

FOR REGISTRATION JUDITH A GIBSON
REGISTER OF DEEDS
MECKLENBURG COUNTY, NC
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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
SUMMERWOOD**

THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF THE FLAG
OF THE UNITED STATES OF AMERICA OR STATE OF NORTH CAROLINA.
THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF THE
POLITICAL SIGNS.

Drawn By and Mail to:
Pace/Dowd Properties, Ltd.
6719C Fairview Road
Charlotte, N.C. 28210

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
SUMMERWOOD**

THIS DECLARATION is made as of the 29th day of March, 2007 by PACE/DOWD PROPERTIES, LTD., a North Carolina corporation, with reference to the following facts:

RECITALS

A. Declarant is the owner of certain real property in Mecklenburg County, North Carolina, comprising a subdivision to be known as SUMMERWOOD as shown on maps recorded in Book 47 at Page 825 in the Mecklenburg County Public Registry ("Phase 1").

B. Declarant owns or may acquire in the future certain real property in Mecklenburg County, North Carolina, located adjacent to or in the vicinity of Phase 1. Declarant may, in its sole discretion and without obligation, by one or more supplemental filings pursuant to Article 16 hereof, make all or any portion of the Additional Land (as herein defined) subject to this Declaration and part of the Project (as defined in Section 1.23 hereof). The provisions of Article 16 hereof must be complied with by Declarant in order to make all or any portion of the Additional Land subject to the Declaration and part of this Project. No act or acts of Declarant, including the recordation of a plat or plat indicating lots included in the subdivision, shall be taken to imply, or be construed as, subjecting the Additional Land to this Declaration and shall not constitute a common plan and scheme of development until compliance with Article 16 has been effected by Declarant. Declarant intends to improve the Project as a planned residential development by dividing the Project into lots appropriate for single-family detached dwellings or single-family townhomes with deeded lots.

C. Declarant intends to develop Phase 1 and, to the extent determined by Declarant from time to time in the future, all or any part of the Additional Land, under a common scheme and general plan for the improvement and maintenance of the Project (as hereinafter defined).

D. For this purpose Declarant intends to subject Phase 1 (and so much of the Additional Land as shall, from time to time, be annexed to the Project in accordance with the provisions of this Declaration) to the covenants, conditions, restrictions, easements, liens, charges, assessments and equitable servitudes set forth in this Declaration, for the benefit of the Project and the future owners thereof.

E. Declarant deems it desirable for the management and administration of the Project and for the preservation of the values and amenities of the Project to incorporate Summerwood Community Association, Inc. as a non-profit corporation under the laws of the State of North Carolina for the purposes of administering and enforcing the limitations, covenants, conditions, restrictions, easements, liens and equitable servitudes created by or imposed in accordance with the provisions hereof, collecting and disbursing the assessments and charges imposed in accordance with the provisions hereof, and exercising such other powers as may be authorized by this Declaration, by law, or by its Articles of Incorporation and Bylaws.

NOW, THEREFORE, Declarant hereby declares as follows:

ARTICLE 1

DEFINITIONS

The following terms shall have the following meanings when used in this Declaration:

1.01. Additional Land. "Additional Land" means the real property described in Exhibit A attached hereto and the land that adjoins the boundaries thereof or whose boundary is within 8,000 feet of any boundary line of the property described in Exhibit A, all or any portion of which may from time to time be made subject to this Declaration pursuant to the provisions of Article 16 hereof.

1.02. Appraisal. "Appraisal" means an appraisal by a member of the Appraisal Institute of the National Association of Real Estate Boards (or, if such Institute is not then in existence, a like organization).

1.03. Articles. "Articles" means the Articles of Incorporation of the Association, including any amendments thereto.

1.04. Association. "Association" means Summerwood Community Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

1.05. Board. "Board" means the Board of Directors of the Association.

1.06. Builder. "Builder" means any person or firm in the business of building and selling homes to individuals and selected by Declarant to buy Lots and construct homes for sale in the Project.

1.07. Bylaws. "Bylaws" means the Bylaws of the Association, including any amendments thereto.

1.08. Common Area. "Common Area" means all real property owned by the Association, or owned by the Declarant to be ultimately conveyed to the Association, for the common use and enjoyment of its Members, including the Recreational Common Area when conveyed to the Association, but does not include real property over which the Association has only an easement.

1.09. Completion of Sales. "Completion of Sales" means the earlier of (1) conveyance of all portions of the Property to purchasers other than a successor Declarant hereunder or (2) expiration of the later of (i) twenty (20) years from the closing of the first sale of a Lot to a purchaser other than a Builder or a successor Declarant hereunder or (ii) five (5) years from the conveyance of the first Lot in the Phase most recently made subject to this Declaration to a purchaser other than a Builder or a successor Declarant hereunder; provided, however, if Declarant is delayed in developing the Project, constructing improvements or selling Lots and dwellings due to strikes or work stoppages; shortages of materials, supplies, fuel, power, or energy; moratoria or suspensions on issuance of land use permits and approvals or affecting the availability of water, sewer, power or other utilities or necessary services; inclement weather; civil strife; major disaster or other cause beyond Declarant's reasonable control, said twenty (20) year period shall be extended by the period of any such delay.

1.10. County. "County" means Mecklenburg County in the State of North Carolina.

1.11. Declarant. "Declarant" means Pace/Dowd Properties, Ltd., a North Carolina corporation, and any successor or assign to whom Declarant assigns its rights and interests as Declarant hereunder in whole or in part by instrument recorded in the official records of the County.

1.12. Declarant Control Period. "Declarant Control. Period" shall have the meaning set forth in Article 8, Section 8.06 hereof.

1.13. Declaration. "Declaration" means this Declaration and all amendments or supplements hereto.

1.14. INTENTIONALLY DELETED.

1.15. Lot. "Lot" means any numbered single family lot or plot of land, together with any improvements thereon, as shown upon any recorded final subdivision map covering the Project or a part thereof, which is not a dedicated street or Common Area.

1.16. Member. "Member" means a member of the Association.

1.17. Mortgage. "Mortgage" means a mortgage or deed of trust which constitutes a first lien upon a Lot given to a bank, savings and loan association or other institutional lender for the purpose of securing indebtedness incurred to purchase or improve a Lot.

1.18. Mortgagee. "Mortgagee" means the holder of the beneficial interest in any Mortgage.

1.19. Notice and Opportunity for Hearing. "Notice and Opportunity for Hearing" means giving at least fifteen (15) days' prior notice of a proposed action and the reasons therefor, and an opportunity to be heard by the Board, orally or in writing, not less than five (5) days before the effective date of the proposed action.

1.20. Owner. "Owner" means the record owner, whether one or more persons or entities, of a fee simple title to any Lot, and shall include Declarant and Builder as to any Lot owned by Declarant or Builder unless otherwise qualified herein. "Owner" shall not include any person or entity who holds an interest in a Lot merely as security for the performance of an obligation or as a tenant.

1.21. Person. "Person" means an individual, corporation, partnership, limited liability company, trustee or other legal entity capable of holding title to real property.

1.22. Phase. "Phase" means each of Phase 1 and each separate portion of the Additional Land subjected to this Declaration by a Supplemental Declaration recorded pursuant to Section 16.02 of this Declaration.

1.23. Phase 1. "Phase 1" means the real estate which comprises a total of 28.216 acres, more or less, and is shown on plats recorded in Book 47 at Page 825 in the Mecklenburg County Public Registry.

1.24. Project. "Project" means the planned development known as Summerwood which shall be developed and constructed on part or all of the Property, consisting of Phase 1 and any additional Phases but only to the extent made subject to this Declaration by recordation of a Supplemental Declaration pursuant to Section 16.02 of this Declaration.

1.25. Property. "Property" means collectively Phase 1 and the Additional Land.

1.26. Recreational Common Area. "Recreational Common Area" means that portion of the Project which Declarant will complete and convey or cause to be conveyed to the Association for the common use and enjoyment of its Members as recreational land, together with any and all improvements constructed thereon, including, but not limited to a swimming pool, cabana, parking lot, sand volleyball court, picnic areas and trails.

1.27. Rules and Regulations. "Rules and Regulations" means reasonable and nondiscriminatory rules and regulations as may be adopted from time to time by the Association acting by and through the Board, provided notice of such rules and regulations has been given to Owners in accordance with the requirements of this Declaration.

1.28. Substantial Completion. "Substantial Completion" means that the improvement in question has been constructed in such a manner that it can be used for its intended purpose.

1.29. Supplemental Declaration. "Supplemental Declaration" means a supplemental declaration of covenants, conditions and restrictions which shall be recorded for the purposes of annexing additional property, including all or any portion of the Additional Land, to the Project and causing such property to be subject to the scheme of covenants, conditions and restrictions contained in this Declaration.

1.30. Town. "Town" means the Town of Mint Hill in Mecklenburg County, North Carolina.

1.31. Voting Power. "Voting Power" means the total number of votes held by all Members (and if there is more than one class of Members, the total of each class of Members) whose membership at the time the determination of voting power is made has not been suspended in accordance with the provisions of this Declaration or the Rules and Regulations. Voting Power shall be computed by including all such Members whether or not such Members are present in person or by proxy at a meeting. All voting specifications and requirements shall apply to the entire Project.

ARTICLE 2

SUBMISSION AND TERM

2.01. Submission. The Project shall be held, conveyed, hypothecated, encumbered, sold, leased, rented, used, occupied and improved subject to each and all of the limitations, covenants, conditions, restrictions, easements, liens, charges, assessments and equitable servitudes set forth herein, all of which are declared to be (i) in furtherance of a common scheme and general plan for the development, improvement and maintenance of the Project and (ii) for the purpose of enhancing, maintaining and protecting the value, desirability and attractiveness of the Project. All of the limitations, covenants, conditions, restrictions, easements, liens, charges, assessments and equitable servitudes set forth herein shall run with, be binding upon and inure to the benefit of the Project, shall be binding on and inure to the benefit of each and every person having or acquiring any right, title or interest in the Project, shall be binding upon and inure to the benefit of the successors in interest of such persons, and shall inure to the benefit of the Association, its successors and assigns.

2.02. Incorporation of Declaration Into Instruments. Any deed or other instrument by which a Lot is conveyed shall be subject to the provisions of this Declaration and shall be deemed to incorporate the provisions of this Declaration, whether or not the deed makes reference hereto.

2.03 Term. This Declaration, as it may be amended from time to time in accordance with the terms hereof, shall remain in force in perpetuity, unless and until terminated by the affirmative vote of eighty percent (80%) of the total Voting Power of the Association.

ARTICLE 3

COMPLIANCE WITH MANAGEMENT DOCUMENTS

3.01. Compliance with Declaration and Other Documents. Each Owner, resident or tenant of a Lot shall comply with the provisions of this Declaration, the Bylaws, Rules and Regulations duly adopted by the Association, decisions and resolutions of the Association and its duly authorized representatives, all as may be amended from time to time, and failure to comply with any such provisions, decisions or resolutions, shall be grounds for an action to recover sums due for damages or for injunctive relief.

