of the lessee to comply with the terms of such documents shall be a default under the lease. Any unit owner who enters into a lease of his unit shall promptly notify the Association of the name and address of each lessee, the unit rented, and the term of the lease. Other than the foregoing restrictions, each unit owner shall have the full right to lease his unit. No lease, however, shall relieve owner from any liabilities or duties herein nor shall any owners privileges in any way be changed because of said lease. No sublease may be entered into without the written consent of the Board.

5.9. Handicapped Parking. The Association shall provide and maintain resident parking spaces as required by governmental authority to include parking spaces for handicapped residents pursuant to the Fair Housing Act guidelines as codified at 24 CFR Ch. 1. SSUBCH A, App. II. A minimum of two (2%) percent of parking spaces serving Units covered by the Act shall be made accessible and located on an accessible route to wheelchair users and, if a resident requests an accessible space, additional accessible parking spaces shall be made available if the two (2%) hereinabove described are previously reserved. Many expenses associated with the foregoing shall be born as common expense.

5.10. Pets. No pet shall be allowed in the condominium except as may be provided by the rules and regulations promulgated from time to time by the Board or the Association or in the Bylaws. Notwithstanding the foregoing, no animals, livestock, or poultry of any kind shall be kept or maintained in any condominium or in the common elements except dogs, cats, or other household pets; provided that such pets are not maintained or kept for commercial purposes; and provided further that, notwithstanding the foregoing, the

Board may exclude any pet permitted by this paragraph which it, in its sole discretion, deems to be a nuisance to other unit owners or the Association.

5.11. Rules and Regulations. In addition to the foregoing restrictions, conditions and covenants concerning the use of the condominium, reasonable rules and regulations not in conflict therewith and supplementary thereto may be promulgated and amended from time to time by the Board or the Association, as more fully provided in the Bylaws. Not by way of limitation, the Board may regulate parking in the common areas and may include restrictions on the parking (or may exclude the parking) of oversized vehicles, motorcycles, boats, trailers, and other vehicles or objects, which in the Board's discretion detract from the overall appearance of the common areas and/or limit the use of the common areas by the unit owners.

5.12. Use of Limited Common Elements. Limited common elements assigned to the exclusive use of one or more units shall be kept in a clean and orderly manner. The Board may act as it deems necessary as to the limited common elements in the same manner as it would protect the common elements.

5.13. Restrictions, Conditions and Covenants to Run with Land. All such restrictions, conditions and covenants shall be deemed to be covenants running with the land, and shall bind every person having any interest in the property, and shall inure to the benefit of every unit owner.

ARTICLE VI
Assessments

6.1. Assessment Liens. The Board has the power to levy assessments against the units for common expenses. Such assessments shall be a lien on the units against which they are assessed at the time of assessment; and if any payment thereof becomes delinquent, the lien may be foreclosed and the unit sold, or a money judgment obtained against the persons liable therefor, all as set forth in the Bylaws. Notwithstanding the provision of 6.2, such lien is not released by the sale or transfer (except for foreclosure pursuant to North Carolina law) of such unit. The Board shall have all powers to pursue assessment liens pursuant to Section 3-116 of the Act.

6.2. Maximum Annual Basic Assessment. Until January 1 of the year immediately following the conveyance of the first unit to an owner, the maximum annual basic assessment shall be Eighty Dollars (\$80.00) per unit, not including insurance. The cost of insurance will be added to the maximum annual basic assessment and will vary with the size of the unit.

(a) No dues shall be due to the Association until the closing of the sale of the first Unit in a particular building whereupon dues for all units in the particular building shall commence. The dues on the unoccupied Units shall be calculated by deleting from the monthly budgeted dues the cost components for water and sewer, cable television, and management fees as the units unoccupied units yet owned by the developer are without cost for the same. Amounts budgeted for reserves for future maintenance and repairs of the common elements shall not be included in the monthly dues as to unoccupied Units until the month beginning on January 1 of the second full year following closing of the first Unit in a particular building.

(b) From and after January 1 of the year immediately following the conveyance of the first unit to an owner, the budgeted dues may be increased each year not more than five percent (5%) above the maximum assessment for the previous year without a vote of the membership.

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(c) From and after January 1 of the year immediately following the conveyance of the first unit to an owner, the budgeted dues may be increased above five percent (5%) by a vote of at least 67% of the votes in the Association, voting in person or by proxy, at a meeting duly called for this purpose or at the annual meeting of the Association.

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

6.3. Working Capital Fund. Developer shall establish a working capital fund for the use and benefit of the Association to meet unforeseen expenditures or to purchase any additional equipment. The working capital fund shall be established at the time of the first sale of a unit in the initial phase of the condominium at which time the Purchaser of the unit shall contribute a sum equal to two months estimated common expenses at the time of closing. Thereafter, at the time of sale of each of the units in the original phase, or any additional phase of the condominium, the Purchaser of each unit shall contribute a sum equal to two months estimated common expenses for the unit sold. The working capital fund shall not be considered as advanced payments of regular assessments. Such regular assessments shall become due and payable as stated in this Declaration notwithstanding the provisions of this paragraph. The working capital fund shall be transferred to the Association (if not sooner transferred by the Developer) to be deposited and maintained by the Association in a segregated fund at such time as control of the condominium is transferred to the unit owners. During the Declarant Control Period as set forth in Paragraph 1.10 of this Declaration, Developer may not use any of the funds from the working capital fund to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits.

