

STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS FOR  
AIRLIE FOREST

THIS DECLARATION, made on the date hereinafter set forth by  
Airlie Forest, LLC, hereinafter referred to as "Declarant"

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in  
Airlie Township, County of New Hanover, State of North Carolina, which  
is more particularly described on Exhibit A attached hereto.

NOW THEREFORE, Declarant hereby declares that all of the  
properties described on Exhibit A shall be held, sold and conveyed  
subject to the following easements, restrictions, covenants, and  
conditions, which are for the purpose of protecting the value and  
desirability of, and which shall run with, the real property and be  
binding on all parties having any right, title or interest in the  
described properties or any part thereof, their heirs, successors and  
assigns, and shall inure to the benefit of each owner thereof.

See Map Book 41, Page 308.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Airlie  
Forest Homeowners Association, Inc., its successors and assigns.

Section 2. "Common Area" shall mean all real property  
(including the improvements thereto) owned by the Association for the  
common use and enjoyment of the Owners. The Common Area to be owned by  
the Association at the time of the conveyance of the first lot is  
described on Exhibit B attached hereto.

Section 3. "Declarant" shall mean and refer to Airlie  
Forest, LLC, a North Carolina Limited Liability Company, its  
successors and assigns, if such successors or assigns should acquire  
more than one undeveloped Lot from the Declarant for the purpose of  
development.

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

Section 5. "Owner" shall mean and refer to the record  
owner, whether one or more persons or entities, of a fee simple title  
to any Lot which is a part of the Properties, including contract  
sellers, but excluding those having such interest merely as security

DRAWN BY

1

RETURNED TO

K. Blawie  
of firm

for the performance of an obligation.

Section 6. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto, as may hereafter be brought within the jurisdiction of the Association.

## ARTICLE II

### PROPERTY RIGHTS

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

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

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner 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;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. However, no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of each class of members has been recorded.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the Property. Notwithstanding this provision, no Owner may utilize any Common Area for recreational purposes if his rights have been delegated to a tenant or other person residing on the Lot owned by Owner.

## ARTICLE III

### MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting

membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. In the event such joint owners cannot agree, the Board of Directors of the Association shall designate the member entitled to vote.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs, subject to Section 3 of this Article III:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) on December 31, 2005

Section 3. Notwithstanding the provisions of Article III, Section 2, there shall be no conversion of Class B membership to Class A membership under Section 2(a) unless:

(a) The criteria stated above in Section 2(a) are met, and Declarant has recorded in the Office of the Register of Deeds of New Hanover County a statement terminating its rights to annex additional properties as allowed hereinafter; or

(b) The total number of lots conveyed to third parties equals fourteen (14 being the maximum number of lots which may be included within the property made subject hereto, and which may be made subject hereto in the future).

#### ARTICLE IV

##### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, such assessments to be established and collected as

hereinafter provided, and (3) supplemental assessments, as hereinafter described. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made. All assessments (hereinafter "Assessments"), together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area, and of the premises of each Lot and the homes situated thereon, to the extent allowed by the provisions of these restrictive covenants. These allowed purposes include, but are not limited to, the maintenance and upkeep of all roads and roads rights-of-way, repair and maintenance of the perimeter wall, maintenance personnel, professional fees, management fees, ad valorem taxes and insurance.

Section 3. Maximum Annual Assessment. Until December 31 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be One Thousand Eight Hundred and 00/100 DOLLARS (\$1,800.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than 5% above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 5% by a vote of two-thirds (2/3) of the members who are voting in person or by proxy, at a meeting duly called for this purpose.

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

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or for other purposes deemed appropriate by the Directors of the Association, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the members

who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Rate of Assessment. Lots shall be divided into two (2) classes or categories for purposes of payment of Assessments. These categories are as follows:

(A) Lots owned by Declarant until December 31, 2005, at which time this category shall terminate. This category shall be referred to as "Declarant Category." Each Lot within the Declarant Category shall be assessed in an amount equal to twenty-five (25%) of the Assessment on each lot in the Unrestricted Category.

(B) All Lots not within the Declarant Category shall be considered within the "Unrestricted Category." Lots within the Unrestricted Category shall receive no reduction from the basic Lot Assessments.