3.02. Resolution of Conflicts Between Documents. Each Owner covenants and agrees that the administration of the Project shall be in accordance with the provisions of this Declaration, the Articles, the Bylaws and Rules and Regulations duly adopted by the Association. If there are any matters of conflict or inconsistencies in the Bylaws, Articles and this Declaration, then the provisions of the Declaration shall prevail. In the event that anything shown on a recorded final subdivision map for all or any portion of the Project is in any way inconsistent with provisions of this Declaration, then the provisions of this Declaration shall prevail. If a dispute arises among Owners in regard to the administration of the Project, then the provisions of this Declaration shall prevail.

ARTICLE 4

PROPERTY RIGHTS

4.01. Common Area Easements. Each Owner shall have a nonexclusive right and easement of use and enjoyment in and to the Common Area and of access to and from his Lot over any streets comprising a portion of the Common Area (if any), which rights and easements shall be appurtenant to and shall pass with the title to his Lot and subject to the following rights and restrictions:

(A) The right of the Association, acting by and through the Board, to limit the number of guests of an Owner, to charge reasonable admission and other fees for the use of the Recreational Common Area facilities, if any, and to limit the use of said facilities to Owners who occupy a residence in the Project.

(B) The right of the Association to suspend the right of an Owner to use the Recreational Common Area facilities (1) for any period during which a fine against a Member or any assessment against such Owner's Lot remains unpaid; and, (2)

after Notice and Opportunity for Hearing, for a period not to exceed ninety (90) days for any infraction of the Rules and Regulations;

(C) The right of the Association or Declarant to grant easements and to dedicate or otherwise convey all or any part of the Common Area as provided in this Declaration;

(D) The right of the Association to borrow money to improve, repair, restore and reconstruct the Common Area and to place liens on the Common Area and otherwise encumber the Common Area for such purposes, subject to the approval of Members as otherwise provided in this Declaration;

(E) The right of the Association, acting by and through the Board, to adopt Rules and Regulations governing use and enjoyment of the Common Area; and

(F) Easements for ingress, egress, use and enjoyment over, in, to and throughout the Common Area for the benefit of Declarant or any successor Declarant or any Builder to whom such right may be granted by Declarant.

4.02. Delegation. Any Owner may delegate his rights of use and enjoyment of the Common Area and any facilities thereon to the members of his family or household residing on his Lot and to his guests and invitees while he is in possession of and occupying his Lot as his primary residence, subject, however, to reasonable restrictions imposed by the provisions of this Declaration, the Bylaws and the Rules and Regulations. Guests and invitees shall not be permitted on the Common Area unless the Owner or household member delegating his rights of use and enjoyment is physically present to accompany such guests and invitees while they are on the Common Area. Provided the notice required by Section 4.03 of this Declaration has first been given to the Association, a tenant of an Owner, while residing on such Owner's Lot, shall be entitled to use and enjoy the Common Area and any facilities thereon and to delegate rights of use and enjoyment in the same manner as if such tenant were the Owner of such Lot. No such delegation shall release an Owner from his obligations hereunder, including, without limitation, the obligation to pay regular and special assessments.

Upon request, each Owner or tenant shall notify the Secretary of the Association of the names of all persons to whom such Owner or tenant has delegated any rights of use and enjoyment of the Common Area and the relationship that each such person bears to such Owner or tenant. Any delegated rights of use and enjoyment are subject to suspension to the same extent as the rights of Owners.

4.03. Tenants.

(A) Any Owner who rents or leases his Lot to a tenant shall not be entitled to use and enjoy any recreational or other common facilities on the Common Area during the period the Lot is occupied by such tenant.

(B) No Owner shall lease or rent less than an entire Lot and no more than one family related by blood or marriage, or one household unit of no more persons than two times the number of bedrooms in the residence located on the Lot, shall live in the residence located on any one Lot. Except as provided in Section 7.20, the Lots shall not be leased or rented for hotel or transient purposes and no rental agreement or lease shall be made for a period of less than sixty (60) days. Subject to the foregoing restrictions, Owners shall have the right to lease or rent their Lots, provided that any lease or rental agreement between an Owner and a tenant shall be in writing and shall provide that it is in all respects subject to the provisions of this Declaration, the Bylaws, and the Rules and Regulations and that any failure by the tenant to comply with such provisions shall be a default under the rental agreement or lease. However, the failure of any lease or rental agreement to so provide shall not excuse any person from complying with the provisions of this Declaration, the Bylaws, and the Rules and Regulations.

(C) In the event an Owner shall rent or lease his Lot such Owner shall immediately give to the Association in writing:

- (1) the name of the tenant and the Lot rented or leased;
- (2) the current address of such Owner;
- (3) a true and complete copy of the lease or rental agreement; and
- (4) the certification of the Owner that the tenant has been given a copy of this Declaration, any applicable amendments, the Bylaws and the Rules and Regulations and that such tenant has been advised of any obligations he may have thereunder as a tenant.

(D) In no event shall any lease or rental agreement release or relieve an Owner from the obligation to pay regular and special assessments to the Association, regardless of whether the obligation to pay assessments has been assumed by the tenant in such lease or rental agreement.

4.04. Reciprocal Easements. There shall be reciprocal appurtenant easements between each Lot and such portion or portions of the Common Area as may be adjacent thereto and between adjacent Lots for the flow of rainwater from gutters and downspouts and surface water drainage; provided, however, that no such easement shall unreasonably interfere with the use and enjoyment of the Common Area or any adjacent Lot. If any Common Area or Lot encroaches upon a Lot because of the placement, construction, reconstruction, repair, movement, settling or shifting of the improvements constructed, reconstructed or repaired in accordance with the provisions of this Declaration, including a driveway, an easement for the encroachment and for its maintenance shall exist to a distance of not more than one (1) foot as measured from any point on the common boundary between the Common Area and the Lot or between Lots, as the case may be, along a line perpendicular to such boundary at such point; provided, however, that in no event shall such an easement exist for willful encroachments. If any Lot encroaches upon

the Common Area as a result of construction, reconstruction, repair, shifting, settlement or movement of any portion of the Project, an easement for the encroachment and for its maintenance shall exist so long as it remains.

4.05. Utility Easements. In addition to the easements established and reserved in Section 4.04 above, a perpetual easement is reserved over the rear ten (10) feet and side five (5) feet of each Lot and as shown on all recorded subdivision maps of

the Project for installation, maintenance, use or repair of public (or quasi-public) utilities, cable television or public (or quasi-public) storm drainage. All easements for installation, maintenance, use or repair of public (or quasi-public) utilities, cable television or public (or quasi-public) storm drainage facilities which are dedicated on any final subdivision map of the Project or created in some other way and extend over the rear ten (10) feet and each side five (5) feet of every Lot shall be kept free of buildings, and within such easements no structure shall be placed or permitted to remain which may damage or interfere with the installation, maintenance, use or repair of such public (or quasi-public) utilities, cable television or drainage facilities, or which may damage, interfere, or change the direction or flow of drainage in the easements. All such easements at all times shall be accessible to Declarant until the Project is completed and at all times shall be accessible to all persons installing, repairing, using or maintaining such utilities, cable television and drainage facilities. The easement area for each Lot and all improvements in it shall be maintained continuously by the Owner of such Lot, except for those improvements for which a public (or quasi-public) authority or utility company is responsible. Declarant reserves the right to create and impose additional easements or rights-of-way over unsold Lot(s) or the Common Area for street, drainage, and utility installation purposes by the recording of appropriate instruments and such shall not be construed to invalidate, replace, or modify any of the easements established, reserved, or create pursuant to this Section 4.05 or the preceding Section 4.04.

4.06. No Subdivision of Lots; No Time-Sharing. There shall be no further subdivision or partition of any Lot nor shall any Owner or any other person acquiring any interest in a Lot seek any partition or subdivision thereof. There shall be no time-sharing or other co-ownership that allows multiple Owners sequential possessory interests in a Lot. Notwithstanding the foregoing, Declarant shall have the right to subdivide any Lot or Lots owned by it, combine one or more Lots owned by it or portions thereof into other Lots or portions thereof owned by it, or otherwise change the boundaries of any Lots owned by Declarant, and to determine in its sole discretion whether the Lots resulting from such subdivisions or combinations are to be considered as one Lot or multiple Lots for all purposes hereunder, including without limitation the payment of assessments.

4.07. Sale of Common Area. Except as otherwise provided in this Declaration, no sale, transfer, dedication, hypothecation, partition, subdivision, abandonment, release or alienation of the Common Area shall occur or be valid, whether by act or omission of the Association, without the vote or written consent of eighty percent (80%) of the total Voting Power of all Members.

4.08. Rules and Regulations. The Board shall have the right to write, amend, supplement, adopt, publish and enforce Rules and Regulations governing the Project, the use and enjoyment of the Common Area, the Recreational Common Area and any facilities thereon, and the personal conduct thereon of the Owners, their guests, invitees, members of their families or households and tenants. The Members may amend any such Rules and Regulations adopted by the Board at any regular or special meeting of Members called for such purpose by the vote or written consent of eighty percent (80%) of the total Voting Power of the Association. Such Rules and Regulations shall be reasonable, shall not discriminate against Declarant or Builder (or have an adverse impact on Declarant or Builder or upon the sale of Lots or the construction of improvements thereon), and must be consistent with this Declaration, the articles and the Bylaws.

4.09. Enforcement. The Association shall have the right, after Notice and Opportunity for Hearing, to levy fines for infraction of the provisions of this Declaration or the Rules and Regulations, provided the fine conforms to the provisions of Section 9.11 and the North Carolina Planned Community Act (Chapter 47F of the North Carolina General Statutes).

4.10. Recreational Common Area. The Recreational Common Area facilities shall be located on a portion of the Common Area to be owned by the Association. Provided Declarant gives its written consent, the Board may extend licenses to non-Members to use the Recreational Common Area for a reasonable fee for such periods as the Board determines to offset the Association's costs in maintaining and operating the Recreational Common Area.

Annual assessments shall commence in accordance with Section 9.09. Upon acquisition of record title to a Lot from Declarant or Builder, each Owner other than Declarant or Builder shall contribute to the capital of the Association an amount equal to the amount of the annual assessment for that Lot as determined by the Board, such contributions to be used by the Association for the maintenance, repair and replacement of the Recreational Common Area.

The Board may appoint any committee it so desires composed of one or more members of the Board and one or more Members of the Association to recommend procedures, rules and regulations to the Board for the operation and use of said facilities.

4.11. Berm and Landscape Easement. Any portion of a Lot which shares a berm, landscape planting, irrigation system or the Project monumentation with the Common Area or any other area for which the Association is responsible for the maintenance thereof, shall be subject to an easement in favor of the Association for landscaping, mowing and maintenance of the berm, landscape planting, irrigation system or the Project monumentation. No alteration, removal or modification to such berm, landscape planting, irrigation system or the Project monumentation shall be permitted without the prior written approval of the Declarant, its successors or assigns.

ARTICLE 5

COMMON AREA EASEMENTS AND RIGHTS OF WAY; ENCUMBRANCES

5.01. Dedications. The Association or Declarant shall have the power to grant easements in, on, over, through, and across the Common Area for any public or quasi-public improvements or facilities and their appurtenances, including, without limitation, street, sewer, drainage, water, gas and sprinkler improvements and facilities, provided (i) any such easement does not unreasonably interfere with the use and enjoyment of the Common Area or any Lot and (ii) the prior written consent of Declarant shall be obtained so long as Declarant owns any Lot. If ingress or egress to any Lot is through the Common Area, any conveyance or encumbrance of such Common Area is subject to said Lot Owner's easement.

