

such removal or demolition shall be required if prohibited by court order or if a legal or insurance investigation concerning such fire or casualty is ongoing.

M.

Restrictions on Use and Occupancy

(1) The division of Lots is permissible provided that the number of Lots in the Subdivision is not increased (i.e. portions of Lots are combined with other Lots or other portions of Lots to form a new Lot). Any Lot which is created by the combination of one or more Lots or portions thereof shall only be considered one Lot under these Restrictions notwithstanding the fact that it may contain more than one Lot. Any drainage or utility easement which runs along the side lot lines of a Lot automatically shall be relocated to the new side lot lines of any new or resultant Lot. If the drainage or utility easement is already in use, the Owner combining the Lots shall pay for the relocation of such drainage or utility easements and the lines and pipes using such. No Townhouse shall be erected, altered, placed or permitted to remain on any Lot other than for the use as a single-family residential Townhouse and only one single-family residential Townhouse shall be erected or permitted to remain upon any Lot. Each Townhouse unit shall be occupied only by one single family at any one time. Nothing herein prohibits the combination of two adjoining Townhouses for use by one Owner. No maintenance or improvement by a Townhouse Owner shall reduce the assessment payable by an Owner to the Corporation.

(2) Structures appurtenant to the Townhouse shall be permitted subject to approval by the Committee. Appurtenant structures shall be of like materials, construction methods and techniques as the Townhouse. Appurtenant structures shall not be allowed if they are made of metal, tin or aluminum. No appurtenant structures shall be permitted on a Lot until a Townhouse has been constructed on a Lot.

(3) No fences shall be permitted on any Lot unless approved by the Committee.

(4) An Owner may lease or sublease his Townhouse at any time and from time to time provided that the lease agreement provides that the rights of any lessee or sublessee of the Lot shall be subject to, and each such lessee or sublessee shall be bound by the provisions set forth in this Declaration, the Bylaws and the rules and regulations of the Subdivision; provided, however, the foregoing shall not impose any direct liability on any lessee or sublessee of a Lot to pay any monthly general or special assessments on behalf of the Owner.

(5) No Owner shall permit anything to be done or kept in his Townhouse or on his Lot which will result in the cancellation of insurance on his Townhouse or of that of any of his neighbors. No waste may occur in the Community Use Areas.

(6) All motor vehicles of any type kept within the Subdivision shall have current registration and inspection certificates. The only motor vehicles which shall be allowed to remain overnight in the Subdivision are automobiles, pickup trucks, vans, stepvans, and motorcycles. Except for trucks used in the construction of a Townhouse or other improvements on a Lot which are not left in the Subdivision for more than seventy-two (72) hours, no trucks or other motor vehicles in excess of a three-quarter-ton load capacity shall be parked or kept overnight or longer within the Subdivision. Notwithstanding any provisions contained herein, no motor vehicles may be parked or stored in the Subdivision until a Townhouse has been constructed on the Lot except for trucks and automobiles being used in construction of the Townhouse or other improvements on a Lot as otherwise permitted herein. No boats, motor homes, campers or recreational vehicles may be parked or stored on a Lot or in the Subdivision except in locations approved by the Committee. No stripped, partially wrecked, or junked motor vehicles or any part thereof or vehicles without current license plates and registrations shall be permitted to be parked or kept on any Lot or on the Community Use Areas.

(7) No signs of any kind shall be displayed to the public view on any Lot except: a) signs used by the Declarant or its agent to advertise the property during the construction and sales period; b) one (1) sign not more than four (4) square feet in size advertising the property for sale or rent; or c) subdivision entrance signs. Additional restrictions on signs are set forth in Article J.

(8) No outdoor poles, flagpoles, clotheslines, or other similar equipment shall be erected or permitted on any Lot.

(9) No trash, ashes, garbage, or other refuse shall be dumped, stored or accumulated on the exterior of any Townhouse except in receptacles specifically provided for such which are regularly emptied by a trash collection service.

(10) No noxious or offensive activity shall be conducted upon any Lot and nothing shall be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

(11) No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any Townhouse except that dogs, cats, or other household pets may be kept or maintained provided they are not kept or maintained for commercial purposes. Such pets shall be reasonable in number and must be confined to the Lot upon which they live. All pets outside of a Townhouse must be physically confined to the Lot on which they live. Animals or pets which run at large are a nuisance and are prohibited.

(12) The provisions of this Article are subject to the condition that for so long as the Declarant retains any Lot or any portion of the property in the Subdivision, whether shown and delineated on the aforesaid plat or later annexed into the Subdivision, which has not been sold, leased, rented, or otherwise conveyed, the Declarant is hereby expressly permitted to maintain signs on the Community Use Areas.

(13) Subject to the provisions of this Declaration, the Articles and the Bylaws, the Board of Directors shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Community Use Areas. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors shall be recorded in a Book of Resolutions, which shall be maintained at the Corporation's principal office and available for inspection by members and Owners during normal business hours.

(14) No outside radio or television antennas, satellite dishes, or towers of any kind, shall be erected on any Lot or Townhouse unless and until written permission for same has been granted by the Committee. No radio station or shortwave operator of any kind shall operate from any Lot or Townhouse without the prior written consent of the Committee.