Section 7. Date of Commencement of Annual and Supplemental Assessments: Due Dates. The annual and supplemental assessment provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual and supplemental assessments shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. Supplemental assessments shall likewise be determined and noticed, subject to the provisions of Section 5 of this Article IV. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of Assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any Assessment not paid within thirty (30) days after

the due date shall bear interest from the due date at the rate of eighteen (18%) percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot. 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 subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such Assessments as to payment 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. Street Lighting. Declarant reserves the right to subject the Properties to a contract with Carolina Power & Light Company for the installation of street lighting, which may require a continuing monthly payment by each Owner to Carolina Power & Light Company by each such Owner.

#### ARTICLE V

#### ARCHITECTURAL CONTROL COMMITTEE PROCEDURES

Section 1. Architectural Control Committee. All duties and responsibilities conferred upon the Board or the Architectural control Committee by this Declaration or the Bylaws of the Association shall be exercised and performed by the Declarant or its designee, so long as Declarant shall own any lot in the Properties or any additions annexed thereto by Supplemental Declaration or Amendment of Declaration. The Architectural Control Committee shall consist of three persons who need not be Lot Owners of the Association.

Section 2. Submittal of Plans. At least thirty (30) days prior to the anticipated commencement of any landscaping or construction of any structure or improvement on any Lot, the owner of such Lot (or his duly appointed agent) shall submit to the Chairman of the Architectural Control Committee ("Committee") a survey of the Lot, which survey shall show each Lot corner. There shall further be shown on said survey the proposed location of all proposed and existing structures or improvements, including driveways, patios, decks and walkways. There shall be further provided to the Committee sufficient building elevations and landscape plans, including a statement of exterior building materials and proposed exterior colors, to allow the Committee to appropriately and accurately evaluate what is proposed for construction on the Lot. The location of a proposed well (if any) shall also be delineated. The survey, building elevations and landscape plans, shall be of professional quality. There shall be submitted two copies of all information required to be submitted.

Section 3. Standards for Approval. Within thirty (30) days after receipt of all required information, the Committee shall notify in writing the owner of the Lot whether or not the requested improvements are approved. Unless a response is given by the Committee within said thirty (30) days, the plan shall be deemed approved. The response of the Committee may be an approval, a denial, an approval with conditions or a request for additional information. A request for additional information shall be deemed a determination that the information submitted was inadequate, and the thirty (30) day time for response shall only commence upon receipt of the requested additional information. If approval with conditions is granted, and construction then begins, the construction shall be deemed approval by the owner of the Lot of the conditions imposed. No response shall be required from the Committee unless a submission contains, on its face, the information required to be submitted as more fully set out hereinbefore.

The Committee shall approve the plans as submitted, if all required information is submitted, and the following affirmative findings are made by the Committee:

(1) that the improvements sought to be constructed will not have negative economic impact on any other property within Airlie Forest; and

(2) that all required specific building standards and other conditions contained within the Declaration of Covenants and other applicable legal documents have been met;

(3) that the improvements are architecturally compatible with proposed or constructed improvements on other properties within Airlie Forest;

(4) that the natural features of the Lot have been retained to the maximum extent feasible; and

(5) that the impervious surface limitation coverage proposed on each Lot is consistent with the requirements of the Division of Environmental Management Coastal Stormwater Regulations as more fully set out hereinafter.

It is the intent of Declarant for there to be an architectural theme or style within Airlie Forest, which theme or style is to be a traditional southern architectural style, which style may further be low country or may not be low country, as such terms and styles are traditionally understood by the architectural profession. In evaluating plans, and in determining whether the standard imposed by this section has been achieved, evaluation as to this architectural style shall be permitted by the Committee; however, the Declarant shall be the sole arbitrator as to what is to be traditional southern style architecture. The Committee is further specifically authorized to publish particular construction standards, including features that are appropriate for inclusion in Living Units, which standards and features shall be made

available to the owner of any Lot requesting the same.

Notwithstanding the procedures contained within this Section 5, review of proposed minor construction or proposed improvements to existing structures, or minor landscaping, may be delegated to a sub-committee and may be reviewed in accordance with abbreviated procedures adopted and published by the Committee from time to time.

