FOR REGISTRATION JUDITH A. GIBSON
REGISTER OF DEEDS
MECKLENBURG COUNTY, NC
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COPY

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PARK SOUTH STATION

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for Park South Station (as hereafter amended and supplemented, the "Declaration") is made and entered into as of the 28th day of December, 2006, by J&B DEVELOPMENT AND MANAGEMENT, INC., a North Carolina corporation ("Declarant").

STATEMENT OF PURPOSE

1. Declarant is the owner of certain real property located in the City of Charlotte, Mecklenburg County, North Carolina constituting approximately 120.41 acres on Archdale Road and commonly known as Park South Station as described on Exhibit A attached hereto ("Property") and shown on Exhibit B attached hereto. (Site plans shown on Exhibit B are preliminary only and subject to change without notice.) Declarant desires to create on the Property a residential community, together with any private streets, roads, bike paths, footways, Common Areas, open spaces, landscaping, entrances, drainage facilities, access easements, site lighting and signage, and any recreation area(s) and any other common facilities shown on any Recorded Plat (as hereinafter defined) (sometimes referred to collectively herein as the "Facilities") for the benefit of the Property.

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

3. Declarant desires to provide for the preservation of the values and amenities in the Property and for the maintenance of the Facilities and Common Areas and, to this end, desires to subject the Property to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is, and are, for the benefit of said real property and each owner of a portion thereof, and are intended to run with the Property and every portion thereof in perpetuity.

4. Declarant has deemed it desirable, for the efficient preservation of the values and amenities in the Property and in accordance with the North Carolina Planned Community Act, to create an entity to which should be delegated and assigned the powers of maintaining, administering, operating and replacing the Common Areas and the Facilities, administering and enforcing the covenants, conditions and restrictions, and collecting and disbursing the assessments and charges hereinafter created. Declarant has caused to be incorporated under the laws of the State of North Carolina a non-profit corporation known as Park South Station Master Association, Inc. ("Association" or "Master Association"), for the purpose of exercising said functions.

Drawn by and mail to:
Zachary M. Moretz, Esq.
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37 Union Street South, Suite B
Concord, North Carolina 28025

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5. Reference is hereby made to that certain Townhome Declaration for Park South Station Townhomes recorded in the Mecklenburg County Register of Deeds of even date herewith, and to that certain Condominium Declaration for Park South Station Condominiums to be recorded in the Mecklenburg County Register of Deeds sometime after this Declaration. These documents create Neighborhood Associations within the Property which are subordinate to this Declaration and the Master Association.

6. It is intended that the Association will maintain, as more specifically set forth elsewhere herein, all of the Common Areas shown on the Recorded Plats (except for any Common Areas to be maintained by the Townhome or Condominium Association), and the costs of such maintenance will be a Common Expense of all the Members of the Association, or a Limited Common Expense of less than all the Members of the Association as to those Common Areas, such as, for example, parking areas, which serve only a select portion of the Members. However, the Association will have no responsibility to maintain any vertical improvements, such as, for example, any portion of townhome or condominium buildings, which will be the exclusive responsibility of the Townhome Association and the Condominium Association, nor any part of any Townhome or Condominium Lot.

7. It is intended that the Association will provide, as more specifically set forth in Article Seven hereof, potable (drinking) water to all of the Dwelling Units in the Property from the City of Charlotte's municipal water system via a master potable water meter and distribution lines owned by the Declarant, the Association, or a private third-party contractor. The costs to provide such water and to maintain such equipment, including the fees of the private third-party contractor, will be Common Expenses of all the Members of the Association. In order to reduce the use of drinking water for non-drinking water purposes, and to enhance the aesthetic quality and therefore the value of the Property, it is also intended that the Association will provide, as more specifically set forth in Article Seven hereof, landscape irrigation water to all of the Townhomes, all of the Multi-Family Dwellings and all of the landscaped Common Areas in the Property from wells located elsewhere in Park South Station. The water will be purchased by the Association and will be distributed throughout the Property via distribution lines owned by the Declarant, the Association, or a private third-party contractor. The costs to purchase such water and to maintain such lines, including the fees of the private third-party contractor, will be Common Expenses of all the Members of the Association.

DECLARATION

NOW THEREFORE, the Declarant declares that the Property, and any additions thereto, is and shall be held, used, transferred, sold, conveyed and occupied subject to the terms, conditions and provisions of the covenants, conditions, restrictions, charges and liens (sometimes referred to herein as "Covenants and Restrictions") as hereinafter set forth.

ARTICLE ONE
PROPERTY SUBJECT TO THIS DECLARATION

1.1. Property. The real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration is located in the City of Charlotte, Mecklenburg County, North Carolina, and is or will be commonly known as Park South Station, and consists of the real property described on Exhibit A ("Property"). Site plans of the Property are attached hereto as Exhibit B for informational purposes only. For official legal descriptions of the Common Areas, reference should be made to the plats of the Property now or hereafter recorded in the Mecklenburg County Register of Deeds.

1.2. Additions to Property; Accordance with a Master Plan of Development.

a. The Declarant, its successors and assigns, shall have the right but not the obligation, without further consent of the Association or its Members, to bring within the scheme and operation of this Declaration all or any portions of any real property that adjoins the Property, as added to under the terms hereof from time to time.

b. The additions authorized under this and the succeeding subsection shall be made by filing of record in the Office of the Register of Deeds of Mecklenburg County one or more supplementary Declarations of Covenants, Conditions and Restrictions with respect to such additional property or properties, executed by the Declarant and, if different, the owner(s) of the additional property, which shall extend the operation and effect of the Declaration to such additional property or properties (hereinafter sometimes referred to as a "Supplemental Declaration").

c. Any Supplemental Declaration(s) may specify such additional specific use restrictions and other covenants, conditions and restrictions to be applicable to the added property and may contain such complementary additions and modifications of this Declaration as may be necessary or convenient, in the sole judgment of the Declarant and, if different owner(s), the owner(s) of the additional property, to reflect and adapt to any difference in character of the added properties. In no event, however, shall any such supplementary Declaration modify or add to the covenants and restrictions established by this Declaration so as to negatively affect the Property; however, this provision shall not be interpreted to prohibit or prevent any properly instituted change in the amount of the Assessments (as hereinafter defined) payable by a Member of the Association by reason of any such additions; nor shall any such supplementary Declaration adversely affect the common development scheme of the Property for residential uses.

1.3. Access Easement Reserved. The Declarant reserves unto itself for the benefit of Declarant, its successors and/or assigns, a non-exclusive and alienable easement and right of ingress, egress and regress over and across all private streets and roads within the Property, if any, for access to and from other real property of Declarant or its successors and/or assigns. Such easement shall continue until that time when all new construction has ceased on the Property and any additions to the Property acquired under this Article, and any damage caused by Declarant, its agents, successors and/or assigns to the private streets and roads within the Property when exercising its rights created by this Section 1.3 shall be repaired at the expense of Declarant, its successors, or assigns. In addition, an easement and right of ingress, egress and regress over and across all private streets and roads within the Property is hereby granted to any applicable government agency, for the purpose of fulfilling their duties, including, without limitation, law enforcement, fire protection, garbage collection, delivery of the mail, and any other service related to keeping the peace and preserving the general welfare.

1.4 Relation to North Carolina Planned Community Act. The North Carolina Planned Community Act, N.C.G.S. 47F-101 et seq., as the same may be amended from time to time ("Act"), shall apply to the Property, and the Association shall have, but not be limited to, all the powers, rights and privileges which may be exercised by a Planned Community (as defined in the Act) pursuant to the Act, even if such powers, rights or privileges are not specifically set forth herein or in the Association's Articles of Incorporation or Bylaws.

1.5 Reservation of Right to Change Site Plan and Product Types. Notwithstanding anything else herein or in any Neighborhood Declaration to the contrary, the Declarant has the right without the approval of any other person or entity to change or revise the site plans for the Community and/or to change the type of housing products included within the Community at any time without notice.

ARTICLE TWO
ADDITIONAL DECLARATIONS

2.1 Neighborhood Declarations. Additional covenants and restrictions applicable to only certain Lots, Common Properties or Limited Common Properties within the Property may be established from time to time in the form

of a neighborhood declaration, condominium declaration or townhome declaration ("Neighborhood Declarations"). Neighborhood Declarations must be approved and executed by the Declarant (so long as it has Class II voting rights) and the Association, and may supplement, create exceptions to, or otherwise modify the terms of this Declaration as they apply to the neighborhood burdened by the Neighborhood Declaration in order to reflect the different character and intended use of such Neighborhood; provided, however, in no event shall any Neighborhood Declaration substantially modify any common scheme of development of the Property for residential use, and under no circumstances shall a Neighborhood Declaration modify Section 6.1 hereof. It is specifically planned that one (1) Townhome Declaration and one (1) Condominium Declaration shall be recorded simultaneously herewith or subsequently hereto.

2.2 Neighborhood Associations. Certain duties of the Association established herein may be delegated by the Association, thereby relieving the Association from any obligation therefrom, to an association created in connection with a Neighborhood Declaration (a "Neighborhood Association") if there is a reasonable nexus between the duty delegated and the property encumbered by the Neighborhood Declaration and if the Neighborhood Association assumes responsibility for such duty. In addition, in accordance with Section 9.5 hereof, the Declarant or the Association may convey portions of the Common Properties to the Neighborhood Association or designate such Common Properties as Limited Common Properties for the benefit of only those Lots encumbered by the Neighborhood Declaration. Neighborhood Associations and Neighborhood Declarations shall be established in accordance with the provisions of Section 8.6 hereof.

ARTICLE THREE
DEFINITIONS

The following words when used in this Declaration or any amended or Supplemental Declaration (unless the context shall require otherwise) shall have the following meanings:

3.1. "Assessment(s)" shall mean and refer to the assessment(s) and charges levied by the Association against Members who are the Owners of Lots or Dwelling Units in the Property and shall include annual, special and Special Individual Assessments as described in Article Ten of this Declaration.

3.2. "Association" shall mean and refer to the Park South Station Master Association, Inc., a North Carolina non-profit corporation.

3.3. "Board" shall mean and refer to the Board of Directors of the Association.

3.4. "Bylaws" shall mean and refer to the bylaws of the Association and all amendments thereto.

3.5. "Committee" shall mean and refer to the design review committee established by the Declarant or the Board pursuant to Article Five hereof.

3.6. "Common Expenses" shall mean and refer to:

a. Expenses of administration, operation, utilities, maintenance, repair or replacement of the Common Properties, including payment of taxes and public assessments levied against the Common Properties, or any other neighboring properties which the Board determines that it is in the best interests of the Association to maintain.

b. Expenses declared Common Expenses by the provisions of this Declaration or the Bylaws.

c. Expenses agreed upon from time to time as Common Expenses by the Association and lawfully assessed against Members who are Owners in the Property, in accordance with the Bylaws or this Declaration.

d. Any valid charge against the Association or against the Common Properties as a whole.

e. Any expenses incurred by the Association in connection with the discharge of its duties hereunder and under the Bylaws, its articles of incorporation or the Act.

3.7. "Common Property(ies)" or "Common Area(s)" shall mean and refer to those areas of land described or referred to as "Amenity Area", "Amenity Areas", "Common Open Space", "COS", "Common Property", "Common Area" or words of like import shown on any Recorded Plat of all or any part of the Property; provided however, that only such areas of land on the Recorded Plats which are identified as Master Association common areas shall be Common Properties of the Master Association. (The other such areas of land shown on the Recorded Plats shall be common properties of the Townhome Association or the Condominium Association, as the case may be.) The Common Properties are subject to special rights and limitations, if any, granted to or imposed on Owners of particular Lots or Dwelling Units herein. The Common Properties do not include the Limited Common Properties. The Common Properties shall include any stormwater device that serves more than one (1) Lot, and any utility line located outside public street rights-of-way and public utility easements and serving more than one (1) Lot. The Common Properties shall also include the Recreational Facilities, if any, constructed by the Declarant or the Association, as described in Article Twelve hereof. It is intended that the Common Properties shall be conveyed to the Association or to Neighborhood Associations for the benefit of each of the Owners.

3.8. "Condominium Association" shall mean Park South Station Condominium Association, Inc., a North Carolina non-profit corporation created pursuant to the North Carolina Condominium Act to manage the Condominium Lots and the Dwelling Units constructed thereon. All members of the Condominium Association shall also be Members of the Association. The Condominium Association shall be governed by a separate Condominium Declaration to be recorded in the Mecklenburg County Register of Deeds, as well as by this Declaration.

3.9. "Condominium Lot" shall refer to the Lots intended or shown on any Recorded Plat for the construction of Multi-Family Dwelling buildings. Only one Multi-Family Dwelling building shall be constructed on each Condominium Lot.

3.10. "Declarant" shall mean and refer to J&B Development and Management, Inc., a North Carolina corporation, and Piston, LLC, a North Carolina limited liability company, their successors and assigns, and any person or entity who is specifically assigned the rights and interests of Declarant hereunder or under a separate instrument executed by the Declarant and recorded in the Mecklenburg County Register of Deeds. Declarant is the entity that has been granted the right, power, authority, duty or obligation to exercise the powers of the Declarant to ensure the development and maintenance of the Property as herein set forth.

3.11. "Dwelling Unit" shall mean and refer to any improvement or portion thereof situated on a Lot intended for use and occupancy as one (1) single family dwelling, irrespective of the number of Owners thereof (or the form of ownership) located within the Property and shall, unless otherwise specified, include within its meaning (by way of illustration, but not limitation) single family detached homes, single family attached homes such as townhouses, condominium units, and patio or zero lot line homes. Each unit in a Multi-Family Dwelling constitutes a Dwelling Unit as of the date of recording in the Mecklenburg County Register of Deeds of the condominium declaration applicable to such Multi-Family Dwelling. Where appropriate by context, the term shall include both the improvements and the real property on which the improvements are situated.

3.12. "Facilities" shall have the meaning assigned to it in the Recitals of this Declaration.

3.13. "FHA" shall mean and refer to the Federal Housing Authority of the United States Department of Housing and Urban Development.

3.14. "Improved Lot" shall mean and refer to any Lot on which the improvements constructed thereon are sufficiently complete to be occupied as a Dwelling Unit or a Multi-Family Dwelling.

3.15. Intentionally omitted.

3.16. "Limited Common Expense" shall mean and refer to the expense of administration, operation, maintenance, repair or replacement of Limited Common Properties or Limited Common Areas or any valid charge against the Limited Common Properties as a whole. Such expenses shall be assessed against those Lots or Dwelling Units having the exclusive or special rights in the use or enjoyment of the Limited Common Properties.

3.17. "Limited Common Area(s)" or "Limited Common Property(ies)" shall mean and refer to those areas of land (including without limitation any joint driveways) and improvements described or referred to in any declaration applicable to the Property or Recorded Plat of the Property as intended for the use only of the Owners of particular Lots or Dwelling Units to the exclusion of other Owners and other Members. Any property so designated shall be for the exclusive use of the Owners of the Dwelling Units or Lots so designated or shown in such declaration or Recorded Plat.

3.18. "Living Area" shall mean and refer to those heated and/or air-conditioned areas within a Dwelling Unit, which shall not include garages, carports, porches, patios, breezeways, terraces, or basements (unless heated).

3.19. "Lot" shall mean and refer to any numbered parcel of land within the Property which is intended for use as a site for a Dwelling Unit or Multi-Family Dwelling, as shown upon any Recorded Plat of any part of the Property and labeled thereon as a "Lot", and shall not include Common Properties or Limited Common Properties except where undivided interests in such are included as appurtenances to a Condominium Lot, and shall not include any property in the Property not yet subdivided for sale as an individual lot. No property in the Property shall be developed as a Dwelling Unit or a Multi-Family Dwelling until designated as a Lot on a Recorded Plat. Property designated as a Lot may later be designated for some other use on a Recorded Plat. The term "Lot" as used herein shall include Improved Lots.

