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**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
CENTRAL POINT TOWNHOMES**

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THE FLAG OF THE UNITED STATES OF AMERICA OR
THE STATE OF NORTH CAROLINA**

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STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CENTRAL POINT TOWNHOMES**

THIS DECLARATION is made this _____ day of May, 2018 by **Pulte Home Company, LLC** (hereinafter referred to as the “Declarant”).

WITNESSETH:

WHEREAS, Declarant is the owner of the real property shown on the map recorded in Map Book 63 at Page 5 in the Mecklenburg County Public Registry, which real property is more particularly described in Article II below (“Property”), and desires to create thereon an exclusive residential community of multi-family attached residential Lots to be named Central Point Townhomes (“Project”); and

WHEREAS, Declarant desires to insure the attractiveness of the community, to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of the Property and to provide for the maintenance and upkeep of the lawn and landscaping surrounding the Townhomes located on the Lots as well as the exterior surfaces of the Townhomes and the Common Elements as hereinafter defined; and Declarant reserves the right to complete improvements on the Property and to these ends desires to subject the real property described in Article II to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the Property and each owner thereof; and

WHEREAS, For the efficient preservation, protection and enhancement of the values and amenities in the community, to insure the residents’ enjoyment of the specific rights, privileges and easements in the Common Elements, to provide for the maintenance and upkeep of the lawn and landscaping surrounding the Townhomes located on the Lots, as well as the exterior surfaces of the Townhomes and the Common Elements as hereinafter set forth, the Declarant has deemed it desirable to create an organization to which will be delegated and assigned the power of maintaining and administering the Common Elements, and maintaining the lawns and landscaping and the exterior surfaces of the Townhomes, and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has incorporated under North Carolina law, Central Point Townhome Owners Association, as a non-profit corporation for the purpose of exercising and performing the aforesaid functions;

NOW, THEREFORE, Declarant, by this Declaration of Covenants, Conditions and Restrictions, does declare that all of the Property described in Article II is and shall be held, sold and conveyed subject to the easements, restrictions, covenants and conditions, charges and liens

set forth in this Declaration, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and shall be binding on all parties having any right, title or interest in the described Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I **DEFINITIONS**

“Additional Land” shall mean any land owned by or acquired by the Declarant which is located within one (1) mile of the perimeter of the Property, as the Property is expanded from time to time in Article II.

“Association” shall mean and refer to the Central Point Townhome Owners Association, a North Carolina non-profit corporation, its successors and/or assigns.

“Board” or “Executive Board” shall mean and refer to the Board of Directors of the Association.

“Common Elements” shall mean and refer to all real property owned by the Association for the common use and enjoyment of the Owners. The Common Elements shall include all of the Property other than the Lots intended for individual ownership and on which Townhomes have been or will be constructed. Common Elements shall include private street easements that appear on the Plat and the perimeter wall maintenance easement provided for in Article XI, Section 5. The Common Elements shown on the Plat will be conveyed by the Declarant to the Association as and when the Declarant, in its sole discretion, deems appropriate. The Declarant reserves the right to compel the Association to convey portions of the Common Elements back to the Declarant to allow for changes, modifications and adjustments to the development plan for the Project. The Common Elements shall include, but shall not be limited to, all areas labeled or referred to as “Common Areas” or “COS” on the Plat.

“Community Wide Standard” shall mean and refer to the standard of conduct, condition, repair, upkeep, maintenance or other activity which shall be applicable to all Lots and Townhomes and shall be binding on all Owners. The Community Wide Standard shall be determined and set by the Association’s Board of Directors and may be amended or expanded by the Board from time to time without the consent or approval of the Members as the Board of Directors, in its sole and absolute discretion, deems appropriate. During the Declarant Control Period, the Declarant must approve and consent to the Community Wide Standard and any amendments thereto or expansions thereof.

“Declarant” shall mean and refer to Pulte Home Company, LLC, a Michigan limited liability company and its successors and assigns who are designated by Declarant or any successor Declarant to be the “Declarant” in a written instrument recorded in the Mecklenburg County Public Registry.

“Development Rights” shall mean and refer to the rights reserved for the benefit of the Declarant to (a) add real estate to the Project as permitted under Article II, Section 2; (b) the right of the Declarant to create, revise and/or define and delineate the boundaries or configuration of any portion of the Property (including, without limitation, the Lots, Common

Elements or Limited Common Elements within the Project); (c) the right of the Declarant to subdivide or combine Lots or convert Lots into Common Elements; (d) the right of the Declarant to alter any site plan or master plan for the Project; and (e) the right of the Declarant to withdraw any portion of the Property from the Project and the planned community at any time, all of which rights may be exercised by the Declarant at any time during the Declarant Control Period as defined in Article III, Section 4 as the Declarant, in its sole discretion deems reasonable, appropriate or warranted.