Section 4. Contractor. Because of the desire of Declarant on behalf of all Owners to provide a uniform quality of construction, and because of the need to control lay down yards and other contractor facilities due to the limited availability of land, the Committee reserves the right of approval of the general contractor selected by Owner to construct a primary residence on any Lot. The Committee shall maintain at all times a list of approved contractors available for construction on any Lot. Such information shall be made available to the Owner of any Lot upon request. Neither Declarant, the Association nor the Committee guarantee or warrant any work performed by any contractor approved by the Committee, the Association or Declarant. Each Owner shall submit with his application for approval a statement of said Owner's selected general contractor; if the general contractor is not selected at that time, the name of the general contractor shall be submitted prior to commencement of construction.

Section 5. Right of Appeal. Any owner disagreeing with the finding of the Committee may appeal the decision to the Board of Directors of the Association by giving written notice of appeal to the President of the Association within fifteen (15) days following receipt of notice of denial (or notice of imposition of conditions unacceptable to said owner). The Board of Directors of the Association shall then review the plans, giving the Chairman of the Committee the opportunity to present to the Board of Directors of the Association specific reasons why the plans were denied, in the presence of the owner or his agent, and the owner or his agent may present information challenging the findings of the Committee. The decision of the Committee shall only be overridden by unanimous vote of the Board of Directors of the Association.

Section 6. Notices. All notices required to be given herein shall be given in writing, hand-delivered or mailed postage prepaid, return receipt requested, and the Committee shall be obligated to specify the particular grounds upon which denial of any application is founded. One set of plans, denoted as approved (or approved with specified conditions) shall be retained by the Committee and the other shall be returned to the applicant.

## ARTICLE VI

### GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now

or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any 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. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than eighty percent (80%) of the Lot Owners, and thereafter by an instrument signed by not less than sixty percent (60%) of the Lot Owners. Any amendment must be recorded.

Section 4. Exterior Maintenance. In the event an Owner of any Lot in the Properties shall fail to maintain the improvements situated on said Lot in a manner reasonably satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements directed thereon. The cost of such exterior maintenance shall be added to and become part of the Assessment to which such Lot is subject.

Section 5. Storm water Runoff. The State of North Carolina has adopted Storm Water Runoff Regulations applicable to the Properties. In accordance with such regulations, the total amount of impervious surface, or as defined by the Storm water regulations of the State of North Carolina, is limited on every Lot. The limitations are set out on Exhibit C attached hereto in addition to the other requirements for compliance with State Storm water Management Permit Number SW8 971129, as issued by the Division of Water Quality. Declarant, the Association and the State of North Carolina shall have specific authority to enforce the provisions of the North Carolina Storm water regulations, and each Owner shall be required to limit the amount of impervious surface on any lot owned by said Owner as set out on Exhibit C attached hereto. Further in accordance with these regulations the Declarant has engineered a storm water plan for all of Airlie Forest which includes natural drainage patterns, swales and detention ponds for the general flow of storm water. Each lot Owner shall be required to develop and maintain his lot in such a manner that is consistent with this storm water plan.

Section 6. Government Permits. Government permits for the development shall be assumed by the Association on the following terms and conditions:

A. General. All duties, obligations, rights and privileges of the Declarant under any water, sewer, storm water and utility agreements, easements and permits for the Planned Community with municipal or governmental agencies or public or private utility companies, other than

storm water permits, shall be the duties, rights, obligations, privileges and the responsibility of the Association.