6.4. Personal Liability of Transferees: Statement: Liability of First Mortgagee.

(a) The personal obligation for assessments which are delinquent at the time of transfer of a unit shall not pass to the transferee of said unit unless said delinquent assessments are expressly assumed by said transferee.

(b) Any transferee referred to in (a) above shall be entitled to a statement from the Board, pursuant to Section 8.11 of the Bylaws, and such transferee's unit shall not be subject to a lien for any unpaid assessments against such unit in excess of the amount therein set forth.

(c) Where a first mortgagee or other person claiming through such first mortgagee, pursuant to the remedies provided in a mortgage or deed of trust, or by foreclosure or by deed, or assignment, in lieu of foreclosure, obtains title to a unit, the liability of such first mortgagee or such other person for assessments shall be only for the assessments or installments thereof that would become delinquent, if not paid, after acquisition of title. For purposes hereof, title to a unit shall be deemed acquired by foreclosure upon expiration of the applicable period of redemption.

(d) Without releasing the transferor from any liability therefor, any unpaid portion of assessments which is not a lien under (b) above or resulting, as provided in (c) above, from the exercise of remedies in a mortgage or deed of trust or by foreclosure thereof or by deed or assignment, in lieu of such foreclosure, shall be a common expense collectible from all unit owners, including the transferee under (b) above and the first mortgagee or such other person under (c) above who acquires ownership by foreclosure or by deed, or assignment, in lieu of foreclosure.

6.5. Prohibition of Exemption from Liability for Contribution Toward Common Expenses. No unit owner may exempt himself from liability for his share of the common expenses assessed by the Association by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit or otherwise.

ARTICLE VII
Management, Maintenance, Repairs, Replacements,
Alterations and Improvements

7.1. Common Elements.

(a) By the Association. The management, replacement, maintenance, repair, alteration and improvement of the common elements shall be the responsibility of the Association, and, subject to the provisions of Section 7.2 hereof, the cost thereof shall be a common expense to the extent not paid by unit owners pursuant to Section 7.1(b) hereof. All damage caused to a unit by any work on or to the common elements done by or for the Association shall be repaired by the Association, and the cost thereof shall be a common expense.

(b) By Unit owners. Each unit owner shall pay all costs to repair and replace all portions of the common elements that may become damaged or destroyed by reason of his intentional acts or the intentional acts of any occupant of his unit. Such payment shall be made upon demand made by the Association.

7.2. Common Expenses Associated with Limited Common Elements or Benefiting Less than all Units.

(a) Any common expense associated with the maintenance, repair, or replacement of a limited common element shall be assessed against the unit, or in equal shares to the units, to which such limited common element was allocated at the time the expense was incurred, provided, however, that routine maintenance and repair to exterior surfaces located within limited common areas done in conjunction with routine maintenance and repair to the building as a whole, such as painting of the entire structure, may be born as a common expense without such allocation, at the discretion of the Board.

(b) In addition, the Association may assess any common expense as to limited common elements benefiting less than all of the units against the units benefited in proportion to their common expense liability.

7.3. Units. Each unit owner shall maintain his unit at all times in a good and clean condition, and repair and replace, at his expense, all portions of his unit; shall perform his responsibilities in such manner as not to unreasonably disturb other occupants; shall promptly report to the Board, or its agent, any defect or need for repairs the responsibility for which is that of the Association; and, to the extent that such expense is not covered by the proceeds of insurance carried by the Association, shall pay all costs to repair and replace any portion of another unit that has become damaged or destroyed by reason of his own acts or omissions, or the acts or omissions of any occupant of his unit. Such payment shall be made upon demand by the unit owners of such other unit. Nothing herein contained shall modify any waiver by insurance companies of rights of subrogation.

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7.4. Waiver of Claims. Except only as provided in Section 7.5(a) and (b), the Association agrees that it shall make no claim against a unit owner or occupant, and each unit owner and occupant agrees that he shall make no claim against the Association, the members of the Board, officers of the Association, or employees or agents of any thereof, or against any manager retained by the Board, or his or its officers, directors, employees or agents, or other unit owners or occupants, for any loss or damage to any of the property, or to a unit or personal property therein, even if caused by the omission or neglect of any one or more of such persons; and all such claims are hereby waived and released; provided, that this waiver shall not apply to any such loss or damage due to intentional acts.

7.5. Right of Entry.

(a) By the Association. The Association, and any person authorized by the Association, may enter any unit or any of the limited common elements in case of any emergency or dangerous condition or situation originating in or threatening that unit or any of the limited common elements. The Association, and any person authorized by the Association, after reasonable notice to a unit owner or occupant, may enter that unit or any of the limited common elements for the purposes of performing any of the Association's duties or obligations or exercising any of the Association's powers under the Act, this Declaration or the Bylaws with respect to that or any other unit, any limited common elements, or the common elements. Notwithstanding Section 7.4, the Association shall be responsible for the repair of any damage caused by the Association or its authorized person to the entered unit, and the cost thereof shall be a common expense. All such entries shall be made and done so as to cause as little inconvenience as possible to the unit owner and occupant of the entered unit or any portion of the limited common elements allocated to the unit owner.