5.02. Encumbrances. The Association shall have the right to borrow money to improve, repair, restore and reconstruct the Common Area and to place liens on the Common Area and otherwise encumber the Common Area for such purposes upon the vote or written consent of eighty percent (80%) of the total Voting Power of all Members.

ARTICLE 6

COMMON AREA AND LOT MAINTENANCE

6.01. Maintenance by Association. The Association shall repair and maintain the Common Area including the Recreational Common Area and any improvements, utilities and facilities located on the Common Area. The Association's maintenance obligation shall arise upon the commencement of annual assessments against the Owners. The Association shall maintain and repair all signage, irrigation facilities, lighting and landscaping that may be installed on or within public street medians throughout the Project.

The Association may contract with the local electrical power utility for the installation and thereafter continuous operation of decorative streetlights to be located within the public streets in the Project and such fees charged by the utility shall be paid from the annual assessments, including without limitation lease payments, whether the lease is a capital lease or an operating lease.

6.02. Maintenance by Owners. Each Owner, at all times, shall maintain, repair and otherwise be responsible for his Lot and the improvements thereon. Without limiting the generality of the foregoing, and subject to the requirements of Section 14.02 of this Declaration, an Owner shall be responsible for replacement and reconstruction of improvements on his Lot required because of damage or destruction by fire or other casualty and each Owner shall maintain, repair and replace the surface and subsurface drainage facilities and appurtenances located on his Lot as may be necessary to maintain good and proper drainage of the property and other real property in the vicinity, except

for such facilities the maintenance of which has been assumed by the County or other governmental entity. If any Owner, after Notice and Opportunity for Hearing, fails to maintain, repair and replace such drainage facilities and appurtenances as required herein, the Association, at the expense of such Owner, shall maintain, repair or replace such drainage facilities and appurtenances at the sole cost and expense of such Owner, and the Board, without the vote or written consent of Members, may levy a special assessment against such Owner to obtain reimbursement therefor as provided in Section 9.07.

No building or other structure shall be placed or permitted to remain on any Lot which may damage or interfere with the use, maintenance, repair or replacement of such drainage facilities and appurtenances and no Owner shall do any work, construct any improvements, place any landscaping or suffer the existence of any condition whatsoever which shall alter or interfere with the drainage pattern for the Lots or Common Area as established in connection with the approval of the subdivision map or maps applicable to the Project by the County or other governmental agency, except to the extent such alteration in drainage pattern is approved in writing by the Association, Declarant and all public (or quasi-public) authorities having jurisdiction. All such drainage facilities and appurtenances shall at all times be accessible to Declarant until the Project is completed and at all times shall be accessible to the Association and all persons installing, using, maintaining, repairing or replacing such drainage facilities and appurtenances. Declarant may from time to time present for recordation in the official records of the County instruments showing the approximate locations of subsurface storm drainage facilities and of subsurface groundwater drainage facilities. If for any reason any such instrument is not accepted for recording, Declarant may deliver such instrument to the Association, and the Association shall maintain the same as part of its permanent records. In either event, each Owner shall be deemed to have notice of the location of such drainage facilities as may be shown in such instrument.

6.03. Negligence. The cost of repair or replacement of any improvement to be maintained and kept in repair by the Association, which repair or replacement is required because of the act or omission of any Owner, shall be the responsibility of and paid for by such Owner.

6.04. Right to Enter. After reasonable notice to the occupant, the Association or Declarant or their agents shall have access over and upon any Lot when necessary in connection with any repair, maintenance, or replacement of improvements for which the Association is responsible or for the enforcement of this Declaration, and each Owner shall accept title to his Lot subject to such right of access of the Association or Declarant or their agents.

ARTICLE 7

USE RESTRICTIONS

In addition to the restrictions set forth in Article 14 below, the following apply to the Project:

7.01. Residential Use. Except as otherwise provided in this Declaration, each Lot shall be used solely for the construction and occupancy of a residence and for no other purpose. No residence located on any Lot shall be occupied by more than one family related by blood or marriage, or one household unit of no more persons than two times the number of bedrooms in the residence located on the Lot, and the occasional guests of such family or household unit, Except as provided in Section 7.20, no Owner shall use or cause or permit his Lot to be used for any business, commercial, manufacturing or mercantile use or purpose, or for any other nonresidential use or purpose, except that an Owner residing in a dwelling on a Lot may conduct business activities within the dwelling as long as:

- A) The existence or operation of the business is not apparent or detectable by sight, sound or smell from outside the dwelling;
- B) The business activity conforms to all zoning requirements for the Project;
- C) The business activity does not involve persons coming onto the Project who do not reside in the Project or door-to-door solicitation of residents of the Project;
- D) The business activity is consistent with the residential character of the Project and does not constitute a nuisance, a hazardous or offensive use or threaten the security or safety of other residents of the Project, as may be determined in the sole discretion of the Board of Directors of the Association.

The term “business” and “trade” as used in this Section shall be construed to have the ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider’s family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether:

- (i) such activity is engaged in full or part time;
- (ii) such activity is intended or does generate a profit; or
- (iii) a license is required therefore.

This section shall not apply to any activity conducted by the Declarant with respect to its development and sale of the Property or its use of any Lots that it owns within the Project.

The foregoing provisions of the Section or any other provision of this Declaration notwithstanding, Declarant, its successors or assigns, shall have an easement to maintain sales offices and models for sales of Lots throughout the Property. Declarant, its successors or assigns, shall have the right to relocate, and to discontinue and re-establish,

sales offices and models within the Property from time to time until all of the Lots have been conveyed to Owners other than Declarant or Builders. Declarant, its successors and assigns, also shall have the right to change use or combination of uses of such offices or models, provided that such offices or models shall be used only for sales offices or models.

Declarant, its successors or assigns, shall also have an easement to maintain signs on the Common Area and public rights of way advertising the Property until all of the Lots have been conveyed to Owners other than Declarant or Builder.

7.02. Unlawful Activity. No unlawful activity shall be conducted on any Lot or in any other part of the Project. Nothing shall be done within the Project that is an unreasonable annoyance, inconvenience or nuisance to the residents of the Project, or that unreasonably interferes with the quiet enjoyment of occupants of Lots. No doorways, walkways or streets shall be obstructed in any manner that would interfere with their use for ingress or egress in the event of fire, earthquake or other emergency.

7.03. Parking. Unless otherwise permitted by the Rules and Regulations no boat, trailer, recreational vehicle, camper, camper truck or commercial vehicle shall be parked, stored or left (a) on any part of the Common Area, except such portions of the Common Area (if any) as may have been designated by the Board for such purpose; (b) in any driveway or (c) on any other part of a Lot, (d) or otherwise in the Project unless the same are fully enclosed within the garage located on the Lot or otherwise properly screened in accordance with the Rules and Regulations. Any such vehicle shall be parked, stored or left wholly within the garage located upon the Lot, except to the extent same is already occupied to capacity, in which case such vehicle may be parked temporarily in the driveway once during any calendar month for not more than 24 consecutive hours. This restriction shall not apply to sales trailers, construction trailers, or other vehicles that may be used by Declarant and such Builders as may be designated by Declarant and their agents and contractors in the conduct of their business prior to Completion of Sales. For purposes of this Declaration, a "commercial vehicle" shall include any vehicle having a carrying capacity and/or size designation greater than or equal to three-fourths (3/4) ton; any vehicle other than a law enforcement vehicle bearing a company name or logo; any vehicle with ladders on top or in a truck bed; and any "box" van or truck. The Board shall have the authority to further define the term "commercial vehicles" in the Rules and Regulations to include other vehicles used primarily for commercial purposes other than commuting to and from the workplace. No boat, truck, trailer, pre-manufactured home, camper, recreational vehicle or tent shall be used as a living or dwelling area within the Project. No repairs to or maintenance of any automobile or other vehicle shall be made or performed on any driveway within the Project, except in the case of emergency and except as may be permitted by the Rules and Regulations. No unlicensed, wrecked or inoperable vehicles may be left on a Lot outside an enclosed structure.

7.04. Signs, Curtains and Flags. No Owner shall place on or about any window any metallic foil or other coating, substance or material which acts as a reflector of light and no Owner shall display, hang, store or use any signs, curtains, draperies, shades,

stained glass, flags or other articles whatsoever outside of the dwelling on any Lot so as to be visible from outside the Lot, excluding seasonal decorations, the flag of the United States of America and as may be permitted by the Rules and Regulations. Flagpoles for seasonal decorations and the flag of the United States of America must be attached to the main dwelling, shall be no more than five (5) feet in length and shall not be mounted on the roof of any dwelling. Notwithstanding the foregoing, one professionally manufactured sign of not more than five (5) square feet advertising a Lot for sale or rent may be placed by the Owner on his Lot in such manner that it will be visible from outside the Lot. The prohibitions in this section shall not apply to Declarant or its agents, who may erect such signs or flags as Declarant deems desirable to promote the sale of Lots.

7.05. Antennas and Dishes. No radio or television transmission or reception towers, antennas, dishes or disks shall be erected on any Lot except in compliance with the Antenna Placement Procedures and Guidelines as adopted by the Board together with the submission of an Antenna Placement Notification Form to the Architectural Control Committee..

7.06. Laundry. No laundry or wash shall be dried or hung upon the exterior of any Lot or any place visible within the Project from outside such Lot.

7.07. Fences. No fence or wall shall be erected on any Lot closer to the margin of the street right-of-way than the side street setback or the back corners of the dwelling except for temporary decorative fencing installed by a Builder on a model home. No fence or wall shall be erected on any berm of dirt which was placed along the side or rear lot line of any Lot by the Declarant. Screen fencing around patios, decks, pools or sanitary containers not to exceed six (6) feet in height may be erected only with the prior approval of the Board or the Architectural Control Committee. Perimeter fencing shall be picket fencing and decorative metal only, four (4) feet in height, and any other fencing, including chain link or other type of metal fencing, is expressly prohibited. The spacing between the pickets of perimeter fencing shall not be less than 1½ inches and all such pickets shall be installed on the exterior side of the fence. All fencing and walls must be approved by the Board or Architectural Control Committee prior to installation and the Board and Architectural Control Committee are granted complete discretion as to the location of any fencing on any lot. The Board will provide specifications for each fence option.

7.08. Pets.

(A) No animals shall be raised, bred or kept on any Lot or the Common Area, except that dogs, cats, or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes. The number of household pets generally considered to be outdoor pets, such as dogs, cats, et cetera, shall not exceed three (3) in number except for newborn offspring of such household pets which are under nine (9) months of age. No animal shall be allowed if such animal constitutes an unreasonable annoyance, inconvenience or nuisance to any other Owner. If the Board receives any complaint that an animal constitutes an unreasonable annoyance,

inconvenience or nuisance, the Board shall afford the Owner of such animal Notice and Opportunity for Hearing, and if the Board finds that such animal constitutes an unreasonable annoyance, inconvenience or nuisance, the Board may require that such animal be removed from the Project. All animals shall be kept on a leash when in the Common Area or any other area within the Project other than a fenced area on a Lot. Owners shall promptly "pooper scoop" or otherwise properly remove all excrement created by their pets within the Project and dispose of same properly and in accordance with any Rules and Regulations pertaining thereto.