“Governing Documents” shall mean the Articles of Incorporation of the Association, this Declaration, as amended and supplemented from time to time, the Bylaws of the Association and the rules and regulations of the Association adopted and amended by the Board of Directors from time to time as permitted in Article X, Section 1 and the Community Wide Standard.

“Lot” shall mean and refer to the portions of the Property with delineated boundary lines appearing on the Plat which are intended for residential use and on which Townhomes have been or will be constructed, and shall include all improvements thereon.

“Member” shall mean and refer to every person or entity that owns a Lot and holds membership in the Association.

“Owner” shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot, including contract sellers, but excluding those having any interest merely as security for the performance of an obligation.

“Plat” shall mean and refer to the subdivision map recorded in Map Book 63 at Page 5 in the Mecklenburg Public Registry, as well as maps identified in supplemental declarations executed and recorded as allowed in Article II.

“Property” shall mean and refer to all of the real property described in Article II hereof and shown on the Plat.

“Special Declarant Rights” shall mean rights reserved for the benefit of the Declarant, including, but not limited to, all rights and powers reserved or granted to the Declarant in this Declaration, all rights referenced in North Carolina General Statutes Chapter 47F-1-103(28) (the “North Carolina Planned Community Act”) and the right to complete improvements on the Property, which rights may be exercised by the Declarant at any time during the Declarant Control Period as defined in Article III, Section 4 as the Declarant, in its sole discretion deems reasonable, appropriate or warranted.

“Townhome” shall mean and refer to the primary residential dwelling structure constructed on a Lot.

Other terms not specifically defined herein shall have the meanings given to them under the North Carolina Planned Community Act, Chapter 47F, of the North Carolina General Statutes.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Initial Property. The property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration and is within the jurisdiction of the Association is located in Mecklenburg County, North Carolina, and includes all of the property described and shown on the Plat.

Section 2. Additions by Declarant. Declarant reserves an option, until the fifteenth (15th) anniversary of the date of recording of this Declaration, to subject all or any portion of the Additional Land to this Declaration in accordance with provisions of this **Article II**. Declarant may exercise this right within the fifteen (15) year period specified above, without the consent or approval of the Association, or any other Owner or Mortgagee, by executing and recording a Supplemental Declaration in the manner provided in Section 3 below.

Section 3. Supplemental Declaration. In order to exercise any right to subject other land to this Declaration, Declarant shall execute and record a supplemental declaration ("Supplemental Declaration"). For purposes of this Article, "Supplemental Declaration" shall mean and refer to an instrument recorded in the public registry that annexes land into the Project as provided in Section 2 above and subjects that land to the covenants, terms, provisions contained in this Declaration and which may impose additional or different restrictions and obligations (including assessments) on that land. Any Supplemental Declaration executed and recorded by Declarant shall contain a legally sufficient description of the tract or parcel to be added to the Property and subjected to the Declaration.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. The Declarant and each Owner of a Lot which is subject to assessment shall be a Member of the Association.

Section 2. Voting and Voting Rights. The voting rights of the membership shall be appurtenant to the ownership of the Lots and may not be separated from ownership of any Lot which is subject to assessment. There shall be two (2) classes of Lots with respect to voting rights:

Class A Lots. Class A Lots shall be all Lots except Class B Lots as the same is herein defined. Each Class A Lot shall entitle the Owner(s) of said Lot to one (1) vote. When more than one person holds an interest in any Lot, all such persons shall be Members. However, the vote for such Lot shall be exercised as the Owners thereof among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one (1) Class A Lot.

Class B Lots. Class B Lots shall be all Lots owned by Declarant which have not been converted to Class A Lots as provided in (a), (b) or (c) below. The Declarant shall be entitled to Two Hundred Sixty (260) votes for each Class B Lot owned by it. The Class B Lots shall cease and be converted to Class A Lots on the happening of any of the following events, whichever occurs first:

- (a) When the Declarant executes and records a written instrument in the Mecklenburg Public Registry terminating Class B Lots; or
- (b) When the Declarant no longer owns any portion of the Property or the Additional Land; or
- (c) On January 1, 2038.

