

This instrument prepared by and return
to: Charles Gordon Brown, 407 Colony
Woods Drive, Chapel Hill, N.C. 27514

BOOK 368 PAGE 472

STATE OF NORTH CAROLINA
COUNTY OF ORANGE

DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS FOR
WEATHERHILL TOWNHOUSES

THIS DECLARATION, made on the date hereinafter set forth, by
WEATHERHILL LIMITED PARTNERSHIP, a North Carolina limited partnership, by
and through its general partner, WELLS MANAGEMENT GROUP, INC., a North
Carolina Corporation, hereinafter referred to as "Declarant",

W I T N E S S E T H :

WHEREAS, Declarant is the owner of certain Properties in Chapel Hill
Township, County of Orange, State of North Carolina;

AND, WHEREAS, Declarant will convey lots from its said Property,
subject to certain protective covenants, conditions, restrictions, reser-
vations and charges as hereinafter set forth;

NOW, THEREFORE, Declarant hereby declares all of its Properties to 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 Properties,
and which shall run with the Properties 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

DEFINITIONS

Section 1. "Association" shall mean and refer to Weatherhill Home-
owner's Association, Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real
property more particularly described on Exhibit A hereto and incorporated
herein by this reference, any subdivided parcels thereof, and such annex-
ations thereto as and when they may hereafter be made a portion of this
general plan of development.

Section 3. "Common Area" shall mean that certain portion of the
Properties now or hereafter owned by the Association for the common use
and enjoyment of all Members or designated classes of Members of the
Association, which Common Area consists of all unimproved and improved
lands, other than that conveyed to individual Owners as Lots or conveyed
to governmental agencies as dedicated rights of way, which Common Area

described with greater particularity on Exhibit B hereto and incorporated herein by this reference.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the execution of the Common Area.

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

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, including contract sellers, of a fee simple title to any Lot, whether such title is a whole or an undivided percentage interest, but excluding persons or entities having such interest merely as security for the performance of an obligation.

Section 7. "Declarant" shall mean and refer to the Weatherhill Limited Partnership, a North Carolina limited partnership, of which Wel's Management Group, Inc. is the general partner, and its successors and assigns if such successors and assigns should acquire more than one undeveloped Lot from the Declarant for the purposes of development.

ARTICLE II

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. At any time during the effective term of this Declaration, Declarant may propose that the Association annex additional properties which have been or will be developed as a part of the general plan of development for Weatherhill Townhouses. Subject to Section 2 below, annexation of additional properties shall require the assent of two-thirds (2/3) of the votes of the Class A membership of the Association and two-thirds (2/3) of the votes of the Class B membership of the Association, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The presence of Members or of written proxies entitled to cast sixty-six and two-thirds percent (66 2/3%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not present at any meeting, another meeting may be called subject to the notice requirement set forth above and the required quorum at such subsequent meeting shall be the same. No such subsequent meeting shall be held more than 60 days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership are not present in person or by proxy, Members not present

may give their written assent to the action taken thereat.

Section 2. If within 5 years of the date of incorporation of the Association, the Declarant should develop additional lands within the boundaries described on Exhibit C hereto, such additional lands may be annexed to and become a portion of the Properties without the assent of the Class A members, provided however, the proposed annexation of the additional lands as described in this section shall be in accordance with a general plan submitted to and previously approved by the Veterans Administration and FIA for the initial phase of twenty-three units. Detailed plans for the development of additional lands must be submitted to the Veterans Administration and FIA prior to such annexation. If the Veterans Administration and FIA determine that such detailed plans are not in accordance with the general plan on file and so advises the Association and the Declarant, the annexation of additional lands must have the assent of two-thirds (2/3) of the Class A membership who are 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 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. At this meeting, the presence of Members or of proxies entitled to cast sixty percent (60%) of all of the votes of the Class A 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 above, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

ARTICLE III

MEMBERSHIP

Every Lot Owner 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; but it shall include contract sellers. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification for membership. The Board of Directors may make reasonable rules relating to the proof of Lot ownership.

