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REAL ESTATE  
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ARNE A. POWERS  
FEDERAL OF DEEDS  
FEDERAL CO., NC.

DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS

FOR

BRADFIELD FARMS

FEE 96.00  
<> 96.00  
CRSH 96.00  
9#28 #3833 000  
07/17/89

Dec'd in Dist of State Please Mail to:

Ms. Mary Kay  
PERRY, PATRICK, TANNER & PICHAY  
P. O. BOX 35098  
CHARLOTTE, NORTH CAROLINA 28235  
209

REAL ESTATE  
BOOKENDS

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## EXHIBITS

A	Description of Phase 1
B	Description of Additional Land

DECLARATION OF COVENANTS  
CONDITIONS AND RESTRICTIONS  
FOR  
BRADFELD FARMS

This Declaration is made as of the 14th day of July, 1989, by  
CENTEX REAL ESTATE CORPORATION, a Nevada corporation, doing business as  
JOHN CROSSLAND COMPANY ("Declarant") with reference to the following facts:

RECITALS

A. Declarant is the owner of certain real property ("Phase 1")  
in Mecklenburg County, North Carolina, which is described in Exhibit A  
attached hereto and made a part hereof.

B. Declarant owns or has contracted to purchase certain real  
property (the "Additional Land") in Mecklenburg County, North Carolina,  
located adjacent to Phase 1 and described in Exhibit B attached hereto  
and made a part hereof. Declarant may, in its sole discretion and  
without obligation, by one or more supplemental filings pursuant to  
Article 1 hereof, make all or any portion of the Additional Land subject  
to this Declaration and part of this Project (as defined in Section 1.22  
hereof). Declarant intends to improve the Project as a planned  
development by dividing the Project into lots appropriate for  
single-family dwellings.

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

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 planned development and for the preservation of the  
values and amenities of the planned development to incorporate the  
Bradfield Farms Homeowners 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.

MOH, 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 B attached hereto, 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 the Bradfield Farms Homeowners 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. Bylaws. "Bylaws" means the Bylaws of the Association, including any amendments thereto.

1.07. Common Area. "Common Area" means all real property owned by or held in trust for the benefit of 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.

1.08. Completion of Sales. "Completion of Sales" means the earlier of (1) conveyance of all lots in the Project to purchasers other than a successor Declarant hereunder or (2) expiration of the later of (x) ten (10) years from the closing of the first sale of a lot or (y) two (2) years from the conveyance of the first lot in the Phase most recently made subject to this Declaration; 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 ten (10) year period shall be extended by the period of any such delay.

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

1.10. **Declarant.** "Declarant" means Centex Real Estate Corporation, a Nevada corporation, doing business as John Croiland Company, and any successor or assign to whom Centex Real Estate Corporation, a Nevada corporation, assigns its interest as Declarant hereunder in whole or in part by instrument recorded in the official records of the County.

1.11. **Declaration.** "Declaration" means this Declaration and all amendments or supplements hereto.

1.12. **Insurance Trustee.** "Insurance Trustee" means a national banking association or title company licensed to do business in North Carolina as may be designated by the Association to hold and disburse funds as trustee for the Association and the Owners, as provided in this Declaration.

1.13. **Lot.** "Lot" means any numbered 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.

1.14. **Member.** "Member" means a member of the Association.

1.15. **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.

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

1.17. **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.

1.18. **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 as to any lot owned by Declarant and the contract vendee (buyer) under a recorded contract of sale. "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.

1.19. **Person.** "Person" means an individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

1.20. **Phase.** "Phase" means each of Phase 1 and all the real property covered by a Supplemental Declaration recorded pursuant to Section 16.02 of this Declaration.



1.21. Phase 1. "Phase 1" means the real estate described on Exhibit A hereto, which comprises 54 acres, more or less, and is designed for (i) 108 single family detached homes, (ii) recreational use and (iii) entryway.

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

1.23. Property. "Property" means collectively Phase 1 and the real property described in Exhibit B attached hereto. Exhibit B describes 482 acres, more or less, which is designed for (i) 1055 single family detached homes, (ii) 21.5 acre commercial site, (iii) 20 acre school site, (iv) 11 acre church site and (v) 12 acre recreation site.

1.24. Recreational Common Area. "Recreational Common Area" means that portion of the Project, if any, which Declarant, in its sole discretion and without any obligation to do so, conveys 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 tennis courts, swimming pool and cabana.

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

1.26. 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.

1.27. Voting Power. "Voting Power" means the total number of votes held by Members (in a class of Members of the Association, or of Members other than Declarant, as the case may be) 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 shall remain in force for a term of twenty (20) years from the date this Declaration is recorded, after which time it shall be automatically extended for successive periods of ten (10) years, unless sooner terminated by the affirmative vote of seventy-five percent (75%) of the total Voting Power of the Association and the written consent of seventy-five percent (75%) of the Mortgagees.

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 representative, 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

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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 non-exclusive 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, after Notice and Opportunity for Hearing, 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 any Recreational Common Area facilities (1) for any period during which any 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 thirty (30) days for any infraction of the Rules and Regulations;

(C) The right of the Association 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 and Mortgagees as otherwise provided in this Declaration;

(E) The right of the Association 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.

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 his lot, subject, however, to reasonable restrictions imposed by the provisions of this Declaration, the Bylaws and the Rules and Regulations. 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 shall live in any one Lot. Except as provided in section 7.12, 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 palmwater from gutters and downspouts; 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, 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. Any easements for installation, maintenance, use or repair of public utilities or drainage facilities which are dedicated on any final subdivision map of the Project or created in some other way 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 utilities 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 and drainage facilities.

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 which allows multiple Owners sequential possessory interests in a lot.

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 (i) if a two-class voting structure is in effect, the vote or written consent of sixty-seven percent (67%) of the total

Voting Power of each class of Members of the Association, or (1) if a two-class voting structure is not in effect, the vote or written consent of sixty-seven percent (67%) of the total Voting Power of the Association and the vote or written consent of sixty-seven percent (67%) of the Voting Power of the Association residing in Members other than Declarant.

4.08. Rules and Regulations. The Association shall have the right to 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, provided the Rules and Regulations are approved (1) if a two-class voting structure is in effect, by the vote or written consent of a majority of the total Voting Power of each class of Members, or (11) if a two-class voting structure is not in effect, the vote or written consent of a majority of the total Voting Power of the Association. 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 (1) if a two-class voting structure is in effect, the vote or written consent of sixty-seven percent (67%) of the total Voting Power of each class of Members, or (11) if a two-class voting structure is not in effect, the vote or written consent of sixty-seven percent (67%) of the total Voting Power of the Association. Such Rules and Regulations shall be reasonable, shall not discriminate against Declarant (or have an adverse impact on Declarant or upon the sale of lots or the construction of improvements thereon), and must be consistent with this Declaration, the Articles and the Bylaws. Rules and Regulations shall not be effective until written notice thereof has been given by mailing a copy of the Rules and Regulations, postage prepaid, at least ten (10) days before the effective date of the Rules and Regulations, to each Owner addressed to the Owner's address last appearing in the books of the Association.

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 (1) the Member shall have been warned in writing of a previous infraction within the preceding one (1) year, and (11) the fine conforms to the provisions of section 9.11.