3.20. "Member" shall mean a member of the Association and shall refer to an Owner in the Property.

3.21. "Multi-Family Dwelling" shall mean and refer to any Improved Lot intended for use and occupancy as more than one Dwelling Unit located within the Property and shall, unless otherwise specified, include within its meaning (by way of illustration, but not by limitation) condominium buildings. Where appropriate by context, the term shall include the improvements and the real property on which the improvements are situated, which real property would be the common property of all Dwelling Units on a Multi-Family Dwelling Lot.

3.22. "Neighborhood" shall mean and refer to a closely-related by manner of use or physically contiguous set of Lots in the Property that are to be governed by a common set of design standards and served by and governed by a Neighborhood Association formed for the express purpose of governing and serving such Lots and any Limited Common Area in connection therewith in accordance with the terms of a Neighborhood Declaration.

3.23. "Neighborhood Assessment" shall mean and refer to the assessment(s) and charges levied by a Neighborhood Association.

3.24. "Neighborhood Association" shall have the meaning assigned to it in Article Two of this Declaration.

3.25. "Neighborhood Declaration" shall have the meaning assigned to it in Article Two of this Declaration.

3.26. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Dwelling Unit situated upon the Property. Notwithstanding any applicable theory of any lien or mortgage law, "Owner" shall not mean or refer to any mortgagee or trust beneficiary unless and until such mortgagee of trust beneficiary has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. (Note: the words "Member" and "Owner" are meant to describe all of the owners of Lots or Dwelling Units interchangeably as semantics dictate throughout this Declaration.)

3.27. "Plans" shall have the meaning assigned to it in Section 5.2 of this Declaration.

3.28. "Property" shall mean and refer to all the real property defined in Section 1.1 hereof and more particularly described in Exhibit A, as well as any additions thereto as are made subject to this Declaration by any Supplemental Declaration(s) under the provisions of Article One of this Declaration.

3.29. "Recorded Instrument" shall mean and refer to any document relating to the Property, or any portion thereof, recorded in the Mecklenburg County Register of Deeds and executed by the Declarant (during Class II membership, and by the Association otherwise) to show its consent thereto (and by any other Owner(s) of property described therein and affected thereby if different). In any case in which the designation or description of the same property described in two different Recorded Instruments is different (for example, property is designated as a Lot in one instrument and a street in another, or legal boundaries of areas are described differently in different Recorded Instruments), the designation and description on the later-recorded of the Recorded Instruments shall control.

3.30. "Recorded Plat" shall mean and refer to any map of the Property, or any portion thereof, recorded in the Mecklenburg County Register of Deeds and executed by the Declarant (during Class II membership, and by the Association otherwise) to show its consent thereto (and by any Owner(s) of such property whose survey is shown thereon if different). In any case in which the designation and/or boundary lines of the same property shown on two different Recorded Plats are different (for example, property is designated as a street on one plat and as a Lot on the other, or boundary lines are shown differently on two different Recorded Plats), the designation and boundary lines on the later-recorded of the Recorded Plats shall control.

3.31. "Recreational Facilities" shall have the meaning assigned to it in Article Twelve of this Declaration.

3.32. Intentionally omitted.

3.33. "Special Individual Assessments" shall have the meaning assigned to it in Section 10.5 of this Declaration.

3.34. "Supplemental Declaration" shall have the meaning assigned to it in Section 1.2 of this Declaration.

3.35. "Townhome Association" shall mean Park South Station Townhome Association, Inc., a North Carolina non-profit corporation created pursuant to the North Carolina Planned Community Act in order to manage the Townhome Lots and the Dwelling Units constructed thereon. All members of the Townhome Association shall also be Members of the Association. The Townhome Association shall be governed by a separate Townhome Declaration to be recorded in the Mecklenburg County Register of Deeds, as well as by this Declaration.

3.36. "Townhome Lot" shall refer to the Lots intended or shown on any Recorded Plat for the construction of single-family attached Dwelling Units.

3.37. "VA" shall mean and refer to the United States Department of Veterans Affairs.

ARTICLE FOUR
DURATION; NOTICES; ENFORCEMENT; SEVERABILITY

4.1 Duration.

a. The covenants and restrictions of this Declaration shall run with the land, and shall inure to the benefit of and be enforceable by, Declarant, the Association or any Owner, its and their respective legal representatives, heirs, successors, and assigns in perpetuity. This Declaration may be amended in accordance with the provisions of Article 13 hereof. Amendments made in conformity with that Article may alter any portion of the Declaration hereof, including but not limited to the duration and amendment provisions hereof. The terms and conditions of this Declaration may also be amended as to a particular Neighborhood, but only in strict accordance with the provisions of Article Two hereof.

b. The termination of this Declaration shall require both the assent of Declarant, as long as Declarant owns any Lot or any other portion of the Property, and of at least eighty percent (80%) of the votes in the Association, taken at a meeting duly called and held for this purpose, and shall be evidenced by a termination agreement recorded in the Mecklenburg County Register of Deeds and otherwise complying with the terms of North Carolina General Statutes Section 47F-2-118.

4.2 Notices. Any notice required to be sent to any Member or Owner, under the provisions of this Declaration, shall be deemed to have been properly sent when delivered by hand delivery with the delivery person providing an affidavit of delivery, or when mailed, postage prepaid, registered or certified mail, return receipt requested, or deposited with an overnight courier (such as, but not limited to Federal Express) and addressed to the person at the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing. In the event that a Member or Owner's address is absent from the Association's records, the notice may be sent to the address listed on the Cabarrus County tax records at the time of the mailing. The sender shall not be required to cause title to any Lot or Dwelling Unit to be examined. Notice to any one of the Owners, if title to a Lot or Dwelling Unit is held by more than one, shall constitute notice to all Owners of that Lot or Dwelling Unit. An address printed on a check or other correspondence from a Member to the Association shall not by itself constitute sufficient notice of change of address of that Member.

4.3 Enforcement.

a. The Association, Declarant, and/or any Owner may (but shall not necessarily be required to) enforce these covenants and restrictions. Enforcement of these covenants and restrictions may be by an appropriate civil proceeding against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, or both, and/or against the land to enforce any lien created by these covenants and restrictions. Any failure by the Declarant, the Association or any Owner to enforce any covenant or restriction herein contained shall not be deemed a waiver of the right to do so thereafter.

b. The Association may impose fines or suspend privileges or services (including utility services) in the event of an Owner's failure to comply with the requirements of this Declaration or any architectural guidelines or rules and regulations promulgated in accordance with this Declaration. (The Board shall have the right to promulgate reasonable rules and regulations from time to time which are in harmony with these covenants and restrictions.) In such circumstances, the Owner shall have been sent a letter notifying him of the violation and providing a period of no less than fifteen (15) days for the violation to be corrected. If the Owner fails to address the violation during such period, the Board may vote to impose a fine or suspend privileges or both, or the Board may have previously promulgated a schedule of fines and privileges which may be imposed and/or suspended in particular cases and may delegate authority to an officer or duly-appointed manager of the Association to impose the same according to the approved schedule. The Association shall inform the Owner of the same in writing. The Owner shall have the right to appeal the decision and shall have an opportunity to be heard by the Board on such appeal, but the fine shall accrue during such period unless waived or suspended by the Board pending the outcome of the appeal. If it is decided that a fine should be imposed, a

fine not to exceed one hundred dollars ($100.00) may be imposed for the violation and without further hearing, for each day after the fifteenth (15th) day that the violation occurs. Such fines shall be Assessments secured by liens as more particularly described in Article Ten hereof. If it is decided that a suspension of privileges or services should be imposed, the suspension may be continued without further hearing until the violation or delinquency is cured. The Board shall adopt a written collections and appeals policy or policies setting forth in further detail the procedures that its officers, agents and attorneys shall use in collecting assessments, fines and other charges from Owners. This subsection (b) sets forth "a specific procedure for the imposition of fines or suspension of planned community privileges or services" pursuant to Section 3-107.1 of the Act.

4.4 Severability. Invalidation of any one of these covenants and restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

ARTICLE FIVE
DESIGN REVIEW

5.1 Purposes. The Declarant desires to provide for the preservation of the property values in the Property with respect to any improvements to be constructed or altered on any Lot constituting a portion of the Property, and to that end, establishes these architectural covenants and restrictions and may establish an design review committee ("Committee"), in accordance with Section 5.3 hereof, in order to provide, enforce and maintain certain standards as to harmony of exterior design and location of the improvements on the Lots in relation to surrounding structures, natural features and topography. To the extent that a Committee is not established or is unable to meet, then and in which case the term "Committee" shall mean the Board of Directors of the Association.

5.2 Design Review.

a. Unless expressly authorized in writing by the Committee, no structure or improvement whatsoever of any kind or nature, including but not limited to any excavation, foundation, Dwelling Unit, Multi-Family Dwelling, fence, wall, driveway, patio, deck, sidewalk, swimming pool, pond, fence, building, shed, enclosure, mailbox, irrigation system or expansion of any existing irrigation system, animal enclosure or dog house, playhouse, tree house, basketball goal, play equipment, arbor, lawn ornament, sculpture, monument, flagpole, sign, birdbath, landscaping, or any other fixture, attachment or modification of any Lot or structure of any kind may be constructed or maintained, nor shall any exterior addition or alteration, including exterior colors, to any of the foregoing, or any other structure or improvement be started, nor shall any clearing or site work be commenced or maintained upon any Lot in the Property, until plans and specifications therefor showing the shape, dimensions, materials, basic exterior finishes and colors, location on site, driveway, parking, decorative landscape planting, floor plans and elevations therefor, and clearing details including proposed tree removal, in such detail as may be further prescribed by the Association (all of which are hereinafter referred to collectively as the "Plans"), and any application fee set by the Association, shall have been submitted to, and approved in writing by, the Committee. Except as set forth herein, the Committee shall have the absolute and exclusive right to refuse to approve any such Plans which are not suitable or desirable in the opinion of the Committee for any reason, including purely aesthetic reasons, which in the sole discretion of the Committee shall be deemed sufficient. The Board may promulgate design standards from time to time to be adhered to by the Plans for the Lots or Dwelling Units in the Property, and it may promulgate different standards for different Neighborhoods. The standards promulgated by the Board shall be in general accordance with the design of the Community as originally provided by Declarant, and shall not disrupt the general development scheme instituted by Declarant.

b. Notwithstanding the foregoing, the Board may (i) set restrictions that conflict with those established generally for the Property which apply to only a set of Lots comprising a Neighborhood and/or (ii) delegate to a Neighborhood Association its authority to approve Plans for the Lots in such Neighborhood; however, neither the Board nor the Committee may in any circumstances set architectural or design standards which are in clear conflict with the provisions of this Declaration or the general development scheme instituted by Declarant.

5.3 Design Review Committee.

a. The Committee shall be composed of five (5) persons (who need not be Members of the Association) appointed by the Board. A majority of the Committee may designate a representative to act for it. In the event of death, resignation, or removal by the Board of any member of the Committee, the Board shall have full authority to designate a successor. Unless otherwise approved by the Association, neither the members of the Committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant. The Association shall keep, or cause to be kept, a list of the names and addresses of the persons who form the Committee and a list of the names and addresses of any designated representatives of the Committee, and such a list shall be available to any Owner upon request. Prior to or in lieu of the appointment of the Committee by the Board, the Board shall act as the Committee.

b. Notwithstanding the foregoing, as to the initial construction of improvements on any Lot (the "Initial Construction of Improvements"), the Declarant shall serve as the Committee responsible for the review, approval, and monitoring of construction of improvements. This right of the Declarant pursuant to this section shall cease during times when the Declarant does not own any of the real property comprising any portion of the Property. Following the determination that a Lot qualifies as an Improved Lot, any requests for modifications or alterations of improvements in fact constructed on an Improved Lot or for the construction of additional improvements on an Improved Lot shall be the responsibility of the full Committee, which need not be the Declarant if Declarant so directs. The Declarant may at any time relinquish, either temporarily or permanently, its rights to review, approve and monitor the initial construction of improvements to the Committee, as hereinabove described by providing written notice to the Board of its intent to so relinquish said rights.

5.4. Design Review Procedure.

a. At least sixty (60) days prior to the commencement of any construction, the Plans shall be submitted to the Committee in writing via certified mail, return receipt requested. Approval shall be subject to such regulations and architectural standards as may from time to time be promulgated by the Committee. Within thirty (30) days after receipt of the Plans and all other required information, the Committee shall notify the Owner of the Lot or Dwelling Unit in writing as to whether the Plans have been approved. Unless a response is given by the Committee within thirty (30) days, approval shall be deemed denied. The response of the Association may be an approval, a denial, an approval with conditions or a request for additional information. A request for additional information shall be deemed a denial pending receipt of such additional information as the Committee may request, and the Committee shall have an additional thirty (30) days to review the additional information. Additional information shall be furnished to the Committee via certified mail, return receipt requested. Such thirty (30) day period shall only commence upon receipt of the requested additional information. If approval with conditions is granted, and construction then begins, the conditions shall be deemed accepted by the Owner of the Lot or Dwelling Unit, and the conditions imposed shall become fully a part of the approved Plans. No improvements shall be made except in strict conformity with the approved Plans. The Committee shall have the right to monitor construction of improvements and investigate compliance with the approved Plans, and hereby reserves the right to enter upon any Lot or Dwelling Unit in order to do so. The Committee, the Board and the Association shall have the right to enjoin any construction or maintenance made in violation of this Article, and the costs and expenses, including attorneys' fees, of any such lawsuit shall be deemed Special Individual Assessments enforceable against the responsible Owner as set forth below.

b. Owners are responsible for the contractors they hire to perform work on their property. Any contractor damaging improvements or infrastructure of the Property, and the Owner(s) who engaged the services of such contractor, shall be jointly and severally liable for such damage.

c. Any Owner submitting Plans to the Committee and disagreeing with the finding of the Committee may appeal the decision to the Board by giving written notice of appeal to the Association within fifteen (15) days following receipt of notice of denial. The Board shall then review the Plans, giving the chairman or any other representative of the Committee the opportunity to present to the Board specific reasons why the Plans were denied, in the presence of the

Owner or his agent, and the Owner or his agent may present information challenging the findings of the Committee. The decision of the Committee may be overridden by simple majority vote of the Board. The foregoing provision shall not be applicable to decisions by the Declarant as to the Initial Construction of Improvements pursuant to Section 5.3(b) hereof, nor shall any adverse decision of the Committee or the Board be applicable to any construction or improvement by the Declarant during Class II membership without the Declarant's consent.

d. The Committee may adopt a schedule of reasonable fees for processing requests for approval. Such fees will be payable to the Association at the time that the Plans and other documents are submitted to the Committee. The payment of such fees, as well as other expenses of the Committee required to be paid, shall be deemed to be a Special Individual Assessment, enforceable against the Owner of the Lot or Dwelling Unit as provided herein. The Committee expressly reserves the right and power, exercisable in its sole discretion, to procure the services of a consultant of its own choosing for purposes of assisting the Committee in its review of any Plans, and the cost of such consulting service(s) shall be the responsibility of the respective applicant or Owner of the subject Lot or Dwelling Unit and shall be in addition to any fees due for processing any requests for approval.

e. All notices required to be given under this Article shall be given in writing, hand-delivered or mailed postage prepaid, certified or registered mail, return receipt requested, or deposited with an overnight carrier (such as, but not limited to, Federal Express). The Committee shall be obligated to specify the particular grounds upon which denial of any application is founded. If the Committee approves the Plans, one set of Plans, denoted as approved (or approved with specified conditions), shall be retained by the Committee.

f. Approval by the Committee or the Board of any Plans shall not relieve the applicant from any obligation to obtain all required governmental approvals or permits, and shall not relieve the applicant of the obligation and responsibility to comply with all applicable legal requirements with respect to such Plans and improvements.

g. Approval of any particular Plans does not waive the right of the Committee or the Board to disapprove the same or substantially similar Plans subsequently submitted, nor does such approval relieve an applicant of the requirement to resubmit such Plans for approval in connection with any portion of the Property or any Lot other than that for which Plans were approved.