B. Storm water Permit(s). The storm water permit(s) for the Development cannot under the regulations of the NC Department of Environment and Natural Resources (DEHNR) be transferred to the Association until after termination of the Declarant Control Period. The Association agrees that at anytime after the Developer is permitted under the DEHNR regulations to transfer the stormwater permit(s) to the Association, the Association's officers without any vote or approval of Lot owners, and within 10 days after being requested to do so, will sign all documents required by DEHNR for the storm water permit(s) to be transferred and assumed by the Association; provided, however, that at the time the Developer requests that the Association assume the stormwater permit(s), the Developer (i) has sold 50% of the Lots within the Development and (ii) has delivered to the Association a certificate from an engineer licensed in the State of North Carolina, dated no more than 45 days before the date of the request, that all storm water retention ponds, swales, and related facilities are constructed in accordance with the plans therefore, and are in compliance with the storm water permits issued by DEHNR. After the Developer makes a request that the permit(s) be assumed in accordance with this paragraph, any liability of the Developer for operation or maintenance of any storm water retention ponds and related facilities, or for the costs thereof, shall cease and the Association shall thereafter indemnify and hold harmless the Developer from any such obligations and costs. If the Association fails to sign the documents required by this paragraph, the Developer shall be entitled to specific performance in the courts of the State of North Carolina requiring that the appropriate Association officers sign all documents necessary for the storm water permit(s) to be transferred to and assumed by the Association.

Section 7. Declarant's Rights. Declarant reserves the right to use, during the period of Declarant's Class B Membership rights as more fully specified hereinbefore, a portion of the Common Area or any home constructed on the Property as a Model Home or otherwise to assist in the sale of lots and homes within the Properties.

Section 8. Signage. The Association shall have full right and authority to regulate and limit the appearance, size and number of signs on any Lot within the Properties, as long as such restrictions and limitations are uniformly applied throughout the Properties. Declarant may post such signage on any Lot or on any model home as it deems appropriate during the period of allowed Class B Membership rights as described above.

Section 9. Housing Sizes. The primary dwelling unit constructed on Lots within Airlie Forest must contain a minimum of enclosed, heated, first (1<sup>st</sup>) floor square footage of 2200 square feet.

Section 10. Fences. Fences on any Lot are subject to the complete jurisdiction of the Committee including location, style, materials and

height. As used herein, fences shall include walls, barricades, shrubbery or other impediments to reasonable mobility and visibility. Absent an extraordinary showing of need by the owner of a Lot or Living Unit, no fence shall be allowed along any property line, no fence shall be allowed in any front yard and no fence shall be allowed in any side yard. The Committee shall only approve the construction of a fence in any location upon a determination that the fence is aesthetically pleasing and does not detract from the reasonable value of any Lot or property. The Committee shall adopt guidelines concerning permissible location of fences, and the permissible styling and construction standards of allowable fences.

Section 11. Satellite Dishes. No satellite receiving dish, radio antennae or other similar device shall be allowed on any Lot, except that satellite receiving dishes, no greater in size than twenty four (24) inches in diameter, shall be allowed, but only upon approval by the Committee as to the size and location of such satellite receiving dish, and only if it is located in a way to minimize the visibility of such satellite receiving dish from any street or adjoining property. The Committee may impose screening requirements by vegetation or otherwise as it deems appropriate.

Section 12. Parking. No vehicles shall be allowed to be parked on any Lot or any Association Property, or on any right-of-way, which is determined by the Association to be of a type, because of size or weight, not appropriate for overnight parking within a residential subdivision. As an example, tractor/trailer trucks or heavy construction equipment shall be determined inappropriate. No boat, motor boat, camper, trailer, motor or mobile homes, or similar type vehicle, shall be permitted to remain on any lot, or in parking spaces, at any time, unless by written consent of the Association.

Section 13. Nuisances. No activity, whether active or passive, that is reasonably considered a nuisance by the Association shall be allowed within Airlie Forest. This prohibition includes any activities within any structure, on any Lot or on any street or Association Property. The Association is specifically authorized by Section 15 of these Protective Covenants to adopt rules regarding conduct and use of such properties; however, the Association may find any conduct or use of a Lot to be a nuisance notwithstanding the fact that such conduct is not specifically prohibited by these Protective Covenants or by an adopted rule. If any conduct is deemed by the Association to be a nuisance, and to the extent that such conduct is not specifically prohibited by the provisions of these Protective Covenants or by an adopted rule, the Association shall give written notice to the offending owner specifying the nature of the nuisance, and requesting that such nuisance be terminated. If any nuisance is not terminated within a reasonable time thereafter, the Association may pursue any legal or equitable remedy, and may collect in any such action all attorney's fees incurred.