(B) The Board may adopt Rules and Regulations concerning animals which are more restrictive than the provisions of this Declaration, including rules requiring that and that animals be restricted to designated areas within the Common Area. The Board may adopt a rule prohibiting certain pets, which is more restrictive than the provisions of this Declaration, except that such rule shall not apply to animals residing in the Project at the time such rule is adopted. In any event, the Board at any time may require that any animal found to be an unreasonable annoyance, inconvenience or nuisance be removed as provided in Section 7.08(A).

7.09. Trash and Vegetation. No trash, rubbish, garbage or other waste material shall be kept or permitted upon any Lot or the Common Area, except in sanitary containers located in an appropriate area screened and concealed from view. No weeds, vegetation, rubbish, debris, garbage, waste materials or materials of any kind whatsoever shall be placed or permitted to accumulate on any Lot or any portion of the Project which would render it unsanitary, unsightly, offensive, or detrimental to any property in the vicinity thereof or to the Occupants of any property in such vicinity. Grass, hedges, shrubs, vines and mass planting of any type on any Lot or any portion of the Project shall be kept trimmed and shall at regular intervals be mowed, trimmed and cut so as to appear neat and attractive. Trees, shrubs, vines and plants which die shall be promptly removed. If any Owner, after Notice and Opportunity for Hearing, fails to maintain such Owner's Lot in the manner provided by this Section 7.09 the Association, at the expense of such Owner, may take such steps as are necessary in order to remedy such condition including cutting and removing of weeds, vegetation, rubbish, debris, garbage, waste materials and other accumulations on any Lot at the sole cost and expense of such Owner, and the Board, without the vote or written consent of Members, may levy a special assessment against such Owner to obtain reimbursement of the cost therefor as provided in Section 9.07, or, after Notice and Opportunity for Hearing, levy a fine against such Owner until such violation is remedied.

7.10. Nuisance. No noxious or offensive activity shall be carried on in or upon any Lot or the Common Area nor shall anything be done thereon which may be or become an unreasonable annoyance, inconvenience or nuisance to the residents of the Project or unreasonably interferes with the quiet enjoyment of occupants of Lots. No Owner shall permit anything to be done or kept on his Lot which would result in the cancellation of insurance on any other residence or any part of the Common Area or which would be in violation of any law.

7.11. **Building Setbacks.** No building shall be erected on any Lot nearer to the margin of the right-of-way of any street than the building setback lines shown on the recorded map. With respect to corner Lots, the front lot line shall be deemed the street line having the significantly shorter frontage, and any residence erected on such corner Lot shall face the front lot line. No building, including a residence, shall be located nearer to any side lot line than that shown on a plat of the Lot recorded in the Mecklenburg County Public Registry or ten (10) feet to any rear lot line. Provided, however, that this provision shall not be construed to authorize or permit encroachment of any structure on a Lot upon any easement shown on the recorded plat or reserved herein or upon any other Lot. The Declarant may, in its sole and absolute discretion, grant variances from such requirements. However, nothing in this Section 7.11 shall be construed to authorize any violation of the zoning provisions of the appropriate governmental authority.

7.12. **Temporary Structures.** Except as provided in Section 7.20, no residence of a temporary nature shall be erected or allowed to remain on any Lot, and no boat, truck, trailer, shack, tent, barn, detached garage, recreational vehicle or any other building or vehicle of a similar nature shall be used as a residence on any Lot, either temporarily or permanently.

7.13. **Floor Space.** The floor area of each home constructed upon a Lot shall be not less than one thousand (1,000) heated square feet; provided, however, that the aforesaid square footage requirement shall be based on interior floor space, exclusive of basements, garages, porches, decks, balconies and overhangs.

7.14. **Accessory Structures.** No metal carport, free standing metal garage, or free standing metal utility building shall be erected on any Lot or attached to any residence located on the Lot. Any accessory structure which is approved for construction shall comply with the architectural requirements of Section 7.17 and 14.01 and shall be located on any Lot so that it is directly behind the residence as viewed from a point on a line of sight along the side of the house perpendicular to the street right-of-way. Such structure shall not exceed 100 square feet, unless the Board or Architectural Control Committee approves a greater square footage.

7.15. **Unintentional Violations.** In the event of the unintentional violation of any of the building line restrictions set forth herein, Declarant reserves the right, by and with the mutual written consent of the Owner of such Lot, to change the building line restriction set forth in the instrument, provided however, that such changes shall not be in violation of any provisions of the zoning provisions of the appropriate governmental authority.

7.16. **Above Ground Pools.** No above ground pools shall be erected or installed on a Lot.

7.17. **Architectural Requirements.** The driveway and sidewalks on a Lot shall be constructed of concrete or other approved material. Only the original mailbox, with it's original color combination, installed by the Builder is permitted. If replacement or

repair is required, the mailbox must be restored to the original design specification. The Board will provide design specifications as necessary. Specification will be provided to each Owner by the Association. Lots shall be planted with standard size plantings along the front of the dwelling to screen the foundation. No above ground storage tanks shall be erected or installed on a Lot. No improvement or addition of any kind shall be erected, placed, or altered on any Lot until the construction plans and specifications and a plan showing the location of the structure have been approved in writing by the Declarant, its successors or assigns, in their sole discretion, as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation. If the Declarant, its successors or assigns, having not theretofore approved or disapproved an application for an improvement or addition, fails to approve or disapprove an application within ten (10) days following receipt of written notice of failure to act, which written notice is given at least thirty (30) days following receipt of the initial application, the application shall be deemed approved. Declarant shall be entitled to stop any construction in violation of these restrictions so long as Declarant owns any Lot or Lots within the Project.

7.18. Exercise Equipment. All swing sets, play structures and similar equipment must be located so that they are directly behind the residence as reviewed from a line of site along the side of the house perpendicular to the street right of way unless otherwise approved by the Board or Architectural Control Committee, comply with the Rules and Regulations and the location thereof must be approved in writing by the Board or the Architectural Control Committee in accordance with the provisions of Articles 7.17 and 14.01 of this Declaration. All basketball goals must be located behind the front building façade of the house and if on a corner Lot no closer to the side street right of way than the side street setback shown on the record map, comply with the Rules and Regulations and the location thereof must be approved in writing by the Board or the Architectural Control Committee in accordance with the provisions of Articles 7.17 and 14.01 of this Declaration. No trampolines shall be permitted on any Lot.

7.19. Removal of Obstructions.

(A) The Declarant, its successors or assigns, without notice, may remove any obstructions of any nature located within road rights-of-way (including, but not limited to, trees, shrubs, fences, basketball goals and mailboxes) which, in the opinion of the Declarant, its successors or assigns, either might produce a hazard or might interfere with the ability or willingness of the State of North Carolina or any municipality (or agency or department thereof) to take over the responsibility for maintenance of the roads.

(B) The Declarant, its successors or assigns, shall have the right, in its sole discretion, to charge back the actual cost to it of removing obstructions against the Lot Owner who directly or through his agents, contractors or invitees caused or permitted the obstruction to be placed in the road right-of-way, and such Lot Owner

shall indemnify and save the Declarant, its successors or assigns, harmless from all liability, claims, damages and expense imposed upon the Declarant, its successors or assigns, at law or in equity, caused by or resulting from the placement of the obstruction in the road right-of-way. In the event that the Lot Owner responsible for such charge or liability as aforesaid fails and refuses, after demand by the Declarant, its successors or assigns, to pay said charge or liability, then the Declarant, its successors or assigns, shall have a lien against his Lot thereon and may enforce collection of the charge or liability, together with reasonable attorneys' fees, by any and all remedies afforded by law or in equity including, without limitation, the filing of a notice of lien and perfecting the same as by law provided, to the end that such charge or liability shall become a charge against the said Lot or dwelling unit.

7.20. Declarant's Rights. Notwithstanding anything to the contrary contained in this Article or elsewhere in this Declaration, Declarant, its agents, employees and contractors shall not be restricted or prevented by this Declaration from doing, and Declarant, its agents, employees and contractors shall have the right to do such things or take such actions as they deem necessary, advisable or convenient for completion and improvement of the Project as a residential community and for the sale, rental or other disposition of Lots in the Project. In the event of any conflict between a Builder and Declarant, the Declarant will be the prevailing party. The rights of Declarant or Builder, their agents, employees and contractors shall include, without limitation:

(A) The right and easement of ingress in, over and upon the Common Area for the purpose of performing on any part or parts of the Project acts deemed necessary, advisable or convenient for the completion and improvement of the Project as a residential community and for the sale, rental or other disposition of Lots;

(B) The right to erect, construct, maintain, demolish or remove structures and other improvements on any Common Area as they deem necessary, advisable or convenient for the completion and improvement of the Project as a residential community and for the sale, rental or other disposition of Lots; and

(C) The right to use Lots and improvements owned by Declarant or Builder as models, sales offices and contractor's offices and to construct and display promotional, informational and directional signs and other sales aids on or about any portion of the Project.

The rights of Declarant and, to the limited extent set forth herein, Builder under this section shall terminate one (1) year after the Completion of Sales. Amendment of this section shall require the vote or written consent of eighty percent (80%) of the Voting Power of the Association. Further, no amendment of this section can be made without the written approval of Declarant and Builder.

7.21. Right to Enter. Any governmental agency, including, but not limited to the County and the Town, their agents, and employees, shall have the right of immediate

access to the Common Area at all times if necessary for the preservation of public health, safety and welfare.

ARTICLE 8

MEMBERSHIP AND VOTING RIGHTS

8.01. Governing Body. The Association shall be the governing body for all Owners with respect to the management, administration, maintenance, repair and replacement of the Project, as provided by this Declaration and the Bylaws.

8.02. Membership. Membership in the Association shall be composed of and limited to Owners. Each Owner, including Declarant, shall automatically be a Member of the Association and entitled to vote as set forth below. Membership shall be appurtenant to and may not be separated from ownership of a Lot. Upon termination of ownership, an Owner's membership shall automatically terminate and be automatically transferred to the new Owner of the Lot.

8.03. Voting. The Association shall have two classes of voting membership.

Class A. Class A Members shall be all Owners with the exception of Declarant and Builder; provided, however, that Declarant shall become Class A Members when its Class B membership ceases as provided hereinafter. Class A Members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an ownership interest in any Lot, all such persons shall be Members, but no more than one vote shall be cast with respect to any Lot. The vote for any such Lot shall be exercised as the Members holding an interest in such Lot determine among themselves. In the event of disagreement, the decision of Members holding a majority of interest in such Lot shall govern. Unless otherwise notified by a co-owner as to a dispute between the co-owners regarding their vote prior to the casting of that vote, the vote of any co-owner shall be conclusively presumed to be the majority vote of the Owners of that Lot.

Class B. Declarant and Builder shall be Class B Members. Builder shall be entitled to ten (10) votes for each Lot owned. Declarant shall be entitled to ten (10) votes for each Lot owned including each lot as shown on the Master Plan of the Project dated April 18, 2006 a copy of which is on file in the office of Declarant, whether or not such lot is, at time of such vote, subject to this Declaration. Declarant's Class B membership shall be perpetual unless terminated by written termination executed by Declarant. If the Declarant terminates the Class B Membership, the Declarant shall thereafter hold a Class A Membership for each Lot it owns. The Builder's Class B Membership shall cease the date on which the Builder shall have conveyed to individual owners, thereof all of the Lots owned by Builders, permitted by applicable zoning to be developed within the Project.