(15) No manufactured home, mobile home, trailer, temporary house, or temporary structure shall be placed on or erected on a Lot; provided, however, the Committee may grant permission for the placement of a temporary structure on a Lot for storage of materials during the construction period. No such temporary structure shall be used at any time as a Townhouse.

(16) Once construction of improvements is started on any Lot, improvements must be substantially completed in accordance with the plans and specifications as approved by the Committee within twelve (12) months from commencement. Provided, however, this restriction shall not be applicable to Declarant.

(17) No residence shall be occupied until the same has been substantially completed and a Certificate of Occupancy has been issued by the appropriate governmental authority.

(18) Fuel storage tanks shall be located on the Lots in a location as approved by the Committee.

(19) No structure which is erected upon a Lot may be used as a temporary or permanent sales office. Any structure constructed, placed or erected on a Lot which is temporarily or permanently manned by a sales staff shall be a violation of this restriction. Provided, however, Declarant or persons or companies designated by Declarant shall be entitled to maintain a model home and/or sales office on any Lot so long as the party guaranteeing the sales office has lots or townhouses for sale in this Subdivision.

(20) The provisions of this Article are subject to the condition that for so long as the Declarant retains any Lot or any portion of the property in the Subdivision, whether delineated on the aforesaid plat or later annexed into the Subdivision, which has not been sold, leased, rented, or otherwise conveyed to someone who is not a Declarant as herein defined, Declarant is hereby expressly permitted to maintain signs, temporary structures, and other construction on the Community Use Areas and the exterior of buildings, and make any improvements or modifications in structures deemed necessary to the selling or leasing of the Lots and Townhouses, including the operation of a model unit and office and signs announcing the location of same.

(21) All electric, cable TV and telephone lines shall be installed underground.

(22) Additional restrictions on use and occupancy of Lots are contained in Article J.

(23) The exterior of every Townhouse shall be maintained by the Lot Owner in at least as good a condition as the average condition of the exterior of the remaining Townhouses in the Subdivision.

(24) Leaving Lots in their natural state shall not be a violation of this Declaration.

(25) The setback lines shall be as set forth on the recorded plat. Those setback lines may be amended and variances granted with respect thereto as herein provided.

(26) Each Townhouse erected upon each Lot shall contain at least 1000 square feet of ground floor heated area. Porches and decks shall not be credited against the required square footage. It is provided, however, that the Committee may grant a credit toward the required amount of ground floor heated area for garages. The amount of such credit shall be determined in the sole discretion of the Committee.

(27) Owners and occupants of a Townhouse shall not cause or permit anything to be hung or displayed on or in windows facing any street except draperies or coverings with plain white lining or color. No signs, awnings, canopies or shutters shall be affixed to or placed upon any Lot or the exterior walls or roof of any Townhouse without the prior written consent of the Architectural Control Committee.

N.

Complaints

(1) For all matters except those concerning the nonpayment of assessments, before any Owner in his capacity as an Owner (hereinafter called Complainant) may bring any action in any court of law against the Corporation or any other Owner for failure to comply with the terms of these Restrictions, the Articles or the Bylaws, the Complainant shall notify the Corporation or the Owner, as the case may be, in writing by personal delivery or registered or certified mail, of the substance of the matter causing the complaint.

(2) Following the giving of notice as provided in Paragraph (1) above, the Corporation or the offending Owner, as the case may be, shall have thirty (30) days in which to remedy the complained of matter. If the matter causing the complaint is not remedied within the foregoing thirty (30) day period, the Complainant shall have the right to appear before the Board of Directors to register such complaint.

(3) If the Board of Directors, after considering the complaint pursuant to the terms of Paragraph (2) above and with notice and hearing as specified in Article H, by majority vote decides against the Corporation or the offending Owner, the Corporation or the offending Owner shall have a period of thirty (30) days from the date of such decision to remedy the complained of matter.

(4) If, after the thirty (30) day period provided in Paragraph (3) above, the offending party has not remedied the complained of matter, the Complainant shall have the right to institute suit in a court of law. If the Board of Directors shall decide against the Complainant pursuant to Paragraph (3) above, the Complainant may immediately institute suit in a court of law.

(5) This Article shall not apply to actions brought or taken by the Corporation. However, the Corporation may utilize the provisions of this Article should it desire to do so.

O.

Waiver

No provision contained in these Restrictions, the Articles or the Bylaws, shall be deemed to have been waived, abandoned, or abrogated by reason of failure to enforce them on the part of any Person as to the same or similar future violations, no matter how often the failure to enforce is repeated.

P.

Variations

The Committee in its discretion may allow reasonable variations and adjustments in the restrictions contained herein in order to alleviate practical difficulties and hardships in their enforcement and operation. Any such variance shall not violate the spirit or the intent of this document to create a Subdivision of Lots owned in fee by various Persons with each such Owner having an easement upon areas owned by the Corporation. No variance or adjustment will be permitted if the activity permitted by variance would be materially detrimental or injurious to the welfare of the other property and improvements in the Subdivision as determined by the Committee.