5.5. Application of the Article. This Article shall apply to any additions to the Property subsequently made subject to this Declaration and the terms and provisions of any Supplemental Declaration.

ARTICLE SIX
RESTRICTIONS ON USE AND RIGHTS OF THE ASSOCIATION, DECLARANT AND OWNERS

6.1 Permissible Uses. No Lot in the Property shall be used except for residential purposes (although no guarantee is provided that all Lots may in fact be suitable for residential use), with the exception of a) any sales center, office, building, construction trailer or model home or dwelling unit constructed or used by the Declarant, his agent or any Builder who has received the prior written permission of Declarant, b) the Recreational Facilities and any Lot denoted as Common Area or the like, which may include but not be limited to improvements such as swimming pools, clubhouses, gazebos, basketball or tennis courts, or any other improvements determined by the Association or the Declarant, c) bus shelters, transit stops and any utility substation, power line easement, utility easement, pump station lot, ground water well lot, retention or detention pond, or similar lot used for providing public transportation, utilities, storm water retention or drainage or similar services to any Lot, d) any Lot which may be conveyed or leased by Declarant to any non-profit organization or municipality or related entity for civic or institutional use (for example but not limited to a school, library, church, community center, children's club, YMCA, or a police, fire or ambulance station), and e) any Lot specifically denoted for any non-residential use on any Recorded Plat. No building of any type (except the foregoing) shall be erected, altered, placed, or permitted to remain on any Lot other than a Dwelling Unit or a Multi-Family Dwelling and its accessory structures(s), which shall comply with any applicable zoning regulations and the design requirements of this

Declaration. The foregoing shall not prohibit any home office or similar traditional home occupation which does not cause or require any additional traffic, parking, noise, signage or other undesirable outward effects (in the sole discretion of the Board) on the neighbors or the Property. The original builder of the Dwelling Unit on a Lot may also include a detached garage and/or storage shed on such Lot provided the same is architecturally harmonious with the Dwelling Unit and further provided that the same has been approved by the Declarant.

6.2 Division of Lots; No Time Sharing; Leasing.

a. Except by the Declarant or as approved by the Board in its sole discretion, no Lot shall be further subdivided into multiple Dwelling Units except in the case of condominiums on such Lot.

b. No Lot or ownership interest may be subdivided to permit time sharing or other devices to effect interval ownership. For purposes of this section "time sharing" or "other devices to effect interval ownership" shall include, but not be limited to, ownership arrangements, including uses of corporation, trusts, partnerships, leases or tenancies in common, in which four or more persons or entities, not members of a single household, have acquired, by means other than will, descent, inheritance or operation of law, an ownership interest (directly or indirectly, equitable or legal) in the same Dwelling Unit and such owners have a formal or informal right-to-use or similar agreement.

c. Leasing of a Dwelling Unit shall be permitted subject to reasonable rules regarding leasing, including but not limited to the permitted duration and permitted maximum percentage of Dwelling Units which may be leased at any given time, which may be adopted from time to time by resolution of the Board (without the necessity of amendment of this Declaration). Prior to or in lieu of the Board's adoption of such rules, the minimum term of permitted leases shall be six (6) months and the maximum percentage of all Dwelling Units in any Multi-Family Dwelling, in any Neighborhood and in the Property (excluding Multi-Family Dwellings) which may be leased at any given time shall be twenty percent (20%). In no event, however may the number of leased Dwelling Units in any Multi-Family Dwelling or in the Property exceed any limitation established by the FHA or VA. The tenant(s) under any such lease shall be bound by all of the provisions of this Declaration. Any such leases shall not relieve the Owner of its responsibilities and obligations under this Declaration. Prior to entering into any lease, the Owner of the Dwelling Unit proposed to be leased shall present the lease to the Board for approval in order for the Board to ensure i) that the lease complies with the provisions of this Declaration, and ii) that the lease will not result in more than twenty percent (20%) of the Dwelling Units in the Property, in any Neighborhood, or in any Multi-Family Dwelling being leased at any given time.

6.3 Utilities and Other Easements. All utility lines of every type, including but not limited to water, electricity, gas telephone, sewage and television cables, running from the main trunk line or service location to any Dwelling Unit must be underground or against or in the building in the case of a Multi-Family Dwelling. The Declarant reserves unto itself, its successors and assigns, a perpetual alienable and releasable easement and right on, over and under the ground to erect, maintain and use water, irrigation, electric, gas, telephone, sewage and television cables, and any other utilities lines and conduits for the purpose of bringing public or other services, at this time known or unknown, to the Property on, in, under and over the streets or roads and over any Lot shown on any Recorded Plat of the Property within ten (10) feet of each front property line, within five (5) feet along the side property lines of each Lot, and within ten (10) feet along the rear property line of each Lot and over such other areas as are so identified on any recorded plats of the Property, provided that existing Dwelling Units shall not be disturbed. In addition, the Declarant or Association may cut or fill, in the above described easements, as well as anywhere else that such may be required, at its own expense, drainways for surface water and/or to install underground storm drainage wherever and whenever such action is required by applicable health, sanitation or other state or local authorities, or in order to maintain reasonable standards of health, safety and appearance. In addition, along streets fronting property lines, in the ten (10) foot easement hereby reserved, Declarant also reserves the right to install, maintain and repair bike and pedestrian paths, street lights and/or street-side landscaping, which right shall automatically transfer to the Association at any time(s) when there is no Class II membership. Declarant may, but is not required to, release any of the easements reserved herein as to any Lot for which it deems such easement is unnecessary for the efficient development and operation of the Property. In addition, the

Declarant may delegate its authority to release any of the easements reserved herein as to several Lots to a Neighborhood Association established to govern such Lots.

6.4 Construction, Settling and Overhangs. Each Lot and the Common Area shall be and is subject to an easement for non-substantial encroachments created by construction, settling and overhangs, as originally designed or constructed, so long as such encroachments exist. Every portion of a Lot and each Dwelling Unit constructed thereon and contributing to the support of an abutting Dwelling Unit shall be burdened with an easement of support for the benefit of such abutting Dwelling Unit. If adjoining Dwelling Units are partially or totally destroyed, and then rebuilt, the Owners of the Lots so affected agree that minor encroachments from the adjacent Lots or Common Area resulting from construction shall be permitted and that a valid easement for such encroachments shall exist.

6.5 Temporary Structures. No structure of a temporary character shall be placed upon any portion of the Property at any time; provided, however, that this prohibition shall not apply to sales offices, shelters or sheds used by contractors during the construction of a Dwelling Unit or Multi-Family Dwelling, or improvements or additions thereto, on any Lot during the construction or improvement thereof. Temporary shelters, recreational vehicles, trailers (whether attached or unattached to the realty) may not, at any time, be used as a temporary or permanent residence or be permitted to remain on any portion of the Property, except for short-term use on the Common Areas for events permitted by the Board.

6.6 Committee Approval of Plans and Other Prohibitions.

a. The construction of improvements on Lots shall be governed by Article Five hereof. Construction must be completed in strict accordance with the Plans approved by the Committee. In addition, Dwelling Units and Multi-Family Dwellings shall comply with all applicable building, plumbing, electrical and other codes.

b. No detached garage, storage shed, or carport shall be permitted on any Improved Lot.

c. Downspouts and gutters must be constructed and maintained so as not to promote the erosion of the soil of any Lot or Dwelling Unit.

d. Exterior lighting shall be restrained and subtle and must be directed so as not to shine directly on another Lot or interfere with the quality of the night environment. Security lights are discouraged and may be installed only upon approval of the ACC . Declarant or the Board may specify style, model and manufacturer of the standard streetlights to be used throughout the Property, and all future streetlights shall comply with such standards. All street lighting shall comply with any luminosity standards which may be promulgated by the Board. The costs to maintain and operate the street lighting shall be Common Expenses of the Association until such time as the streets and street lighting are dedicated to and accepted by the applicable municipality.

e. No manufactured, modular, mobile, or trailer homes shall be allowed or approved by the Committee as the residence on any Lot, and no manufactured, modular, mobile, or trailer home shall be allowed to remain on any Lot. "Mobile homes" shall include modular homes, even when such homes do not rest on a chassis, suspension and/or wheels on the Lot. The Board may adopt specific standards as to the types of modular components, if any, which may be permitted. The Board shall make a final determination in its sole discretion as to whether any proposed component, construction or structure is "modular" or "manufactured", and such determination shall be conclusive.

6.7. Garbage and Storage Receptacles. Except as required by any appropriate governmental authority, each Owner of a Townhome Lot shall provide receptacles for garbage (and recyclables if such a program is in place in the municipality), and all garbage receptacles, tools and equipment for use on a Lot, shall be placed out of view from the street (except garbage receptacles on the designated garbage pickup day) in accordance with reasonable standards established by the Committee to shield same from general visibility from roads and neighbors abutting the Lot. No fuel tanks or similar storage receptacles or related storage facilities, may be exposed to view. No underground storage tanks

for natural gas, propane, chemicals, petroleum products or any other mineral or toxic product shall be placed or maintained on any Lot. Owners of Condominium Units shall use the dumpster(s) or trash compactor(s) which shall be provided by the Condominium Association for all trash, garbage and refuse. The costs of garbage pickup shall be a Common Expense.

6.8. Debris; Yard Displays/Decorations; Patio and Yard Furniture. No leaves, trash, garbage or other similar debris shall be burned and/or buried on the Property. No garbage, trash, construction debris or other unsightly or offensive materials shall be placed upon any Lot or any other portion of the Property, except as is temporary and incidental to the bona fide improvement of any portion of the Property. Job site debris shall be removed from any job site at least weekly. Yards, lawns and landscaping shall be maintained in a proper manner at all times and shall be free of excess toys and the like to as not to become an eyesore to neighboring Lots. No decorative flag poles, statues, birdbaths, sculptures, fountains, ornaments, figurines, artificial plants or flowers, or any other decorative structures or items are permitted in the front or side yards of any Lot or to be visible from streets unless approved by the Committee. All outdoor furniture located on any Lot shall be of a subdued color and design in primary earth tones, and no brightly-colored furniture or umbrellas shall be permitted.

6.9. Antennas. Any television antennas, satellite dish, radio receiver or sender antenna or other similar device attached to or installed on the exterior portion of any Dwelling Unit, Multi-Family Dwelling or structure, or placed on any Lot shall be appropriately screened from view in accordance with Federal Communication Commission guidelines and Association rules and regulations (as determined by the Committee), and must be approved by the Committee in accordance with Article Five. Notwithstanding the foregoing, pursuant to FCC regulations published at 47 C.F.R. §1.4000, the following provisions shall apply to any television signal reception antennas on any Lot or Dwelling Unit:

a. No television antenna, except for traditional broadcast aerials (also known as "TVBS" antennas), shall be permitted which is larger than one (1) meter in diameter.

b. The Association may regulate the location or appearance of television antennas with regard to location and appearance, including required screening and color, provided that such regulations do not unreasonably impair the installation, maintenance or use of such antennas, as defined by said FCC regulations and binding interpretations thereof.

c. No antenna or any structure or mast supporting any antenna may exceed twelve (12) feet in height above the roof line of the Dwelling Unit to which it is appurtenant, unless the Owner thereof can supply affirmative proof satisfactory to the Committee that such antenna, mast or structure does not constitute a safety hazard to people or property.

d. The Association may specify permissible colors of television antennas, but may not require an Owner to paint his antenna if doing so would unreasonably impair the reception of the antenna or void its warranty.

e. The Association shall have an easement over the Lot of any Owner who proposes to erect any television antenna, or who does erect the same, in order to identify the best location on the Lot that allows for reasonable reception and which complies with the aesthetic standards of the Association. The Association shall not be bound by the location proposed by the homeowner if another location on the Owner's Lot would allow reasonable reception and better match the standards of the Association.

f. Should the Committee determine that an Owner's television antenna should be screened from view but also determine that the cost of the required screening would impose an unreasonable restriction on installation, maintenance or use of such antenna, then the Association may expend Association funds for such screening, and such expenditure shall be a Common Expense.

g. The foregoing restrictions on the Association's ability to regulate television antennas shall not apply to any antenna proposed to be placed upon any Common Property of the Association or any Neighborhood Association,

including common elements of any condominium, nor to any antenna which is not a television signal reception device, as to which the Association or the applicable Neighborhood Association shall have full authority to regulate in its sole discretion.

6.10. Federally-Protected Wetlands and Stream Buffers. Portions of certain Lots and/or Common Area, and/or common open space may contain federally-protected wetlands and/or stream buffers as shown on the applicable Recorded Plat. Such areas and the flora and fauna indigenous to them may not be disturbed in any way with or without Association approval, and all Owners are hereby prohibited from disturbing the same on his or any other Lot or Common Area in any manner. The foregoing shall not preclude the installation, maintenance and use of walking trails in such areas if constructed and used in accordance with applicable laws and regulations.

6.11. Unsightly Conditions.

a. It is the responsibility of each Owner to prevent any unclean, unsightly or unkempt conditions to exist on his Lot or Dwelling Unit which would tend to decrease the beauty of the Property, specifically or as a whole, or which would constitute any eyesore to any neighbor in the Association's sole discretion.

b. During the construction of any improvement to a Lot in the Property, the Lot, roads, sidewalks, landscaping and Common Areas or Limited Common Areas adjacent thereto shall be kept in a neat and orderly condition, free from any dirt, mud, garbage, trash, or other debris, so as not to cause an unsightly condition to exist or damage to occur. Any damage to the street, curb, sidewalk or to any part of any Common Areas, Limited Common Areas or utility system caused by a builder shall be repaired by such builder. All builders and Owners and their agents and employees shall adhere to the construction standards promulgated from time to time by the Association.

c. In the event a builder or an Owner or his agent or employee (including, without limitation, any contractor or subcontractor) shall fail to maintain its Lot or Dwelling Unit, and adjoining areas, as specified herein, or allow damage to occur and such failure continues or damage remains un-repaired for seven (7) days following delivery of written notice thereof from Declarant or the Association, Declarant or the Association and its contractors shall have the right, license and easement, exercisable in its sole discretion, to go upon any Lot or Dwelling Unit in order to abate any unsightliness, make needed repairs, and to remove any rubbish, refuse, unsightly debris and/or growths from the Lot or Dwelling Unit, and adjoining area. In the event the Declarant or the Association, after such notice, causes the subject work to be done, the costs of such work, plus an administrative fee of 25% of the costs incurred, shall be paid by the Owner to the Association and shall become a continuing lien on the Lot or Dwelling Unit, as appropriate, until paid.

6.12. No Offensive Activity or Fires. No noxious, dangerous or offensive activity or excessive noise shall be carried on upon any portion of the Property, nor shall anything be done tending to cause embarrassment, discomfort, annoyance or nuisance to any Owner, tenant or guest thereof, in any portion of the Property. Fires on any Lot or on any portion of the Common Properties or the Limited Common Properties are prohibited.

6.13. Certain Plants, Animals and Pets.

a. Except as otherwise permitted herein, or in any amended Declaration, no plants, animals, device or thing of any sort whose normal activities or existence, in the sole and final determination of the Board, is in any way noxious, dangerous, unsightly, unpleasant, or of a nature as may tend to diminish or destroy the enjoyment of other Owners, or tenants and guests thereof, may be maintained on a Lot. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that a reasonable number, but no more than two (2) unless otherwise approved by the Board, dogs, cats or other common household pets may be kept in each Dwelling Unit and such pets may not be kept, bred or maintained for any commercial purpose. The following rules shall apply to household pets:

b. All household pets shall be registered with the Association by providing all requested information on the Association's household registration form, which shall be available to each Owner upon request. Owners must complete registration within thirty (30) days of the pet's first taking residence on the Property with the Owner.

c. At no time shall any household pets be allowed to run free, and at all times when off the Owner's Lot or Dwelling Unit, such household pets, including cats, shall be on a leash.

d. Any Owner who fails to pick up their pet's waste and/or droppings left on the Property shall be subject to a fine in an amount determined by the Board and otherwise pursuant to Section 4.3(b) hereof. The Declarant or the Board may establish specific Common Areas to be used for the exercising of pets and, if so, Owners shall walk pets only in such area or upon their own Lot.

e. Any dog which is one-quarter or more pit bull or Rottweiler, as those breeds are commonly understood by the general public, is hereby prohibited from all of the Property including all Lots, Dwelling Units and Common Areas.

f. The Board may promulgate further rules not inconsistent with this Declaration regulating the ownership, maintenance and care of household pets, including specific limitations on or prohibitions of particular breeds or species in the Board's sole and absolute discretion.