ARTICLE VIII
Insurance

8.1. Property Insurance. The Association shall maintain hazard and flood insurance (if required and except in cases where flood insurance is not available) upon the property in the name of, and the proceeds thereof shall be payable to, the Association, as trustee for all unit owners and security holders as their interests may appear, and be disbursed pursuant to the Act. Such insurance shall be in an amount equal to not less than 50% of the replacement cost of the insured property (after the application of any deductibles) on a replacement cost basis and shall insure against such risks and contain such provisions as the Board, from time to time, shall determine, but at a minimum shall conform in all respects to the requirements of Section 3-113 of the Act, and shall provide that, notwithstanding any provision thereof that gives the insurer an election to restore damage in lieu of making a cash settlement, such option shall not be exercisable if such restoration is prohibited pursuant to Section 3-113(h) of the Act.

8.2. Public Liability Insurance. The Association shall maintain public liability insurance for the benefit of the unit owners, occupants and holders of a vendor's interest in a contract for deed on a unit, the Association, the Board, the manager, if any, the Declarant, and their respective officers, directors, agents and employees, in such amounts and with such coverage as shall be determined by the Board; provided that the public liability insurance shall be for at least One Million Dollars (\$1,000,000.00) per occurrence for death, bodily injury and property damage. Said insurance shall contain a severability-of-interest endorsement precluding the insurer from denying liability because of negligent acts of any insured; insure all of such benefited parties against such liability arising out of or in connection with the use, ownership or maintenance of the common elements, and the streets, sidewalks and public spaces adjoining the condominium; and insure the

Association, the Board, the manager, if any, and their respective officers, directors, agents and employees against such liability arising out of or in connection with the use or maintenance of the units.

8.3. Fidelity Coverage. Fidelity coverage may be maintained by the Association in commercial blanket form covering each director and officer of the Association, any employee or agent of the Association and any other person handling or responsible for handling funds of the Association in the face amount of at least the greater of, (i) one and one-half (1-1/2) times the estimated annual operating expenses and reserves of the Association, or (ii) the sum of three (3) months' aggregate assessments on all units plus the Association's reserve funds. Such coverage shall contain an appropriate endorsement to cover persons who serve without compensation. The premiums on such bonds shall be a common expense.

8.4. Other Insurance. The Association may procure such other insurance, including worker's compensation insurance, as it may, from time to time, deem appropriate to protect the Association or the unit owners.

8.5. Insurance Trustee. The Board may engage, and pay as a common expense, any appropriate person to act as an insurance trustee to receive and disburse insurance proceeds upon such terms as the Board shall determine, consistent with the provisions of the Act and this Declaration.

8.6. Individual Policy for Unit Owners. Each unit owner may obtain insurance, at his own expense, affording personal property, additional living expense, condominium assessment, personal liability, and any other coverage obtainable, to the extent and in the amounts such unit owner deems necessary to protect his own interests; provided that any such insurance shall contain waivers pursuant to Section 7.3 and shall provide that it is without contribution as against the insurance purchased by the Association. If a casualty loss is sustained and there is a reduction in the amount of the proceeds that would otherwise be payable on the insurance purchased by the Association due to the proration of insurance purchased by a unit owner under this Section, such unit owner shall be liable to the Association to the extent of such reduction and shall pay the amount of such reduction to the Association upon demand, and assigns the proceeds of his insurance, to the extent of such reduction, to the Association.

ARTICLE IX
Casualty Damage

If all or any part of the property shall be damaged or destroyed, the same shall be repaired or replaced, and proceeds of insurance shall be used and applied in accordance with the provisions of Section 3-113 of the Act.

ARTICLE X
Condemnation

In the event of a taking by eminent domain, or by a conveyance in lieu thereof, of all or any part of the property, the same shall be repaired or restored, and the awards paid on account thereof shall be used and applied in accordance with Section 1-107 of the Act. The Association is designated as attorney-in-fact to represent the unit owners in all legal proceedings involving condemnation.

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ARTICLE XI
Termination

The condominium may be terminated only in strict compliance with Section 2-118 of the Act.

ARTICLE XII
Amendment

This Declaration may be amended only in strict compliance with the Act including, without limitation, Sections 2-108 and 2-117 of the Act, except that no amendment altering or impairing special Declarant rights may be made without the written consent of Declarant.

ARTICLE XIII
Rights of First Mortgagees: VA, FNMA and FHLMC Provisions

The following provisions shall take precedence over all other provisions of this Declaration and the Bylaws:

13.1. Amendments during Declarant Control Period. Any amendments to this Declaration (including annexation of additional properties not shown on Exhibit A, or dedication of common elements) or amendments to the Bylaws during the Declarant control period shall be subject to the prior approval of the Federal Housing Administration or the Veterans Administration provided, however, that if said administrator fails to respond to a written request for approval within thirty (30) days of said request, approval shall be deemed to have been given.