Section 3. Suspension of Voting Rights. Voting rights attributable to an ownership interest in a Lot shall be suspended, automatically and without requirement of notice or hearing, during any period that the Lot or the Owner thereof is delinquent in the payment of assessments or is in violation of the Governing Documents.

Section 4. Control by Declarant. Notwithstanding any other language or provision to the contrary herein or in the bylaws of the Association, Declarant hereby retains the right to appoint and remove any or all members of the Board of Directors of the Association, any officer or officers of the Association and any managing agent for the Association as long as Declarant owns any portion of the Property or the Additional Land (“Declarant Control Period”). Upon the expiration of the Declarant Control Period, a special meeting of the Association shall be called to elect a new Board of Directors which shall undertake the responsibilities of running the Association. Once the new Board is elected, Declarant shall deliver through the managing agent, the books, accounts, and records, if any, kept by Declarant or the managing agent on behalf of the Association as well as any agreements or contracts executed by or on behalf of the Association which may still be in effect or operation. Each Owner, by acceptance of a deed to or other conveyance of a Lot, vests in Declarant such authority to appoint and remove directors, officers and managing agents of the Association as provided in this Section.

Notwithstanding the foregoing, the Declarant may, but shall have no obligation to, permit the Members of the Association to elect some or all of the members of the Board of Directors as provided in the Bylaws (“Early Board Transition”). Any Early Board Transition allowed by the Declarant shall not affect the Declarant Control Period, shall not change, reduce or eliminate any of the rights and powers reserved or granted to the Declarant in this Declaration or otherwise by law and shall be subject to any restrictions or limitations specified by the Declarant with respect to the Early Board Transition. Following any Early Board Transition, Declarant shall retain the right to remove and appoint all or any members of the Board of Directors as well as any of the officers of the Association and the right to veto any actions taken by the Board of Directors or the officers during the Declarant Control Period.

ARTICLE IV

PROPERTY RIGHTS

Section 1. Owners’ Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Elements which shall be appurtenant to and shall pass with the title to every Lot, subject to all of the terms, conditions, restrictions and easements set forth in this Declaration, including, without limitation, the following provisions:

- (a) The right of the Association to limit the use of the Common Elements to Owners who occupy a Townhome on the Property as their principal residence in

Mecklenburg County, North Carolina, and to their families, tenants, contract purchasers and guests as provided in Section 2 of this Article IV;

(b) The right of the Association to encumber, pledge, convey, dedicate or transfer all or any part of the Common Elements as provided in N.C.G.S. § 47F-3-112;

(c) The right of the Association to limit the number of guests of Members present on the Property;

(d) The right of the Association to adopt, publish and enforce rules and regulations regarding the Property;

(e) The right of the Association to enter any Lot in order to perform any of its duties or responsibilities under the Declaration or to exercise any rights or remedies provided or reserved to the Association in the Declaration, the bylaws or applicable law, and the Owner of such Lot shall permit the Association or its representatives to enter for such purpose at reasonable times and with reasonable advance notice thereof;

(f) The right of the Association or its representative to enter any Lot in the case of any emergency threatening such Lot, any other Lot or the Common Elements for the purpose of remedying or abating the cause of such emergency. Such right of entry shall be immediate and shall not require notice to the Owner or any other person;

(g) The right of the Association to grant or assign easements over the Common Elements as the Executive Board deems reasonable and appropriate;

(h) The right of the Declarant to compel the Association to convey portions of the Common Elements back to the Declarant to allow for changes, modifications and adjustments to the development plan for the Project.

(i) The right of the Declarant to exercise Special Declarant Rights and Development Rights during the Declarant Control Period.

Section 2. Delegation of Use.

(a) Family. The rights and easement of enjoyment granted to every Owner in Section 1 of this Article IV may be exercised by members of the Owner's family who occupy the Townhome of the Owner within the Property as their principal residence in Mecklenburg County, North Carolina.

(b) Tenants or Contract Purchasers. The right and easement of enjoyment granted to every Owner in Section 1 of this Article IV may be delegated from the Owner to tenants or contract purchasers who occupy a Townhome within the Property as their principal residence in Mecklenburg County, North Carolina; provided, however, in the event of any such delegation by lease, contract or otherwise, the Owner shall not assert any right or exercise any easement of enjoyment delegated as allowed herein unless and until that delegation terminates.

(c) Guests. Recreational facilities situated upon the Property, if any, may be utilized by guests of Owners, tenants or contract purchasers subject to Article IV, Section 1(c) and the rules and regulations of the Association as may be established by the Board from time to time.