6.14. Discharge of Firearms. Hunting and trapping of wild animals, fowl and game and the discharge of firearms and/or bows and arrows within the Property is prohibited.

6.15. Motorized Vehicles. All motorized vehicles operating within the Property must be properly muffled so as to eliminate noise which might be offensive to others. All motorized vehicles and motorized bicycles are prohibited from being used, operated or parked anywhere other than on the streets, roads, parking lots and driveways within the Property. All motorized vehicles operated, parked, or otherwise present in the Property shall properly and clearly display a valid license plate, a valid, unexpired state inspection decal and a valid, unexpired registration sticker. Auto repair activities shall only occur inside a garage, and in particular are prohibited in all Common Areas, parking lots and underground parking areas. The Board shall have full power to enact reasonable rules and regulations regarding on-street parking, including assigning spaces and/or requiring permits or stickers, with the power to fine or suspend services to violators as set forth in Section 4.3(b) hereof. The Board may promulgate further reasonable rules not inconsistent with this Declaration regulating the towing and removal of vehicles in violation of this Section.

6.16. Prohibited Parking. No boat, boat trailer, other trailer, camper, recreational vehicle, utility vehicle or commercial truck (defined as a truck or other commercial vehicle with signage or commercial insignia thereon which is not of a type commonly used for general transportation by consumers as opposed to for business, delivery, construction or similar purposes) shall be allowed to remain on any Lot or on any portion of the Common Properties or Limited Common Properties overnight unless it is enclosed within a garage. The Declarant, or its successors or assigns, shall be permitted to, but in no way is it obligated to, develop or construct a parking area specifically dedicated for the parking and storage of the aforementioned types of vehicles, subject to rules promulgated by the Association. Such areas shall be specifically designated as such on a Recorded Plat and may be either designated as Common Property for use of all Owners or as a Limited Common Property available for use of only certain Owners. In the event that such area is constructed and designated as an Limited Common Property, a Supplement to this Declaration shall be recorded setting forth the terms and conditions for the use of such Limited Common Property and to which Owners such property shall be available.

6.17. Signage. No signs, except standard, typical "For Sale" or "For Rent" signs, of a size typically used in to indicate the availability of a single Lot or Dwelling Unit for sale or lease, shall be displayed in public view on any Lot, appurtenance, short- or long-term parked vehicle, accessory building or structure unless approved by the Committee, which may also from time to time specify required design criteria and color schemes for approved signage. Notwithstanding the foregoing, the Association or Declarant shall have the right to erect signs to indicate the location of neighborhoods, sales and rental centers, identify model homes or Dwelling Units and their Builders, any Recreational

Facilities and such other informational signs of any type as may be necessary or desirable, in their sole opinion, to facilitate the plans for development of the Property. Political signs opposing or supporting any candidate, party or issue on the ballot in an upcoming election may be posted no earlier than thirty (30) days prior to such election, provided the same are removed within seven (7) days of said election and provided no more than two (2) such signs per Dwelling Unit may be posted simultaneously. Political Signs are expressly prohibited on any Common elements or Limited Common Property. Notwithstanding anything else herein to the contrary, in order to maintain high aesthetic standards on the Property, the Association shall have the right at all times without notice to remove any sign which in its sole discretion it deems to be offensive or illegal or which poses an immediate threat of injury to any person. The Association or its designee shall have the right to enter any Lot in the Property for such purpose. Nothing herein shall prohibit reasonable directional, advertising or community event-type signage erected by the Declarant, the Association or any Builder.

6.18. Mail and Delivery Boxes. Declarant or the Board may determine the standards and issue guidelines for the location, material, color and design for mail and newspaper boxes, if any, and the manner in which they shall be identified. All Owners must display the assigned street address on their mail boxes, or other appurtenance, pursuant to the then-current regulations of the municipality or other appropriate governmental entity.

6.19. Drainage Culverts; Sedimentation and Erosion Control. No Owner or Builder or their licensees, invitees, subcontractors or agents shall disturb or impede any driveway culvert, drainage swale or other stormwater drainage structure or device in the Property, except that a Builder may disturb or impede the same if required by its construction, if Declarant is first notified and thereafter such Builder provides reasonably comparable alternate means of drainage at its sole cost and expense. No fences shall be allowed in front or side yard swales except as otherwise permitted herein. All Builders in the Property hereby agree that once they have purchased or begun operations on a particular Lot, they shall be the financially responsible party with regard to sedimentation and erosion control measures for that Lot in accordance with all local, state and federal requirements, and shall at all times, at their cost and expense, maintain proper sedimentation and erosion control measures around and through each such Lot, including but not limited to proper silt fencing, such that no material amount of surface water, sedimentation or mud is discharged into any neighboring lot, street or common area. Failure to properly maintain and install such measures, or allowing sedimentation or erosion on any Lot upon which Buyer has begun operations which is in violation of local, state or federal requirements, shall constitute a violation of this Declaration and the Board shall have enforcement rights as set forth elsewhere herein. All Builders hereby agree to indemnify Declarant and the Association from and against any breach of this provision by such Builder which results in or contributes to any adverse action by any local, state or federal sedimentation or erosion control enforcement agency against Declarant or the Association.

6.20. Fences. Fences are subject to the complete jurisdiction of the Board as to location, style, materials, color and height. As used herein, fences shall include walls, barricades, shrubbery or other impediments to reasonable mobility and visibility. Absent an extraordinary showing of need by the Owner of a Lot, no fence may be constructed any closer to the front of the Lot than the front corner of the Dwelling Unit or Multi-Family Dwelling thereon. The Committee shall only approve the construction of a fence upon a determination that the fence is aesthetically pleasing, does not detract from the reasonable value of any Lot and does not unreasonably impede the view of attractive features of the Property from any other Lot or Dwelling Unit. Notwithstanding anything herein to the contrary, temporary fences used in connection with construction, model homes and soil erosion silt fences may be permitted by the Association or the Declarant. For all Townhome Lots, there shall exist a ten (10) foot rear yard pedestrian access easement in which no fence or other impediment to pedestrian access may be erected, in order to allow interior Townhome Lot Owners to access their rear yards for maintenance or deliveries.

6.21. Driveways. All driveways, guest parking and turnabouts on Lots shall be of concrete or asphalt. No vehicle shall be parked on any Lot or Common Area in a manner which prevents full use of the adjacent sidewalk.

ARTICLE SEVEN
ADDITIONAL RIGHTS RESERVED TO DECLARANT; COMMUNITY IRRIGATION AND MASTER-METERED POTABLE WATER

7.1. Withdrawal of Property. The Declarant reserves the right to amend this Declaration, so long as it has a right to annex additional property pursuant to Article One, for the purpose of removing any portion of the Property which has not yet been improved with structures from the coverage of this Declaration, provided such withdrawal does not reduce the total number of Lots then subject to the Declaration by more than twenty (20) percent. Such amendment shall not require the consent of any person other than the Owner(s) of the property to be withdrawn, if not the Declarant. If the property is or includes Common Area which has been deeded to the Association, the Association must first consent to such withdrawal.

7.2. Right to Develop. The Declarant and its employees, agents, contractors and designees shall have a right of access and use and an easement over and upon all of the Common Areas and all streets for the purpose of making, constructing and installing such improvements to the Common Areas as it deems appropriate in its sole discretion. Any damage done shall be repaired and restored to its original condition, to the extent such repair and restoration is reasonably practicable.

7.3. Master Planned Community. Every person that acquires any interest in the Property acknowledges that Park South Station is a master planned community, the development of which is likely to extend over many years, and agrees not to protest, challenge or otherwise object to (a) changes in uses or density of property outside the Neighborhood in which such person holds an interest, or (b) changes in the site plan filed with the City of Charlotte and the County of Mecklenburg in connection with the Property as it relates to property outside the Neighborhood in which such person holds an interest. Declarant shall have the right, without the consent or approval of the Owners, to add Common Area (unless such addition would increase the total acreage of the Common Area in the Property by more than twenty (20) percent), change Dwelling Unit types for new property added to the Property and, subject to Section 7.1 above, withdraw real property from the development.

7.4. Right to Transfer or Assign Declarant Rights. Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the Bylaws may be transferred in whole or in part to other persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which the Declarant has under this Declaration or the Bylaws. No such transfer or assignment shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Mecklenburg County Register of Deeds. The foregoing sentence shall not preclude Declarant from permitting other persons to exercise, on a one time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to record any written assignment unless necessary to evidence Declarant's consent to such exercise.

7.5. Community Irrigation. The Association or the Declarant may, but shall not be obligated to, construct pumps, lines, taps or other infrastructure ("Irrigation Infrastructure") in order to allow the Association to provide irrigation water to each Lot in the Property. If and when such Irrigation Infrastructure is built (and conveyed to the Association if built by Declarant), it shall be the responsibility of the Association to maintain such Irrigation Infrastructure in good working order and to provide water to all Lots and landscaped Common Areas for landscaping purposes only. The Irrigation Infrastructure shall be Common Property and the costs to operate, maintain, insure and repair the Irrigation Infrastructure shall be a Common Expense borne by all Members of the Association. The costs of the actual water furnished shall be a Common Expense. The Board shall apportion such costs among the Members by either i) a uniform amount per Townhome and another uniform amount per condominium Dwelling Unit in the Property, or ii) an amount that bears a reasonable relationship to the amount of water used by each Dwelling Unit in the Property. Declarant and/or the Association shall have the right to enter any Lot at reasonable times for the construction and maintenance of the Irrigation Infrastructure, and Declarant hereby reserves an easement over each Lot in the Property for the construction of the Irrigation Infrastructure serving such Lot and for purposes of tying in the Irrigation Infrastructure on a particular Lot to the Irrigation Infrastructure on or to be built upon adjoining Lots or Common Areas.

7.6 Master-Metered Potable Water.

a. Construction; Duty of Builders to Tap Onto. It is intended (but shall not be required) that Declarant will construct lines and other infrastructure to provide potable (drinking) water and sewer lines (including any necessary pump or lift stations) to all of the Dwelling Units in the Property via a master potable water meter from the City of Charlotte's municipal water system ("Potable Water Infrastructure"). Such Potable Water Infrastructure may be owned and/or maintained and operated by a private third-party contractor, or may be conveyed to the Association. It shall be the responsibility of the Association to maintain such Potable Water Infrastructure in good working order and to provide potable water to all Lots in the Property via a contractual relationship with the private third-party contractor. The Potable Water Infrastructure shall comply with all applicable engineering standards of federal, state and local authorities regulating the same. It is contemplated (but not guaranteed) that the Association will pay one master potable water bill from the City of Charlotte each month, with each Member's share of such bill being due as a part of his Assessments.

b. Operation and Maintenance; Recapture of Costs. The costs to operate, maintain, insure and repair the Potable Water Infrastructure, including the fees of the private third-party contractor, shall be a Common Expense borne by all Members of the Association. The costs of the actual water furnished and the cost of contributions to a repair and replacement reserve in a reasonable amount to be determined by the Board shall all be Common Expenses. The Board shall apportion such costs among the Members by either i) a uniform amount per Townhome and another uniform amount per condominium Dwelling Unit in the Property, or ii) an amount that bears a reasonable relationship to the amount of potable water used by each Dwelling Unit in the Property.

c. Easements. Declarant and/or the Association and the private third-party contractor shall have the right to enter any Lot at reasonable times for the construction and maintenance of the Potable Water Infrastructure, and Declarant hereby reserves an easement over each Lot and Common Area in the Property for the construction of the Potable Water Infrastructure serving such Lot and for purposes of tying in the Potable Water Infrastructure on a particular Lot to the Potable Water Infrastructure on or to be built upon adjoining Lots or Common Area, and/or to sanitary sewer laterals.

d. Liability. Provided the Potable Water Infrastructure is constructed to applicable legal standards, neither Declarant nor the Association shall be liable for any failure or contamination in the City of Charlotte water supply, and no Member shall have the right to maintain any claim or suit against either Declarant or the Association for any matter related to the quality or quantity of the potable water provided.

ARTICLE EIGHT
MEMBERSHIP; VOTING RIGHTS IN THE ASSOCIATION; RIGHTS AND RESPONSIBILITIES OF THE ASSOCIATION; ESTABLISHMENT OF NEIGHBORHOOD ASSOCIATIONS

8.1 Membership. Every person or entity who is a record Owner of a fee simple interest in any Lot or Dwelling Unit in the Property is subject by this and any other declarations made in connection herewith to all rights, responsibilities and assessments of the Association and shall be a Member of the Association; provided, however, that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a Member.

8.2. Voting Classes. The Association shall have two (2) classes of voting memberships:

a. Class I. The Class I Members shall be all Owners of Lots or Dwelling Units within the Property, other than the Declarant as long as Class II membership exists. Every Class I Member in the Property shall be entitled to one (1) vote for each Lot or Dwelling Unit which he owns. In the case of multiple ownership of any Lot or Dwelling Unit, however, those multiple Owners shall be treated collectively as one Owner. The Class I Members shall be divided into two (2) sub-classes ("Neighborhood Voting Groups") as follows:

i Neighborhood Voting Group 1 shall consist of all those Owners of Townhome Lots as defined in that Declaration of Covenants, Conditions and Restrictions for Park South Station Townhomes recorded in the Mecklenburg County Registry, and

ii Neighborhood Voting Group 2 shall consist of all those Owners of Condominium Units as defined in that Declaration of Condominium for Park South Station Condominiums recorded in the Mecklenburg County Registry, as the same may by supplemented from time to time to add additional Condominium Units to the operation of such declaration.

b. Class II. The Class II Member shall be the Declarant, who shall be entitled to six (6) votes for each Lot or Dwelling Unit owned by it within the Property. The Class II membership shall cease and be converted to Class I membership on the happening of the first to occur of the following events:

i. Declarant no longer owns any Lot within the Property, or

ii. December 31, 2014.

c. Additional Property. If the Class II membership has been terminated or has expired and subsequently additional properties owned by the Declarant thereafter become subject to this Declaration pursuant to Section 1.2, the Class II membership shall immediately be reinstated as of the date such additional properties become subject to this Declaration and shall not terminate until Declarant no longer owns any Lot within the entirety of the property then comprising the Property.

8.3. Voting; Proxies.

a. If only one of the multiple Owners of a Lot or Dwelling Unit is present at a meeting of the Association, the Owner who is present is entitled to cast all the votes allocated to that Lot or Dwelling Unit. If more than one of the multiple Owners are present, the votes allocated to that Lot or Dwelling Unit may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. Majority agreement is conclusively presumed if any one of the multiple Owners casts the votes allocated to that Lot or Dwelling Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot or Dwelling Unit.

b. Votes allocated to a Lot or Dwelling Unit may be cast pursuant to a proxy duly executed by an Owner. If a Lot or Dwelling Unit is owned by more than one person, each Owner of the Lot or Dwelling Unit may vote or register protest to the casting of votes by the other Owners of the Lot or Dwelling Unit through a duly executed proxy. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated. A proxy terminates 11 months after its date, unless it specifies a shorter term.

c. No votes allocated to a Lot or Dwelling Unit owned by the Association may be cast.

d. There shall be five (5) members of the Board of Directors of the Association. The two (2) Neighborhood Voting Groups of Class I Members specified in subsection 8.2(a) above shall each elect two (2) Owners from the corresponding Neighborhood as members of the Board. In addition, in alternating years, each Neighborhood Voting Group shall elect a third Owner from its Neighborhood to serve as the fifth and final member of the Board, such that each Neighborhood alternates yearly in electing a majority of the Board members. Regardless of whether the Board or the Owners elect to adopt staggered terms for the remaining members of the Board, the fifth member shall always serve a one (1) year term and shall always be elected in the manner described above. The election of the Board of Directors shall otherwise be conducted as set forth in the Bylaws. No Board shall adopt an increase in Assessments (except for Special Assessments as otherwise allowed herein) due from one Neighborhood that is not applicable in the same percentage to the other Neighborhood unless such increase is to be effective only after the next Board takes office.