4.10. Recreational Common Area. Declarant shall complete and convey or cause to be conveyed to the Association a Recreational Common Area for use by Owners as a recreational facility. The Recreational Common Area facilities shall include a swimming pool, cabana and tennis courts and shall be located on a portion of the Common Area to be owned by the Association.

The annual dues for each Owner shall be \$90.00 until the recreational facilities are substantially completed. Upon substantial completion of the recreational facilities, the annual dues for each Owner shall be \$275.00; however, all lots remaining under the ownership of Declarant shall be required to pay \$90.00 per year.

The Board may appoint a pool and tennis committee composed of two members of the Board and one or more members of the Association to coordinate and supervise the operation and use of the pool and tennis facilities.

#### ARTICLE 5 COMMON AREA EASEMENTS AND RIGHTS OF WAY; ENCUMBRANCES

5.01. Dedications. The Association 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, (ii) the prior written consent of Declarant shall be obtained so long as Declarant owns any lot, and (iii) as long as there are two classes of membership in the Association prior approval of the Federal Housing Administration shall be obtained. Each Owner, by accepting a deed to a lot, expressly grants to the Association an irrevocable power of attorney for the purpose of granting such easements in, on, over, through and across the Common Area. The President or other duly designated officer of the Association may execute, acknowledge and record in the official records of the County a certificate stating that the Board is the attorney in fact for the Owners for the purpose of such grant and that such power of attorney is properly exercisable in accordance with this Declaration. The acts of the Board in exercising its power of attorney shall be conclusively binding on all Owners. The power of attorney herein granted shall include authority to do such acts incidental to such grant and to incur such expenses as may be necessary or convenient in connection therewith. The Board, by resolution, shall instruct the appropriate officers of the Association to make, execute and deliver on behalf of any Owner, as his interest may appear, any and all instruments, certificates and documents, including but not limited to, releases, waivers, deeds, escrow instructions and conveyances of every kind and nature, as may be deemed necessary or convenient for such dedication or grant.

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 (i) if a two-class voting structure is in effect, upon the vote or written consent of sixty-seven percent (67%) of the Voting Power of each class of Members of the Association, or (ii) if a two-class voting structure is not in effect, upon the vote or written consent of sixty-seven percent (67%) of the total Voting Power of the Association and the vote or written consent of sixty-seven percent (67%) of the Voting Power of the Association residing in Members other than Declarant. As long as there are two classes of membership in the Association, any mortgaging of the Common Area shall require the approval of the Federal Housing Administration.

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 filing with the Association by Declarant of a notice of completion of Common Area improvements, or any portion thereof, and the commencement of annual assessments against the Owners.

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, except to the extent such alteration in drainage pattern is approved in writing by the Association and all 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 approximate locations of subsurface storm drainage facilities and or 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 its 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 its agents.

#### ARTICLE 7 USE RESTRICTIONS

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

7.01. Residential Use. Except as otherwise provided in this Declaration, lots shall be used as a residence for a single family and for no other purpose. Except as provided in section 7.12, no Owner shall use or cause or permit to be used his lot for any business, commercial, manufacturing or mercantile use or purpose, or for any other nonresidential use or purpose.

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 which 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, (b) in any driveway or (c) on any other part of a lot unless the same are fully enclosed within the garage located on the lot, or are kept behind the front line of the house on the lot and behind a fence no less than 6 feet in height and which fully hides them from the view of the public walking by such lot. Any automobile, motorcycle or truck shall be parked, stored or left wholly within the garage located upon the lot, except to the extent a garage is already occupied to capacity. In which case such vehicle may be parked temporarily in the driveway. This restriction shall not apply to sales trailers, construction trailers, or other vehicles which may be used by Declarant and its agents and contractors in the conduct of their business prior to

Completion of Sales. No boat, truck, trailer, 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 or in any garage within the Project, except in the case of emergency and except as may be permitted by the Rules and Regulations.

7.04. Signs and Curtains. No Owner shall place on or about any window any metallic foil or other coating, substance or material which similarly acts as a reflector of light and no Owner shall display, hang, store or use any signs, curtains, draperies, shades, stained glass or other articles whatsoever outside of the dwelling on any lot or in any dwelling so as to be visible from outside the lot, other than as may be permitted by the Rules and Regulations. Notwithstanding the foregoing, one sign of customary and reasonable dimensions, conforming to such reasonable standard as may be adopted by the Board, 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 as Declarant deems desirable to promote the sale of lots.

7.05. Antennas. Except as may be permitted by the architectural control committee, no Owner shall construct, install, erect or maintain any television or radio pole, antenna, aerial, dish, tower or support thereof upon any lot or improvement thereon.

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 building plot closer to the street than the side street setback or the front of the building facade except for temporary decorative fencing installed by the builder on a model home. Perimeter fencing and privacy fencing around patios, decks, or pools may not exceed seven (7) feet in height. Perimeter fencing, unless constructed of brick or stone masonry, shall not have more than 50% of any of its surface closed as viewed from a point on a line of sight perpendicular to the line formed by the line of the fence. Chain link or other metal fencing is expressly prohibited, except that 2" x 4" mesh may be used with split rail fencing to contain animals within the yard.

#### 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

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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.

(c) The Board may adopt Rules and Regulations concerning animals which are more restrictive than the provisions of this Declaration, including rules requiring that all animals be kept on a leash when in the Common Area and that animals be restricted to designated areas within the Common Area and that Owners are responsible for cleaning up any mess that a pet creates 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 moved, trimmed and cut so as to appear neat and attractive. Trees, shrubs, vines and plants which die shall be promptly removed.

7.10. Wells. No well for the production of, or from which there is produced, water, oil, gas or other substance shall be dug or operated anywhere within the Project, except upon the direction and under the authority of the Association. (continued on page 14(a) attached hereto and made a part hereof)

7.11. 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.

7.12. 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,

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7.10 (continued) provided, however, any well(s) dug or operated within the project in connection with the supply of water pursuant to a community well system to be installed, its construction and assignment is hereby excepted from the provisions of this Section 7.10.

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. The rights of Declarant, its 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 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 under this section shall terminate one (1) year after the completion of sales. Amendment of this section shall require (1) if a two-class voting structure is in effect, the vote or written consent of seventy-five percent (75%) of the Voting Power of each class of Members of the Association, or (1) if a two-class voting structure is not in effect, the vote or written consent of both seventy-five percent (75%) of the total Voting Power of the Association and of the total Voting Power of the Association residing in Members other than Declarant. Further, no amendment of this section can be made without the written approval of Declarant.

7.13. Right to Enter. Any governmental agency, including, but not limited to the County, its 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; provided, however, that Declarant shall become a Class A Member 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. Class B Member shall be Declarant and shall be entitled to three (3) votes for each lot owned; provided that Declarant's Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier: (i) the conveyance by Declarant of ninety percent (90%) of all lots in the project, or (ii) ten (10) years after the first lot is conveyed to an Owner for use as a residence.

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 Voting Rights. No requirement for the approval of a prescribed majority of the Voting Power of Members of the Association other than Declarant for action to be taken by the Association is intended to preclude Declarant from casting votes attributable to lots owned by Declarant.