ARTICLE IV

VOTING RIGHTS

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

Class A. Class A Members shall be all those Owners defined in Article III, excepting, however, the Declarant. Class A Members shall be entitled to one vote for each Lot which they own. When more than one person owns an interest in any one Lot, all such persons shall be Members, but in no event shall more than one vote be cast with respect to such Lot. The one vote for such Lot shall be exercised as the joint Owners, among themselves, determine.

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 an interest qualifying it for membership by Article III, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever shall occur earlier:

(a) When the total number of votes in Class A membership shall equal the total number of votes in Class B membership, but provided that the Class B membership shall be reinstated if thereafter and before the time stated in subparagraph (b) below, additional lands are annexed to the Properties without the assent of Class A Members on account of the development of such additional lands by the Declarant, all as provided for in Article II, Section 2 above, or

(b) On January 1, 1986.

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 pursuant to the provisions of Article V, Section 1(d).

ARTICLE V

PROPERTY RIGHTS

Section 1. Members' Easements of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Common Area, and such easement shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

(a) The right of the Association to limit the number of guests of Members;

(b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility upon the Common Area;

(c) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and its facilities, and in aid thereof to mortgage the Common Area.

(d) The right of the Association to suspend the voting rights and right to use the recreational facilities by a Member for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(e) 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 by the Members.

(f) The right of the individual Members to the exclusive use of parking spaces as provided in this Article.

Section 2. Delegation of Use. Any Member may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and the facilities to the members of his family, his tenants, or contract purchasers who take up residence on such Member's Lot.

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 to the Association, free and clear of all encumbrances and liens, except street rights of way, easements for driveways, walkways, parking and utility easements prior to the conveyance of the first Lot. Declarant, for itself, its successors and assigns, hereby reserves to itself the right to substitute a modified legal description of Common Area earlier deeded to the Association. Such modified legal description shall be based on a survey of the Common Area after all improvements are in place. The

Association hereby irrevocably appoints and constitutes Declarant as its attorney-in-fact with the power to substitute the aforesaid modified legal description so that there are no discrepancies or encroachments between any Lots or other properties and the Common Area. Also included within Declarant's powers as attorney-in-fact is a power to quitclaim to Declarant or to any Owner any portion of any Common Area which shall encroach on Lots or other properties. This power of attorney is reserved and granted pursuant to G.S. §47-115.1 and shall be appurtenant to and run with the land. This power of attorney shall be registered in the Office of the Register of Deeds of Orange County, North Carolina.

Section 4. Parking Rights. Ownership of each Lot shall entitle the Owner thereof to the use of not more than two automobile parking spaces, which shall be as near and convenient to said Lot as reasonably possible, together with the right of ingress and egress in and upon said parking areas. The Association may permanently assign one vehicular parking space for each Lot, such space to be as near the Lot to which it is assigned as is reasonably possible. The Association may regulate the parking of boats, trailers, and other such items on the Common Area. Boats, campers, trailers and commercial vehicles shall be parked only in the Common Area in spaces designated by the Association.

Section 5. TV Antennas, Cable Television, and Piped-In Music. The Association may, in its discretion, provide one or more central television antennas for the convenience of the Members as well as piped-in music and cable television. The cost of providing these services may be added to and included in the Association's monthly or special assessments. The Association may regulate or prohibit the erection of television and radio antennae on individual Lots.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS, INSURANCE

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot, hereby covenants, and each Owner by acceptance of a deed, 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) monthly 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. All assessments for maintenance of the Common Area and the maintenance of the exterior of any structures erected on the Properties shall be shared equally by the Owners of each Lot. The monthly and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the realty and shall be a continuing lien upon the Lot against which each such assessment is made despite its sale, exchange or disposition by the Owner thereof. Each such assessment, together with such interest, costs and reasonable attorney's fees necessary for the collection thereof shall also be the personal obligation of the Owner of such property at the time when the assessment falls due. The personal obligation shall not pass to the Owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be made and used exclusively for the purpose of insuring the Properties as hereafter provided, for the purpose of promoting the beautification of the Properties, recreation, health, safety and welfare of all the Owners and their delegates, and for the improvement and maintenance of the Common Area and the Lots and residences situated upon the Properties. The Association shall be responsible for the payment of premiums for liability insurance, payment of local ad valorem taxes, if any, on the Common Area, payment of assessments for public and private capital improvements made to or for the benefit of the Common Area, and maintenance of recreational and other facilities located on the Common Area.