8.4. Rights and Responsibilities of the Association.

a. Subject to the rights of Owners and Declarant as set forth in this Declaration, the Association has exclusive management and control of the Common Properties once they have been conveyed to the Association, along with all improvements thereon and all furnishings, equipment and other personal property relating thereto as well as certain Limited Common Properties as provided in this Declaration. The Association's duties with respect to such Common Properties include, but are not limited to, the following:

i. maintenance of the Common Properties;

ii. management, operation, maintenance, repair, servicing, replacement and renewal of all landscaping, improvements, equipment and personal property constituting part of the Common Properties or located upon the Common Properties so as to keep all of the foregoing in good, clean, attractive, sanitary, safe and serviceable condition, order and repair;

iii. all landscaping of the Common Properties;

iv. maintenance of adequate public liability insurance insuring the Association and its officers and directors, and adequate property casualty or hazard insurance with a minimum replacement value of eighty percent (80%) after application of any deductibles, for the benefit of the Association with respect to the Common Properties, all of the foregoing insurance policies being maintained and insurance proceeds being used in compliance with the provisions of Section 47F-3-113 of the Act;

v. payment of all taxes and assessments validly levied, assessed or imposed with respect to the Common Properties;

vi. maintenance of private streets and alleys and recreational and other facilities located on the Common Properties;

vii. payment of assessments for public and private capital improvements made to or for the benefit of the Common Properties;

viii. maintenance of all decorative planted medians, knee walls, stone or brickwork on bridges, fences, wall caps, pavers, columns and lights, and other hardscape improvements which may be a part of any road dedicated to public use, it being the intent of this provision that the applicable municipality maintain roads dedicated to and accepted by the municipality, but that the Association shall maintain such additional, primarily decorative features, as may be included or added by the Declarant or the Association in order to beautify such roadways;

ix. operation and maintenance (through a private third-party licensed contractor) of private water and sewer lines, and the Irrigation Infrastructure;

x. such other services as and to the extent the Association deems appropriate; and

xi. payment of reasonable charges for irrigation water, potable water and sanitary sewer.

b. The Declarant is responsible for construction of and maintenance of streets and roads within the Property until such streets and roads are conveyed to the Association as Common Property in accordance with this Declaration. At that time, the Association shall undertake the management, operation, maintenance, repair, servicing, replacement and

renewal of all streets and roads within the Property and all improvements thereon for the express purpose of regulating driving, parking, walking, recreational usage and other such common usages for which the Members may legally utilize the streets and roads on the Property. The Association may also add or removes streets or roads as it deems necessary to protect and enhance the value and safety of the Property. The Association may also delegate responsibility for roads constituting Limited Common Area to the Neighborhood Association managing such area pursuant to a Neighborhood Declaration.

c. The Association may in its discretion provide other services or maintenance as and to the extent the Association deems appropriate, such as, but not limited to, landscaping, security services or devices, including but not limited to operation of entry gates, guard houses, transit stations or shelters, and any other security gates, security personnel and overall traffic control, and the foregoing need not be located in the Property as long as any expenditures have a reasonable nexus to the well-being and property values of the Property.

d. The Association may obtain and pay for the services of any person or firm to manage its affairs to the extent the Board deems advisable, as well as such other person or firm as the Board determines is necessary or desirable, whether such person or firm is furnished or employed directly by the Association or by any person or firm with whom it contracts. Without limitation, the Board may obtain and pay for legal, accounting, engineering or other professional services necessary or desirable in connection with the Common Properties or the enforcement of this Declaration, the Association's Articles of Incorporation, Bylaws, rules or regulations. The Association may acquire, hold, exchange and dispose of real property and tangible and intangible personal property, subject to such restrictions as from time to time may be contained in this Declaration, the Association's Articles of Incorporation or the Bylaws. The Board, from time to time, may adopt, alter, amend, rescind and enforce reasonable rules and regulations governing use and operation of the Common Properties and the general governance and operation of the Property, which rules and regulations shall be consistent with the rights and duties established by this Declaration. The validity of the Board's rules and regulations, and their enforcement, shall be determined by a standard of reasonableness for the purpose of protecting the value and desirability of the Lots, Dwelling Units and Common Areas within the Property and the peaceful coexistence of all the Owners. The Association may, acting through its Board, contract with other residential associations or commercial entities, neighborhoods or clubs to provide services or perform services on behalf of the Association and its Members. In addition, the Association may contract with other residential associations or commercial entities, neighborhoods or clubs within the Property to provide services in or perform services on behalf of such other associations, neighborhoods or clubs.

e. If a Neighborhood Association fails to properly maintain, repair, replace, landscape, insure, or otherwise keep up the Limited Common Properties for which it was assigned responsibility, the Association may at its sole discretion perform such duties and assess the costs thereof against all Lots and Dwelling Units in a Neighborhood as Special Individual Assessments in accordance with the provisions of Article Ten hereof. The Association shall first provide ten (10) days' written notice to the Neighborhood Association and the Owners of all Lots or Dwelling Units in the Neighborhood of its intention to perform such duties and charge the Owners for the cost thereof, and it shall so perform the duties and charge the Owners for the cost thereof only if the duties are not fully performed at the end of the ten (10) day period.

f. The Association may perform any duty required of an Owner hereunder or under the Bylaws and assess the costs thereof against the Owner's Lot(s) or Dwelling Unit(s), as a Special Individual Assessment in accordance with the provisions of Article Ten hereof. The Association shall first provide ten (10) days' written notice to the Owner of its intention to perform such duties and charge the Owner for the cost thereof, and it shall so perform the duties and charge the Owner for the cost thereof only if the duties are not fully performed at the end of the ten (10) day period.

g. The Association may provide for or perform itself the services of landscaping and maintenance of right-of-way dedication areas on or adjacent to the Property so as to ensure an aesthetically pleasing and uniform look equal to or exceeding the standards of the highest-quality townhome and condominium communities of similar price ranges in the

Charlotte, North Carolina area along roads, streets, rights-of-way, parks, greenways or Common Properties that are within or adjacent to the Property. Expenses of the Association in performing these tasks shall be a Common Expense.

h. If any Dwelling Unit is rented or leased and the tenant thereof is violating these covenants or the rules or regulations of the Association and Owner of the same is unable or unwilling to correct and/or cure such violations, then, after reasonable written notice provided to the Owner at his or her last known address as well as to the tenant, the Association shall have the power to evict the renter as provided by North Carolina law, and to execute upon any such eviction, and each Owner hereby irrevocably appoints the Association as his or her attorney-in-fact for such purpose and agrees to pay the costs thereof including reasonable attorneys fees.

8.5. Limitation on Litigation of the Association. No judicial or administrative proceeding shall be commenced or prosecuted by the Association against the Declarant or any Builder unless approved by a vote of seventy-five percent (75%) of the Members. This Section shall not be amended unless such amendment is made by the Declarant or is approved by a vote of seventy-five percent (75%) of the Members.

8.6. Establishment of Neighborhood Associations.

a. Formation of Neighborhood Associations. Non-profit Neighborhood Associations shall be formed by or on behalf of the Owners of i) all the townhome Lots and ii) all the condominium Dwelling Units in the Property pursuant to Townhome or Condominium Declarations (hereinafter, the "Neighborhood Associations") to be created in connection therewith and in accordance with the terms of this Declaration.

b. Governance of the Neighborhood Association. Each Neighborhood Association shall be governed by bylaws, which shall be modeled upon the Bylaws and otherwise shall be in accordance with all applicable laws and regulations.

ARTICLE NINE
PROPERTY RIGHTS IN THE COMMON PROPERTIES

9.1. Members' Easements of Enjoyment. Subject to the provisions of this Declaration, every Member shall have a right and easement of enjoyment in and to all of the Common Properties and the Facilities and such easement shall be appurtenant to and shall pass with the title to every Lot or Dwelling Unit in the Property.

9.2. Delegation of Use. Any Owner may delegate its rights of enjoyment of the Common Properties and the Facilities to the members of its family, its tenants, contract purchasers who reside on the property, or its guests.

9.3. Title to Common Properties. The Declarant may retain the legal title to any Common Properties shown on any Recorded Plat of the Property, until such times as it has completed improvements, if any, thereon and until such times as Declarant so wishes and/or, in the opinion of the Declarant, the Association is able to maintain the same but, notwithstanding any provision to the contrary herein, the Declarant hereby covenants, for itself, its successors and assigns, that it shall convey, and upon such conveyance the Association shall accept, any such Common Properties to the Association or Neighborhood Associations not later than December 31, 2012. The Common Properties cannot be mortgaged or conveyed to any entity besides the Association or a Neighborhood Association without a vote in favor by at least eighty percent (80%) of the votes in the Association.

9.4. Extent of Members' Easements. The use of Common Properties belonging to the Association shall be a membership entitlement. The rights and easements of enjoyment created herein shall be subject, however, to the following:

a. the right of the Declarant, in its sole discretion, to grade, pave or otherwise improve or modify any road or street shown on any Recorded Plat;

b. the right of the Board to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Properties, including the right to limit the number of guests, to regulate hours of operations and behavior, and to curtail any use or uses it deems necessary for either the protection of the Facilities or Recreational Facilities or the peace and tranquility of adjoining residents;

c. the right of the Association to construct and maintain a gated, password-enabled entry or other access-control devices to the Property in order to regulate the ingress, egress and regress of persons onto the Property, but provided, however that the Association and the Declarant disclaim any duty whatsoever with regard to the safety or security of any Owner or occupant, including guests, invitees and family members, in the Property;

d. the right of the Association, as provided in its Articles of Incorporation or Bylaws, to suspend the enjoyment rights of any Member for any period during which any assessment of that Member remains unpaid, and for any infraction of any published rules and regulations adopted by the Board;

e. the right of the Association to lease and use any of the Common Properties for functions, lessons, or special events and to allow the lessee to charge admission or other fees for functions, lessons, or special events;

f. the right of the Association or its assignee to charge reasonable admission and other fees for use of any of the Association's Recreational Facilities situated upon its Common Properties;

g. subject to Section 9.5 below, the right of the Association to convey all or any part of the Common Properties (which includes streets and roads). Except as provided below, any such conveyance shall be subject to the provisions of the Planned Community Act requiring approval of the Members for conveyances of common areas; provided that this subsection shall not preclude the Board from conveying at such purchase price as the Board deems appropriate strips or portions of the Common Areas to any Owner in order to resolve any gap, gore, overlap or other boundary line conflict or to make the Lot more usable as a homesite provided such conveyance does not in the good faith judgment of the Board adversely affect the overall use and enjoyment of the Common Areas;

h. the right of Declarant or the Association to convey portions of the Common Properties to appropriate Neighborhood Associations; and

i. the right of Declarant or the Association to fence off or otherwise restrict access to particular Common Properties, such as stormwater detention or retention basins, irrigation water holding ponds, and the like, if deemed reasonably necessary for safety or liability purposes.

9.5. Conveyance or Encumbrance of Common Areas. The Association may grant easements upon, over, under and across the Common Areas in its sole discretion. Otherwise, portions of the Common Area may be conveyed pursuant to the Planned Community Act.

9.6. Limited Common Property.

a. Certain portions of the Property, including Common Areas, may be designated as Limited Common Area and reserved for the exclusive use or primary benefit of Owners and occupants within a particular Neighborhood or Neighborhoods, or may be conveyed by Declarant or the Association to the appropriate Neighborhood Association. By way of illustration and not limitation, Limited Common Area may include entry features, recreational facilities, landscaped areas, parks, roadways not necessary to provide other Lots with access to public streets, and other portions of the Common Areas within a particular Neighborhood. All costs associated with maintenance, repair, replacement, and insurance of a Limited Common Area shall be a Neighborhood expense allocated among the Owners in the Neighborhood(s) to which the Limited Common Area is assigned. Furthermore, certain portions of the Property may also be designated as Limited Common Area and reserved for the exclusive use or primary benefit of Owners and occupants of

particularly identified Lots or Dwelling Units. Unless otherwise specified, Limited Common Elements specifically applicable just to certain identified Lots and Dwelling Units, shall be deemed a Common Expense of the Association.

b. The Association may, upon approval of the Neighborhood Association for the Neighborhood(s) to which any Limited Common Area is assigned, permit Owners in other Neighborhoods to use all or a portion of such Limited Common Area upon payment of reasonable user fees, which fees shall be used to offset the Neighborhood expenses attributable to such Limited Common Area.

c. The Declarant may initially designate Limited Common Areas and assign the exclusive use thereof in the deed conveying such property to the Association, to the appropriate Neighborhood Association, or on a Recorded Plat. In addition, the Declarant or the Association may re-designate property from Common Area to Limited Common Area, in the manner described in the definitions of such terms hereunder, in the deed conveying such property to the Neighborhood Association, or on a Recorded Plat if such property is not developed as or intended to be developed as the community pool, or the clubhouse associated therewith, described in Article Twelve of this Declaration, and if the property to be conveyed or designated has a reasonable nexus to the property encumbered by the applicable Neighborhood Declaration.

d. Limited Common Areas may be redesignated as Common Areas by deed to the Association from a Neighborhood Association or by designation on a Recorded Plat if the Declarant determines that it is in the best interest of the Property to change the use of such property, based on factors such as, but not limited to, the ability or willingness of the Neighborhood Association to maintain the Limited Common Areas or the benefit to other Lots not in the Neighborhood with the Limited Common Area of the use of such Limited Common Area. Otherwise, Limited Common Areas may not be conveyed or subjected to a security interest without the consent of all Lots or Dwelling Units in the applicable Neighborhood. Distribution of the proceeds of the sale of Limited Common Area shall be as provided in an agreement between the Owners of the Lots and Dwelling Units in the Neighborhood and the Neighborhood Association.

9.7. Private Roads. All or some of the roads in the Property are intended to be private and maintained solely by the Association. The Owners of the Lots bordering such private roads shall have an easement but no more than an easement for ingress and egress for themselves, their tenants, agents, employees, representatives, invitees and assigns over such private streets and roads, and there shall be no public rights of any kind therein, unless approved by the Members in accordance with the provisions of this Article. Declarant reserves the right to name and revise from time to time the names or other designations given to such private streets or roads.

9.8. Stormwater Management Improvements. The Declarant will be responsible for maintenance of any stormwater management swales, channels, check dams, detention ponds or retention ponds, or the like, within the Common Properties until the same are conveyed to the Association. Such maintenance shall include periodic removal of sediments, restabilization of swales and channels as needed, checking dam repairs, flushing of driveway culverts, and maintenance of silt fencing and vegetation cover as necessary. Owners, however, shall be responsible for maintaining and clearing any of such stormwater infrastructure and management systems located on their Lots. The use of silt fences in the swales shall be governed by the provisions of Section 6.20 hereof. The Association may elect to monitor and enforce Owners' compliance with the foregoing requirements and the requirement to install and maintain driveway culverts in accordance with Section 6.20 hereof, or the Association may elect to assume responsibility for one or more components of the stormwater management facilities, as it deems necessary, within the Property. If the Association elects to assume overall responsibility for stormwater management facilities or any component thereof, any costs thereof shall be treated as either an expense of the Association, paid through annual and/or special capital assessments, or shall be treated as an expense of only certain Neighborhoods, Lots or Dwelling Units on whose behalf such expenses were incurred, paid through Special Individual Assessments.