#### ARTICLE 9 COVENANTS FOR ASSESSMENTS

9.01. Covenant to Pay Assessments: Lien. Declarant, for each lot owned by Declarant, hereby covenants to pay, and every Owner of any lot 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. 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 recording of such notice of assessment, unless sooner satisfied and released or the enforcement thereof initiated as hereinafter provided, the lien shall expire and be of no further force or effect one (1) year from the date of recording of the notice of assessment. The one-year period may be extended by the Association for a period not to exceed one (1) additional year by recording of a written extension thereof. 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 or special assessment, together with any late charges, interest, collection costs and reasonable attorneys' fees, shall be the personal obligation of each person or entity, other than any Mortgagee, 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 Declarant and other 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, and to promote the recreation, health, safety and welfare of the Owners. 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 and 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 (1) if a two-class voting structure is in effect, by the vote or written consent of a majority of the Voting Power of each class of Members, or (11) if a two-class voting structure is not in effect, by the vote or written consent of a majority of the total 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 (1) if a two-class voting structure is in effect, the vote or written consent of a majority of the Voting Power of each class of Members, or (11) if a two-class voting structure is not in effect, 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 in 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 regular annual assessment for each lot for the first assessment year shall be a maximum of \$275 per lot owned by a Class A Member and \$90 per lot owned by a Class B Member; provided, however, that if the first assessment year shall have fewer than twelve months, the foregoing amounts shall be proportionately reduced. For each assessment year until the assessment year in which the Recreational Common Area and the improvements thereon, including, but not limited to tennis courts, swimming pool and cabana and playground areas, are completed and accepted by the Association (estimated to be in May 1990) as provided in Article 13 below, the Board may fix a regular annual assessment which is less than the maximum stated above; provided, however, that the ratio of the assessment established for lots owned by Class A Members to the (3) to one (1). On the first day of the month next following the acceptance by the Association of all or part of the Recreational Area Common Area improvements, the regular annual assessment (provided for the number of months remaining in such assessment year) may be increased by the Board to an amount, not to exceed the stated maximum (plus the ten percent (10%) as provided in the following paragraph if the increase is not in the first assessment year), to offset the expected increase in



expenses of operation. All lots remaining under the ownership of Declarant shall be required to pay \$90.00 per year.

The Board shall fix the amount and due date of the regular annual assessment on a yearly basis at least sixty (60) days in advance of each assessment year; provided, however, that the ratio of the assessment established for lots owned by Class A Members to the assessment established for lots owned by Class B Members shall always be three (3) to one (1), prorated for partial years due to ownership changes during the year, and further provided that the Board may not impose a regular annual assessment which is more than ten percent (10%) greater than the regular assessment for the immediately preceding fiscal year without (1) if a two-class voting structure is in effect, the vote or written consent of a majority of the Voting Power of each class of Members of the Association or (11) if a two-class voting structure is not in effect, the vote or written consent of a majority of both the Voting Power of the Association and the Voting Power of the Association residing in Members other than Declarant. Written notice of the regular annual assessment shall be sent to every Owner who is not present at the time the regular annual assessment is so fixed. 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. Regular annual assessments shall be payable annually on the first day of each January or at such other time as the Board may fix. The Association shall, upon demand, and for a reasonable charge, furnish to any person having a legitimate interest a certificate signed by an officer of the Association stating whether the regular annual assessment and special assessments, if any, on a specified lot have been paid and, if not, the amount due.

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 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, any such assessment shall be in the ratio of three (3) to one (1) for lots owned by Class A Members and Class B Members, respectively, as provided in section 9.05 above, and further provided in any fiscal year, special assessments which exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year may not be levied without (1) if a two-class voting structure is in effect, the vote or written consent of a majority of the Voting Power of each class of Members of the Association or (11) if a two-class voting structure is not in effect, the vote or written consent of a majority of both the Voting Power of the Association and the Voting Power of the Association residing in Members other than Declarant.

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

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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 for the reduced assessments on Lots owned by Class B Members, 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 in Phase I 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. 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 overadequate 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 ten (10) days after the due date shall be delinquent. 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 not exceed the following rates computed on the outstanding balance, which shall include any late charges previously assessed and unpaid, from month to month:

(A) On so much of the outstanding balance as does not exceed one thousand dollars (\$1,000), one and one-half percent (1.50%).

(B) If the outstanding balance is more than one thousand dollars (\$1,000), one percent (1%) on the excess over one thousand dollars (\$1,000) of the outstanding balance.

(C) If the late charge so computed is less than ten dollars (\$10) for any month, ten dollars (\$10).

No charge may be imposed more than once each month 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. When an assessment is paid more than ten (10) days after the due date of the assessment, late charges shall accrue from the first day following the due date of the assessment. 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.

#### 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 and a fidelity bond meeting the insurance and fidelity bond 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

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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 as follows:

(A) If such proceeds do not exceed fifty thousand dollars (\$50,000), the proceeds 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; and

(B) If such proceeds exceed fifty thousand dollars (\$50,000), the proceeds shall be paid to and held by the Insurance Trustee in trust for the Association, 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. Minor Damage and Major Damage Defined. Damage or destruction to the Common Area where the estimated cost of repair, restoration or reconstruction does not exceed fifty thousand dollars (\$50,000) is referred to in this Declaration as "Minor Damage." Damage or destruction to the Common Area where the estimated cost of repair, restoration or reconstruction exceeds fifty thousand dollars (\$50,000) is referred to in this Declaration as "Major Damage."

11.03. Minor Damage. If Minor 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, if necessary, collect from the Insurance Trustee any proceeds of insurance as received in accordance with section 10.02. The difference, if any, between the insurance proceeds payable by reason of such Minor 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.

11.04. Major Damage. In the event of any Major Damage to or destruction of any portion of the Common Area by fire or other casualty:

(A) The Board shall as soon as reasonably practicable obtain such information as it deems necessary to make an informed judgment about whether to proceed with the repair, restoration or reconstruction of the

Common Area so damaged or destroyed, which information may include: (1) obtaining firm bids from two (2) or more responsible and licensed general contractors for the repair, restoration and reconstruction of the Common Area so damaged or destroyed in accordance with the original plans and specifications to the extent reasonably practicable; and (11) obtaining an Appraisal setting forth an opinion as to the value of the Common Area as it then exists together with an opinion of the increment in value, if any, which would accrue if the Common Area or some portion thereof were razed.

(B) No later than one hundred eighty (180) days after the occurrence of Major Damage, the Board shall hold a special meeting of Members after notice as provided in the Bylaws. Such notice shall include a summary of the Appraisal (if any) and of the bids for repair, restoration and reconstruction (if any), the amount of insurance proceeds payable to the Association as a result of such damage and destruction, and the amount of the special assessment, if any, necessary to make any difference between the insurance proceeds and the total cost of repair, restoration and reconstruction.

(C) Unless within two hundred forty (240) days after the occurrence of such Major Damage, (1) if a two-class voting structure is in effect, sixty-seven percent (67%) of the Voting Power of each class of Members, or (11) if a two-class voting structure is not in effect, sixty-seven percent (67%) of the total Voting Power of the Association agree by vote or written consent and a majority of all Mortgagees (based upon one (1) vote for each Mortgage owned) agree in writing that such repair, restoration or reconstruction of the Common Area improvements which have been damaged or destroyed shall not take place: (a) the Association shall promptly contract for and complete such repair, restoration and reconstruction in accordance with plans and specifications approved by the Board; and (b) the difference, if any, between the insurance proceeds and the total cost of repair, restoration and reconstruction shall be recovered by a special assessment levied by the Association equally against all Owners.