Section 3. Safety and Security. Each Owner, tenant and occupant of a Lot, and their respective guests and invitees (“Person” or “Persons”) shall be responsible for their own personal safety and the security of their property in the Project. The Association may, but shall not be obligated to, maintain or support certain activities within the Project designed to enhance the level of safety or security which each Person provides for such Person’s property. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security within the Project, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to the Project, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and shall be responsible for informing each Person that the Association, its Board and committees and the Declarant are not guarantors of security or safety and that each Person using the Project assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts or omissions of third parties.

ARTICLE V

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Adoption of Budget; Creation of Lien and Personal Obligation for Assessments. The Board shall, from time to time and at least annually, prepare and adopt a proposed budget for the Project, determine the amount of expenditures payable by the Owners to meet the proposed budget (“Common Expenses”) and allocate and assess Common Expenses among the Owners as provided in Section 6 below. The Common Expenses shall include such amounts as the Board deems necessary for the operation and maintenance of the Property and shall include, without limitation, amounts for purposes set forth in Section 2 below, amounts for permitted reserves and such amounts as may be necessary to make up any deficit for outstanding Common Expenses for any previous year. No proposed budget shall be effective until ratified as provided in N.C.G.S. § 47F-3-103(c). During the Declarant Control Period, all budgets proposed must also be approved by the Declarant.

Each Owner of any Lot or portion of the Property other than the Declarant, by acceptance of a deed therefor, is deemed to covenant and agree to pay to the Association: (1) Annual Assessments or charges of the Association, (2) Supplemental Annual Assessments, (3) Special Assessments, and (4) Special Individual Assessments, such assessments to be established and collected as hereinafter provided. Each annual and special assessment, together with interest, costs and reasonable attorneys’ fees, shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys’ fees, shall also be the personal financial obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent

assessments shall not pass to his successors in title (other than as a lien on the Lot) unless expressly assumed by them. **DECLARANT SHALL BE EXEMPT FROM ALL ASSESSMENTS.**

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Property, including, without limitation, the maintenance, repair or replacement of the Common Elements, the exteriors of the Townhomes and the lawns and landscaping on the Lots surrounding the Townhomes, all as is more specifically provided in Article VI (including, but not limited to the cost of repairs, replacements, additions, labor, equipment, materials, management, and supervision); the payment of costs incurred to provide private garbage and solid waste collection service to each Lot; the payment of costs incurred to obtain water and sewage disposal for the Common Elements and Townhomes (to the extent provided for in Article XII); the payment of taxes and public assessments assessed against the Common Elements; the procurement and maintenance of insurance in accordance with this Declaration; the employment of managers, attorneys and accountants to serve the Association; and the funding of any and all other activities for which the Association is responsible or which the Association may do under this Declaration, the bylaws or applicable law. In addition, assessments may be used to provide reserves for the replacement of capital improvements, including, without limiting the generality of the foregoing, paving, landscaping control and supplies, administrative and management fees, but nothing herein shall require the establishment of reserves for any purpose.

Section 3. Amount and Payment of Annual Assessments; Due Dates and Maximums. Each Owner of a Lot shall pay to the Association Annual Assessments as hereinafter set forth.

(a) Annual Assessments provided for herein shall commence as to any Lot as of the date of the conveyance by Declarant to an Owner (other than Declarant) of such Lot. The Annual Assessment for the first year in which a Lot is subject thereto shall be prorated based upon the number of days remaining in the applicable billing period from the date of such conveyance. The Annual Assessment amount for each and every year shall be an amount set by the Board of Directors, in accordance with the terms of this Article V. Annual Assessments shall be due and payable either in full and in advance or in installments as determined by the Board. The Board shall fix the amount of the Annual Assessment as to each Lot for any calendar year and shall send written notice of the amount and due date of each installment of such Annual Assessment to each Owner at least thirty (30) days prior to the due date for payment of the assessment or the first installment thereof; provided, however, the failure of the Association to send, or of an Owner to receive, such notice shall not relieve any Owner of the obligation to pay Annual Assessments. The Declarant shall not be obligated to pay Annual Assessments in any year except with Declarant's prior written approval. Declarant may (but shall not be required to) fund the Annual Expense Shortfall with direct payments to the Association, loans to the Association or any combination of direct payments and loans that the Declarant, in its sole discretion, deems appropriate. Declarant may enforce, collect and recover any loans made to the Association by filing a civil action against the Association during or at any time within three (3) years after the Declarant Control Period ends. For purposes of this Section, "Annual Expense Shortfall" shall mean the amount by which the annual expenses of the Association (excluding any reserves) exceeds the total amount of the Annual Assessments paid by Owners other than the Declarant.