9.9 Owners' Personal Property. The Association or the Declarant shall not be liable in any manner for the safekeeping, condition or loss of any vehicle or other personal property belonging to or used by an Owner or his family, guests or invitees, located on or used in the private roads, streets, parking areas, Common Areas or the Limited Common Areas.

9.10. Shared Parking Areas. Certain parking areas shown on the Recorded Plats are to be shared by one or more Owners or their guests and family members. The Association shall adopt reasonable rules and regulations regarding the apportionment of the parking spaces in each parking area among the Owners appurtenant thereto, including the provision of fines and/or towing for violations of such rules. Numbering of spaces and/or the use of parking stickers may be instituted in the sole discretion of the Board. The Owners of Dwelling Units in Multi-Family Dwellings shall pay as Limited Common Expenses their pro rata shares of the costs to maintain (including adequate repair and replacement reserves) the parking lot serving their Dwelling Unit, regardless of whether and to what extent such Owner actually makes use of such parking lot. The remaining Members shall have an access easement upon, through and across such parking lots, but shall in no case have any right to park vehicles in them except as allowed in the aforesaid rules and regulations regarding parking adopted by the Board.

9.11 Access Easement Reserved. The Declarant reserves unto itself for the benefit of Declarant, its successors and/or assigns, a non-exclusive and alienable easement and right of ingress, egress and regress over and across all streets, alleys and roads and Common Areas within the Property for access to and from other real property of Declarant or its successors and/or assigns. Unless designated as a "Permanent Easement" or words of similar import on a recorded plat, such easement shall continue until that time when all new construction has ceased on the Property, and any damage caused by Declarant, its agents, successors and/or assigns to the private streets and roads within the Property when exercising its rights created by this Section shall be repaired at the expense of Declarant, its successors or assigns. In addition, an easement and right of ingress, egress and regress over and across all private streets and roads within the Property is hereby granted to any applicable governmental agency, for the purpose of fulfilling its duties, including, without limitation, law enforcement, fire protection, garbage collection, delivery of the mail, and any other service related to keeping the peace and preserving the general welfare.

ARTICLE TEN
COVENANT FOR PAYMENT OF ASSESSMENTS

10.1. Creation of the Lien and Personal Obligation for Assessments. Except for Declarant and Builders, whose obligations to pay Assessments are set forth in Sections 10.12 and 10.13 below, each Member who is the owner of any Lot or Dwelling Unit, by acceptance of a deed therefor, and all other Members, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to and does hereby covenant and agree to pay as limited below, to the Association:

a. annual assessments or charges as herein or in the Bylaws provided,

b. special assessments for emergency repairs, for contributions to the Association's reserves fund and for capital improvements (such annual and special assessments to be fixed, established, and collected from time to time as herein or in the Bylaws provided); and

c. Special Individual Assessments, as defined and described in Section 10.5.

d. The annual and special Assessments and any Special Individual Assessments of an Owner and any fines, liquidated damages or summary charges as herein or in the Bylaws provided, together with such interest thereon and costs of collection thereof as herein provided, shall be a charge on the land and shall be a continuing lien upon the Lot or Dwelling Units against which each such Assessment is made. Each such Assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person or persons jointly and severally, who is (are) the Owner(s) of such properties at the time when the Assessment fell due.

10.2. Purpose of Assessments. The Assessments levied by the Association shall be used to promote the recreation, health, access, maintenance of property values, security, safety and welfare of the residents of the Property and other Members, and in particular but without limitation, for:

a. improvement, maintenance, and replacement of any of the private roads or the Common Properties including, without limitation, the Facilities and Recreational Facilities;

b. payment of the Common Expenses;

c. implementation and enforcement of proper maintenance of exteriors of Dwelling Units, Multi-Family Dwellings and related improvements on Improved Lots in the Property, if necessary, subject to reimbursement by the Owner(s) of such property pursuant to Sections 11.1 and 11.2 of this Declaration;

d. in the discretion of the Association, improvement, maintenance, replacement, repair, landscaping, insuring or otherwise keeping up of any of the Limited Common Areas when the Neighborhood Association responsible for such duties has failed to do so;

e. establishment of capital replacement reserves;

f. acquisition of services and facilities devoted to the foregoing purposes or for the use and enjoyment of the Association's Common Properties, including but not limited to, the cost of repairs, replacements, additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against those Common Properties, the procurement and maintenance of insurance related to those Common Properties, its recreational facilities and use in accordance with the Bylaws, the employment of attorneys to represent the Association if necessary, and such other requirements as are necessary to perform all of the aforesaid functions and purposes; and

g. Any other purpose provided or allowed by the Act.

10.3. Assessment of Uniform Rates. Both annual and special assessments shall be fixed at uniform rates for i) every similar townhome Lot (townhome Lots of different sizes or with different features such as garages may be treated as separate classes for some purposes, although assessments shall be uniform within each class) and ii) every condominium Dwelling Unit (after the appropriate Neighborhood Declaration(s) creating the condominiums is/are recorded and subject to similar classifications provided for above), respectively, within the Property. Except as specified above, there will be no difference between assessments as to Lots in each class, or between assessments as to Dwelling Units in each class, except that the Owner(s) of some Lots or Dwelling Units may be subject to an assessment for the maintenance, improvement and replacement of any Limited Common Properties serving such Lot or Dwelling Unit but less than all the Lots and Dwelling Units. Furthermore, each Neighborhood Association shall be entitled to impose additional assessments as may be provided in the Neighborhood Declaration. The setting of such assessments, collection and enforcement of any such assessments shall be governed by the terms of the Neighborhood Declaration and applicable law. Assessments paid to a Neighborhood Association shall not in any way diminish or offset any Assessments due and owing under the terms of this Master Declaration to the Association unless specifically provided to the contrary in a Supplement to this Declaration.

10.4. Special Assessments for Capital Improvements.

a. In addition to the regular annual Assessments, the Association may levy in any assessment year, a special Assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of professional or consulting fees, any construction or reconstruction, unexpected repairs or replacement of any capital improvement located upon the Association's Common Properties, or Limited Common Properties (in the discretion of the Association), including the necessary fixtures and personal property related thereto, provided that any such Assessment shall have the consent of two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall have been sent to all Members in accordance with the provisions of the Bylaws for such special meetings.

b. In addition to the foregoing special Assessment approved by the Members, as described in the preceding paragraph, the Association may levy a special Assessment, for any reason, without the consent of the Members. The amount of such Assessment, however, may not exceed $500.00 per Lot or Dwelling Unit per year.

10.5. Special Individual Assessments. In addition to the regular annual Assessments and the special Assessments for capital improvements described above, the Association may levy, from time to time, on a particular Lot or Dwelling Unit rather than on all Lots, Dwelling Units or types of Lots or Dwelling Units in the Property, special individual Assessments, immediately due and payable, consisting of any fines assessed by the Association under authority contained herein or in the Bylaws for an Owner's violations of the terms and conditions of this Declaration, the Bylaws or the rules and regulations of the Association, any liquidated damages or summary charges imposed under authority contained in the Bylaws, together with costs, fees and expenses (including reasonable attorneys' fees) incurred by the Association incidental to the enforcement of any rules and regulations, the collection of Assessments (both annual and special) or the collection of damages or charges arising under the Bylaws, or, in accordance with the provisions of Section 8.4(e) hereof, the pro rata share apportioned to such Lot or Dwelling Unit of the expenses incurred by the Association in maintaining Limited Common Properties for which the Neighborhood Association governing the Neighborhood to which the Lot or Dwelling Unit belongs has failed to properly maintain, repair, replace, landscape, insure, or otherwise keep up, all of the foregoing of which shall comprise "Special Individual Assessments."

10.6. Initial Capital Contributions of Homeowners. Each initial and subsequent purchaser of any and all Dwelling Units in the Property hereby covenants and agrees to pay to the Declarant a one-time capital contribution pursuant to the following schedule (Lot sizes are nominal, not actual):

i.	22 foot wide Lots:	$500.00.
ii.	28 foot wide Lots:	$600.00.
iii.	Lots larger than 28 feet wide:	$750.00.
iv.	Condominium units:	$400.00.

The applicable sum shall be paid at the purchaser's closing on such Dwelling Unit. Such contribution shall not be prorated, shall be collected by the closing attorney at closing and forwarded to the Declarant, along with a copy of the closing statement, at 9179 Davidson Highway, Concord, North Carolina, 28027, and shall be collectible as an Assessment herein if not paid.

10.7. Date of Commencement of Annual Assessment; Due Dates. The regular annual Assessments provided for herein shall be paid (as determined by the Board) in monthly, quarterly, semiannual, or annual installments. The payment of the regular annual Assessment by Owners shall commence as to each Lot or Dwelling Unit, on the first day of the month following the conveyance of that property by the Declarant. The first regular annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the annual Assessment at least fifteen (15) days in advance of each regular annual Assessment period. Written notice of the regular annual Assessment shall be sent to every Member subject thereto. The due dates shall be established by the Board. The Association, upon any qualified demand (as determined by the Board) at any time, shall furnish a certificate in writing signed by an officer of the Association setting forth whether any specific Assessment has been paid. Such properly executed certificate of the Association as to the status of the Assessment is binding upon the Association as of the date of its issuance. The first Assessments levied against any additions to the Property not now subject to Assessment, at a time other than the beginning of any Assessment period, shall be an amount which bears the same relationship to the regular annual Assessment as the remaining number of months in that year bear to twelve. The due date of any special Assessment under Section 10.4 or any other Assessments permitted by the Declaration shall be fixed in the resolution or resolutions authorizing such Assessment.

10.8. Duties of the Board of Directors.

a. The Board of Directors of the Association shall fix the amount of the Assessment or Assessments against each Member, for each Assessment period, at least fifteen (15) days in advance of such date or period and shall, at that time, prepare a roster of the Members and Assessments applicable thereto which shall be kept in the office of the Association, or at any other place designated by the Board upon notice to the Members, and which shall be open to inspection by any Member. Unless otherwise provided by the Board of Directors of the Association, the annual Assessment Period shall be deemed the calendar year commencing January 1st and ending December 31st of any year. The Board of Directors of the Association shall have the right to change the Annual Assessment Period to a fiscal year other than a calendar year by vote of the Board of Directors.

b. Within thirty (30) days after adoption of any proposed budget for the Property, the Board shall provide to all Owners a summary of the budget and a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The Board shall set a date for a meeting of the Owners to consider ratification of the budget, such meeting to be held not less than ten (10) nor more than sixty (60) days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget shall be deemed ratified at the meeting unless at that meeting a majority of the Owners in the Association reject the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners (or the initial budget if no other budget has been ratified by the Owners) shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

c. Assessments to pay a judgment against the Association may be made only against the Lots or Dwelling Units in the Property at the time the judgment was entered, in proportion to their Common Expense liabilities. If Common Expense liabilities are reallocated, Common Expense Assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense liabilities.

10.9. Effect of Non-Payment of an Owner's Assessment; Personal Obligation of the Owner; Lien; Remedies of Association.

a. If the Assessments of an Owner are not paid within thirty (30) days following the date due (being the dates referred to in Section 10.7), then such Assessments shall become delinquent and shall, together with such interest thereon and costs of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot(s) or Dwelling Unit(s), as appropriate, from and after the time of the filing of a claim of lien with the Clerk of Superior Court of Mecklenburg County, which lien shall bind such Lot(s) or Dwelling Unit(s), as appropriate, in the hands of the then-Owner, his heirs, devisees, personal representatives, successors and assigns. The personal obligation of the then Owner to pay such Assessment shall remain his personal obligation for the statutory period; and, in addition, shall pass to his successors in title (as an encumbrance or lien against the Lot or Dwelling Unit, as appropriate) unless expressly waived by the Board.

b. If the Assessment(s) is not paid within thirty (30) days after the due date, the Assessment(s) shall bear interest from the date of delinquency at the rate of one and one-half percent (1.5%) per month (or the highest rate allowed by law, whichever is less), and the Board, acting on behalf of the Association, may authorize its officers to bring appropriate civil action against the Owner personally obligated to pay the same or to file a claim of lien and foreclose such lien against any such Lot(s) or Dwelling Unit(s), as appropriate, in like manner as a mortgage on real estate under power of sale under Article 2A of Chapter 45 of the North Carolina General Statutes, and there shall be added to the amount of such Assessment, the costs of such action and reasonable attorneys' fees or other cost incurred by the officers of the Association pursuant to authority of the Board. A claim of lien shall specify the name and address of the Association, the name of the record owner of the Lot or Dwelling Unit at the time the claim of lien is filed, a description of the Lot or Dwelling Unit, and the amount of the lien claimed. In the event a judgment is obtained against any Owner for such Assessments, such judgment shall include interest on the Assessment as above provided and a reasonable attorney's fee to be fixed by the court, together with the costs of the action. In addition, the Board may set a schedule of late fees also due and payable if an Assessment is not paid within thirty (30) days after the due date, which late fees shall be in addition to the other changes described herein.

10.10. Subordination of the Lien on an Owner's Property to Mortgages or Deeds of Trust. The lien on an Owner's property of the Assessments provided for herein shall be absolutely subordinate to the lien of any first mortgage or deed of trust now or hereafter placed upon any Lot or Dwelling Unit. The subordination shall not relieve any Lot or Dwelling Unit from liability for any Assessments now or hereafter due and payable, but the lien thereby created shall be secondary and subordinate to any first mortgage or deed of trust as if said lien were a second mortgage, irrespective of when such first mortgage or deed of trust was executed and recorded. The sale or transfer of a Lot or Dwelling Unit shall not affect any lien for Assessments. However, the sale or transfer of a Lot or Dwelling Unit that is subject to a first mortgage or first deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such Assessments as to the payment thereof which became due prior to such sale or transfer. The extinguished Assessments shall be collectable as a Common Expense from all Owners in the Property. No such sale or transfer shall relieve a Lot or Dwelling Unit from liability for any assessments thereafter becoming due, or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any such first mortgage or first deed of trust.

10.11. Exempt Property. The following property subject to this Declaration shall be exempted from the Assessments, charges and liens created herein:

a. all Common Properties as defined in Article Three of this Declaration;

b. all Limited Common Properties as defined in Article Three of this Declaration; and

c. all properties exempted from taxation by the laws of the State of North Carolina, upon the terms and to the extent of such legal exemption. (Homestead exemptions shall not be considered an exemption.)

d. No Lot or Dwelling Unit shall be exempt from said Assessments, charges or liens except as described in Sections 10.12 and 10.13 hereof.

10.12. Declarant's Obligations for Assessments. As long as and whenever the Declarant owns twenty-five percent (25%) or more of the Lots comprising the Property from time to time, the Declarant's obligation for Assessments on such Lots subject to this Declaration will be limited to the difference between the actual operating costs of the Association and the Assessments levied on the existing Members other than the Declarant. In no event, however, will the Declarant be required to make a deficiency contribution in any amount greater than the Builder Rate (defined below) on unsold Lot(s) owned by Declarant. Such advances by Declarant shall, at the request of Declarant, by evidenced by promissory notes from the Association in favor of Declarant, but the failure of Declarant to request the same shall not invalidate the debt to Declarant. Whenever the Declarant owns less than twenty-five percent (25%) of the Lots in the Property, Declarant shall pay Assessments at the Builder Rate for each Lot owned by Declarant, and the Declarant shall not have any obligation to make a deficiency contribution.

10.13. Builders' Obligations for Assessments.

a. Notwithstanding anything to the contrary in Section 10.3 or Section 10.7, for each Lot owned or constructed by a builder who does not intend to live in the improvement they are constructing or causing to be constructed ("Builders"), a one-time assessment shall be paid by the Builder to the Association pursuant to the following schedule (Lot sizes are nominal, not actual):

i.	22 foot wide Lots:	$500.00.
ii.	28 foot wide Lots:	$590.00.
iii.	Lots larger than 28 feet wide:	$670.00.