13.2. Availability of Condominium Documents, Books, Records and Financial Statements. The Association shall, upon request and during normal business hours, make available for inspection by unit owners and the first mortgagees and the insurers and guarantors of a first mortgage on any unit, current copies of the Declaration, the Bylaws, other rules and regulations governing the condominium and the books, records and financial statements of the Association. The Association shall provide an audited financial statement for the preceding fiscal year if requested in writing by a first mortgagee or insurer or guarantor of a first mortgage. The Association shall, upon request and during normal business hours, make available for inspection by prospective purchasers of units, current copies of the Declaration, Bylaws, other rules and regulations governing the condominium, and the most recent annual audited financial statement (if one is prepared).

13.3. Successors' Personal Obligation for Delinquent Assessments. The personal obligation for assessments which are delinquent at the time of transfer of a unit shall not pass to the successors in title or interest to said unit unless said delinquent assessments are expressly assumed by them.

13.4. Rights of Action. The Association and any aggrieved unit owner, including any unit estate owners, shall have a right of action against unit owners, and any aggrieved unit owner shall have a right of action against the Association for failure to comply with the provisions of this Declaration, the Bylaws and the rules, regulations, and decisions of the Association made pursuant to authority granted to the Association in this Declaration and the Bylaws.

13.5. Management and Other Agreements. Any management agreement between the Declarant or the Association and a professional manager or any other agreement providing for services of the developer, sponsor, builder or Declarant shall be terminable by either party thereto without cause and without payment of a termination fee upon not more than ninety (90) days prior written notice and shall not exceed a term of three (3) years, subject to renewal by the consent of both parties.

13.6. Right of First Refusal. The right of a unit owner to sell, transfer, mortgage or otherwise convey his interest in his unit shall not be subject to any right of first refusal.

13.7. Consent of First Mortgagees. This Section 13.7 shall be effective only if, at the time this Section would apply, at least one unit is subject to financing. Any decision to terminate the condominium for reasons other than substantial destruction or condemnation of the property shall require the prior written consent of eligible mortgage holders, as defined in Section 13.9 hereof, representing at least sixty-seven percent (67%) of the votes allocated to units subject to first mortgages held by eligible mortgage holders, or such greater requirements specified by the Act. Except for any amendment to the Declaration made for the purpose of adding any of the additional real estate to the condominium in accordance with the provisions hereof (and including the reallocation of the ownership interest in the common elements and liability for common expenses and the reallocation of voting rights in the Association pursuant to Paragraph 13.12 hereunder), any amendment to the Declaration or Bylaws which changes any of the following shall require the prior written consent of unit owners holding at least sixty-seven percent (67%) of the total votes in the Association and of eligible mortgage holders representing at least fifty-one percent (51%) of the votes allocated to units subject to first mortgages held by eligible mortgage holders, or such greater requirements specified by the Act or hereunder.

- (a) voting rights;
- (b) increases in assessments that raise the previously assessed amount by more than 25%, assessment liens or the priority of assessment liens;
- (c) reductions in reserves for maintenance, repair and replacement of common elements;
- (d) responsibility for maintenance and repairs;
- (e) reallocation of interests in the general or limited common elements or rights to their use;
- (f) redefinition of any unit boundaries;
- (g) convertibility of units into common elements or vice versa;
- (h) expansion or contraction of the project, or the addition, annexation, or withdrawal of property to or from the project;
- (i) hazard or fidelity insurance requirements;
- (j) imposition of any restrictions on the leasing of units;

- (k) imposition of any restrictions on a unit owner's right to sell, transfer his or her unit;
- (l) a decision by the owner's Association of a project that consists of 50 or more units to establish self-management if professional management had been required previously by the project documents or by an eligible mortgage holder;
- (m) restoration or repair of the project (after damage or destruction or partial condemnation) in a manner other than that specified in the documents; or
- (n) any action to terminate the legal status of the condominium after substantial damage or destruction or condemnation; or
- (o) any provisions that expressly benefit mortgage holders, insurers, or guarantors.

13.8. Consent of First Mortgagees or Unit Owners. This Section 13.8 shall be effective only if, at the time this Section would apply, at least one unit is subject to commercial financing. Unless first mortgagees holding at least 67% of the votes allocated to first mortgagees (except first mortgagees having one vote per unit financed), or such higher percentage as is required by law, of the first mortgagees (based upon one vote for each first mortgage owned) and unit owners (other than a Declarant) holding at least 67% of the total votes in the Association have given their prior written approval, or such greater requirements specified in the Act or hereunder have been satisfied, the Association shall not be entitled to:

- (a) by act or omission, seek to abandon or terminate the condominium;
- (b) except in the case of any addition of the additional real estate pursuant to the provisions hereof, change the pro rata interest or obligation of any unit for the purpose of:
 - (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or
 - (ii) determining the pro rata share of ownership of each unit in the common elements;
- (c) partition or subdivide any unit;
- (d) except in the case of any addition of the additional real estate pursuant to the provisions hereof, by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements shall not be deemed a transfer within the meaning of this clause);
- (e) use hazard insurance proceeds for losses to any part of the condominium (whether to units or to common elements) for other than repair, replacement or reconstruction thereof.