(b) The Maximum Annual Assessment for the first year in which assessments are levied by the Association shall be equal to the amount of the actual Annual Assessment set and established by the Board for that first year. In each subsequent calendar year, the Maximum Annual Assessment may be increased by the Board (without any vote of or approval from the Members) by an amount equal to the previous year's Maximum Annual Assessment times the greater of (i) ten percent (10%) or (ii) the annual percentage increase in the Consumer Price Index, All Urban Consumers, United States, All Items (1982-84 = 100) (hereinafter "CPI") issued by the U.S. Bureau of Labor Statistics for the most recent 12-month period for which the CPI is available. Permitted increases shall be cumulative, and any increase not taken in any year may be taken and applied by the Board in any later year. If the CPI is discontinued, then the index most similar to the CPI published by the United States Government indicating changes in the cost of living shall be used.

(c) The Maximum Annual Assessment applicable to each Lot may be increased above the amount set forth in Subparagraph (b) of this Section 3 by a vote of a majority of the votes appurtenant to the Lots which are then subject to this Declaration, plus the written consent of Declarant as long as Declarant owns any part of the Property.

(d) The Board may fix the Annual Assessment applicable to each Lot at an amount not in excess of the Maximum Annual Assessment established as provided in and modified pursuant to Subparagraphs (b) and (c) of this Section 3. If the Board shall levy less than the Maximum Annual Assessment for any calendar year and shall determine thereafter during that calendar year that any of the responsibilities, duties or functions of the Association cannot be funded by such lesser assessment, the Board may levy a "Supplemental Annual Assessment." In no event shall the sum of the Annual and Supplemental Annual Assessments for any year exceed the applicable Maximum Annual Assessment for such year unless approved as specified in Subparagraph (c) of this Section 3.

(e) With respect to any Lot conveyed by Declarant, the purchaser of such Lot shall pay to the Association at closing the amount of the Annual Assessment for the installment period in which the closing occurs on such Lot, prorated based upon the number of days remaining in such installment period. With respect to any Lot conveyed by any Owner other than Declarant, the amount of the Annual Assessment applicable to such Lot for the installment period in which such closing occurs shall be prorated between the buyer and seller thereof as of the date of closing of such conveyance.

(f) During the Declarant Control Period, all Annual Assessments levied and any changes to the Maximum Annual Assessment must be approved by the Declarant.

Section 4. Special Assessments. In addition to the Annual Assessments authorized above, the Association may levy a special assessment ("Special Assessment") for the purpose of defraying, in whole or in part, the cost of (i) the construction of any Common Elements improvements which are not originally constructed by Declarant or (ii) the reconstruction, repair or replacement of the Common Elements, including any improvements located thereon. Declarant shall not be obligated to pay any Special Assessments on Lots owned by Declarant except with Declarant's prior written approval. During the Declarant Control Period, Special Assessments must only be approved by Declarant. After the Declarant Control Period expires,

Special Assessments must be approved by Members holding at least sixty-seven percent (67%) of the votes appurtenant to the Lots which are then subject to this Declaration.

Section 5. Special Individual Assessments. In addition to the Annual Assessments and Special Assessments authorized above, the Board shall have the power to levy a special assessment applicable to any particular Owner ("Special Individual Assessment") (i) for the purpose of paying for the cost of any construction, reconstruction, repair or replacement of any damaged component of the Common Elements, including any improvements located thereon, which is occasioned by any act or omission of such Owner(s), members of such Owner's family or such Owner's agents, guests, employees, tenants or invitees and not the result of ordinary wear and tear; (ii) for payment of costs incurred by Association to bring any Lot or Townhome into compliance with this Declaration or the Association's rules and regulations; or (iii) for payment of costs, expenses, fines, penalties or other charges charged to or payable by any particular Owner under the terms and provisions of this Declaration or the governing documents Project Documents or applicable law. The Declarant shall not be obligated to pay any Special Individual Assessment except with Declarant's prior written approval. The due date and payment terms (if any) for any Special Individual Assessment levied shall be fixed by the Board. Upon the establishment of a Special Individual Assessment, the Board shall send written notice of the amount and due date of such Special Individual Assessment to the affected Owner(s) at least thirty (30) days prior to the date such Special Individual Assessment is due.