The foregoing payment shall be paid at the purchase of Lot from the Declarant and shall be in lieu of regular Assessments for a period of six (6) months. If the Builder still owns the Lot after six (6) months, subparagraph (b) below shall apply to the Builder's obligation to pay Assessments thereafter.

b. The annual Assessments on Lots owned by Builders after the above-referenced six (6) month period shall accrue annually at a rate equal to half (50%) of the rate applicable to Owners (other than the Declarant) (such discounted rate herein called the "Builder Rate") from 180th day after the date of the Builder's purchase of the Lot. Once a Lot is sold by a Builder to any third party which is not a Builder, the new Owner thereof shall pay Assessments at the full rate for each such Lot.

c. For Condominium units, regular Assessments shall be paid as set forth in the Condominium Declaration and there shall be no special builder rate for such units.

10.14. Maximum Annual Assessment. From and after January 1 of the year immediately following the conveyance of the first Lot or Dwelling Unit from the Declarant, the annual Assessment each year may be increased no more than 20% above the previous years' Assessment, unless two-thirds or more of each class of the Members present or voting by proxy at a duly called meeting vote to increase the annual Assessments for a given year by more than 20% more than the annual Assessments for the prior year. The Board may fix the annual Assessments at any amount not greater than the maximum described here or determined by the duly-called meeting as described above. The limitation in the increase in the annual Assessments herein shall not apply to any change in the maximum amount of the Assessments undertaken as an incident to a) a merger or consolidation in which the Association is authorized by law to participate, b) as an incident to any additions to the Property or submission of additional property pursuant to Section 1.2 of this Declaration, c) in connection with the addition of Recreational Facilities to the Property pursuant to Article Twelve hereof, or d) a special emergency Assessment pursuant to Section 10.4(b) hereof.

10.15. Neighborhood Assessments Separate from Master Assessments. Owners are hereby reminded that Assessments described hereunder are different from and in addition to any and all assessments established in any Neighborhood Declaration affecting their Lot or Dwelling Unit, and the levying and payment of Assessments pursuant to this Declaration does not diminish, replace, or alter the levying and payment of assessments by and to a Neighborhood Association as described in a Neighborhood Declaration affecting an Owner's Lot or Dwelling Unit.

10.16. Attorneys' Fees. In any action brought by the Association to enforce any provisions of the Articles of Incorporation, this Declaration, the Bylaws, or the duly-adopted rules and regulations of the Association, the court may award reasonable attorneys' fees to the prevailing party.

ARTICLE ELEVEN
EXTERIOR MAINTENANCE AND INSURANCE

11.1. Exterior Maintenance. After ten (10) days written notice to an Owner specifying any maintenance required to a Lot or Dwelling Unit pursuant to this Declaration, the Association or the applicable Neighborhood Association shall have the right but not the obligation to provide maintenance upon any Lot or Dwelling Unit that is subject to Assessments hereunder. Such maintenance includes (but is not limited to) painting, repairing, replacing and care of roofs, gutters, downspouts, removal of improvements or signs erected in violation of this Declaration, and exterior improvements on any Dwelling Unit. Such maintenance may include the mowing of grass and weeds, the trimming of shrubs, or the removal of trash and litter.

11.2. Assessment of Cost on Exterior Maintenance. The cost of any such maintenance, plus an administrative fee of twenty-five percent (25%) of such cost, shall be assessed against the Lot or Dwelling Unit upon which such maintenance is done and shall be treated as a Special Individual Assessment pursuant to Section 10.5 hereof, and shall be a lien against any such Lot or Dwelling Unit upon filing a claim of lien with the Clerk of Court of Mecklenburg County, and a personal obligation of the Owner and shall become due and payable in all respects as provided herein.

11.3. Maintenance of Dwelling Units. Each Owner of a Dwelling Unit within the Property, by acceptance of a deed therefor, whether or not it shall be expressed in said deed or by exercise of any act of ownership, is deemed to covenant:

a. to rebuild or restore such Dwelling Unit in the event of damage thereof and to apply the full amount, to the extent necessary, of any insurance proceeds to the restoration or repair of such Dwelling Unit or to demolish the damaged Dwelling Unit and leave the Lot in a clean and orderly condition; and

b. to keep the Dwelling Unit in good and aesthetically pleasing repair as required by this Declaration, the Bylaws, or any rules and regulations promulgated thereunder.

ARTICLE TWELVE
RECREATIONAL FACILITIES

The Declarant may construct recreational amenities, including without limitation a pool and clubhouse, in one or more of the Common Areas. The Recreational Facilities shall be provided for the benefit of all Owners of Lots or Dwelling Units within the Property, their tenants and guests within the Property and, at the sole option of Declarant, to other owners of Lots or Dwelling Units within other additions submitted to this Declaration, and their tenants and guests. The Recreational Facilities shall be managed, operated, repaired, serviced, replaced, renewed, and maintained as part of the Common Properties, and such costs thereof shall be Common Expenses. The Declarant or the Board may impose reasonable regulations regarding the use of any such Recreational Facilities to insure accessibility, safety, harmony and preservation of any such Recreational Facilities.

ARTICLE THIRTEEN
AMENDMENT TO DECLARATION

13.1. Owner/Member Initiated.

a. An amendment to this Declaration may be proposed upon a majority vote of the Owners (including the Declarant while the Declarant is an Owner), whether meeting as Owners or by instrument in writing signed by them. Any proposed amendment to this Declaration shall be transmitted in writing to all current Owners, and there shall be called a special meeting of the Owners for a date not sooner than ten (10) days nor later than sixty (60) days from date of notice. It shall be required that each Owner be given written notice of such special meeting, stating the time and place, and reciting the proposed amendment in reasonably detailed form. Such notices shall be made in compliance with the provisions of Section 4.2 hereof, and after made in compliance therewith, shall be deemed to be properly given. Any Owner may, by written waiver of notice signed by such Owner, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of notice to such Owner. At the meeting, the amendment proposed must be approved by an affirmative vote of sixty-seven percent (67%) of the votes (with the votes being calculated as provided in Sections 8.2 and 8.3 hereof) of Owners (including the Declarant) entitled to vote in order for such amendment to become effective. At any meeting held to consider such amendment, the written vote of any Owner shall be recognized and counted even if such Owner is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association prior to or at such meeting. If so approved, such amendment of this Declaration shall be properly transcribed and certified by two (2) officers of the Association, on a form substantially similar to the form attached hereto as Exhibit C, as having been duty adopted and approved by the requisite percentages of Owners. The original or an executed copy of such amendment, properly executed with the same formalities as a deed, shall be recorded in the Office of the Register of Deeds of Mecklenburg County, and no such amendment to this Declaration shall be effective until so recorded. If any amendment to the Declaration creates an inconsistency in the Bylaws, to the extent such inconsistency exists, the Declaration shall control.

b. Without the prior written consent of the Declarant (during Class II membership), there shall not be allowed any Owner/Member-initiated amendments to this Declaration. This limitation shall in no way limit or diminish Declarant's rights to make amendments to any part of the Declaration under the powers reserved elsewhere in this Declaration. No amendment may disturb any of the rights allocated to Declarant by this Declaration or any other declaration recorded for the Property, including but not limited to rights incident to the Declarant's control of the Board, rights included in the Special Declarant Rights, and the Development Rights of Declarant.

13.2. Declarant's Right to Unilaterally Amend; Control of Board.

a. Reservation of Development Rights. Pursuant to Section 47F-1-103(28) of the Act, Declarant hereby reserves unto itself for so long as it owns any interest in any Lot in the Property the right, without further notice and without the joinder or consent of any Owner, (i) to add real estate to the Property, (ii) to create Lots, Units, Common Elements or limited Common Elements, (iii) to subdivide Lots or Units, (iv) to realign or change the boundaries of any Lots or Common Elements, (v) to withdraw real estate from the Property or from the Common Elements, and (vi) to amend this Declaration in order to ensure development of the Property in accordance with Declarant's development plan for the Property, or for the exercise of any other development right or Special Declarant Right (collectively, "Development Rights").

b. Reservation of Special Declarant Rights. Pursuant to Section 47F-1-103(28) of the Act, Declarant hereby reserves unto itself for so long as it owns any interest in any Lot in the Property the right, without further notice and without the joinder or consent of any Owner, (i) to exercise Special Declarant Rights as reserved elsewhere in this Declaration, (ii) to complete improvements indicated on plats and plans recorded before, with or pursuant to this Declaration, (iii) to exercise any Development Right, (iv) to maintain sales offices, management offices, signs advertising the Property, and models, (v) to use easements through the Common Elements for making improvements within the Property or within real estate which may be added to the Property, and (vi) to appoint or remove any Director or officer of the Association and to veto any decision, resolution or act of the Board or any committee of the Board or of any officer or agent of the Association during any period when Class II membership exists (collectively, "Special Declarant Rights").

c. No Amendments. This Section 13.2 may not be amended, modified or removed without the express written consent of the Declarant.

13.3. When Effective; Recording; Title Searching. An amendment to this Declaration that complies with the provisions of this Article shall be effective when recorded in the Mecklenburg County Register of Deeds. The amendment shall be indexed under the name of the Declarant or its successor, the Association or its successor, or the Owners of the Lots and Dwelling Units then extant in the Property. The failure of the amendment to be indexed under all of the foregoing shall not invalidate such amendment so long as the amendment has been indexed under at least one of the foregoing. Anyone searching title on Lots or Dwelling Units in the Property should search under the names of the foregoing to discover amendments to this Declaration that may have occurred after the Lot or Dwelling Unit has been conveyed to an Owner from the Declarant.

ARTICLE FOURTEEN
SEVERABILITY AND GOVERNING LAW

If any provision of this Declaration is found to be invalid by any court, the invalidity of such provision shall not affect the validity of the remaining provisions hereof, and for the purposes hereof all covenants as contained herein shall be deemed to be severable each from each other without qualification. This Declaration and the separate provisions thereof shall be construed and enforced in accordance with the laws of the State of North Carolina without regard to principles of conflict of laws.

SIGNATURES ARE ON THE FOLLOWING PAGE.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be duly executed by authority duly granted as of the date first above written.

J&B DEVELOPMENT AND MANAGEMENT, INC.,
a North Carolina corporation

By: _____
Robert W. Burkett, President

PISTON, LLC, a North Carolina limited liability company, solely to subject its real property to the operation of this Declaration and not as the Declarant or any other obligor or covenantor hereunder

By: _____
Robert W. Burkett, Manager

STATE OF NORTH CAROLINA

COUNTY OF CABARRUS

I, a Notary Public of Cabarrus County, North Carolina, certify that Robert W. Burkett personally came before me this day and acknowledged that he is President of J&B Development and Management, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by him as President.

WITNESS my hand and official stamp or seal, this 19th day of December, 2006.

NOTARY PUBLIC

My Commission Expires:

12/14/08

[NOTARIAL SEAL]

OFFICIAL SEAL
Notary Public North Carolina
CABARRUS COUNTY
ZACHARY M. MORETZ
My Commission Expires

STATE OF NORTH CAROLINA

COUNTY OF CABARRUS

I, a Notary Public of Cabarrus County, North Carolina, certify that Robert W. Burkett, being personally known to me, personally came before me this day and acknowledged that he is Manager of Piston, LLC, a North Carolina limited liability company, and that by authority duly given and as the act of the company, the foregoing instrument was signed in its name by him as Manager.

WITNESS my hand and official stamp or seal, this 19th day of December, 2006.

NOTARY PUBLIC

My Commission Expires: 12/14/08

[NOTARIAL SEAL]

OFFICIAL SEAL
Notary Public North Carolina
CABARRUS COUNTY
ZACHARY M. MORETZ
My Commission