Section 3. Basis and Maximum of Monthly Assessments. Until December 31, 1982, the maximum monthly assessment shall be Forty Dollars (\$40.00).

(a) From and after December 31, 1982, the maximum monthly assessment may be increased effective January 1 of each year without a vote of the membership, provided the amount of increase is not more than five (5%) percent more than the maximum assessment for the previous year.

(b) From and after December 31, 1982, the restrictions imposed on increases in the maximum monthly assessment may be suspended or eliminated by a vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy at a meeting called for this purpose.

(c) After consideration of the current maintenance costs and future needs of the Association, the Board of Directors may fix the monthly assessments at an amount not in excess of the maximum.

(d) In lieu of the assessments provided herein for other Owners, the Declarant shall pay for each Lot it owns an assessment equal to sixty percent (60%) of the total monthly assessment other Owners shall pay per Lot provided, however, that no monthly assessments shall become due and owing from Declarant until a certificate of occupancy is granted for improvements made on each Lot. Model units shall be non-assessable until offered for sale.

Section 4. Special Assessments for Capital Improvements. In addition to the monthly 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 construction, reconstruction or unexpected repair or replacement of a capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that, any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who vote 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 purpose of the meeting. The quorum requirements shall be the same as set forth in Article II, Section 1.

Section 5. Uniform Rate of Assessment. Except as provided in Section 3(d) above, monthly assessments must be fixed at a Uniform rate for all Lots. Special assessments shall be fixed in the same manner except Declarant shall not be entitled to a reduction in amount.

Section 6. Quorum for any Action Authorized under Section 4. At the first meeting called, as provided in Section 4 hereof, the presence at the meeting of Members or of proxies entitled to cast sixty (60%) percent

of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth in Section 4, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Monthly Assessments; Due Dates.

The monthly assessments provided for herein shall commence as to all Lots in use on the first day of the month following the conveyance of the Common Area to the Association. The first monthly assessment shall be pro rated according to the number of days remaining in the calendar month. The Board of Directors shall fix the amount of the monthly assessment against each Lot at least thirty (30) days in advance of each annual meeting period. Written notice of the monthly assessment shall be sent to every Owner subject thereto. The due dates for payment shall be established by the Board of Directors. The Association shall upon demand at any time 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 by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been made.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association; Lien. Any assessments which are not paid when due shall be delinquent. If any assessment is not paid within thirty (30) days after its due date, such assessment shall bear interest from the due date at the rate of ten percent (10%) 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. For the purposes of this section, the amount of delinquent assessment, plus accrued interest, shall be considered evidenced by this paragraph and therefore evidence of indebtedness shall exist hereby. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinated to the lien of all first mortgages which shall now or hereafter encumber any Lot. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein: All property dedicated to and accepted by a local public authority.

However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 11. Responsibility for Maintenance. Unless the same are dedicated to and accepted by the Town of Carrboro, maintenance responsibility for the private streets and driveways as shown on all recorded maps shall be the Association's.

ARTICLE VII

INSURANCE

Section 1. Ownership of Policies. Contracts of insurance upon the Properties shall be purchased by the Association for the benefit of the Association, and the Owners and their mortgagees, as their interests may appear. Owners may, at their option, obtain insurance coverage at their own expense upon their own contents, betterments and personal property, for their personal liability and living expense, and such other coverage as they may desire. The Association may re-evaluate its master insurance coverage from time to time and may provide for such insurance coverage as it deems appropriate.