8.04. Commencement of Voting Rights. Voting rights attributable to an ownership interest shall not vest until the assessment against that interest has been levied by the Association as provided in Article 9; provided, however, that voting rights shall be immediately vested with respect to amendments to this Declaration pursuant to Section 17.08.

8.05. Declarant's and Builder's Voting Rights. No requirement for the approval of a prescribed majority of the Voting Power of Members of the Association other than Declarant or Builder for action to be taken by the Association is intended to preclude Declarant or Builder from casting votes attributable to Lots owned by Declarant or Builder.

8.06. Control by Declarant. "Declarant Control Period" means the period of time during which the Declarant shall at all times be entitled to appoint and remove the Association's Board of Directors and the officers of the Association, and during which the Class A Members shall have no right to nominate, elect, or remove, or exercise any vote to nominate, elect, or remove, the Board of Directors, such period of time beginning on the date that the Association is incorporated and ending at such time as Declarant does not own any Lot or Common Area, or at such earlier time as Declarant terminates such right by execution of a written instrument of termination. Anything to the contrary in this Declaration, the Bylaws, the Articles of Incorporation, or the Planned Community Act notwithstanding, if not sooner ended or terminated, the Period of Declarant Control shall end on December 31, 2027.

During the Declarant Control Period, the Board shall have the sole and exclusive authority to exercise all powers and rights of and to act in all instances on behalf of the Association, and the Members shall have no authority to exercise such powers or rights or to act by exercise of their votes, except as those acts that the Planned Community Act or other applicable laws provide may not be undertaken unilaterally by the Board, such as, to the extent required, ratification of the budget as provided in this Declaration, borrowing of funds to pay operational costs of the Association and conveyance by the Association of fee simple title to all or any part of the Common Area.

Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Association pursuant to the provisions of this Section, such right shall automatically pass to the Owners, including Declarant and Builder if they then own one or more Lots; and a special meeting of the Association shall be called for and held within ninety (90) days from the date of the expiration of Declarant's Control Period. At such special meeting the Owners shall elect a new Board of Directors which shall undertake the responsibilities of running the Association and Declarant shall deliver the books, accounts, and records, if any, which they have kept on behalf of the Association as well as any agreements or contracts executed by or on behalf of the Association which may still be in effect or operation. Each Owner by acceptance of a deed to or other conveyance of a Lot vests in Declarant such authority to appoint and remove directors and officers of the Association as provided in this Section.

ARTICLE 9

COVENANTS FOR ASSESSMENTS

9.01. Covenant to Pay Assessments; Lien. Every Owner of any Lot, other than Declarant, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees to pay, to the Association such regular annual assessments or charges and such special assessments or charges as may be levied by the Association pursuant to the provisions of this Declaration. No assessment shall be due except with respect to Lots shown on a recorded subdivision plat. The amount of any such annual or special assessment plus any other charges thereon, such as interest, late charges and costs (including attorneys' fees), as such may be provided in this Declaration, shall be and become a lien upon the Lot assessed when the Association causes to be recorded in the official records of the County a notice of assessment, which notice shall state:

- (A) The amount of such assessment and such other charges thereon as may be authorized by this Declaration;
- (B) A description of the Lot against which the same has been assessed; and
- (C) The name of the record owner of the Lot assessed.

Such notice shall be signed by an authorized representative of the Association. Upon payment of such assessment and charges in connection with which such notice has been so recorded, or other satisfaction thereof, the Association, at the Owner's cost and expense, shall cause to be recorded a further notice stating the satisfaction and the release of the lien thereof. The lien provided for herein shall be prior to all other liens recorded subsequent to the recordation of such notice of assessment. The lien may be enforced by foreclosure in accordance with North Carolina law, or in any other manner permitted by law. The Association shall have power to purchase the Lot at a foreclosure sale and to hold, lease, mortgage and convey the same.

9.02. Personal Obligation. Each regular annual and special assessment, together with any late charges, interest, collection costs and reasonable attorneys' fees, shall be the personal obligation of each person or entity who held an ownership interest in the Lot at the time such assessment was levied. If more than one person or entity held an ownership interest in the Lot at such time, the personal obligation to pay such assessment or installment respecting such Lot shall be both joint and several. No Owner may exempt himself from payment of assessments, or installments, by waiver of the use or non-use of common facilities within the area or of any other portion of the Common Area or by abandonment or leasing of his Lot.

9.03. Use of Assessments. Regular annual or special assessments paid by the Owners shall be used to pay for operation, maintenance, preservation, enhancement,

repair and improvement of the Common Area, other purposes reasonably related to the foregoing, to promote the recreation, health, safety and welfare of the Owners, and for such other purposes as are provided for herein or in the North Carolina Planned Community Act. In addition, such assessments shall be used to pay the cost of administration of the affairs of the Association, including payment of applicable taxes, and for the preservation of the Association's existence, to the extent properly allocable to the performance and exercise of the Association's duties and powers under this Declaration. The foregoing is intended as an authorization to the Association and shall not be construed to require expenditure of Association funds for any particular purpose.

9.04. Reserve Funds. The Board shall establish and maintain reserves in accordance with standard accounting practices and procedures for Common Area replacements and maintenance in the initial budget of the Association. Each budget subsequently adopted by the Board shall provide for funds to be placed in reserves in at least the amount of reserves established in the initial budget unless a lower level of reserves is approved by the vote or written consent of a majority of the Voting Power of the Association. Funds deposited in reserve for a particular purpose shall be held for that purpose and shall not be expended for any other purpose without the vote or written consent of a majority of the total Voting Power of the Association, except that if the Board determines that funds held in reserve for a particular purpose exceed an amount reasonably required as a prudent reserve for that purpose, then, without the vote or written consent of Members, the excess may be allocated to any other reserve fund established by the initial budget of the Association and expended for the purpose for which such other reserve fund has been established.

9.05. Regular Assessments.

The Board of Directors shall prepare an annual budget and fix the amount of the regular annual assessments as to each Lot. The Association shall send written notice of the amount of the regular annual assessments, a summary of the budget, and the amount of the payment due, to each Owner thirty (30) days after adoption of any proposed budget. To the extent required by North Carolina General Statutes 47F-3-103(c) or other applicable law, such notice shall include notice of a meeting of the Members to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. If such a meeting is required by N.C. General Statutes 47F-3-103(c), or other applicable law, the Board of Directors shall set a date for a meeting of the Members to consider ratification of the budget to be held not less than ten (10) nor more than sixty (60) days after mailing of the summary and notice. If such meeting is required as set forth above, there shall be no requirement that a quorum be present at the meeting. The budget will be ratified unless: (a) if such vote is taken prior to the end of the Period of Declarant Control, at such meeting Members exercising ninety percent (90.0%) of the votes in the Association reject the budget; (b) if such vote is taken after the Period of Declarant Control, at such meeting Members exercising a majority of the votes in the Association reject the budget.

The amount of such annual assessment which shall be levied against each Lot shall be due and payable to the Association in such installments the Board shall determine, and after notice of the same shall have been given to all of the members of the Association by the Board, and shall be paid to the Association when due without further notice. If the Board fails to so fix the regular annual assessment, the assessment applicable for the previous assessment year shall remain in effect until the Board shall fix a new regular annual assessment.

The failure of the Association to send, or of a Member to receive, such notice shall not relieve any Member of the obligation to pay regular annual assessments.

9.06. Special Assessments. In addition to the regular annual assessments authorized herein, the Board may levy, in any assessment year, a special assessment against all Owners, other than Declarant, 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 capital improvements and related fixtures and personal property on or comprising a part of the Common Area provided, however, in any fiscal year, special assessments which exceed twenty percent (20%) of the budgeted gross expenses of the Association for that fiscal year may not be levied without the vote or written consent of a majority of the total Voting Power of the Association.

9.07. Assessment as Remedy. After Notice and Opportunity for Hearing, the Board, without the vote or written consent of Members, may levy a special assessment against an Owner as a remedy to reimburse the Association for costs (including attorneys' fees) incurred in bringing the Owner, his Lot or his residence into compliance with the provisions of this Declaration, the Bylaws or the Rules and Regulations.

9.08. Allocation of Assessments. Except as otherwise provided in this Declaration and except that Declarant is not required to pay any assessments all regular and special assessments shall be levied equally against all Owners.

9.09. Commencement of Assessments. The regular annual assessments provided for herein shall commence as to all Lots at the discretion of the Board, but not later than January 1, 2007. The first assessment year shall be the period commencing on the date regular annual assessments commence and ending on the December 31 next following. The regular annual assessment for the first assessment year shall be prorated from the amounts fixed by the Board for a full twelve-month year, based on the number of months to be contained in the first assessment year. Subsequent assessment years shall be each successive calendar year; provided, however, that at any time the Board may change the assessment year to correspond to a fiscal year selected by the Board. Assessments of Lots within each Phase of the Project which is annexed in accordance with the provisions of Article 16 below shall commence on the first day of the month next following the conveyance of the first Lot with a dwelling to a purchaser, other than a successor Declarant, for use as a residence.

9.10. Revised Assessments. Subject to the provisions of Section 9.05, if at any time during the course of any year the Board shall deem the amount of the regular annual

assessment to be inadequate or over adequate by reason of a revision of its estimate of either expenses or income or otherwise, the Board shall have the right, at a regular or special meeting, to revise the regular annual assessment for the balance of the assessment year. Any such revised assessment shall become effective on the first day of the month next following the date of adoption, and additional amounts payable shall be due (or refunds of overages shall be made by the Association) at such time as determined by the Board.

9.11. Delinquent Assessments; Fines. Any assessment not paid within fifteen (15) days after the due date shall be delinquent and shall bear interest at a rate which is the greater of eighteen percent (18%) per year or the maximum amount allowed under the North Carolina Planned Community Act or other applicable law. The Board may require that any delinquent assessment bear a late charge to cover administrative expenses incurred as a result of the late payment of the assessment. Late charges on delinquent assessments and fines levied as provided in Section 4.09 shall be the greater of Twenty Dollars (\$20.00) per month, ten percent (10%) of any delinquent assessment, or the maximum amount allowed under the North Carolina Planned Community Act or other applicable law. Fines levied as provided in Section 4.09 shall be such amount as is determined by the Board from time to time but not to exceed the maximum amount allowed under the North Carolina Planned Community Act or other applicable law.

No charge may be imposed more than once for the delinquency of the same payment, provided, however, that the imposition of a late charge on any delinquent payment shall not eliminate or supersede charges imposed on prior delinquent payments. The Association may bring legal action against the Owner personally obligated to pay a delinquent assessment or fine and, after Notice and Opportunity for Hearing, the Association may suspend a delinquent Owner's membership rights in the Association while the assessment or fine remains unpaid. In any legal action to enforce payment of an assessment or fine, the Association shall be entitled to recover interest, costs and reasonable attorneys' fees.