Section 14. Rentals. No Living Unit may be leased or rented for a rental term less than two (2) months.

Section 15. Yard Maintenance. Each unimproved Lot shall be maintained in a slightly condition, comparable to the condition of unimproved Lots offered for sale by Declarant. In order to ensure compliance with this requirement, the Association shall have the right and authority, which is specifically acknowledged by the Owner of each Lot, to go upon each Lot which is unimproved, and cause any or each of such unimproved Lots to be mowed, and trash and debris located thereon to be removed, if the Owner fails to do so after request by the Association. To compensate the Association for this expense, the Owner of each unimproved Lot shall pay to the Association, as Supplemental Assessment, a sum equal to the actual cost to the Association of causing this work to be accomplished, plus twenty (20%) percent. The Association shall establish regular brush removal cycles for guidance of Owners.

Section 16. Clearing. No significant clearing or landscaping of any Lot shall be undertaken more than thirty (30) days prior to the commencement of construction on said Lot of the Living Unit to be located thereon. This provision shall not preclude the removal of underbrush or damaged or diseased trees, nor shall this provision preclude the installation of a driveway or walkway.

Section 17. Driveways. Non-paved driveway accesses to improvements on Lots shall not be permitted. All crossings of drainage swells or ditches located on any street right-of-way must be by appropriately designed and engineered culvert installed by the Owner of said Lot, as approved by the Committee.

Section 18. Mailboxes. All mailboxes within Airlie Forest shall be of one design and color approved by the Architectural Control Committee. The Owner of each lot shall be responsible for the purchase, maintenance, repair and/or replacement of said mailbox.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 14<sup>th</sup> day of November, 2001.

DECLARANT:  
AIRLIE FOREST, LLC  
BY: Lionel Mark Yow  
LIONEL MARK YOW, Member - Manager

STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

I, Katherine G. Blaisdell, a Notary Public of the aforesaid State and County do hereby certify that Lionel Mark Yow personally came before me this day and acknowledged that he is the Member-Manager of Airlie Forest, LLC, a North Carolina Limited Liability Company, and that by authority duly given and as an act of the Limited Liability Company, the foregoing instrument was signed in the name of the Company by Lionel Mark Yow, as Member-Manager.

Witness my hand and official stamp or seal, this the 14<sup>th</sup> day  
of November, 2001.

Katherine G. Blaisdell  
Notary Public

My Commission Expires:  
5/30/2004

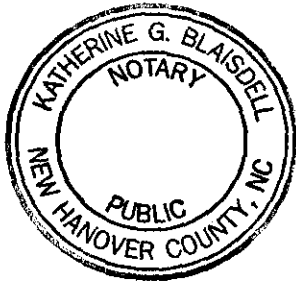


Exhibit "A"

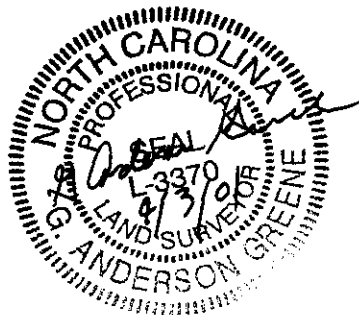
LEGAL DESCRIPTION  
PREPARED FOR  
AIRLIE FOREST, LLC

6.21 ACRES  
AIRLIE FOREST  
NEW HANOVER COUNTY  
NORTH CAROLINA

Commencing at the intersection of the northerly right-of-way line of Airlie Road (S. R. 1411) and the easterly line of a tract described in a deed to Saint Andrew's on the Sound Episcopal Church recorded in Deed Book 1358 at Page 1650 in the New Hanover County Registry, THE POINT OF BEGINNING.