13.9. Notice. Each first mortgagee holder and each insurer or guarantor of a first mortgage, upon written request stating its name and address and describing the unit encumbered by the first mortgage held,

insured or guaranteed, shall be entitled to timely written notification by the Association of (i) any proposed action which requires consent of a specified percentage of first mortgagees; (ii) any condemnation or casualty loss that effects either a material portion of the condominium or the unit securing its first mortgage; (iii) any 60-day delinquency in the payment of assessments or charges owed by the unit owner of the unit on which the first mortgagee held its first mortgage or in the performance of any obligation under this Declaration or the Bylaws by said unit owner; or (iv) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association. Each first mortgagee who has requested the Association to notify it of any proposed action that requires the consent of a specified percentage of eligible mortgage holders shall be considered an "eligible mortgage holder". With respect only to non-material amendments (which excludes items (a) to (o) of Section 13.7), such as for the correction of technical errors or for clarification, any first mortgagee who receives a written request by the Association, or any unit owner, to approve an addition or amendment to the Declaration or Bylaws who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

13.10. Assessments. Assessments shall be due and payable in monthly installments. As provided in Article VIII of the Bylaws and as legally required by Section 3-115 of the Act, Declarant shall pay all accrued expenses of the condominium until assessments are levied against the units. Assessments shall commence for all units in each phase of the condominium on the first day of the month following the conveyance of the first unit from that phase of the condominium to a purchaser and shall be deemed levied against all units at that time.

13.11. Rights of First Mortgagee; Insurance Proceeds or Condemnation Awards. No provision of this Declaration or the Bylaws shall be deemed to give a unit owner, or any other party, priority over any rights of a first mortgagee pursuant to its first mortgage on said unit owner's unit, in the case of a distribution to said unit owner of insurance proceeds or condemnation awards for losses to or a taking of units and/or common elements.

13.12. Additional Real Estate; Consent of Administrator; Common Element Interests; Reallocation. In the event any first mortgages are guaranteed by the VA, FNMA, or FHLMC, the additional real estate may not be added to the condominium without the prior written consent of the administrator of the Federal Housing Administration or the Veterans Administration. If the additional real estate is added, the ownership interest in the common elements and the liability for common expenses for each unit shall be reallocated in proportion to the area of each unit to the area of all units and the voting rights in the Association shall be reallocated on the basis of equality. The effective date for said reallocation shall be the date of recordation of the amendment to this Declaration, which document shall comply with the provisions of the Act. The effective date for the assignment of assessments to the units added to the condominium shall be the date the Board levies an assessment against said units. All improvements intended to be located within any portion of the additional real estate added to the condominium shall be substantially completed prior to the addition of said portion of the additional real estate.

ARTICLE XIV
General Provisions

14.1. Conflict with the Act; Severability. Should any of the terms, conditions, provisions, paragraphs, or clauses of this Declaration conflict with any provisions of the Act, the provisions of the Act shall control unless the Act permits the Declaration to override the Act, in which event the Declaration shall control. The invalidity of any covenant, restriction, condition, limitation, provision, paragraph or clause of this Declaration, or of any part of the same, or the application thereof to any person or circumstance, shall not impair or affect in

any manner the validity, enforceability or effect of the rest of this Declaration, or the application of any such covenant, restriction, condition, limitation, provision, paragraph or clause to any other person or circumstances.

14.2. Interpretation of Declaration. Whenever appropriate, singular may be read as plural, plural may be read as singular, and the masculine gender may be read as the feminine or neuter gender. Compound words beginning with the prefix "here" shall refer to this entire Declaration and not merely to the part in which they appear.


14.3. Captions. The captions herein are only for convenience and reference and do not define, limit or describe the scope of this Declaration, or the intent of any provision.

14.4. Exhibits. Exhibits "A", "A-1", "B", "C", and "D" attached hereto are hereby made a part hereof.

Branch Banking & Trust Company, a North Carolina state banking corporation (herein "Bank") and John Charles Thompson, Trustee, join this Declaration of Condominium by way of consenting to the submission of the property described on Exhibit "A" to the Declaration of Condominium as herein stated and by way of substituting and taking as collateral the individual condominium units located on the property described on Exhibit "A" and known, or to be known, as the units in Building 2 and Building 3, for and in lieu of the interest of land the Bank formerly held in the various Deeds of Trust and Mortgage Liens which are specifically set forth in Exhibit "D" of this Declaration. By this acknowledgment of the Condominium and release of collateral, the Bank does not release any interest in any condominium units now located or to be located on the land described on Exhibit "A".

IN WITNESS WHEREOF, Bill Clark Homes of Greenville, LLC has caused this instrument to be signed and sealed by its Manager or Managers on the day and year first above written.

BILL CLARK HOMES OF GREENVILLE, L.L.C.,
A North Carolina Limited Liability Company

BY:  (SEAL)
Manager



BRANCH BANKING & TRUST COMPANY

BY: J.R. Bantz
(name) John B. Bantz, Sr.
(title) Vice President

John Charles Thompson (SEAL)
John Charles Thompson, Trustee

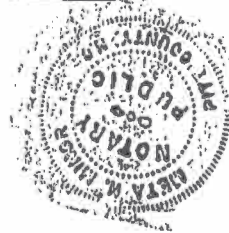
NORTH CAROLINA

PITT COUNTY

I, the undersigned, a Notary Public of the County and State aforesaid, certify
W.H. Clark, and _____, as Manager
or Managers of Bill Clark Homes of Greenville, LLC, personally appeared before me this day and
acknowledged the foregoing instrument. Witness my hand and official stamp or seal, this 16th day of
November, 1999.