9.12. Lots Owned by Declarant. Notwithstanding any term or provision of this Declaration which may be construed to the contrary, no Lot owned by the Declarant shall be subject to any assessment provided for in this Article 9. Rather, all Lots owned by the Declarant shall be exempt from the payment of all assessments for so long as such Lots are owned by the Declarant. At such time as any Lot which is owned by the Declarant shall be conveyed or transferred away by the Declarant, all liens and assessments provided for in this Article 9 shall become immediately levied against such Lot and the owner of such Lot shall immediately become liable for the payment of all such assessments. The amount of each annual assessment which shall become so payable with respect to any Lot shall be prorated according to the respective portions of the fiscal year that such Lot was owned by the Declarant and by such successor owner.

ARTICLE 10

INSURANCE

10.01. Duty to Maintain Insurance.

(A) The Association shall have the duty and the authority to maintain fire and extended coverage casualty insurance on the Common Area in an amount not less than the full insurable value thereof (based upon current replacement cost), and liability insurance with limits in and amounts adequate, under standards in the insurance industry existing from time to time, to protect the Association and the Owners in the event of property damage, personal injury or death occurring in or about the Project. The Board shall have the authority to settle or enforce on behalf of the Association and on behalf of the Owners, by legal action or otherwise, any claim arising under any insurance carried by the Association.

(B) Each Owner shall maintain casualty and personal liability insurance pertaining to his Lot, in such form and in such amounts as the Rules and Regulations may require.

(C) All policies of insurance carried by the Association or the Owners shall include a waiver of subrogation if such waiver can be obtained, unless otherwise provided in the Rules and Regulations.

(D) Notwithstanding any other provisions contained herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance meeting the insurance requirements for planned unit development projects established by the Federal National Mortgage Association and Government National Mortgage Association, so long as either is a Mortgagee or Owner of a Lot within the Project, except to the extent such coverage is not available or has been waived in writing by the Federal National Mortgage Association or Government National Mortgage Association.

10.02. Proceeds of Insurance. The proceeds of casualty insurance carried by the Association shall be paid to and held by the Association as trustee for the Owners, Declarant and Mortgagees for disbursement in accordance with the provisions of this Declaration.

Except as otherwise provided herein, casualty insurance proceeds shall be used for repair, replacement or reconstruction to the extent required to effectuate repair, replacement or reconstruction.

ARTICLE 11

DAMAGE AND DESTRUCTION

11.01. Damage to Lots. Restoration and repair of damage to any Lot and improvements thereon shall be made by and at the expense of the Owner thereof.

11.02. Repair, Restoration, Reconstruction. If damage occurs, the Association shall promptly contract for the repair, restoration or reconstruction of the Common Area or improvements which have been damaged or destroyed and apply any proceeds of insurance as received toward cost of such repair, restoration or reconstruction. The difference, if any, between the insurance proceeds payable by reason of such damage and the cost of such repair, restoration and reconstruction may be recovered by one or more special assessments levied by the Board equally against all Owners, other than Declarant.

ARTICLE 12

EMINENT DOMAIN

12.01. Eminent Domain. If all or any portion of the Common Area is taken by action in eminent domain (hereinafter called a "taking"), the Association shall give written notice of the proceedings to all Owners and Mortgagees, and the condemnation award shall be fairly and equitably apportioned among the Owners, Mortgagees and the Association as the court may determine. A condemnation award which is not apportioned among the Owners by court judgment or by agreement between the condemning authority and each affected Owner shall be allocated first to the repair, restoration and reconstruction of any remaining portion of the Common Area and then any excess shall be distributed equally among the affected Owners (or any Mortgagee of an Owner to the extent such Mortgagee is entitled to such Owner's share of the proceeds). If requested by the court, an Insurance Trustee shall be employed to make disbursement of the award.

12.02. Repair, Restoration, Reconstruction. If only a portion of a Common Area facility is taken, the Board shall promptly contract for the repair, restoration or reconstruction of the Common Area facility to a complete architectural unit, to the extent such repair, restoration and reconstruction is reasonably necessary and practical. If the cost of repair, restoration and reconstruction of the Common Area exceeds the amount awarded by the court for such purposes, the difference may be recovered by a special assessment levied equally against all Owners.

ARTICLE 13

[ARTICLE 13 INTENTIONALLY DELETED]

ARTICLE 14

ARCHITECTURAL CONTROL

14.01. Architectural Control. NO BUILDING, POOL, FENCE, WALL, SOLAR PANEL, ANTENNA, DISH, DECK, PATIO, ROOM ADDITION, EXERCISE/PLAY EQUIPMENT OR OTHER STRUCTURE OR IMPROVEMENT OF ANY NATURE ON ANY LOT SHALL BE ERECTED, CONSTRUCTED, DEMOLISHED, OR ALTERED UNTIL AN APPLICATION, INCLUDING PLANS AND SPECIFICATIONS SHOWING THE NATURE, KIND, SHAPE, HEIGHT, MATERIAL, COLOR, AND LOCATION OF THE SAME, SHALL HAVE BEEN SUBMITTED TO AND APPROVED IN WRITING BY THE BOARD OR AN ARCHITECTURAL CONTROL COMMITTEE which has been empowered by the Board to approve such applications and comprised of not less than three (3) and not more than five (5) persons who have been appointed by the Board; provided, however, that no such approval shall be required for alterations to the interior of any residential structure. The Board may require a reasonable fee to accompany each application for approval. If the Board or such Architectural Control Committee, having not theretofore approved or disapproved an application, fails to approve or disapprove an application within ten (10) days following receipt of written notice of failure to act, which written notice is given at least thirty (30) days following receipt of the initial application, the application shall be deemed approved. The Board or Architectural Control Committee may refuse approval of plans, location, exterior color or finish or specifications for any reason including purely aesthetic reasons, which in the sole discretion of the Board or Architectural Control Committee shall be deemed sufficient. Unless an extension is provided by the Board or the Architectural Control Committee, after a dwelling is constructed on a Lot, any plans for additional improvements (for example, a swimming pool or a retaining wall) must be substantially completed based on approved plans within ninety (90) days of approval or deemed approval of the plans by the Board or Architectural Control Committee. The restrictions herein contained shall have no application to the development, improvement, maintenance and repair of the Property by Declarant, any Builder or by the Association, and neither the Board nor the Architectural Control Committee shall have any power or authority to review or require modifications in plans and specifications for construction or installation of improvements by Declarant or Builder.

14.02. Reconstruction of Residences. In the event of damage or destruction to a residence by fire or other casualty, the Owner shall within four (4) months diligently commence to reconstruct such residence as soon as reasonably possible and substantially in accordance with the original plans and specifications therefor; provided, however, that such residence shall be restored so that the exterior appearances thereof substantially resemble their appearances in form and in color prior to such damage or destruction. Notwithstanding the foregoing, however, any Owner of a damaged residence may request permission from the Board or duly authorized Architectural Control Committee to reconstruct or repair his residence in accordance with revisions in the plans and specifications. The Board or said committee shall grant such requests only in the event

that the proposed change or deviation will materially benefit and enhance the entire Project in a manner generally consistent with the plan and development thereof.

ARTICLE 15

MORTGAGEE PROTECTION

15.01. Interpretation. In the event any provision of this Article 15 is inconsistent with or contrary to any other provision of this Declaration, the provisions of this Article 15 shall control.

15.02. Mortgagee's Right to Information. Upon written request to the Association, a Mortgagee is entitled to: (1) inspect the books and records of the Association during normal business hours; and (2) receive an annual financial statement of the Association within ninety (90) days following the end of any fiscal year of the Project; and (3) receive written notice of all meetings of the Association and to designate a representative to attend all such meetings.

15.03. Damage and Destruction Rights. In the event of substantial damage to or destruction of any Lot or improvements to a Lot or any part of the Common Area, no provision of any document establishing the Project shall entitle the Owner of a Lot or other party to priority over such Mortgagee with respect to the distribution to such Owner of any insurance proceeds.

15.04. Condemnation Rights. If any Lot or portion thereof or the Common Area or any portion thereof is made the subject matter of any condemnation proceedings or is otherwise sought to be acquired by a condemning authority, no provision of any document establishing the Project shall entitle the Owner of a Lot or other party to priority over such Mortgagee with respect to the distribution to such Owner of the proceeds of any award or settlement.

15.05. Subordination. No provisions contained in this Declaration shall defeat or render invalid the lien of any Mortgage which is made in good faith and for value. The lien of the assessments provided for herein shall be subordinate to the lien of any Mortgage recorded prior to the date any such assessment becomes due. This subordination shall apply only to assessments on a Lot which have become due and payable prior to a sale or transfer of such Lot pursuant to a decree of foreclosure or exercise of power of sale. Any Mortgagee who acquires title to or comes into possession of a Lot pursuant to exercise of remedies provided for in the Mortgage, including foreclosure by judicial action or exercise of a power of sale, and any purchaser at a foreclosure sale, shall take the Lot free of any claims for unpaid assessments or charges against the Lot which have accrued prior to the time such Mortgagee or purchaser acquires title to or comes into possession of the Lot; provided, however, this exception shall not be applicable to any claim for assessments or charges levied by the Association against all Lots for the purpose of recovering any revenue lost by reason of the nonpayment of past due assessments upon such Lot; and provided further, that except as

otherwise provided in this section, all of the limitations, restrictions, covenants, conditions, easements, liens, charges, assessments, and equitable servitudes contained herein shall be binding upon any Owner whose title is derived through foreclosure sale, trustee's sale or otherwise. Except as provided above, the sale, transfer or conveyance of title to a Lot shall not relieve a selling Owner from personal liability for any assessments which became due and payable prior to such sale, transfer or conveyance, nor relieve such Lot from a duly recorded lien for any such prior unpaid assessment.

ARTICLE 16

ANNEXATION

16.01. Right to Annex. Declarant shall have the right to annex to Phase 1 and thereby bring within the scheme of this Declaration and subject to the jurisdiction of the Association part or all of the Additional Land provided that such property is developed for single family detached residential purposes or single-family residential townhomes with deeded lots. Declarant is under no obligation to annex the Additional Land and may elect to develop the Additional Land for single family or multifamily purposes, including apartments, not as a part of the Project. Annexation of any other real property shall require the vote or written consent of not less than sixty-seven percent (67%) of the total Voting Power of the Association. Annexation of additional property may be accomplished in Phases.

16.02. Procedure for Annexation. Any annexation shall be made by recordation in the office of the Register of Deeds for the county wherein the property is located of a Supplemental Declaration covering the real property to be annexed. The Supplemental Declaration shall describe the real property to be annexed and state that annexation is being made pursuant to this Declaration for the purpose of extending the jurisdiction of the Association to cover the Phase of the Project being annexed. The Supplemental Declaration may contain such complementary additions and modifications to the terms of this Declaration as may be necessary or desirable to reflect the different character, if any, of the Phase being annexed and as are not inconsistent with the general scheme of this Declaration. Annexation shall be effective upon recordation in the applicable public registry of the Supplemental Declaration and thereupon the real property described therein shall be subject to all of the provisions of this Declaration, to the extent made applicable by the Supplemental Declaration, and to the jurisdiction of the Association pursuant to the terms of this Declaration, the Articles and Bylaws.