Section 2. Coverage. All buildings and improvements upon the Properties and all personal property included in the Common Area and facilities shall be insured in an amount equal to at least one hundred (100%) percent of their insurable replacement value as determined annually by the Association

with the assistance of the insurance company underwriting the coverage. Such coverage shall provide protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement and such other risks as from time to time shall be customarily covered with respect to buildings on the land.

In its discretion the Association may require that all persons responsible for or authorized to expend funds or otherwise deal in the assets of the Association shall first be bonded by fidelity insurer to indemnify the Association from any loss by reason of default in the performance of their duties. Such fidelity insurance or bond may be obtained at the expense of the Association.

Said policies shall contain clauses providing for waiver of subrogation, if possible. Public liability insurance shall be secured by the Association with limits of liability of no less than One Million Dollars (\$1,000,000) per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be desirable and necessary.

Section 3. Premiums. Premiums for contracts of insurance purchased by the Association shall be paid by the Association and charged ratably to the Owners as an assessment according to the provisions of Article VI above.

Section 4. Proceeds. All contracts of insurance purchased by the Association shall be for the benefit of the Association, the Owners and their mortgagees, as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. The sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein or stated in the By-laws and for the benefit of the Owners and their mortgagees in the following shares:

(a) Proceeds on account of damage to Common Areas and facilities held for the Association.

(c) Proceeds on account of damage to Lots and improvements thereon be held in undivided shares for the Owners of damaged Lots and improvements in proportion to the cost of repairing the damage suffered by each Owner, which cost shall be determined by the Association.

(d) In the event a mortgagee endorsement has been issued with respect to an improved Lot, the share of the Owner shall be held by the Association in trust for the mortgagee and the Owner as their respective interests may appear.

Section 5. Distribution of Insurance Proceeds. Proceeds of contracts of insurance received by the Association as insurance trustee shall be distributed to or for the benefit of the beneficiary or beneficiaries thereof in the following manner:

(a) Reconstruction or Repair. The proceeds shall be paid first to defray the cost of reconstruction and repair of casualty so covered.

(b) Expense of the Trust. Any expense of the insurance trustee may be paid from proceeds after payment of reconstruction or repair expenses. Any proceeds remaining thereafter shall be distributed to the beneficiary or beneficiaries of the trust.

ARTICLE VIII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the improvements upon the Properties and placed on the dividing lines between the Lots, and all reconstruction or extensions of such walls, shall constitute party walls, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls, lateral support in below-grade construction and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall or benefit therefrom in proportion to such use and benefit.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used

the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Reconstruction of Party Wall. The Owner of any Lot may construct, reconstruct, or extend a party wall in any direction (subject to and within the limitation of architectural control and other limitations of this Declaration) with the right to go upon the adjoining Lot to the extent necessary to perform such construction. Such construction shall be done expeditiously. Upon completion of such construction, such Owner shall restore the adjoining Lot to as near the same condition as prevailed before the commencement of such construction as is reasonably practicable.

Section 5. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who, by his negligence or willful act, causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 6. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7. Certification by Adjoining Property Owner that No Contribution is Due. If any Owner desires to sell his Lot, he may, in order to assure a prospective purchaser that no adjoining Owner has a right of contribution as provided in this Article VIII, request of the adjoining Owner a certification that no right of contribution exists, whereupon it shall be the duty of each adjoining Owner to make such certification immediately upon request and without charges; provided, however, that where the adjoining Owner claims a right of contribution, the certification shall contain a recital of the amount claimed.

Section 8. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, such dispute shall be settled by arbitration as provided by the laws of North Carolina then in effect relating to arbitration.