Upon granting a variance, the Committee shall notify the President of the Corporation of the variance and the President shall have the variance prepared and executed. To be effective, a variance hereunder shall be recorded in the Wayne County Register of Deeds Office, shall be executed on behalf of the Corporation, and shall refer specifically to this Declaration.

Q.

Duration, Amendment and Termination

(1) The Restrictions contained in this Declaration shall run with and bind the Lots and Community Use Areas until January 1, 2009, after which time they shall automatically be extended for successive periods of ten (10) years. This Declaration may be amended in full or part until January 1, 2009, by an instrument signed by not less than two-thirds (2/3) of each class of members, and thereafter, by an instrument signed by not less than three-fourths (3/4) of each class of members; provided, that no amendment shall: a) alter any obligation to pay ad valorem taxes on the Community Use Areas; b) alter any obligation to pay assessments for street lighting as herein provided; c) affect any lien for the

payment of same, or d) modify any provision contained herein which specifically requires the consent of another party to modify such provision without the required consent of such other party. No such amendment shall affect the rights of Declarant unless Declarant executes the amendment.

To be effective any amendment must be recorded in the Wayne County Register of Deeds office.

(2) Invalidation of any of these Restrictions by judgment or court order shall in no way affect any other provision of these Restrictions which shall remain in full force and effect.

(3) Notwithstanding any other provisions of this Declaration Declarant may amend this Declaration without the consent of any Owners if such amendment is required by any governmental agency for governmental approval. Declarant shall notify all Owners of such amendment after it has been recorded.

R.

Community Use Areas: Private

(1) Every Community Use Area and any facility thereon is private. Neither the Declarant's execution nor recording of the plat nor any other act of the Declarant with respect to the property is or is intended to be or shall be construed as a dedication to the public of any of the Community Use Areas. An easement for the use and enjoyment of each of the areas designated as Community Use Areas is reserved by the Declarant, its successors and assigns.

(2) All Community Use Areas shall be owned by the Corporation free and clear of all liens and encumbrances except pro rata ad valorem real property taxes for the year of conveyance, reasonable drainage and utility easements, certain easement rights specified herein, including but not limited to, easement rights retained by HHLTW Partnership herein, all government laws and regulations, and this Declaration.

S.

Remedies

Subject to the provisions of Articles H and N, enforcement of these Restrictions shall be by a proceeding at law or in equity against any Person or Persons violating or attempting to violate any covenant or condition, either to restrain violation thereof or to recover damages therefor. Injunction shall not issue to compel the removal of or moving of any completed residence for violation of side setback or front setback restrictions, the sole remedy of any offended person being a suit for damages.

T.

Acceptance

(1) The grantee of any Lot subject to the coverage of these Restrictions, by acceptance of a deed conveying title thereto, or by the execution of a contract for the purchase thereof, whether from Declarant or a subsequent owner of such Lot, shall accept such deed or contract upon and subject to each and all of these Restrictions herein contained and also the jurisdiction, rights and powers of the Corporation and by such acceptance shall for himself, his heirs, personal representatives, successors and assigns, covenant, consent and agree to and with Declarant and the Corporation and to and with the grantees and subsequent owners of each of the Lots to keep, observe, and comply with said Restrictions.

(2) Each such grantee also agrees, by such acceptance, to assume, as against Declarant, its successors and assigns, all of the risks and hazards of ownership or occupancy attendant to such Lot, including but not limited to its proximity to any Community Use Area.

21

U.

Applicability

These Restrictions shall apply only to the Lots and Community Use Areas specified herein or hereinafter annexed into the Subdivision. These Restrictions are specifically not applicable to any other property designated on the plat or any numbered lots not defined herein and/or not annexed into the Subdivision.

V.

Captions

The captions preceding the various Articles of these Restrictions are for the convenience of reference only, and shall not be used as an aid in interpretation or construction of these Restrictions. As used herein, the singular includes the plural and where there is more than one Owner of a Lot, said Owners are jointly and severally liable for the obligations herein imposed. Throughout this Declaration, references to the masculine shall be deemed to include the feminine, the feminine to include the masculine and the neuter to include the masculine and feminine.

W.

Notice

All notices provided for or permitted pursuant to these Restrictions shall be in writing and, except as is herein expressly otherwise provided, notice shall be deemed sufficient and service thereof completed upon transmittal by facsimile, hand-delivery or receipt, refusal or nondelivery of same when mailed postage prepaid to the party to or upon whom notice is being given or served at the address of such party last reflected on the records of the Corporation.

X.

Liberal Construction

The provisions of this Declaration shall be construed liberally to effectuate its purpose of creating a Subdivision of fee simple ownership of Lots with Community Use Areas governed and controlled by rules, regulations, restrictions, covenants, conditions, reservations and easements administered by an owners' association with each Owner entitled to and burdened with various rights and easements.

IN TESTIMONY WHEREOF, the Declarant has caused this instrument to be signed and sealed in a manner so as to be binding, this the day and year first above written.

WILLOW RUN GOLDSBORO LLC (SEAL)
A Limited Liability Company

By: William W. Taylor (SEAL)
William W. Taylor, Manager