16.03. Annexed Property. Each Owner of a Lot in an annexed Phase automatically shall be a Member of the Association and such Owners and annexed real property shall be subject to assessment by the Association for the benefit of the Project or any part thereof. Assessments of Lots in an annexed Phase shall commence upon the last to occur of: (a) commencement of regular annual assessments for the Project, and (b) the first day of the month next following the first conveyance of a Lot in such Phase to a purchaser, as provided in Section 9.09. The Association shall have the duties,

responsibilities and powers set forth in this Declaration, the Articles and Bylaws with respect to annexed real property. Except as may otherwise be expressly provided in this Declaration or any Supplemental Declaration, the Project shall be managed and governed by the Association as an entirety. Assessments collected from Owners in the Project may be expended by the Association anywhere in the Project without regard to the particular Phase, area or subdivision from which such assessments came. All Owners shall have ingress and egress to and from all the Common Area throughout the Project and any Phase thereof and shall have use and enjoyment of any recreational facilities and other amenities contained within the Common Area throughout the Project, provided that any such use shall be subject to the provisions of this Declaration, any Supplemental Declaration, the Bylaws and the Rules and Regulations. Notwithstanding the foregoing, any Phase subsequently annexed pursuant to the terms hereof may be subjected to an additional declaration of covenants, conditions, and restrictions (an "Additional Declaration"), which Additional Declaration may provide for payment of assessments in addition to those imposed by this Declaration, and mandatory membership in a homeowners association in addition to the Association. Such Additional Declaration may provide for exterior maintenance and other services for lots not provided to the remainder of the Project.

ARTICLE 17

MISCELLANEOUS PROVISIONS

17.01. Power to Settle Claims. The Board shall have the power and authority to compromise, settle, release and otherwise adjust claims, demands, causes of action and liabilities in favor of the Association and the Owners, on behalf of the Association and Owners, as the case may be, provided any such claim, demand, cause of action or liability arises out of or relates to a condition or defect common to all or a majority of the Lots or improvements constructed thereon, or to the development, design, construction, condition, repair or maintenance of or damage or injury to or defect in the Common Area or part thereof, and the Association shall have the right and the power to make and receive all payments or other consideration necessary therefor or in connection therewith. For such purposes, the Board shall be, and hereby is, irrevocably appointed attorney in fact to act on behalf of all Owners upon such terms and conditions and for such consideration as may be approved by a majority of the Board.

17.02. Independence of Provisions. The provisions of this Declaration shall be deemed independent and severable. Invalidity or partial invalidity of any provision of this Declaration by judgment or court order shall not affect any other provision of this Declaration, and the remaining provisions shall remain in full force and effect.

17.03. Notices. Notices shall be in writing and shall be addressed as follows: (i) if to an Owner: to the address of his Lot; (ii) if to Declarant, to Pace/Dowd Properties, Ltd., 6719-C Fairview Road, Charlotte, N.C. 28210; and (iii) if to the Association, to the address of the Project. The Association may designate a different address for notices by

giving written notice of such change of address to all Owners and to Declarant. Declarant may designate a different address for notices by giving written notice of such change of address to the Association. Any Owner may designate a different address for notices by giving written notice of such change of address to the Association and to Declarant.

17.04. Headings. The headings used in this Declaration are for convenience and reference only and the words contained therein shall not be held to expand, modify, or aid in the interpretation, construction, or meaning of this Declaration.

17.05. Enforcement. The failure of any Owner to comply with the provisions of this Declaration, the Bylaws or the Articles shall entitle the Association, any Owner, or any of them, to maintain an action for the recovery of damages or injunctive relief or both, and such persons or entities, or any of them, shall have the right to enforce all limitations, restrictions, covenants, conditions, easements, liens, charges, assessments and equitable servitudes imposed by or pursuant to the provisions of this Declaration. Failure to enforce the provisions of this Declaration shall not be deemed a waiver of the right to do so thereafter. All remedies provided in this Declaration shall be cumulative and in addition to any other remedies available under law.

17.06. Equal Opportunity Housing. This Project provides equal opportunity housing. Each Lot sold shall be sold without regard to the race creed, color, national origin, ancestry, religion, marital status, age or sex of the purchaser.

17.07. Exhibits. Exhibit A attached to this Declaration is incorporated herein and made a part hereof by this reference.

17.08. Amendments. For a period of twenty (20) years after the recordation of this Declaration, Declarant, without obtaining the approval of any Member or any Owner or Owners other than Declarant, shall have the unilateral right, in its sole and absolute discretion, to make any amendments or modifications hereto which Declarant deems necessary or desirable, including, without limitation, amendments or modifications to any procedural, administrative or substantive provision of this Declaration provided that such amendments or modifications are consistent with the scheme of development of the Project as described herein, and do not substantially and adversely affect the rights of any Owner. Furthermore, at any time during the term of this Declaration, Declarant, without obtaining the approval of any Member or any Owner or Owners other than Declarant, shall have the unilateral right, in its sole and absolute discretion, to make any amendments or modifications hereto (i) which are correctional in nature and do not involve a change which materially adversely affects the rights, duties or obligations specified herein, or (ii) which are necessary to cause this Declaration or any Additional Declaration to comply with the requirements of FHA, VA, the Federal National Mortgage Association or other governmental agency. Notwithstanding anything else set forth in this Section 17.08, any amendment to this Declaration by Declarant need only be executed by Declarant, and shall be effective when so executed and recorded in the Offices of the Register of Deed of Mecklenburg County, North Carolina.

Any other amendments of this Declaration shall require the vote or written consent of sixty-seven percent (67%) of the Voting Power of the Association; provided, however, that the percentage of the Voting Power (of each class of Members, of the Association, and of Members other than Declarant) necessary to amend a specific provision of this Declaration shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that provision.

Any instrument amending this Declaration by the Association must contain a certification by the Secretary of the Association that the amendment has been correctly adopted in accordance with the provisions of this Declaration and be recorded in the official records of the County. Any such amendment shall be effective upon the date of recordation.

17.09. Professional Management. In the event that Declarant by the Association or the Association enters into any contract with any person or entity to provide management or maintenance services to the Project, such contract shall not exceed one (1) year and shall provide that the Association shall have the right to terminate the contract for cause or without cause upon thirty (30) days' written notice, without payment of a termination fee.

IN WITNESS WHEREOF, Declarant has executed and sealed this Declaration as its act and deed this 29th day of March, 2007.

PACE/DOWD PROPERTIES, LTD.

[CORPORATE SEAL]

ATTEST:

Charlene A. Pack
Asst Secretary

By: R. Stephen Pace
President

State of NORTH CAROLINA

County of Mecklenburg

I, Lynda P. Kizer, a Notary Public in and for said County and State, do hereby certify that R. Stephen Pace, President of Pace/Dowd Properties, Ltd personally appeared before me this day, acknowledging to me that he voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated.

WITNESS my hand and official seal, this 29th day of March, 2007.

Lynda P. Kizer
Print/Typed Name: LYNDA P. KIZER
Notary Public

My commission expires: 10/24/2010

[Notarial Stamp/Seal]

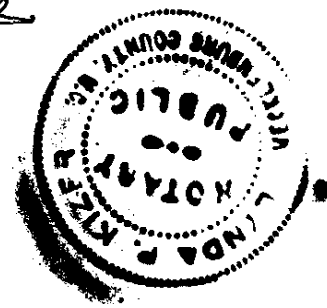
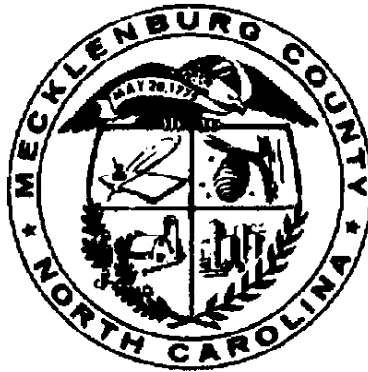


EXHIBIT A

BEGINNING at a point located in the centerline of the right-of-way of Bartlett Road (S.R. #3109) and the southernmost corner of the property owned (now or formerly) by Maxine C. Chrosniak as described in Deed Book 3358 at Page 325, Union County Registry; thence with the westerly margin of said Bartlett Road the following two (2) courses and distances: (1) along the arc of a circular curve to the left having a radius of 368.25 feet, an arc distance of 109.44 feet, said arc being subtended by a chord bearing S. 38-55-21 W. 109.04 feet to a point; and (2) S. 30-24-31 W. 12.81 feet to a point located at the northeast corner of the property owned (now or formerly) by Harry Dean White & Peggy M. White as described in Deed Book 16743 at Page 794, Union County Registry; thence leaving the centerline of Bartlett Road and with the northerly boundary of the White property as well as the northerly boundaries of the properties owned (now or formerly) by Marvin W. White & Linda E. White as described in Deed Book 15907 at Page 884, and by Grace McNinch as described in Deed Book 1702 at Page 101, both of the Union County Registry, the following seven (7) courses and distances: (1) N 61-28-18 W. 109.40 feet to a rebar found; (2) S. 77-52-32 W. 164.96 feet to a pipe found; (3) N. 26-18-53 W. 662.01 feet to a rebar found; (4) N. 87-22-59 W. 194.87 feet to a rebar found; (5) N. 46-19-05 W. 494.79 feet to a point; (6) S. 88-09-40 W. 263.80 feet to a 1" pipe found; and (7) S. 75-48-49 W. 415.93 feet to a 1" pipe found in the westerly boundary of the said McNinch property; thence with the westerly boundary of the McNinch property S. 01-50-08 W. 577.43 feet to a point lying within Clear Creek; thence with the meanderings of Clear Creek the following fifteen (15) courses and distances: (1) S. 66-56-15 E. 59.76 feet to a point; (2) N. 62-33-13 E. 91.47 feet to a point; (3) N. 83-29-38 E. 75.74 feet to a point; (4) S. 55-53-38 E. 128.59 feet to a point; (5) S. 33-52-19 E. 204.12 feet to a point; (6) S. 58-07-30 E. 152.87 feet to a point; (7) S. 45-56-36 E. 89.91 feet to a point; (8) S. 43-19-40 E. 97.75 feet to a point; (9) S. 60-15-47 E. 58.21 feet to a point; (10) S. 48-11-06 E. 243.36 feet to a point; (11) S. 58-36-51 E. 83.38 feet to a point; (12) N. 87-05-42 E. 164.66 feet to a point located at the intersection of Clear Creek and a two-foot (2') creek; (13) N. 72-56-51 E. 334.19 feet to a set rebar (also located at the southwest corner of the said White property); (14) N. 43-30-36 E. 204.60 feet to a point; and (15) N. 83-15-36 E. 121.30 feet to a point located in the centerline of the right-of-way of said Bartlett Road; thence with the centerline of the right-of-way of Bartlett Road the following six (6) courses and distances: (1) S. 14-16-19 W. 366.34 feet to a point; (2) S. 14-27-24 W. 434.68 feet to a point; (3) S. 13-28-56 W. 110.42 feet to a point; (4) S. 11-14-56 W. 94.94 feet to a point; (5) with the arc of a circular curve to the left having a radius of 565.01 feet, an arc distance of 116.13 feet, said arc being subtended by a chord bearing S. 05-21-40 W. 115.92 feet to a point; and (6) with the arc of a circular curve to the left having a radius of 754.11 feet, an arc distance of 129.70 feet, said arc being subtended by a chord bearing S. 07-28-01 E. 129.54 feet to a point; thence with a new line S. 74-29-18 W. 246.07 feet to a rebar set; thence S. 08-52-02 E. 248.35 feet to a rebar set in the westerly boundary of the property owned (now or formerly) by Robert Dale Deese and Peggy Beasley as described in Deed Book 5960 at Page 764, Mecklenburg County Registry; thence with the westerly boundary of the Deese/Beasley property and the westerly boundary of the property owned (now or formerly) by Timothy J. Rinehart as described in Deed Book 9441 at Page 404, Mecklenburg County Registry, the following four (4) courses and distances: (1) S. 51-28-12 W. 136.99 feet to a found rebar; (2) S. 15-33-54 E. 114.83 feet to a found rebar; (3) S. 15-34-48 E. 199.92 feet to a found rebar; and (4) N. 74-26-27 E. 370.03 feet to a rebar found in the westerly margin of said Bartlett Road; thence N. 74-26-27 E. 29.91 feet to the centerline of the right-of-way of said Bartlett Road; thence with the centerline of the right-of-way of Bartlett Road