ARTICLE IX

ARCHITECTURAL CONTROL

No building, fence, wall, or other structure or device shall be commenced, erected, attached or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an Architectural Committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE X

EXTERIOR MAINTENANCE

In addition to maintenance of the Common Area conveyed to the Association, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements and betterments. Such exterior maintenance shall not include glass surfaces. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right to unobstructed access over and upon each Lot at all reasonable times to perform maintenance as provided in this Article. The Owner of any Lot may, at his election, plant harmonious trees, shrubs, flowers and grass in his rear yard, and may also maintain portions or all of his rear yard provided that such maintenance by the Owner does not hinder the Association in performing its maintenance of the exterior of the improved Lot and the remaining yard spaces. No such maintenance by a Owner shall reduce the assessment payable by him to the Association. If, in the opinion of the Association, any such Owner fails to maintain his rear yard in a neat and orderly manner, the Association

may revoke the Owner's maintenance rights for a period of not more than one year. No Owner shall plant any vegetation in the front yard except with the prior written approval of the Association .

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family guests, invitees or delegates, or is caused by fire, lightening, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircrafts, vehicles, and smoke as the foregoing are defined and explained in North Carolina Standard Fire and Extended Coverage Insurance Policies, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE XI

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 front yard space of each Lot and the Common Area.

Section 2. Use of Properties. No portion of the Properties (except for temporary office of the Declarant or model used by Declarant) shall be used except for residential purposes incidental or accessory thereto.

(a) Outside clotheslines will not be permitted.

(b) No commercial sign shall be permanently erected or maintained on any Lot.

(c) No house trailers shall be permitted on any Lot. Boat trailers, campers, tents or temporary buildings shall not be permitted on any Lot except in areas approved by the Association. However, house trailers, temporary buildings and the like shall be permitted for construction purposes during the construction period of residential structures. No garage, outbuilding or other appurtenant structure shall be used for residential purposes.

(d) No lumber, brick, stone, cinder block, concrete or any other building materials, scaffolding, mechanical devices or any other thing used for building purposes shall be stored on any Lot except for the purpose of construction on such Lot and shall not be stored on such Lot for longer

than that length of time reasonably necessary for the construction in which same is to be used.

(e) No exposed above-ground tanks will be permitted for the storage of fuel or water or any other substance, except that such tanks may be placed above-ground provided they are kept in a screened enclosure which must be compatible in appearance and locale with the previously constructed residential structure. Any such screened enclosure must exceed in height by at least one (1) foot any such tank as may be placed therein.

(f) Except with the express written permission of Association first had and obtained, no water well shall be sunk or drilled on any Lot. However, Declarant reserves the right to locate wells, pumping stations, and tanks within residential areas on any open space, or on any residential Lot.

(g) No trees, shrubs, bushes or other vegetation having a diameter of four inches or more shall be cut, destroyed or mutilated except with the express written permission of the Association first had and obtained; provided, however, that dead or diseased trees, shrubs, bushes or other vegetation shall be cut and removed promptly from any Lot by the Owner thereof after such dead or diseased condition is first brought to the attention of the Association and permission for such cutting and removal has been obtained.

Section 3. Hobbies and Activities. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly or unkept conditions, shall not be pursued or undertaken on any part of any Lot.

Section 4. Animals and Pets. No stable, poultry house or yard, rabbit hutch or other similar structure shall be constructed or allowed to remain on any Lot, nor shall livestock of any nature or classification whatsoever be kept or maintained on any Lot without the express written permission of the Association first had and obtained. However, household pets shall be permitted, provided they are not raised for commercial purposes.

Section 5. Prohibited Activities. Noxious or offensive activities shall not be carried on upon any Lot. No house or other structure on any residential Lot shall be used for office or business purposes. Each Owner shall refrain from any act or use of his Lot which could reasonably cause embarrassment, discomfort, annoyance or nuisance to the neighborhood.

Section 6. Governmental Regulations. All governmental building codes, health regulations, zoning restrictions and the like applicable to the property made subject to this Declaration shall be observed. In the event of any conflict between any provision of any such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provision shall apply.

Section 7. Miscellaneous.

(a) The sidewalks, entrances, driveways and parking lot must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the Lots.

(b) No sign other than unit letter or number designation, shall be exhibited, inscribed, painted or affixed by any Lot Owner on any part of the outside (or inside visible from outside) of the demised premises or buildings without the prior written consent of the Association.