Thence, with said easterly line of Saint Andrew's on the Sound Episcopal Church tract, North 05 degrees 38 minutes 00 seconds East a distance of 642.67 feet, to a point in the southerly right-of-way line of Wrightsville Avenue (U. S. Hwy 76) said line being a curve to the right having a radius of 1383.04 feet. Thence, with said curve to a point that bears, North 85 degrees 32 minutes 03 seconds East a chord distance of 311.89 feet, to a point. Thence, South 87 degrees 59 minutes 30 seconds East a distance of 358.20 feet, to a point in a westerly line of a tract listed in New Hanover County Tax Map Office with tax parcel identification # 3157-1443-2168 showing ownership to Thelma Mack. Thence, with the westerly line of said Mack tract South 23 degrees 40 minutes 34 seconds West a distance of 15.79 feet, to a point. Thence, South 23 degrees 32 minutes 21 seconds West a distance of 226.20 feet to a point at the easterly corner of a tract described in a deed to Estelle Lee recorded in Deed Book 1169 at Page 823 in the New Hanover County Registry. Thence, with the northerly line of said Lee Tract corner North 65 degrees 35 minutes 00 seconds West a distance of 132.22 feet, to a point at the northerly corner of a tract described in a deed to Ida Watkins recorded in Deed Book 923 at Page 133 in the New Hanover County Registry. Thence, with the westerly line of said Watkins Tract, South 23 degrees 10 minutes 10 seconds West a distance of 136.59 feet, to a point at the easterly corner of a tract described in a deed to Tony and Vickie Carter recorded in Deed Book 1478 at Page 106 in the New Hanover County Registry. Thence, with the northeasterly line of said Carter Tract corner North 65 degrees 56 minutes 39 seconds West a distance of 131.93 feet, to a point at the northerly corner of said Carter Tract. Thence, with the northwesterly line of said Carter Tract, South 23 degrees 07 minutes 55 seconds West a distance of 382.72 feet, to a point at the westerly corner of said Carter Tract. Thence, with southwesterly line of said Carter Tract, South 65 degrees 56 minutes 39 seconds East a distance of 131.68 feet, in the westerly line of aforesaid Watkin's Tract. Thence, with the westerly line of said Watkins Tract, South 25 degrees 10 minutes 30 seconds West a distance of 139.36 feet, to a point in the northerly right-of-way line of aforesaid Airlie Road (S. R. 1411). Thence, with said northerly right-of-way line of Airlie Road (S. R. 1411), North 64 degrees 35 minutes 00 seconds West a distance of 278.27 feet, to the POINT OF BEGINNING; containing 6.21 acres more or less.

File F:\master\pw-199\wpd\airlie\gl.wpd





**STROUD ENGINEERING, P.A.**

CONSULTING ENGINEERS  
3961-A MARKET STREET  
WILMINGTON, NC 28403  
(910) 815-0775

**DESCRIPTION OF  
COMMON AREA  
AIRLIE FOREST, SECTION 1**

Commencing at the southeasterly corner of a tract of land described in a deed to Saint Andrews on the Sound Episcopal Church recorded in Deed Book 1358 at Page 1650 in the New Hanover County Registry. Said point being in the northerly right-of-way line of Airlie Road (60 foot wide public right-of-way) and being the southwesterly corner of a tract of land shown as "Common Area" on a map of Airlie Forest, Section 1 by Stroud Engineering, PA. Said point being the POINT OF BEGINNING.

Thence from said point of beginning with the easterly line of said Saint Andrews on the Sound Episcopal Church tract and the westerly line of said "Common Area" tract North 5 degrees 39 minutes 25 seconds East a distance of 272.88 feet to the northwesterly corner of said "Common Area" tract. Thence with the northerly line of said "Common Area" tract South 77 degrees 10 minutes 37 seconds East a distance of 94.05 feet to northeasterly corner of said "Common Area" said point being a point on a curve to the left having a radius of 866.40 feet said curve being the westerly right-of-way line of Airlie Forest Court as shown on said map of Airlie Forest, Section 1. Thence along the arc of said curve and with said westerly right-of-way line to a point that bears South 11 degrees 37 minutes 38 seconds West a chord distance of 36.17 feet to a point on a curve to the left having a radius of 250.00 feet. Thence along the arc of said curve to a point that bears South 7 degrees 32 minutes 16 seconds East a chord distance of 154.52 feet to a point on a curve having a radius of 130.00 feet. Thence along the arc of said curve to a point that bears South 0 degrees 02 minutes 42 seconds East a chord distance of 111.78 feet to a point. Thence South 25 degrees 25 minutes 00 seconds West a distance of 11.91 feet to a point at the southeasterly

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