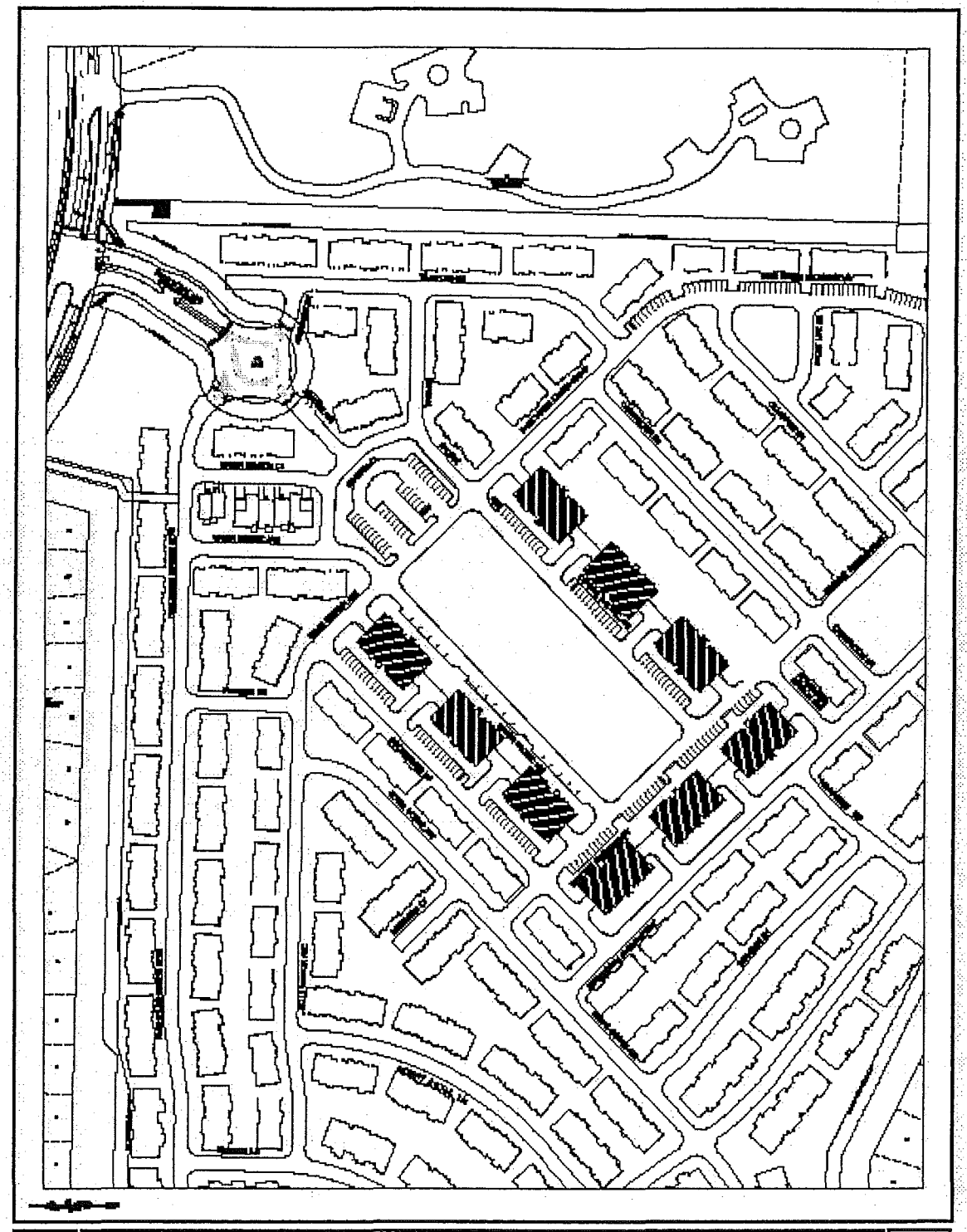
EXHIBIT A

Legal Description of the Property

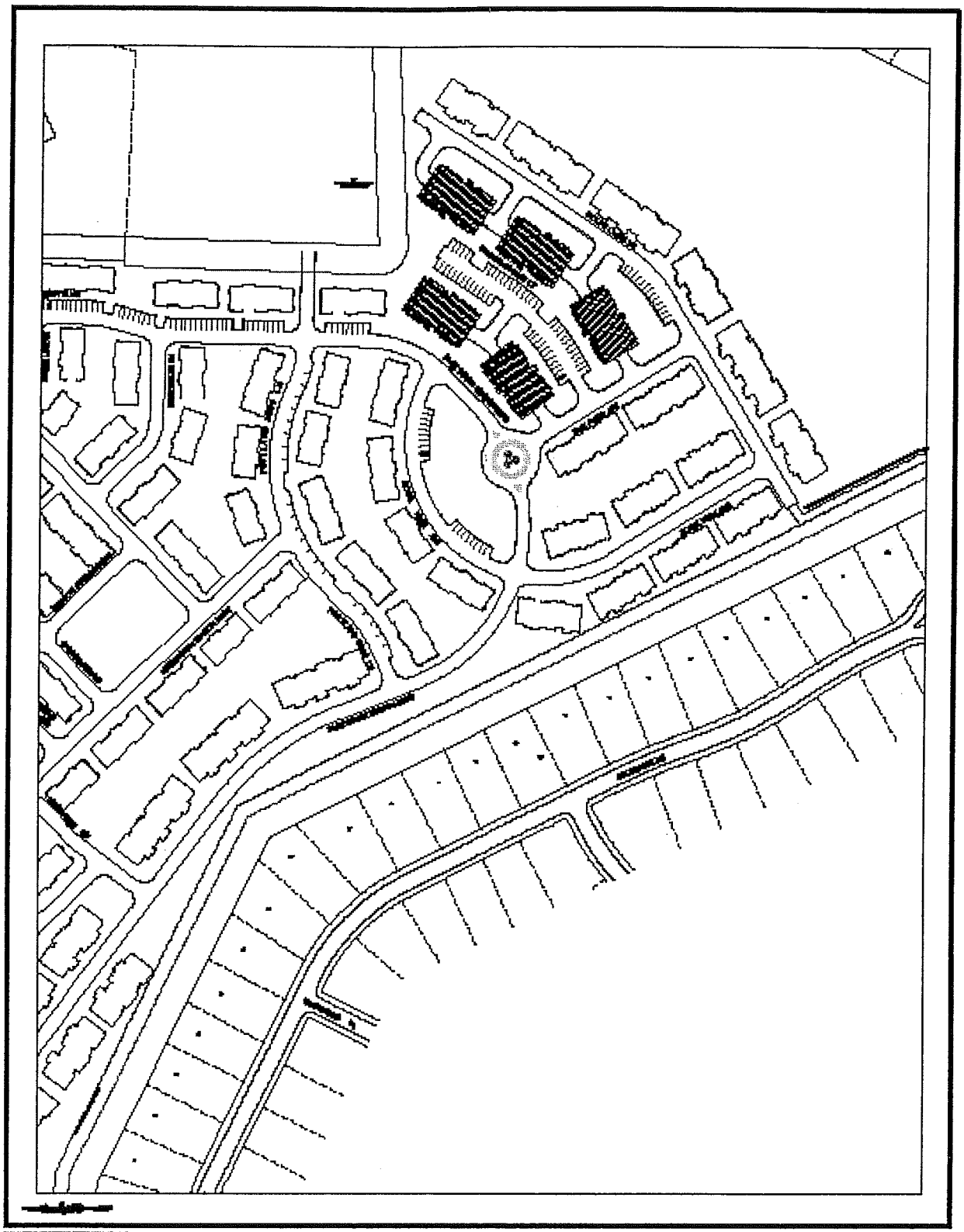
Mecklenburg County Tax Parcel 173-061-01

BEGINNING at a new iron rod located on the southerly right of way margin of Archdale Drive (Variable Public R/W), which iron rod is also located in the northwesterly most corner of the property of The City of Charlotte Housing Authority as the same is described in deed recorded in Book 3840 at page 882 in the Mecklenburg Public Registry; thence with the westerly property lines of the aforesaid City of Charlotte Housing Authority property and the property of The City of Charlotte (No Deed Found) S 01-34-38 W 1822.42 feet (crossing an existing concrete monument at 58.25 feet) to an existing concrete monument at the southwesterly most corner of the aforesaid City of Charlotte property; thence with the southerly property line of the aforesaid City of Charlotte property N 87-28-14 E 586.69 feet (crossing an existing iron rod set on line at 503.34 feet) to a point in the centerline of Little Sugar Creek; thence with the aforesaid centerline of Little Sugar Creek four (4) calls and distances as follows: (1) S 11-05-00 W 662.79 feet to a point; (2) S 27-00-11 W 433.92 feet to a point; (3) S 54-03-32 W 456.17 feet to a point; and (4) S 41-16-24 W 180.23 feet to a point; thence with the rear property lines of (i) Lots 122 and 121 of Starmount #5 as shown on map recorded in Map Book 9 at Page 513 in the Mecklenburg Public Registry; (ii) Lots 84 thru 52 of Starmount #4 as shown on map recorded in Map Book 9 at Pages 151 and 153 in the Mecklenburg Public Registry and (iii) Lots 49 thru 30 of Starmount #3 as shown on map recorded in Map Book 9 at Pages 257 and 259 in the Mecklenburg Public Registry, four (4) calls and distances as follows: (1) N 26-44-15 W 1787.97 feet (crossing an existing iron set on line at 80.32 feet) to an existing iron pipe; (2) N 63-34-11 W 670.38 feet to an existing iron pipe; (3) N 86-09-44 W 702.66 feet to a existing concrete monument; and (4) N 01-55-24 W 1378.90 feet to an existing iron rod located in the common rear corner of Lot 30 of the aforesaid Starmount #3 subdivision and Lot 1 of Montclaire #4 as shown on map recorded in Map Book 9 at Page 295 in the Mecklenburg Public Registry; thence with the rear property lines of Lots 3 thru 24 of the aforesaid Montclaire #4 subdivision, S 88-40-24 E 1883.63 feet to an existing concrete monument marking the southeast rear corner of Lot 24 of said Montclaire #4 subdivision; thence with the easterly property line of the aforesaid Lot 24, N 15-17-41 E 163.95 feet to an existing concrete monument located in the southerly right of way margin of Archdale Drive (Variable Public R/W); thence with the southerly right of way margin of the aforesaid Archdale Drive five (5) calls and distances as follows: (1) with the arc of a circular curve to the right, having a radius of 404.57 feet (chord bearing and distance of S 63-41-45 E 96.85 feet) an arc distance of 97.08 feet to a new iron rod; (2) S 56-49-19 E 83.94 feet to a new iron rod; (3) with the arc of a circular curve to the left, having a radius of 448.01 feet (chord bearing and distance of S 61-51-40 E 78.87 feet) an arc distance of 78.97 feet to a new iron rod; (4) with the arc of a circular curve to the left, having a radius of 788.45 feet (chord bearing and distance of S 69-20-48 E 67.02 feet) an arc distance of 67.04 feet to a new iron rod; and (5) with the arc of a circular curve to the left, having a radius of 1197.78 feet (chord bearing and distance of S 77-01-04 E 218.65 feet) an arc distance of 218.95 feet to the Point and Place of Beginning; containing 119.7766 Acres and depicted as "Tract 1" on Survey Prepared For Easlan Capital by R. B. Pharr & Associates, P.A., dated December 29, 2003, last revised December 7, 2005, reference to which survey is hereby made.

EXHIBIT B
Site Plans of the Property



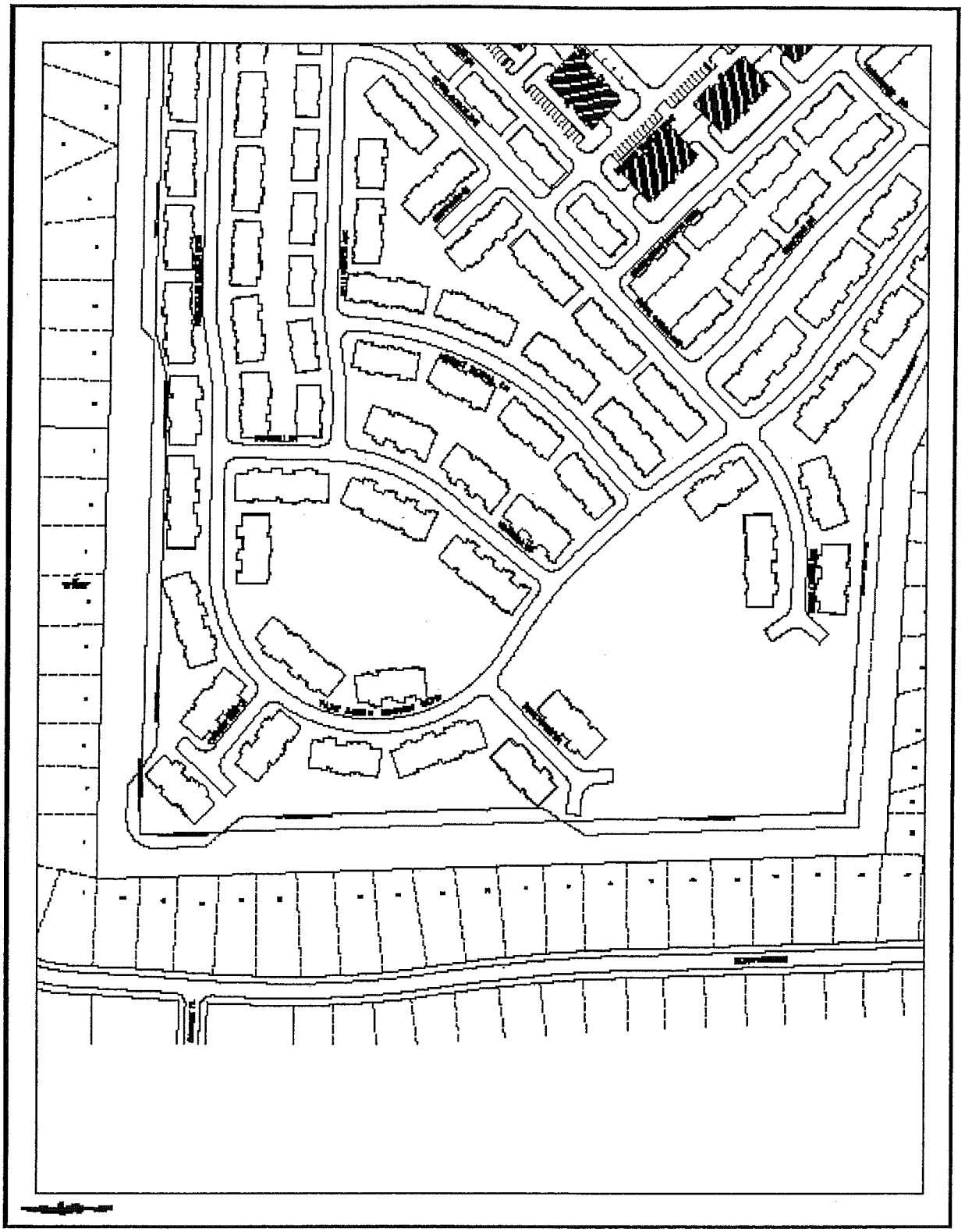
Site plans are preliminary, are provided for general information only, and are subject to change without notice.



Sheet No.	OVERALL SITE PLAN #2	
2	Park South Station	
of 4	3900 ARCHDALE RD, CHARLOTTE, NC	

and are subject to change without notice.

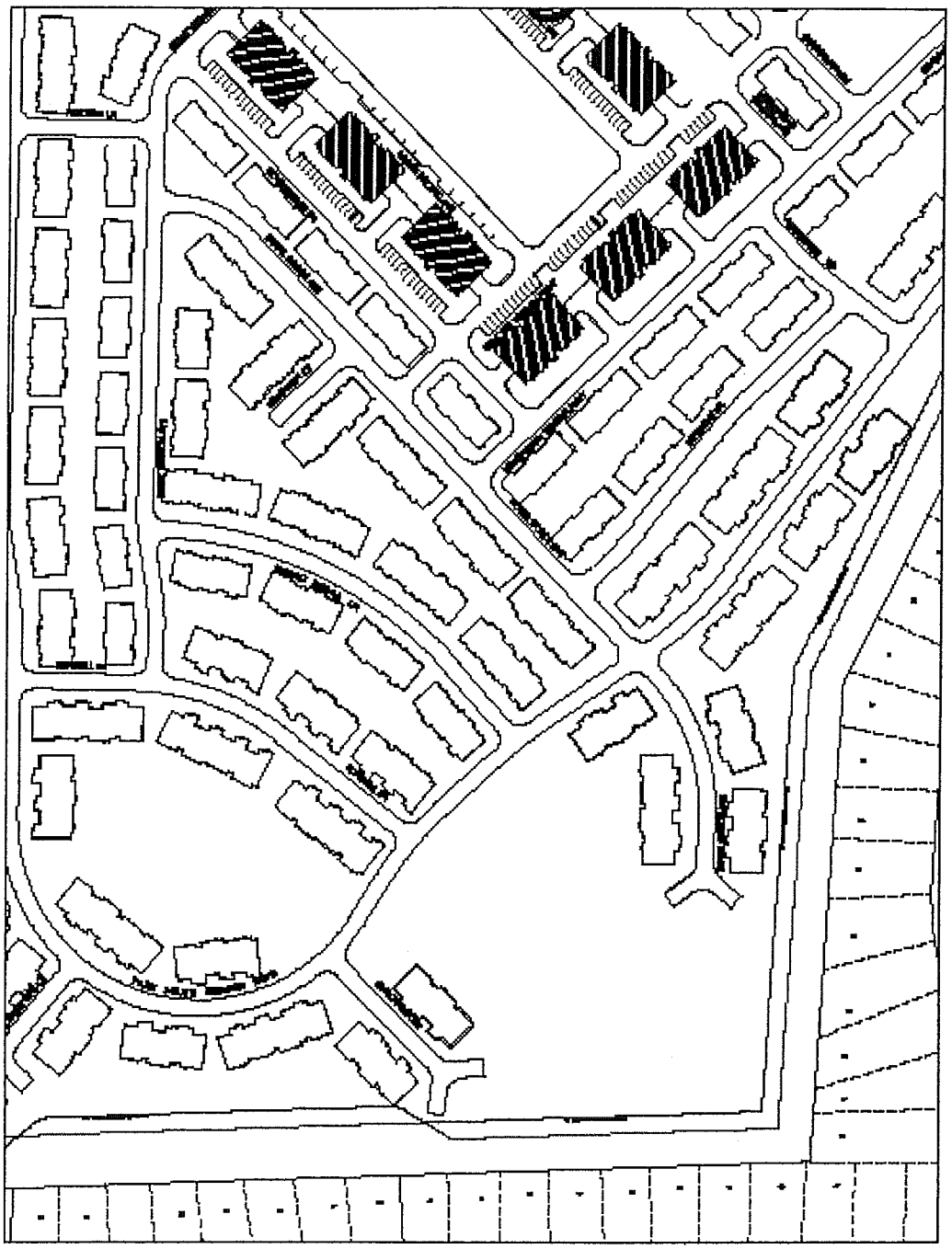
Exhibit B



Sheet No.	OVERALL SITE PLAN #3	
3	Park South Station	
OF 4		

and are subject to change without notice.

Exhibit B



Sheet No. 4 of 4

OVERALL SITE PLAN #4

Park South Station

[illegible] ARCHDALE RD, CHARLOTTE, NC

Exhibit B

EXHIBIT C

Certification of Validity of First Amendment to Master Declaration of Covenants, Conditions and Restrictions for Park South Station (to be attached to amendments to the Declaration)

By the authority of its Board of Directors, the Park South Station Master Association, Inc., hereby certifies that the foregoing instrument has been duly adopted and approved by the requisite percentage of Owners of Lots and Dwelling Units in Park South Station and is, therefore, a valid amendment to existing covenants, conditions and restrictions of Park South Station.

This the ___ day of _____, 2_____.

PARK SOUTH STATION MASTER ASSOCIATION, INC., a North Carolina non-profit corporation

ATTEST:

_____ By: _____

_____ Secretary Its: _____ President