(c) No awnings or other projections shall be attached to the outside walls of the buildings without the prior written consent of the Association.

(d) No baby carriages, velocipedes or bicycles shall be allowed to stand in the passageway area of the buildings or in the parking lot other than spaces provided.

(e) The Association may retain a pass key to each Lot. No Owner may alter any lock or install a new lock or a knocker on any door of the Lots without the written consent of the Association or the Association Agent. In case such consent is given, the Lot Owner shall provide the Association with an additional key for the use of the Association pursuant to its right of access to the demised Lot.

(f) No Owner shall allow anything whatever to fall from the windows or doors of his Lot, nor shall sweep or throw from the Lot any refuse substance into any of the Common Area of the buildings or grounds.

Each Owner will be responsible to keep in good repair all exterior windows, screens and doors.

(g) No garbage cans, supplies or other materials shall be indiscriminately placed or strewn in the Common Area. Neither shall any linens, cloths, clothing, curtains, rugs or mops be shaken or hung from any of the windows or doors.

(h) No Owner shall make or permit any disturbing noises in the building by himself, his family, employees, agents, visitors and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts and convenience of other Owners.

(i) No radio or television aerial or antenna installation shall be made without the written consent of the Association. Any aerial erected on the roof or exterior walls of the building without the consent of the Association, in writing, is subject to be removed without notice.

(j) No part of the Lot visible from outside the Lot (such as doors, windows, walls, porches, steps) may be modified or replaced other than by substitution therefor of materials or parts identical to that which the material or part replaces or covers, except by written consent of the Association.

ARTICLE XII

EASEMENTS

All of the Properties, including Lots and Common Area, shall be subject to such easements for driveways, walkways, water lines, parking areas, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines and other public utilities as shall be established by the Declarant or by his predecessors in title, prior to the subjecting of the Properties to this Declaration; 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.

All Lots shall be subject to easements for the encroachments of initial improvements constructed on adjacent Lots by the Declarant to the extent that such initial improvements actually encroach including, but not limited to, such items as fireplaces, overhanging eaves, gutters, and downspouts and walls.

An easement is hereby established for the benefit of the Town of Carrboro and Orange Water and Sewer Authority over all Common Area hereby or hereafter established for the setting, removal, and reading of water meters, the maintenance and replacement of water, sewer and drainage facilities, and the prevention, control and fighting of fires and collection of garbage.

ARTICLE XIII

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. The Association's or any Owner's failure 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 one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Mandatory Membership. Membership in the Association shall be mandatory for each Owner, whether he be an original purchaser or successive purchaser of a Lot.

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 first thirty (30) year period by an instrument signed by not less than the Owners of ninety percent (90%) of the Lots, and thereafter by an instrument signed by not less than the Owners of seventy-five percent (75%) of the Lots.

Section 5. If any amendment to these covenants, conditions and restrictions is executed, each such amendment shall be delivered to the

Board of Directors of this Association. Thereupon, the Board of Directors shall, within thirty (30) days, do the following:

(a) Reasonably assure itself that the amendment has been validly executed by the Owners of the required number of Lots. (For this purpose, the Board may rely on its roster of members and shall not be required to cause any title to any Lot to be examined).

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

CERTIFICATION OF VALIDITY OF AMENDMENT TO COVENANTS,

CONDITIONS AND RESTRICTIONS OF WEATHERHILL

HOMEOWNERS ASSOCIATION

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

This the _____ day of _____, 198__.

WEATHERHILL HOMEOWNERS ASSOCIATION, INC.

President

ATTEST:

Secretary

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

All amendments shall be effective from the date of the recordation in the Orange County Registry, provided, however, that no such instrument shall be valid until it has been indexed in the name of the Association. When any instrument purporting to amend the covenants, conditions, and restrictions has been certified by the Board of Directors, recorded, and indexed as provided by this Section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to all persons thereafter purchasing any Lots.