Section 6. Uniform Rate of Assessment. Annual Assessments, Supplemental Annual Assessments and Special Assessments levied by the Association must be fixed at a uniform rate for each Lot.

Section 7. Effect of Nonpayment of Assessments: Remedies of the Association. If any assessment, or periodic installment thereof, is not paid within thirty (30) days after its due date, the Board may, at its option and without further notice, declare the entire unpaid assessment, both annual and special, immediately due and payable. Unpaid assessments shall bear interest from and after the due date at the rate of eighteen percent (18%) per annum, not to exceed, however, the maximum rate permitted by law. In addition to interest, the Board Association may impose either (a) a one-time late charge equal to ten (10%) percent of each unpaid assessment or (b) monthly late charges up to but not exceeding \$45.00 per month, which late charge may be imposed once in any month during which any assessment, interest, late charge or other previous charge or any portion thereof remains unpaid. The Association shall also be entitled to recover fees and penalties for returned checks as permitted in N.C.G.S. § 6-21.3 and N.C.G.S. § 25-3-506. Interest, late charges, returned check fees as well as reasonable attorneys' fees and the costs of any action or foreclosure commenced to collect any unpaid amount(s) shall be added to the amount of such assessment.

The Association may enforce assessment obligations as permitted by law, including, without limitation, by filing and foreclosing a claim of lien in accordance with the procedures set forth in N.C.G.S. § 47F-3-116, and/or by bringing an action at law against the Owner personally obligated to pay the assessment. Each Owner, by his acceptance of a deed to a Lot, expressly grants to and vests in the Association and its agents the right and power to bring such action or foreclosure. Foreclosure may be accomplished in an action brought in the name of the Association in the manner that a foreclosure of a mortgage or deed of trust would be brought

under Chapter 45 of the North Carolina General Statutes, or as otherwise expressly provided by law, and each Owner grants to the Association the right to foreclose any such charge or lien under power of sale. The Association, acting on behalf of the Owners, shall have the power to bid on any Lot and to acquire, hold, lease, mortgage and/or convey the same.

NO OWNER MAY WAIVE OR OTHERWISE ESCAPE LIABILITY FOR THE ASSESSMENTS PROVIDED FOR HEREIN BY NON-USE OF THE COMMON ELEMENTS OR BY ABANDONMENT OF HIS/HER LOT.

Subject to the provisions of Article III, Section 3 above and during any period in which an Owner is in default in the payment of any installment of an annual, special or other assessment levied by the Association, the Owner's right to the use of the Common Elements or facilities or to receive any other services or utilities (including water) which are provided by the Association (except the right of access to the Owner's Lot) may be suspended by the Association as provided under N.C.G.S. § 47F-3-102(11) until such assessment is paid. During any period in which an Owner is in default in the payment of any installment of an annual, special or other assessment levied by the Association, the Board may also notify the owner and holder of any mortgage or deed of trust of a delinquency relating to the Lot encumbered by that mortgage or deed of trust.

Section 8. Exempt Property. The following parts of the Property shall be exempt from assessment by the Association: (a) the streets and roadways; (b) portions of the Property owned by the Declarant or the Association; and (c) any part of the Property dedicated to or accepted by any public or governmental authority (the recording of this Declaration shall in no way be deemed a dedication of, or an offer to dedicate, any part of the Property to any such authority).

Section 9. Voluntary Conveyance; Estoppels. The lien for assessments of the Association created in this Article V shall not be affected by any conveyance of a Lot, and shall remain a continuing charge on that Lot and a continuing lien which may be foreclosed as provided in Section 7 above. Any grantee in a voluntary conveyance of any Lot shall be entitled to a statement from the Board pursuant to N.C.G.S. § 47F-3-118(b), setting forth the amount of the unpaid assessments due the Association with respect to the Lot and such grantee shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid assessments made by the Association against the grantor in excess of the amount set forth in that statement.

Section 10. Capital Contribution Payable by Original Transferee. In addition to assessments and other charges payable as provided in this Declaration, the buyer/transferee to whom the Declarant transfers any Lot shall pay a capital contribution to the Association at the time of closing in an amount not to exceed the Annual Assessment levied by the Board pursuant to this Article V in the year of the transfer.

Section 11. Reserves. Reserves for any purpose consistent with Section 2 are permitted but are not required.