the following nine (9) courses and distances: (1) S. 15-31-38 E. 560.20 feet to a point; (2) S. 11-00-38 E. 89.00 feet to a point; (3) S. 00-54-51 E. 100.29 feet to a point; (4) S. 11-37-12 W. 100.00 feet to a point; (5) S. 22-34-12 W. 100.00 feet to a point; (6) S. 34-21-31 W. 100.05 feet to a point; (7) S. 48-33-02 W. 100.00 feet to a point; (8) S. 58-32-37 W. 99.74 feet to a point; and (9) S. 62-17-08 W. 188.45 feet to a point; thence N. 27-58-42 W. 29.73 feet to a rebar found in the southeast corner of the property owned (now or formerly) by Charles R. Watson, Jr. as described in Deed Book 12943 at Page 279, Mecklenburg County Registry; thence with the easterly and northerly boundaries of the Watson property the following two (2) courses and distances: (1) N. 27-58-42 W. 353.92 feet to a found rebar; and (2) S. 62-19-36 W. 245.44 feet to a rebar found in the easterly boundary of the property owned (now or formerly) by Robert C. Meyer and Shirley J. Meyer as described in Deed Book 8679 at Page 608, Mecklenburg County Registry; thence with the easterly and northerly boundaries of the Meyer property and the properties owned (now or formerly) by P. Michael Sanford and Donna H. Sanford as described in Deed Book 6356 at Page 789, Lloyd E. McCleary and Theres A. McCleary as described in Deed Book 7970 at Page 319, William R. Beck and Jesselyn B. Beck as described in Deed Book 4647 at Page 800, Jeffrey L. Karenz and Dianna B. Karenz as described in Deed Book 15627 at Page 818, and James O. Clark as described in Deed Book 4438 at Page 344, all in the Mecklenburg County Registry, the following eight (8) courses and distances: (1) N. 19-26-25 W. 196.80 feet to a found iron pipe; (2) N. 34-54-22 W. 154.21 feet to a found rebar; (3) N. 35-04-21 W. 287.60 feet to a tack found in an iron pipe; (4) N. 20-28-16 W. 450.52 feet to a found pinch top pipe; (5) S. 83-10-09 W. 461.49 feet to a found pinch top pipe; (6) S. 83-07-30 W. 305.33 feet to a 1" found pipe; (7) S. 75-15-29 W. 210.25 feet to a found concrete monument; (8) S. 75-07-57 W. 418.46 feet to a found iron and S. 75-05-13 W. 86.72 feet to an iron found in the easterly margin of Interstate 485; thence with the easterly margin of Interstate 485 the following eight (8) courses and distances: (1) N. 01-25-00 E. 499.89 feet to an iron with cap found; (2) N. 01-30-58 E. 1,049.71 feet to a concrete monument found; (3) N. 10-01-13 E. 265.45 feet to a point; (4) N. 04-15-05 W. 531.82 feet to a point; (5) with the arc of a circular curve to the left having a radius of 3,461.28 feet, an arc distance of 702.31 feet, said arc being subtended by a chord bearing N. 08-47-24 W. 701.11 feet to a concrete monument found; (6) N. 16-04-58 W. 809.43 feet to a concrete monument found; (7) N. 27-25-13 W. 742.51 feet to a concrete monument found; (8) N. 12-46-55 W. 408.86 feet to a point lying within Clear Creek Tributary; thence N. 28-52-42 E. 172.48 feet to a point; thence leaving Clear Creek Tributary N. 85-48-19 E. 787.98 feet to a point lying in the westerly margin of Minnie Lemmond Lane; thence with the westerly, southerly terminus and the easterly margin of said Minnie Lemmond Lane the following nine (9) courses and distances: (1) with the arc of a circular curve to the right, having a radius of 2,457.34 feet, an arc distance of 284.72 feet, said arc being subtended by a chord bearing S. 08-01-09 E. 284.56 feet to a point; (2) S. 04-37-05 E. 581.30 feet to a point; (3) N. 88-36-33 W. 31.34 feet to a point; (4) S. 00-06-15 E. 62.53 feet to a point; (5) N. 89-46-48 E. 128.33 feet to a point; (6) N. 00-08-44 E. 59.26 feet to a point; (7) N. 79-59-50 W. 38.99 feet to a point; (8) N. 04-37-05 W. 581.30 feet to a point; and (9) with the arc of a circular curve to the left, having a radius of 2,398.29 feet, an arc distance of 284.01 feet, said arc being subtended by a chord bearing N. 07-55-44 W. 283.84 feet to a concrete monument found within Clear Creek Tributary; thence with the meanderings of Clear Creek Tributary the following fifty-two (52) courses and distances: (1) N. 85-47-17 E. 351.35 feet to a 1" pipe found; (2) N. 39-33-54 E. 256.12 feet to a point; (3) N. 44-25-21 E. 136.08 feet to a point; (4) N. 57-41-53 E. 86.52 feet to a point; (5) N. 79-00-25 E. 35.87 feet to a point; (6) S. 82-20-29 E. 64.05 feet to a point; (7) N.

75-55-01 E. 77.86 feet to a point; (8) N. 85-20-51 E. 88.73 feet to a point; (9) N. 64-00-18 E. 46.43 feet to a point; (10) N. 75-05-10 E. 63.26 feet to a point; (11) N. 53-19-44 E. 45.83 feet to a point; (12) N. 74-03-26 E. 33.04 feet to a point; (13) S. 88-21-32 E. 21.79 feet to a point; (14) S. 74-44-16 E. 29.63 feet to a point; (15) S. 66-15-06 E. 28.26 feet to a point; (16) N. 89-24-03 E. 86.61 feet to a point; (17) N. 78-13-39 E. 135.27 feet to a point; (18) N. 68-07-25 E. 141.39 feet to a point; (19) N. 88-47-27 E. 232.28 feet to a point; (20) S. 86-22-45 E. 50.04 feet to a point; (21) S. 78-13-03 E. 152.95 feet to a point; (22) N. 71-56-15 E. 50.04 feet to a point; (23) S. 83-19-02 E. 104.92 feet to a point; (24) S. 60-34-39 E. 89.33 feet to a point; (25) S. 47-22-12 E. 99.34 feet to a point; (26) S. 28-39-48 E. 33.03 feet to a point; (27) S. 15-44-49 E. 47.01 feet to a point; (28) S. 37-39-29 E. 57.97 feet to a point; (29) S. 28-29-47 E. 55.39 feet to a point; (30) S. 45-48-23 E. 62.00 feet to a point; (31) S. 35-44-03 E. 25.39 feet to a point; (32) S. 29-12-16 E. 54.95 feet to a point; (33) S. 38-44-05 E. 60.47 feet to a point; (34) S. 28-16-17 E. 79.80 feet to a point; (35) S. 14-11-27 E. 29.43 feet to a point; (36) S. 44-15-42 E. 15.12 feet to a point; (37) S. 55-10-23 E. 15.14 feet to a point; (38) S. 67-31-51 E. 28.09 feet to a point; (39) S. 46-25-36 E. 31.90 feet to a point; (40) S. 40-32-56 E. 46.07 feet to a point; (41) S. 35-25-35 E. 41.06 feet to a point; (42) S. 37-27-03 E. 79.53 feet to a point; (43) S. 34-02-57 E. 110.31 feet to a point; (44) S. 41-38-43 E. 162.37 feet to a point; (45) S. 28-08-20 E. 25.38 feet to a point; (46) S. 15-34-31 E. 28.02 feet to a point; (47) S. 28-50-41 E. 25.87 feet to a point; (48) S. 05-57-45 W. 17.17 feet to a point; (49) S. 21-09-09 W. 40.55 feet to a point; (50) S. 04-22-23 W. 38.89 feet to a point; (51) S. 11-52-47 E. 54.31 feet to a point; and (52) S. 01-08-27 E. 71.76 feet to a point; thence N. 55-44-58 E. 264.76 feet to a point located in the westerly boundary of the property owned (now or formerly) by William D. Smith, Jr. & Sheila M. Smith as described in Deed Book 16712 at Page 857, Union County Registry; thence with westerly boundaries of the said Smith property and the properties owned (now or formerly) by Lowell Wesley Hedrick as described in Deed Book 3401 at Page 264, Lowell Wesley Hedrick as described in Deed Book 7843 at Page 856, Troy B. Waters & Betty B. Waters as described in Deed Book 2873 at Page 365 and Maxine C. Chrosniak as described in Deed Book 3358 at Page 325, all of the Union County Registry, the following twenty-one (21) courses and distances: (1) S. 13-35-22 W. 149.00 feet to a point; (2) S. 13-35-22 W. 80.00 feet to a point; (3) S. 01-19-38 E. 169.59 feet to a point; (4) S. 01-19-38 E. 237.49 feet to a point; (5) S. 01-22-26 E. 76.73 feet to a point; (6) S. 15-37-38 E. 133.00 feet to a point; (7) S. 19-20-22 W. 166.00 feet to a point; (8) S. 19-20-22 W. 130.00 feet to a point; (9) N. 85-19-38 W. 28.00 feet to a point; (10) S. 45-07-22 W. 123.00 feet to a point; (11) S. 45-07-22 W. 60.00 feet to a point; (12) S. 08-04-38 E. 58.00 feet to a point; (13) S. 39-07-22 W. 76.00 feet to a point; (14) S. 53-00-22 W. 74.20 feet to a point; (15) N. 73-29-38 W. 136.25 feet to a point; (16) S. 61-30-22 W. 173.40 feet to a point; (17) S. 08-49-12 W. 287.84 feet to a point; (18) S. 19-39-38 E. 42.89 feet to a point; (19) S. 66-29-38 E. 58.00 feet to a point; (20) S. 21-19-38 E. 233.00 feet to a point; (21) S. 08-45-22 W. 140.00 feet to a point; and (22) S. 22-29-38 E. 45.00 feet to the POINT OR PLACE OF BEGINNING, containing 339.188 acres, more or less, all as shown on that certain survey entitled "Boundary Survey of: 339.188 Acres" prepared by Yarbrough-Williams & Houle, Inc., dated March 26, 2005, reference to which this survey is hereby made.



JUDITH A. GIBSON
REGISTER OF DEEDS, MECKLENBURG
COUNTY & COURTS OFFICE BUILDING
720 EAST FOURTH STREET
CHARLOTTE, NC 28202

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