(D) Funds collected and held by the Insurance Trustee shall be disbursed by the Insurance Trustee for the purpose of repair, restoration or reconstruction (if any) in accordance with the terms and conditions of such contract or an agreement between the Association and the Insurance Trustee. Funds from any special assessment shall be delivered to and held in trust by the Insurance Trustee and shall be held and disbursed for repair, restoration and reconstruction in the same manner as insurance proceeds. The Insurance Trustee may invest and reinvest funds held by it in a manner consistent with its duties as trustee. The Insurance Trustee shall be entitled to a reasonable fee for its services.

(E) If Major Damage occurs and it is determined in accordance with this section 11.04 that the Common Area or any portion thereof shall not be repaired, restored or reconstructed, the Board shall cause an Appraisal to be made (if such Appraisal has not previously been obtained) and the Appraisal shall be made available to the Owners and Mortgagees.

The Association shall then sell the Common Area or any portion thereof, for and on behalf of all Owners upon such terms and conditions and for such price as may be approved by a majority of the Board and ratified (i) if a two-class voting structure is in effect, by the vote or written consent of a majority of the Voting Power of each class of Members, or, (ii) if a two-class voting structure is not in effect, by the vote or written consent of a majority of the total Voting Power of the Association. For such purposes, the Board shall be and hereby is irrevocably appointed attorney in fact to act on behalf of all Owners to sell the Common Area or any portion thereof upon such terms and conditions and for such price as shall have been ratified and approved by the Members and to do such acts incidental to the sale and to incur such expense as in its opinion will increase the value of the Common Area for the purpose of sale or as may be deemed necessary or convenient in connection with the sale, including but not limited to, the razing of any or all improvements. The acts of the Board in exercising its power of attorney shall be conclusively binding on all Owners. In connection with the sale of the Common Area or any portion thereof, the Board, by resolution, shall instruct the appropriate officers of the Association to make, execute and deliver on behalf of any Owner, as his interest may appear, any and all instruments, certificates and documents, including, but not limited to, maps, plans, releases, waivers, deeds, escrow instructions and conveyances of every kind and nature, as may be necessary or convenient for the sale. The Board shall be authorized to incur fees for legal and accounting services, appraisals, engineering, examination of title and other expenses reasonably related to the sale.

(F) After payment of expenses directly relating to the sale of the Common Area and properly payable out of the escrow at the closing of the sale, the Insurance Trustee shall receive the remaining sale proceeds and shall disburse such proceeds, together with any insurance proceeds it holds, as follows:

(1) To pay any outstanding expenses of the Association or of the Insurance Trustee relating to the sale of the Common Area, including but not limited to, costs of Appraisal, collection of insurance proceeds, compensation of the Insurance Trustee, engineering, legal and accounting expenses, costs of preparing the Common Area for sale and other related expenses; and

(2) To pay equally to the respective Owners in the project; provided, however, that an equitable adjustment shall be made in the distribution to provide for any Owner's liability to the Association, including but not limited to, liability for unpaid assessments and charges.

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 INSPECTION OF IMPROVEMENTS

##### 13.01. Inspection of Improvements.

(A) Declarant may notify the Board when the Common Area Improvements (including landscaping) have been completed for a particular Phase or some portion thereof. Declarant shall request that the architect who designed the Common Area Improvements or other qualified engineers or architects inspect the Common Area Improvements as to which Declarant has given such notice. The persons selected by Declarant is (are) referred to herein as the "Expert" (whether one or more). Declarant shall pay the reasonable compensation of the Expert.

(B) The Expert shall inspect the Common Area Improvements as to which Declarant has given notice of completion and requested inspection. Declarant and the Board may accompany the Expert during the inspection. The inspection shall be limited to a visual inspection, and improvements shall not be uncovered. The Expert shall not be responsible for identifying latent defects. Promptly after the inspection is completed, the Expert shall submit a written report (the "Report") to Declarant and the Board specifying the respects, if any, in which the improvements do not conform to the plans and specifications therefor and are defective, and if there are no such defects, the Report shall state that the improvements conform to the plans and specifications therefor. The Report shall constitute conclusive and binding evidence that, except as otherwise provided therein and except for latent defects, if any, the improvements have been constructed in accordance with the plans and specifications therefor, and thereafter Declarant shall have no further liability, duty or obligation with respect to such improvements, except to remedy any defects specified in the Report and except with respect to

latent defects, if any, and the separate repair obligations of Declarant under express written warranty, if any.

(C) Declarant shall correct any defects specified in the Report, and the Expert shall reinspect such improvements within thirty (30) days after Declarant's request. Such reinspection shall be performed in the same manner as provided for the first inspection. Promptly after the reinspection is completed, the Expert shall submit another written report (the "Reinspection Report") to Declarant and the Board specifying the defects specified in the Report which have not been corrected, if any, and if all such defects have been corrected the Reinspection Report shall state that the improvements conform to the plans and specifications therefor. The Reinspection Report shall constitute conclusive and binding evidence that, except as otherwise provided therein and except for latent defects, if any, the improvements have been constructed in accordance with the plans and specifications therefor, and thereafter Declarant shall have no further liability, duty or obligation with respect to such improvements, except to remedy any defects specified in the Reinspection Report, and except with respect to latent defects, if any, and the separate repair obligations of Declarant under express written warranty, if any.

(D) Additional inspections and Reinspection Reports shall be made, if necessary, all in accordance with and with the same effect as provided hereinabove.

(E) If the improvements to be inspected are landscaping improvements, then notwithstanding anything to the contrary contained herein the Expert shall be a horticulturalist or landscape architect. In all other respects, the provisions of this section shall apply to the inspection of landscaping improvements.

(F) Within ten (10) days after all defects have been corrected, as evidenced by a Report or Reinspection Report, the Board shall accept the improvements in writing.

#### ARTICLE 14 ARCHITECTURAL CONTROL

14.01. Architectural Control. No building, pool, fence, wall, antenna or other structure or improvement on any lot shall be erected, constructed, demolished, or altered until an application, including plans and specifications showing the nature, kind, shape, height, materials, 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 three (3) Association Members 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. 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



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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 restrictions herein contained shall have no application to the development, improvement, maintenance and repair of the Property by Declarant 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.

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 thereof; 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. Notices. Any Mortgagee of any lot, by written notice to the Association setting forth the lot encumbered, the Owner thereof and the address to which notices may be sent, may request and thereby be entitled to receive written notice from the Association of (1) any default which is outstanding for sixty (60) days or longer by the Owner of such lot in the performance of his obligations under or in compliance with the provisions of this Declaration, the Bylaws or the Rules and Regulations, (11) any substantial damage to or destruction of the Common Area, including the improvements located thereon, or, if known to the Association, any substantial damage to or destruction of a lot, including the improvements located thereon, and (111) any proposed or threatened taking by power of eminent domain of the Common Area or any portion thereof or of any lot or portion thereof.

15.03. 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.

15.04. 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.

15.05. 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.