ARTICLE VI

MAINTENANCE

Section 1. Association's Responsibility. The Association shall maintain the Common Elements and all improvements thereon. This maintenance shall include, without limitation, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping and grass areas, driveways, sidewalks, private street rights-of-way or private sanitary sewer. Notwithstanding any provision in this Declaration to the contrary, any retaining wall constructed by the Declarant on any Lot shall be treated as part of the Common Elements for purposes of this Article VI only, and the Association will be responsible for the repair, maintenance and replacement of any retaining wall constructed by the Declarant on any Lot as provided herein. The Water Quality Vault and BMP facilities located on the Property shall be maintained by the Association as required by the City of Charlotte and/or any other governmental authority having jurisdiction.

The Association shall maintain the lawns and landscaping installed by the Declarant or the Association on each Lot; provided, however, should any Owner be given approval to install a fence enclosing any portion of the Lot, the enclosed portion shall be maintained by the Owner in the same way and to the same extent other areas are maintained by the Association. The Association shall maintain and keep in good repair all paved or concrete walkways, sidewalks, driveways, porches and parking areas on each Lot; and all water, sewer, gas and electricity lines serving more than one (1) Lot, even though located partially or wholly within the boundaries of a Lot. In order to facilitate the maintenance of yards by the Association, the Association may adopt rules and regulations requiring Lots to be cleared of personal property and other obstructions on specified days and for specified periods.

The Association shall provide exterior surface maintenance upon Townhomes only as follows: paint, stain, repair and care of roof shingles, gutters and downspouts, decks and all exterior Townhome surface materials. The Association shall not maintain any doors (entry doors, garage doors or patio doors) or any windows or any of the component parts of the doors or windows including their frames and hardware.

The Association may pay the costs to maintain a termite bond on all of the Townhomes but is under no obligation to do so.

In the event that the need for maintenance or repair by the Association is caused through the willful or negligent act or omission of the Owner, his family, or guests, or invitees, the cost of such maintenance or repair shall be added to and become a part of a Special Individual Assessment to which such Lot is subject. The Association is hereby granted an easement right of access to go upon any Lot for performance of repairs or maintenance for which the Association is responsible hereunder.

Section 2. Owner's Responsibility. Except as provided in Section 1 of this Article VI, the condition and maintenance of the Townhome and other improvements on any Lot shall be the responsibility of the Owner thereof. The condition and maintenance of every Lot and Townhome shall at all times be in strict compliance with the then current Community Wide Standard. Without limiting the generality of the foregoing, each Owner shall be responsible for

repairing, maintaining and replacing (a) all doors and windows as well as their frames, component parts and hardware; (b) exterior lighting; (c) exterior water spigots; (d) all lines and pipes on the Lot providing water or sewer service to the Townhome; and (e) interior pest control.

Nothing shall be changed, added, modified or altered on any Lot unless first approved as provided for in Article VIII below. Notwithstanding any other provision in this Declaration, each Owner shall be solely responsible for maintaining any portion of the Owner's Townhome Lot that is (1) altered, modified or changed other than changes, alterations or modifications made by the Association or the Declarant or (2) anything added to the Lot or Townhome other than additions by the Association or the Declarant regardless of whether the modification, change or addition is approved as required under Article VIII below.

In the event that the Board of Directors of the Association determines that (a) any Owner has failed or refused to discharge properly his obligations with regard to the maintenance, repair or replacement of items for which he is responsible hereunder, or (b) that the need for maintenance, repair or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act or omission of an Owner, his or her family, guests, lessees or invitees, whether in whole or in part, the Association may perform the repair, replacement or maintenance and shall, except in the event of an emergency situation, give the Owner written notice of the Association's intent to provide such necessary maintenance, repair or replacement, at the Owner's sole cost and expense. The notice shall set forth with reasonable particularity the maintenance, repairs or replacement deemed necessary. Where such notice is required, the Owner shall have ten (10) days within which to (i) complete such maintenance, repair or replacement, or (ii) in the event that such maintenance, repair or replacement is not capable of completion within a ten (10) day period, to commence such work which shall be completed within a reasonable time. If the Owner does not comply with the provisions hereof, the Association may provide any such maintenance, repair or replacement at the Owner's sole cost and expense, and all costs shall be added to and become a Special Individual Assessment to which such Owner is subject and which shall become a lien against the Owner's Lot.

In the event the Association incurs costs or expenses in connection with the investigation of conditions which require maintenance or repair and it is determined that the repair and maintenance needed is the responsibility of the Owner, the Association may recover those investigatory costs and expenses from the responsible Owner as a Special Individual Assessment.