Meta H. Moxie, Notary Public

My Commission expires: 7-5-2003



NORTH CAROLINA

PITT COUNTY

SEAL - STAMP

I, Flora A. Brown, a Notary Public of the County and State
aforesaid, certify that F.B.T. Co. personally appeared before me this
day and acknowledged that he/she is Assistant Secretary of Branch Banking & Trust
Company, a Banking Association, and that by authority duly given and as the act of the
corporation, the foregoing instrument was signed in its name by its Vice President
sealed with its corporate seal, and attested by himself/herself as its Assistant Secretary.

Witness my hand and notarial seal, this 17th day of November, 1999.

Flora A. Brown
Notary Public

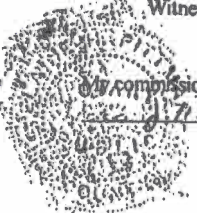


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NORTH CAROLINA
PITT COUNTY

I, Elaine N. Pittman, a Notary Public of the County and State aforesaid, certify that John Charles Thompson, Trustee, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 17th day of November, 1999.



My commission expires: 11/1/01

Elaine N. Pittman
Notary Public

NORTH CAROLINA: Pitt County. The foregoing certificate(s) of Meta H. Minner and Elaine H. Pittman

Notary(ies) Public is (are) certified to be correct. Filed for registration at 9:02 o'clock A M. this 23rd day of November 19 99.

JUDY J. TART, Register of Deeds
By Judy J. Tart
Assistant Deputy Register of Deeds

EXHIBIT "A"

**PHASE I
LEGAL DESCRIPTION
Locksley Woods Condominiums,
PHASE I:**

Lying and being in the City of Greenville, Winterville Township, Pitt County, North Carolina, lying north of NCSR 1706 (York Road) and east of NCSR 1704 (Fourteenth Street Extension) and also being a portion of that parcel described in Deed Book 855, Page 179 and Map Book 52, Page 32 (Map for Record, Locksley Woods, Phase 1 Revised). Further being described as: beginning at the southeast corner of Lot 12A Heritage Village Subdivision Section 4, Map Book 32, Page 35 an existing iron pipe and also a control corner as also shown on Map Book 52, Page 32, thence N-83-25-30-W-7.88 feet to a new iron stake, thence N-83-25-30-W-134.92 feet to the true point of beginning (no point set).

Thence from the true point of beginning the following courses and distances: S-06-34-30-W-165.00 feet (no point set), thence S-21-00-48-E-275.46 feet (no point set) to the north line of a 60' wide right of way for NCSR 1706 (York Road), thence westerly along with the northern right of way N-85-50-30-W-230.00 feet to a new iron stake also being the southeast corner of the Linda M. Perry parcel Deed Book 191, Page 663, thence leaving the northern right of way of NCSR 1706 N-16-39-17-W-211.86 feet to a new iron stake, thence N-73-20-43-E-15.38 feet to a new iron stake, thence N-16-39-17-W-45.49 feet to a new iron stake, thence S-68-30-41-W-15.43 feet to a new iron stake, thence N-16-39-17-W-14.35 feet to a new iron stake, thence N-68-16-41-W-40.00 feet to a new iron stake, thence N-34-01-44-W-183.74 feet, to a new iron stake, thence N-59-47-31-E-15.79 feet to a new iron stake, thence N-30-12-29-W-5.00 feet to a new iron stake, thence N-59-47-31-E-51.64 feet to a new iron stake; thence along with the southern line of Heritage Village Subdivision Section 5 (Map Book 33, Page 161) S-76-28-10-E-102.35 feet to a new iron stake, thence S-79-31-00-E-169.85 feet to a new iron stake (control corner), thence S-83-25-30-E-45.00 feet (no point set) to the true point of beginning and containing 2.511 acres and being the western portion (or approximately 1/2) of that land shown on a map entitled Locksley Woods, Phase 1 (Revised), dated June 1, 1999, prepared by Stroud Engineering, P.A. and recorded in Map Book 52 at page 32 of the Pitt County Registry.

EXHIBIT "A-1"

ADDITIONAL REAL ESTATE

**Locksley Woods Condominiums,
(Need not be built)**

Parcel 1.

Lying and being in Winterville Township, Pitt County, North Carolina, lying north of NCSR 1706, York Road and east of NCSR 1704 Fourteenth Street Extension and beginning at the northeastern corner of lot 15, Block "A" of Heritage Village Subdivision, Section 2 as recorded in Map Book 29, Page 129