15.06. Right of First Refusal. Any right given by an Owner of a lot to any third person to purchase such lot before it is offered for sale or sold to any other person (such right commonly known as a "right of first refusal") shall not be binding upon or enforceable against any Mortgagee acquiring such lot pursuant to exercise of remedies provided for in the Mortgage, including foreclosure by judicial action or exercise of a power of sale, or by acceptance of a deed or assignment in lieu of foreclosure.

15.07. 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

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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.

15.08. Payments by Mortgagees. Any Mortgagee, after at least ten (10) days' prior written notification to the Association of the items to be paid and the failure of the Association within such time to make payment, may pay, alone or in conjunction with other Mortgagees, delinquent taxes, liens or assessments which may be or become a charge against the Common Area, or any portion thereof, and any overdue premiums on policies of fire and extended coverage insurance for the Common Area and in the event of a lapse of such a policy of insurance, may pay premiums to secure a new policy. In the event such payments are made, the Mortgagees making such payment shall be entitled to immediate reimbursement from the Association to the extent of the payment made.

15.09. Professional Management. In the event that Declarant 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 upon thirty (30) days' written notice and without cause upon ninety (90) days' written notice, without payment of a termination fee.

#### ARTICLE 16 ANNEXATION

16.01. Right to Annex. Declarant shall have the right to annex to Phase I and thereby bring within the "heme of this Declaration and subject to the jurisdiction of the Association part or all of the Additional Land; provided, as long as there is at least one Federal Housing Administration insured loan on a lot within the Project, such annexation is in accordance with the general plan for the Project previously approved by the Federal Housing Administration. 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 residing in Members other than Declarant. Annexation of additional property may be accomplished in Phases.

16.02. Procedure for Annexation. Any annexation shall be made by recordation 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 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 9.02. 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.

#### 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. Invalidation or partial invalidation 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.

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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 Centex Real Estate Corporation, 145 Scalespark Road, Charlotte, N.C. 28209; 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 all Owners and 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. Exhibit. Exhibits A and B which are attached to this Declaration, are incorporated herein and made a part hereof by this reference.

17.08. Amendments. During any period in which a two-class voting structure is in effect, Declarant may amend this Declaration without the approval of any Member or Mortgagee provided the amendment does not materially alter or change any Owner's right to the use and enjoyment of such Owner's Lot or of the Common Area as set forth in this Declaration and the amendment does not adversely affect the title to any Lot. In the event that such amendment would materially and adversely affect the security title and interest of any Mortgagee, such amendment shall be valid only upon the written consent of sixty-seven percent (67%) of the Mortgagees (based on one vote for each mortgage owned).

Should the Veterans' Administration, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which

necessitate the provisions of this Declaration or make such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Declaration to be recorded to reflect such changes.

Any other amendments of this Declaration shall require (1) if a two-class voting structure is in effect, the vote or written consent of sixty-seven percent (67%) of the Voting Power of each class of Members of the Association as such classes are set forth in the Bylaws and this Declaration and the written approval of the Federal Housing Administration; or (ii) if a two-class voting structure is not in effect, the vote or written consent of both sixty-seven percent (67%) of the Voting Power of the Association and the vote or written consent of sixty-seven percent (67%) of the Voting Power of the Association residing in Members other than Declarant; 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 under that provision.

Notwithstanding anything to the contrary contained in this Declaration, any amendment which establishes, governs, provides for or regulates any one of the following: (i) voting; (ii) assessments, assessment liens or subordination of such liens; (iii) reserves for maintenance, repair and replacement of the Common Area; (iv) insurance or fidelity bonds; (v) right to use of the Common Area; (vi) responsibility for maintenance and repair of the Project; (vii) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project; (viii) the boundaries of any lot; (ix) interests in the Common Area; (x) leasing or ownership interests; (xi) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey his lot; (xii) any provisions which are for the express benefit of Mortgagees; or (xiii) any other material amendment shall require (i) if a two-class voting structure is in effect, the vote or written consent of sixty-seven percent (67%) of the Voting Power of each class of Members, or (ii) if a two-class voting structure is not in effect, the vote or written consent of sixty-seven percent (67%) of the total Voting Power of the Association, and the written consent of sixty-seven percent (67%) of the Mortgagees (based on one vote for each Mortgage owned). Any Mortgagee who does not respond within thirty (30) days request by the Association for consent to an amendment of this Declaration shall be deemed to have approved such request.

Any instrument amending this Declaration 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.

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IN WITNESS WHEREOF, the undersigned, being the Declarant herein,  
has executed this Declaration as of the date first above set forth.

DECLARANT

CENTER REAL ESTATE CORPORATION,  
a Nevada corporation

(Corporation Must Seal)

BY: Paul R. Leonard, Jr.  
Paul R. Leonard, Jr.  
Executive Vice President



Don M. Laughlin  
Don M. Laughlin  
Assistant Secretary

STATE OF NORTH CAROLINA )

COUNTY OF MECKLENBURG )

This 14th day of July, 1989, personally came before me Paul R. Leonard, Jr., who, being by me duly sworn, says that he is the Executive Vice President of Center Real Estate Corporation, a Nevada corporation, that the seal affixed to the foregoing instrument in writing is the corporate seal of Center Real Estate Corporation, and that said writing was signed and sealed by him in behalf of said corporation. And the said Paul R. Leonard, Jr., Ex-Vice President, acknowledged the said writing to be the act and deed of said corporation.



PLES100C/111/40

Betty E. Maurer  
Notary Public In and For  
The County of Mecklenburg and  
State of North Carolina  
My Commission Expires:  
July 29, 1989

EXHIBIT A

lying and being located in Crab Orchard Township, Mecklenburg County, North Carolina, and being more particularly described as follows:

TRACT I:

BEING all of lots 1 through 15, inclusive in Block 5; all of lots 1 through 5 in Block 6; all of lots 1 and 7 in Block 7 and all of lot 1 through 4, inclusive in Block 8, of EASTBURY AT BRADFIELD FARMS, Map 1, subdivision as same are shown on said thereof recorded in Map Book 22 at page 938 in the Mecklenburg County Public Registry.

TRACT II:

BEING all of lots 48 through 69, inclusive, in Block 3; all of lot 1 in Block 9 and all of lots 16 through 37, inclusive, in Block 2 of TRENNING AT BRADFIELD FARMS, Map 1, subdivision as same are shown on map thereof recorded in Map Book 22 at page 939 in the Mecklenburg County Public Registry.

TRACT III:

BEING all of lots 38 through 57, inclusive and all of lots 60 through 69, inclusive, in Block 2; all of lot 1 in Block 4 and all of lots 1, 3, 4 and 5 in Block 9 of FREEMOOD AT BRADFIELD FARMS, Map 1, subdivision as same are shown on map thereof recorded in Map Book 22 at page 941 in the Mecklenburg County Public Registry, TOGETHER WITH any area identified as "C.O.B." located on the aforesaid map.

TRACT IV:

BEING all of lots 16 through 21, inclusive, in Block 2 of BRADFIELD FARMS, Phase 2, Map 1, subdivision as same is shown on map thereof recorded in Map Book 22 at page 771 in the Mecklenburg County Public Registry.