Section 6. VA/FHA/FNMA Approval. The following actions will require the prior approval of the Veterans Administration, Federal Housing Administration, and the Federal National Mortgage Association: annexation of additional Properties, dedication of Common Area, and the amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 7. Rights of Noteholders. Any institutional holder of a first mortgage on a Lot will, upon request, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive an annual audited financial statement of the Association within ninety (90) days following the end of its fiscal year, and (c) receive written notice of all meetings of the Association and the right to designate a representation to attend all such meetings.

Section 8. Association Management. Any Management Agreement for the Association will be terminable by the Association for cause upon thirty (30) days written notice thereof and the terms of such agreement may not exceed one year, renewable by the parties for successive one-year periods; provided, however, that any such termination or failure to renew shall require the prior consent of fifty-one percent (51%) of all first mortgage noteholders on the Lots. Each noteholder shall be given one vote for each note it holds on each Lot which is secured by a first mortgage or first lien deed of trust. Fifty-one percent (51%) of those noteholders entitled to votes must consent to such termination or failure to renew.

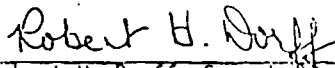
IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this instrument this the ____ day of _____, 1981, by authority of its Board of Directors.

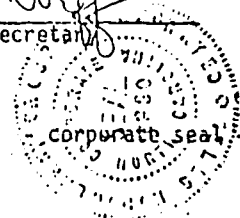
888 East Franklin Street
Chapel Hill, N. C. 27514

WEATHERHILL LIMITED PARTNERSHIP,
a North Carolina limited partnership

By: WELLS MANAGEMENT GROUP, INC.,
a North Carolina Corporation and
general partner of Weatherhill
Limited Partnership


Ronald C. Wells, President

Attest: 
Robert H. Dorff, Secretary



STATE OF NORTH CAROLINA
COUNTY OF DURHAM

I, Charles Gordon Brown, a Notary Public for the aforesaid county and state, do hereby certify that Ronald C. Wells, president, and Robert H. Dorff, secretary, of Wells Management Group, Inc., a North Carolina Corporation, personally came before me and who, after being by me duly sworn, stated that Wells Management Group, Inc. is the general partner of Weatherhill Limited Partnership, a North Carolina limited partnership, and that as the general partner of said Weatherhill Limited Partnership, acknowledged the execution of the foregoing instrument; and I certify that Robert H. Dorff personally came before me this day and acknowledged that he is the secretary of Wells Management Group, Inc., a North Carolina corporation and the general partner of Weatherhill Limited Partnership, and that by authority duly given and as the act of the said corporation, for itself and as the general partner of Weatherhill Limited Partnership, the foregoing instrument was signed in its name by Ronald C. Wells, its president, sealed with its corporate seal and attested by Robert H. Dorff as its secretary.

Witness my hand and official seal, this 25th day of July, 1981.

My commission expires
October 21, 1985

Charles Gordon Brown
Charles Gordon Brown, Notary Public

SEAL



STATE OF NORTH CAROLINA-ORANGE COUNTY

THE FOREGOING CERTIFICATE IS OF Charles Gordon Brown

A NOTARY ~~BOOK~~ PUBLIC OF THE DESIGNATED GOVERNMENTAL UNITS IS ~~NOT~~ CERTIFIED TO BE CORRECT

THIS THE 27th DAY OF July, A.D. 1981

BETTY JUNE HAYES REGISTER OF DEEDS BY *Betty June Hayes*
ASSISTANT/DEPUTY REGISTER OF DEEDS

RETURN _____

FILED
BOOK 362 PAGE 493
JUL 27 3 12 PM '81
BETTY JUNE HAYES
REGISTER OF DEEDS
ORANGE COUNTY, N.C.