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of the Pitt County Registry, said corner being on the southern right of way of Norfolk Southern Railroad, thence along the right of way of Norfolk Southern Railroad S-48-29-49-E-514.87 feet to a point, thence leaving the right of way S-20-45-00-W-185.69 feet, thence S-46-17-38-W-131.29 feet, thence S-71-51-39-W-123.18 feet, thence S-29-57-38-W-136.49 feet, thence S-21-07-01-W-198.74 feet, thence S-08-03-24-W-58.23 feet to a point on the northern right of way of NCSR 1706 York road, thence following the right of way of York Road N-81-56-36-W-105.30 feet, thence N-85-14-09-W-103.22 feet, thence N-85-50-30-W-374.83 feet to a corner of the Linda M. Stancill property (Deed Book 191, Page 663), thence with the Stancill line N-16-39-17-W-270.41 feet, thence S-66-41-12-W-195.85 feet to a point on the eastern right of way of NCSR 1704 Fourteenth Street Extension, thence along the right of way of NCSR 1704 N-34-01-44-W-196.74 feet to a corner of the Carol Vance Averette Property (Deed Book L-49, Page 25), thence with the Averette line N-59-47-31-E-170.92 feet, thence N-29-52-10-W-63.97 feet, thence S-76-21-27-E-33.06 feet to a point in the southern line of Heritage Village Subdivision, Section 5 (Map Book 33, Page 161), thence along the Heritage Village Subdivision boundary S-76-28-10-E-161.75 feet, thence S-79-31-00-E-169.85 feet, thence S-83-25-30-E-187.80 feet to a point in the eastern line of Heritage Village Section 4 (Map Book 32, Page 35), thence continuing along the Heritage Village boundary N-30-11-30-E-655.59 feet to the point of beginning containing 13.7462 acres.

THERE IS EXCEPTED FROM THE FOREGOING PARCEL 1:

Lying and being in the City of Greenville, Winterville Township, Pitt County, North Carolina, lying north of NCSR 1706 (York Road) and east of NCSR 1704 (Fourteenth Street Extension) and also being a portion of that parcel described in Deed Book 855, Page 179 and Map Book 52, Page 32 (Map for Record, Locksley Woods, Phase 1 Revised). Further being described as: beginning at the southeast corner of Lot 12A Heritage Village Subdivision Section 4, Map Book 32, Page 35 an existing iron pipe and also a control corner as also shown on Map Book 52, Page 32, thence N-83-25-30-W-7.88 feet to a new iron stake, thence N-83-25-30-W-134.92 feet to the true point of beginning (no point set).

Thence from the true point of beginning the following courses and distances: S-06-34-30-W-165.00 feet (no point set), thence S-21-00-48-E-275.46 feet (no point set) to the north line of a 60' wide right of way for NCSR 1706 (York Road), thence westerly along with the northern right of way N-85-50-30-W-230.00 feet to a new iron stake also being the southeast corner of the Linda M. Perry parcel Deed Book 191, Page 663, thence leaving the northern right of way of NCSR 1706 N-16-39-17-W-211.86 feet to a new iron stake, thence N-73-20-43-E-15.38 feet to a new iron stake, thence N-16-39-17-W-45.49 feet to a new iron stake, thence S-68-30-41-W-15.43 feet to a new iron stake, thence N-16-39-17-W-14.35 feet to a new iron stake, thence N-68-16-41-W-40.00 feet to a new iron stake, thence N-34-01-44-W-183.74 feet, to a new iron stake, thence N-59-47-31-E-15.79 feet to a new iron stake, thence N-30-12-29-W-5.00 feet to a new iron stake, thence N-59-47-31-E-51.64 feet to a new iron stake, thence along with the southern line of Heritage Village Subdivision Section 5 (Map Book 33, Page 161) S-76-28-10-E-102.35 feet to a new iron stake, thence S-79-31-00-E-169.85 feet to a new iron stake (control corner), thence S-83-25-30-E-45.00 feet (no point set) to the true point of beginning and containing 2.511 acres.

Parcel 2.

Lying and being in Winterville Township, Pitt County, North Carolina, lying north of NCSR 1706, York Road and east of NCSR 1704 Fourteenth Street Extension and beginning at the northeastern corner of lot 15, Block "A" of Heritage Village Subdivision, Section 2 as recorded in Map Book 29, Page 129 of the Pitt County Registry, said corner being on the southern right of way of Norfolk Southern Railroad, thence along the right of way of Norfolk Southern Railroad S-48-29-49-E-514.87 feet to a point, the true point of Beginning, thence continuing along the southern right of way of Norfolk Southern Railroad S-48-28-23-E-122.16 feet to a point, thence S-48-31-37-E-301.83 feet to a point, thence S-48-47-27-E-35.03 feet to an existing iron rod found in the western line of Yorkshire Cluster Development, Section 3 as recorded in Map Book 51, Page 3 of the Pitt County Registry, thence in a southerly direction along the western property line of Yorkshire Cluster, Section 3 S-41-28-23-W-77.74 feet to an existing iron rod found at the beginning of a curve to the left having a radius of 234.39 feet and being subtended by a chord bearing of S-62-11-34-W-246.14 feet to an iron rod found at the end of the curve, thence S-30-31-09-W-30.12 feet to an existing iron rod found at the northwest corner of Yorkshire Cluster Development, Section 2 as recorded in Map Book 47, Page 153 of the Pitt County Registry, thence along the western property line of Yorkshire Cluster, Section 2 S-30-31-09-W-304.78 feet to an existing iron rod found in the western right of way of NCSR 1706 (York Road), thence westerly along the northern right of way the following courses and distances N-65-37-35-W-33.11 feet to a point, thence N-69-56-54-W-102.71 feet to a point, thence N-73-34-57-W-105.72 feet to a point, thence N-77-27-28-W-104.81 feet to the southeast corner of Locksley Woods as recorded in Map Book 50, Page 100 of the Pitt County Registry, thence in a northerly direction along the eastern property line of Locksley Woods, N-08-03-24-E-58.23 feet to a point, thence N-21-07-01-E-198.74 feet to a point, thence N-29-57-38-E-136.49 feet to a point, thence N-71-51-39-E-123.18 feet to a point, thence N-46-17-38-E-131.29 feet to a point, thence N-20-45-00-E-185.69 feet to the true point of Beginning, containing 6.0540 acres excluding area retained in right of way of railroad and highway.