TRACT 1:

All that certain tract or parcel of land lying in Mecklenburg and Cabarrus Counties, North Carolina, and being more particularly described as follows:

BEGINNING at a point in the center of McKee Creek, a north-western corner of the property of Forest Lane, Inc. as described in the special warranty deed from NCNB National Bank of North Carolina (formerly North Carolina National Bank) and William Ervin Jones, Co-trustees under Trust Agreement with Basile Ervin Jones dated October 2, 1957 and filed of record contemporaneously herewith (the NCNB/Jones Deed); thence from said point of beginning and with the centerline of McKee Creek the following twenty-two (22) courses and distances: (1) N. 46-43-56 E. 237.52 feet to a point; (2) N. 78-47-15 E. 63.62 feet to a point; (3) N. 50-04-35 E. 140.28 feet to a point; (4) N. 40-40-10 E. 80.36 feet to a point; (5) N. 5-46-50 W. 135.61 feet to a point; (6) N. 37-27-50 E. 45.44 feet to a point; (7) N. 6-03-50 E. 237.71 feet to a point; (8) N. 2-07-06 W. 70.33 feet to a point; (9) N. 11-11-12 E. 62.85 feet to a point; (10) N. 58-45-43 E. 44.27 feet to a point; (11) N. 35-11-56 E. 78.31 feet to a point; (12) N. 7-57-12 E. 57.85 feet to a point; (13) N. 24-48-19 E. 57.57 feet to a point; (14) N. 17-13-45 E. 275.84 feet to a point; (15) N. 4-46-59 E. 54.08 feet to a point; (16) N. 15-19-12 E. 112.01 feet to a point; (17) N. 46-25-37 E. 225.28 feet (crossing the Mecklenburg County-Cabarrus County line at 70.0 feet) to a point; (18) N. 78-36-47 E. 49.04 feet to a point; (19) N. 71-13-18 E. 205.45 feet to a point; (20) N. 38-57-46 E. 227.72 feet to a point; (21) N. 18-04-37 E. 84.46 feet to a point and (22) N. 44-37-02 E. 205.50 feet to a point; thence S. 66-32-42 E. 1798.47 feet to a nail in a stump located at a northwestern corner of the property of Forest Lane, Inc. as described in the aforesaid NCNB/Jones Deed; thence with a westerly boundary line of Forest Lane, Inc. S. 03-11-42 E. 528.51 feet to a point located within the right-of-way of Peach Orchard Road; thence continuing with a westerly boundary line of Forest Lane, Inc. and running within the right-of-way of Peach Orchard Road S. 28-50 E. 51.70 feet to a point; thence crossing said right-of-way of Peach Orchard Road S. 85-59-10 N. 540.54 feet (passing through a rebar at 460.10 feet) to an iron; thence S. 25-43-55 E. 875.0 feet (crossing the Mecklenburg County-Cabarrus County line at 852.55 feet) to a point located within the right-of-way of John Bostar Lane; thence running within said right-of-way of John Bostar Lane S. 86-13-40 E. 396.00 feet (crossing the Mecklenburg County-Cabarrus County line at 21.97 feet) to an iron located in the northerly right-of-way margin of John Bostar Lane; thence running within said right-of-way of John Bostar Lane S. 67-16-43 E. 330.56 feet to a point located within the right-of-way of Peach Orchard Road, in a westerly boundary line of the property of Forest Lane, Inc. as described in the aforesaid NCNB/Jones Deed; thence with the boundary lines of Forest Lane, Inc. as described in the aforesaid NCNB/Jones Deed the following six (6) courses and distances: (1) Within the right-of-way of Peach Orchard Road S. 28-50-37 E. 217.80 feet to a point; (2) S. 88-48-33 W. 280.50 feet to a point located in the Mecklenburg County-Cabarrus County line; (3) S. 87-24-53 W. 977.81 feet to a point; (4) S. 81-40-13 W. 1435.50 feet to a point; (5) N. 77-47-27 W. 415.80 feet to a pile of stones and (6) N. 51-03-26 W. 764.98 feet to a point in the center of McKee Creek, the point and place of BEGINNING, containing approximately 129.356 acres (exclusive of the parcels described

hereinbelow), as shown on survey entitled "Boundary Survey - 463.932 Acres, Camp Stewart Road," prepared by John R. Yarbrough and Associates, Inc., Registered Land Surveyors, dated January 2, 1987, last revised February 26, 1988, reference to which is made for a more particular description.

SAVE AND EXCEPT from the property hereinabove described the following two (2) parcels of land more particularly described as follows:

EXCEPTION PARCEL ONE:

BEGINNING at an iron located in the right-of-way margin of John Bostar Lane, said iron being located the following five (5) courses and distances from a point formed by the intersection of the southern boundary line of the above-described property (a common boundary line with the property conveyed to Forest Lane, Inc. by the NCNB/Jones Dred) with the Mecklenburg County-Cabarrus County line: (1) N. 88-48-33 E. 280.50 feet to a point within the right-of-way of Peach Orchard Road, (2) N. 28-50-37 W. 217.80 feet to a point, (3) N. 67-16-43 W. 330.56 feet to an iron, (4) N. 86-13-40 W. 396.00 feet to a point and (5) N. 85-25-11 W. 308.43 feet to an iron, the POINT AND PLACE OF BEGINNING; thence from said point of Beginning within the right-of-way of John Bostar Lane N. 85-03-18 W. 363.00 feet to a point; thence crossing said right-of-way of John Bostar Lane S. 02-53-42 W. 240.00 feet (passing through an iron located in the southern right-of-way margin of John Bostar Lane at 30.02 feet) to an iron; thence S. 85-03-18 E. 363.00 feet to an iron; thence N. 02-53-42 E. 240.00 feet to an iron located within the right-of-way of John Bostar Lane, the point and place of BEGINNING, as shown on that certain survey entitled "Boundary Survey - 463.932 Acres, Camp Stewart Road" prepared by John R. Yarbrough and Associates, Inc., Registered Land Surveyors, dated January 2, 1987, last revised February 26, 1988, reference to which is hereby made for a more particular description.

EXCEPTION PARCEL TWO:

BEGINNING at a point located in the southern right-of-way margin of John Bostar Lane, said point being located the following two (2) courses and distances from the northwesternmost corner of Exception Parcel One described hereinabove: (1) S. 02-53-42 W. 30.02 feet to an iron located in the southern right-of-way margin of John Bostar Lane and (2) with said southern right-of-way margin of John Bostar Lane N. 85-03-18 W. 43.58 feet to a point, the POINT AND PLACE OF BEGINNING; thence from said point of Beginning and continuing with said southern right-of-way margin of John Bostar Lane N. 85-03-18 W. 100.00 feet to an iron; thence S. 02-53-42 W. 150.00 feet to an iron; thence S. 85-03-18 E. 100.00 feet to an iron; thence N. 02-53-42 E. 150.00 feet to a point located in the southern right-of-way margin of John Bostar Lane, the point and place of BEGINNING, as shown on that certain survey entitled "Boundary Survey - 463.932 Acres, Camp Stewart Road" prepared by John R. Yarbrough and Associates, Inc., Registered Land Surveyors, dated January 2, 1987, last revised February 26, 1988, reference to which is made for a more particular description.