EXHIBIT A

DESCRIPTION

Located in Chapel Hill Township, Orange County and BEGINNING at a point which is located along the arc of a circle with a radius of 1984.86 feet a distance of 919.36 feet in a westerly direction from the intersection of the western right of way of Westbrook Drive with the southern margin of N.C. Highway 54 By-pass; and running from the point and place of BEGINNING along and with the southern margin of Highway 54 By-pass in a westerly direction along the arc of a circle having a radius of 1984.86 feet a distance of 268.51 feet to an iron stake being the northeast corner of "Tract A" shown on the hereinafter referred to plat; running thence a line South 55° 00' 00" West 185.00 feet to an iron stake; running thence a new line along and with the Northern right of way of Beechwood Drive the following courses and distances: running in a southeasterly direction along the arc of a circle having a radius of 275.43 feet a distance of 64.21 feet to an iron stake; running thence a line South 21° 38' 35" East 25.00 feet to an iron stake; running in a southeasterly direction along and with the arc of a circle having a radius of 260.00 feet a distance of 196.51 feet to an iron stake; running thence a line South 64° 56' 48" East 176.87 feet to an iron stake; running in a Northeasterly direction along and with the arc of a circle having a radius of 213.00 feet a distance of 90.20 feet to an iron stake; running in a Northeasterly direction along and with the arc of a circle having a radius of 442.00 feet a distance of 27.96 feet to an iron stake; running thence a new line North 23° 55' 08" West 149.46 feet to an iron stake; running thence a line North 14° 06' 32" East 70.00 feet to the point and place of Beginning and containing 2.24 acres more or less and designated as "Walnut Court" on plat and survey by A. N. Barnes, R.L.S., dated December 29, 1980, entitled "Weatherhill - Walnut Court" as recorded in Plat Book 33, page 47, Orange County Registry to which plat reference is hereby made for a more particular description.

EXHIBIT B

The following property shall constitute the Common Area, subject however, to (1) annexation of additional land pursuant to Article II of the Declaration and (2) substitution of a modified legal description of any Common Area by Declarant based on an as-built survey as provided in

Phase I Common Area

All that certain tract or parcel of land lying and being near the Town of Carrboro, Chapel Hill Township, Orange County, North Carolina and shown as "Weatherhill, Phase One" on that certain plat of survey by Baillentine, Ayers & Neville, P.A., engineers and surveyors, dated July 10, 1981, and recorded at Plat Book 34, Page 16, Orange County Registry, to which reference is made for a more complete description of the meets, bounds and courses thereof, but LESS AND EXCEPT all those certain lots as shown on said plat numbers 1 through 23, which lots are reserved from and are not conveyed as part of the Common Area.

EXHIBIT C

The following lands are included within and constitute the property to be developed in accordance with the general plan for Weatherhill Townhouses:

Tract 1: All that certain tract or parcel of land lying and being in Carrboro, Chapel Hill Township, Orange County, North Carolina, and shown as Tract "A" on that certain plat of survey by A. R. Barnes, R.L.S., and recorded at Plat Book 33, Page 47, Orange County Registry.

Tract 2: All that certain tract or parcel of land lying and being in Carrboro, Chapel Hill Township, Orange County, North Carolina, and shown as Lot 1 on that certain plat of survey by Ballentine, Ayers and Neville, P.A., and recorded at Plat Book 33, Page 49, Orange County Registry.

Tract 3: All that certain tract or parcel of land lying and being in Carrboro, Chapel Hill Township, Orange County, North Carolina, and shown on that certain survey by Ballentine, Ayers and Neville, P.A., dated June 3, 1981 (revised June 17, 1981) entitled "Weatherhill-Entrance-Phase Two," consisting of 5.67 acres, which property is the same acquired by Declarant by deed recorded at Deed Book 367, Page 501, Orange County Registry; LESS AND EXCEPT an area of approximately 20,020 square feet which begins at a point on the southern right-of-way of Jones Ferry Road, thence North $63^{\circ} 31' 41''$ East 113.03 feet to a point; thence southerly along an arc with a radius 175.19 feet a total of 159.22 feet to a point, thence South $28^{\circ} 05' 28''$ West 72.21 feet to a point, thence South $47^{\circ} 12' 36''$ West 70.25 feet to a point thence North $02^{\circ} 35' 21''$ West 215.00 feet to the point and place of BEGINNING.