Parcel 3.

Lying and being in Greenville, Winterville Township, Pitt County, North Carolina, lying south of NCSR 1706 York Road and east of Fourteenth Street Extension, beginning at an existing Parker Kalon nail in the centerline intersection of Fourteenth Street Extension and Barnes Street, the true point of beginning. Thence with the centerline of Fourteenth Street Extension N23-58-26W 33.75', thence N20-28-36W 49.98', thence N22-08-45W 6.93' to an existing Parker Kalon nail, thence N22-08-45W 43.06', thence N23-46-01W 50.01', thence N25-23-22W 50.02', thence N27-03-32W 49.99', thence N28-43-40W 50.04', thence N30-22-36W 49.98', thence N32-01-05W 49.99', thence N33-27-10W 35.98', thence N33-55-49W 14.05', thence N34-02-27W 58.14', thence N34-01-38W 41.86', thence N34-04-14W 40.04', thence N34-02-33W 29.05' to the centerline intersection of Fourteenth Street Extension and NCSR 1706 York Road, thence with the centerline of York Road S85-50-36E 443.28' to an existing Parker Kalon nail, thence S85-50-36E 88.04' to an existing Parker Kalon nail, thence S85-14-09E 102.20' to an existing Parker Kalon nail, thence S81-56-36E 103.26' to an existing Parker Kalon nail in the western property line of Brookridge Cluster Development, Section 5 as recorded in map book 47, page 921 of the Pitt County Registry, thence with the Brookridge Cluster Development boundary S09-44-56E 213.54' to an existing iron stake, thence leaving the Brookridge Cluster Development line and with the line of Quail Ridge Subdivision, Section 1 as recorded in map book 28, page 187 of the Pitt County Registry S56-52-05W 501.18' to an existing concrete monument, thence S56-52-05W 45.28' to the point of beginning, containing 5.6476 acres.

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EXHIBIT "B"
LIMITED COMMON ELEMENTS

Each unit shall have those limited common elements as shown on the condominium plans and as set forth below:

1. Entrance walks, balcony access main entrance walks, and stairs. The entrance walks, balcony access main entrance walks, and stairs attached to each building shall be limited common elements for the joint use of all of the units which are served by the walks or stairs in the building.

EXHIBIT "C"

SECTION 3.4 CALCULATION OF OWNERSHIP INTEREST, COMMON EXPENSE LIABILITY AND VOTES IN THE ASSOCIATION

Unit No.	Percentage of Undivided Interest in Common Elements	Percentage of Common Expenses	Votes in Association
2-A	.1250	.1250	1
2-B	.1250	.1250	1
2-C	.1250	.1250	1
2-D	.1250	.1250	1
2-E	.1250	.1250	1
2-F	.1250	.1250	1
2-G	.1250	.1250	1
2-H	.1250	.1250	1

1. Percentage of Undivided Interest in Common Elements, Liability for Common Expenses (Not including Insurance), and Votes in Association. Percentage of undivided interest in common elements and liability for common expenses (except insurance as contained in Paragraph "2." below) shall be allocated equally to all units and shall be calculated by dividing the number of total units in the total condominium project by one. In the event additional real estate is added pursuant to this Declaration, the percentages as established herein shall be recalculated pursuant to this formula and included within any recorded amendment to this Declaration. Each unit shall be allocated one (1) vote in the Association.
2. Insurance Premiums Common Expense. Insurance premiums are a common expense to be set by the master policy and will vary according to the size of the unit.
3. Effective Date of Allocations. The allocations of undivided interest in the common elements, liability for common expenses and votes in the Association are effective on the date of the recording of this Declaration. In the event additional real estate is added to the condominium, the effective date of the allocations as stated above shall be the date of the recording of an Amended Declaration pursuant to Section 2-117 of the Act.

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EXHIBIT "D"

LIENS, DEFECTS AND ENCUMBRANCES

1. There is an outstanding Deed of Trust dated October 29, 1998 given by Bill Clark Homes of Greenville, LLC, recorded in Book 871 at Page 704 of the Pitt County Registry in favor of John Charles Thompson, Trustee and Branch Banking and Trust Company, in the sum of \$8,000,000.00. This debt is also secured by other properties owned by Bill Clark Homes of Greenville, LLC located in Pitt County, North Carolina.
2. Building and zoning laws and ordinances of the City of Greenville, the State of North Carolina and Federal Regulations.
3. The provisions of Articles of Incorporation, Declaration of Condominium and Bylaws of Locksley Woods Condominiums.
4. The Condominium plans.
5. Existing streets, alleys, utility easements and other easements of record, if any, and restrictions of record, if any.
6. The provisions of North Carolina General Statutes, Chapter 47C and other laws relevant to the condominium.
7. Current ad valorem taxes of the City of Greenville and Pitt County.