TRACT II:

All that certain tract or parcel of land lying in Mecklenburg and Cabarrus Counties, North Carolina, and being more particularly described as follows:

BEGINNING at an iron located at the northerly common corner of lots 45 and 46 of Robinswood Acres as shown on that certain map thereof of record in Map Book 7 at Page 469 in the Mecklenburg County, North Carolina, Public Registry, said iron also being in a southerly boundary line of the property of Metro-Meck Land Development Company (now or formerly); thence from said point of beginning with said southerly boundary line of said Metro-Meck Land Development Company property S. 62-12-15 E. 5.92 feet to a point; thence with the easterly boundary line of said Metro-Meck Land Development Company property the following six (6) courses and distances: (1) N. 18-10-19 E. 53.43 feet to a point, (2) N. 30-50-44 E. 22.80 feet to a point, (3) N. 2-01-11 E. 29.83 feet to a point, (4) N. 31-13-56 E. 25.96 feet to a point, (5) N. 14-09-17 W. 24.19 feet to a point and (6) N. 12-13-25 E. 34.06 feet to a point; thence with a northeasterly boundary line of said Metro-Meck Land Development Company property N. 33-45-34 W. 825.17 feet to an iron located at a southwesterly corner of the property of Harry E. Fagart, Jr. (now or formerly); thence with a southerly boundary line of said Fagart property S. 76-30-22 E. 550.54 feet passing through an iron at 538.94 feet) to a point located in the center of McKee Creek; thence with the easterly boundary line of said Fagart property and with the centerline of McKee Creek the following eleven (11) courses and distances: (1) N. 8-27 E. 356.21 feet to a point, (2) N. 25-44-10 E. 84.80 feet to a point, (3) N. 2-23 W. 323.78 feet to a point, (4) N. 0-05 E. 131.63 feet to a point, (5) N. 13-49-50 W. 222.84 feet to a point; (6) N. 57-40-30 E. 57.44 feet to a point; (7) N. 34-48 W. 73.30 feet to a point; (8) N. 16-40-40 E. 144.95 feet to a point, (9) N. 58-50-50 E. 62.93 feet to a point, (10) N. 7-48-40 E. 32.77 feet to a point and (11) N. 51-22-10 E. 130.61 feet to a point; thence leaving McKee Creek S. 53-03-26 E. 764.98 feet to a pile of stones; thence S. 77-47-27 E. 415.80 feet to a point; thence N. 81-40-13 E. 1435.50 feet to a point; thence N. 87-24-53 E. 977.81 feet to a point located in the Mecklenburg County-Cabarrus County line; thence N. 88-48-33 E. 280.50 feet to a point located within the right-of-way of Peach Orchard Road; thence running within said right-of-way of Peach Orchard Road the following four (4) courses and distances: (1) N. 28-50-37 W. 217.80 feet to a point, (2) N. 28-53-29 W. 1014.58 feet to an iron, (3) N. 28-55 W. 104.50 feet to a point and (4) N. 28-50 W. 51.70 feet to a point; thence crossing said right-of-way margin of Peach Orchard Road N. 3-11-42 W. 528.51 feet to a nail in a stump; thence S. 67-00-19 E. 65.68 feet to an iron located in the westerly right-of-way margin of Peach Orchard Road; thence crossing the right-of-way margin of said Peach Orchard Road S. 67-00-19 E. 60.06 feet to a point located in the easterly right-of-way margin of said Peach Orchard Road; thence S. 67-00-19 E. 1122.24 feet to an axle; thence S. 6-22-27 W. 561.83 feet to an axle; thence S. 75-04-58 W. 82.11 feet to an axle; thence S. 01-23-53 E. 1697.93 feet (crossing the Mecklenburg County-Cabarrus County line at 1097.53 feet) to a point located at a common corner between the property of Robert R. Rhyme (now or formerly) and the property of Ida Bell Hartsell (now or formerly); thence with the westerly boundary line of said Hartsell property S. 0-29-59 W. 959.99 feet (passing through an iron at 752.54 feet) to an iron located at a northeasterly corner of the property of Edgar A.

Terrill, Jr. (now or formerly) in said westerly boundary line of said Hartsell property; thence with a northerly boundary line of said Terrill property N. 81-04-23 W. 1322.22 feet to a large stone at a fence corner; thence with the westerly boundary line of said Terrill property the following five (5) courses and distances: (1) S. 32-14-36 W. 2096.31 feet to a point, (2) S. 61-49-36 E. 99.00 feet to a point, (3) S. 34-07-27 W. 764.82 feet to an iron, (4) S. 83-30-53 W. 974.88 feet to an iron and (5) crossing the right-of-way of Camp Stewart Road S. 61-40-20 W. 861.08 feet to an iron located in the easterly boundary line of the property of C. B. Barbare, Jr. (now or formerly); thence with the easterly boundary line of said Barbare property the following two (2) courses and distances: (1) N. 28-28-51 E. 276.21 feet to an iron located within the right-of-way of Camp Stewart Road and (2) N. 23-32-03 E. 491.64 feet to an iron; thence with the easterly boundary lines of said Barbare property and the property of Little Investment Company (now or formerly) N. 4-28-32 W. 301.64 feet to an iron located in a corner of said Little Investment Company property; thence with a northerly boundary line of said Little Investment Company property N. 77-18-02 W. 298.93 feet to an iron; thence with the easterly boundary line of said Little Investment Company property the following three (3) courses and distances: (1) N. 1-18-15 W. 481.85 feet to an iron, (2) N. 1-02-13 W. 161.11 feet to a large twin poplar and (3) N. 30-46-42 E. 309.69 feet to an iron located at a common corner of said Little Investment Company property and Lots 42 and 43 of Robinwood Acres as shown on that certain map thereof recorded in Map Book 7 at Page 489 in said Registry; thence with the rear or easterly boundary line of said Lots 43 and 44 of Robinwood Acres the following four (4) courses and distances: (1) N. 29-19-35 E. 128.28 feet to a point, (2) N. 12-38-35 E. 125.96 feet to a point, (3) N. 31-10-09 W. 245.22 feet to a point and (4) N. 1-24-09 W. 150.00 feet to an iron located in the common corner between said Lot 44 and Lot 45 of Robinwood Acres as shown on the map referenced hereinabove; thence with the rear or easterly boundary line of said Lot 45 of Robinwood Acres N. 1-24-09 W. 275.43 ft. an iron, the point and place of BEGINNING, containing approximately 334.576 acres as shown on survey entitled "Boundary Survey -- 463.932 Acres, Camp Stewart Road" prepared by John R. Yarbrough and Associates, Inc., Registered Land Surveyors, dated January 2, 1987, last revised February 26, 1988, reference to which is made for a more particular description.

TRACT III:

Lying and being in Crab Orchard Township, Mecklenburg County, North Carolina and being more particularly described as follows:

BEGINNING at a point located in the centerline of the right-of-way of Harrisburg Road (said right-of-way being 60 feet in width) said Beginning Point being located N. 9-15-22 E. 200.00 feet from the intersection of the centerlines of the right-of-way of Reedy Creek Road and Harrisburg Road, said Beginning Point also marking the intersection of the southerly property line of the property conveyed to Paul Theriault, et al by deed recorded in Book 5090 at page 288 in the Mecklenburg County Public Registry with the said centerline of the right-of-way of Harrisburg Road; and running thence from said Beginning Point so established with the southerly and easterly property lines of the property conveyed to Paul Theriault, et al, by the aforesaid deed, two (2) calls and distances as follows: (1) S. 80-42-09 E. 1418.64 feet (passing an iron on line at 29 feet located in the easterly margin of the right-of-way of Harrisburg Road) to an iron; (2) N. 9-19-33 E. 684.97 feet to an iron, said iron being located in the southerly property line of the property conveyed to Sparta Book Homes by deed recorded in Book 5113 at page 795 in the Mecklenburg County Public Registry; and running thence with a portion of the

southerly property line of the said Sparta Brook Homes property (now or formerly) S. 50-44-59 E. 644.48 feet (passing an iron on line at 623.69 feet) to a point located in McKee Creek; thence with the meanderings of McKee Creek, nineteen (19) calls and distances as follows: (1) S. 2-07-06 E. 70.33 feet to a point; (2) S. 6-03-50 W. 277.71 feet to a point; (3) S. 37-27-50 E. 43.44 feet to a point; (4) S. 5-36-50 E. 135.61 feet to a point; (5) S. 40-20-10 W. 80.36 feet to a point; (6) S. 50-04-35 W. 140.23 feet to a point; (7) S. 78-47-15 W. 63.62 feet to a point; (8) S. 46-43-56 W. 217.52 feet to a point; (9) S. 31-22-10 W. 130.61 feet to a point; (10) S. 7-49-40 W. 32.77 feet to a point; (11) S. 58-50-50 W. 62.93 feet to a point; (12) S. 16-40-40 W. 144.95 feet to a point; (13) S. 34-48 E. 73.30 feet to a point; (14) S. 57-40-30 W. 57.44 feet to a point; (15) S. 13-49-50 E. 222.84 feet to a point; (16) S. 0-05 W. 131.63 feet to a point; (17) S. 2-23 E. 323.78 feet to a point; (18) S. 25-44-10 W. 84.80 feet to a point; and (19) S. 8-27 W. 356.21 feet to an iron; thence leaving said McKee Creek, N. 76-30-21 W. 550.93 feet to an iron located in the northerly or northeasterly property line of the property conveyed to Metro-Meck Land Development by deed recorded in Book 4969 at page 139 in the Mecklenburg Public Registry; thence with a portion of the northerly or northeasterly property line of the said Metro-Meck Land Development property (now or formerly) two (2) calls and distances as follows: (1) N. 36-13-07 W. 530.26 feet to an iron and (2) S. 75-36-42 W. 353.85 feet to an iron, said iron marking a corner of the Caldwell property as said property is described in deed recorded in Book 2853 at page 169 in the Mecklenburg County Public Registry; thence with the easterly and northerly property line of the said Caldwell property (now or formerly), three (3) calls and distances as follows: (1) N. 2-36-36 E. 633.16 feet to an iron; (2) N. 58-40-25 E. 345.94 feet to an iron and (3) N. 80-37-42 W. 721.94 feet to a point located in the centerline of the right-of-way of Harrisburg Road; thence with the centerline of the right-of-way of Harrisburg Road, four (4) calls and distances as follows: (1) N. 18-16-25 E. 80.93 feet to a point; (2) N. 13-48-04 E. 113.63 feet to a point; (3) N. 10-43-26 E. 133.00 feet to a point and (4) N. 9-15-22 E. 558.82 feet to the point or place of beginning, and containing 70.91 acres all as shown on boundary survey for John Crossland Co., dated May 8, 1987, by James R. Harrington, N.C.R.L.S., reference to which survey is hereby made.

TRACT IV:

BEGINNING at an old iron located in the westerly property line of the property of Edgar A. Terrell, Jr. as said property is described in deed recorded in Book 2604 at page 234 in the Mecklenburg County Public Registry, said old iron marking the southeasterly corner of the property conveyed to North Carolina National Bank (as successor to American Trust Company) and William Erwin Jones, Co-Trustees under Agreement with Bessie Erwin Jones dated October 2, 1957, by deed dated August 18, 1972, recorded in Book 3466 at page 33 in the Mecklenburg County Public Registry, said iron also marking the southeasterly corner of the property subsequently conveyed from NCB, et al to Centex Real Estate Corporation, a Nevada corporation, by deed dated February 29, 1988, recorded in Book 5710 at page 40 in the Mecklenburg County Public Registry; and running thence from said Beginning Point so established with a portion of the southerly property line of the Centex Real Estate Corporation property as described in the aforesaid deed, two (2) calls and distances as follows: (1) S. 83-30-53 W. 974.88 feet to an old iron and (2) S. 61-40-20 W. 174.79 feet to a point located within the right-of-way of Camp Stewart Road; thence within the right-of-way of Camp Stewart Road five (5) calls and distances as follows: (1) N. 81-04-25 E. 168.22 feet to a point; (2) N. 81-09 E. 531.78 feet to a point; (3) N. 81-53-20 E. 254.44 feet

to a point; (4) N. 88-47 E. 88.04 feet to a point and (5) S. 82-07-20 E. 54.34 feet to a point; thence N. 34-07-27 E. 66.19 feet to the point or place of Beginning, and containing 1.020 acres all as shown on Boundary Survey of 2.274 acres on Camp Stewart Road, Charlotte, North Carolina, for John Crossland Co. dated March 31, 1987, revised March 24, 1988, by John R. Yarbrough, N.C.R.L.S., reference to which survey is hereby made.

**SAVE AND EXCEPT** from the above-referenced four tracts the following described property:

**BEGINNING** at an old iron located in the easterly property line of the property of C. B. Barbre, Jr., as said property is described in deed recorded in book 3136 at page 097 in the Mecklenburg County Public Registry, said Beginning Point marking the southwest corner of the property conveyed to North Carolina National Bank (as successor to American Trust Company) and William Ervin Jones, Co-Trustees under Agreement with Bessie Ervin Jones dated October 2, 1957, by deed dated August 18, 1972, recorded in book 3466 at page 33 in the Mecklenburg County Public Registry, said iron also marking the southwest corner of the property subsequently conveyed from NCNB, et al to Centex Real Estate Corporation, a Nevada corporation, by deed dated February 29, 1988, recorded in book 5710 at page 40 in the Mecklenburg County Public Registry; and running thence from said Beginning Point so established with a portion of the easterly property line of the C. B. Barbre, Jr. property (now or formerly), two (2) calls and distances as follows: (1) N. 28-28-51 E. 276.21 feet to an old iron located within the right-of-way of Camp Stewart Road and (2) N. 23-32-03 N. 14.37 feet to a point located within the said right-of-way of Camp Stewart Road; thence within the right-of-way of Camp Stewart Road, two (2) calls and distances as follows: (1) N. 81-35-49 E. 389.06 feet to a point and (2) N. 81-04-25 E. 82.77 feet to a point; thence S. 61-40-20 W. 686.29 feet to the point or place of Beginning, and containing 1.254 acres all as shown on Boundary Survey of 2.274 acres on Camp Stewart Road, Charlotte, North Carolina, for John Crossland Co. dated March 31, 1987, revised, March 24, 1988, by John R. Yarbrough, N.C.R.L.S., reference to which survey is hereby made.

**AND SAVE AND EXCEPT FROM THIS EXHIBIT B** the property described on Exhibit A.

State of North Carolina, County of Mecklenburg  
The foregoing Certificate(s) of Betty R. Morris

Notary(ies) Public is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

ANNE MOYERS, REGISTER OF DEEDS

By Amey R. Quitt Deputy - Register of Deeds