ARTICLE VII **PARTY WALLS**

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Townhomes upon the Property and placed on the dividing line between the Lots shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared equally by the Owners of the two (2) adjoining Lots utilizing such wall.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and the Owner of the other Lot adjoining such wall shall contribute one-half (1/2) of the cost of restoration thereof without prejudice to the right of any such Owner to call for a larger contribution from the other Owner under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weather-Proofing. Notwithstanding any other provision of this Article, an Owner who, by his negligent or willful act or omission, causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protections against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the Lot and shall pass to such Owner's successors-in-title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall or otherwise under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VIII

ARCHITECTURAL CONTROL

Section 1. General. No building, fence, sign, wall, statuary, equipment or other structure or improvement of any kind or vegetation, lighting or landscaping, shall be commenced, installed, constructed, placed, erected or maintained upon any Lot or upon the Common Elements, nor shall any exterior addition, change or alteration thereto be made, including but not limited to: (i) changes in color or painting of the exterior and type of exterior finish, (ii) erection of antennae, satellite dishes or disks, aeriels, awnings, and poles, (iii) placement of reflective or other material in the windows of a Townhome or other exterior attachment (including storm doors, garage doors, patio doors, entrance doors and all other doors), and (iv) installation of playground and other equipment of any type, until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Reviewer designated in Section 2 below. **ABSENT SUCH PRIOR WRITTEN APPROVAL BY THE REVIEWER, ALL CHANGES, ALTERATIONS, MODIFICATIONS OR ADDITIONS TO THE LOTS OR TO THE EXTERIORS OF TOWNHOMES ARE EXPRESSLY PROHIBITED.**

In the event that an Owner of any Lot in the Property shall take any action without the prior written approval of the Reviewer, or that is inconsistent with any approval given by the Reviewer, then the Declarant, the Board or the Association shall have the right, through its

agents and employees, to enter upon said parcel and to repair, maintain and restore the Lot or Common Elements, and the exterior of the buildings and any other improvements erected thereon, to its original condition. The cost of such restoration and all other costs, charges, or attorneys' fees incurred in the enforcement of the rights under this paragraph shall be recoverable by the enforcing party, and if the enforcing party is the Association, those costs shall be recoverable as a Special Individual Assessment. Any approval by the Board of Directors of the Association or the Architectural Control Committee shall be in accordance with the requirements set forth hereafter. In addition, the Association shall have all other remedies provided by law, including the power to impose fines and/or suspend privileges and services for violations of this Article.

THE PROVISIONS OF THIS ARTICLE VIII SHALL NOT APPLY TO IMPROVEMENTS OF ANY KIND CONSTRUCTED UPON ANY LOT OR UPON THE COMMON ELEMENTS BY DECLARANT, AND DECLARANT IS EXPRESSLY EXEMPT FROM THE PROVISIONS OF THIS ARTICLE VIII.

Section 2. Designation and Duties of the Reviewer.

(a) During the Declarant Control Period and Before Release. During the Declarant Control Period, the Reviewer shall be the Declarant and/or persons appointed, from time to time, by Declarant. Control of architectural and landscaping issues and decisions shall remain vested in Declarant until the Declarant releases in writing its right to review architectural and landscaping requests with respect to one or more of the Lots and to allow review of architectural and landscaping requests submitted thereafter to be reviewed by the Board or the Architectural Control Committee as provided for in Subsection (b) below. Nothing herein shall require the Declarant to release its right to review architectural and landscaping requests with respect to any Lot prior to the termination of the Declarant Control Period, it being the Declarant's right to act as the Reviewer with respect to all of the Property unless and until the Declarant elects to release its Reviewer rights in writing as permitted herein.

(b) After the Declarant Control Period or After Release. The Board may appoint an Architectural Control Committee to review all architectural and landscaping requests not subject to review by the Declarant under Subsection (a) above. Until the Board appoints an Architectural Control Committee, the Board shall act as the Architectural Control Committee. The Architectural Control Committee will be composed of at least three (3) and not more than seven (7) individuals, the exact number of members of the Architectural Control Committee to be designated from time to time by the Board.

The vote of a majority of the members of the Architectural Control Committee shall be binding. The Architectural Control Committee shall report to and be ultimately responsible to the Board for its decisions. Should any Owner disagree with a decision rendered by the Architectural Control Committee regarding the Owner's Lot, the Owner may deliver a written Notice of Appeal to the Board challenging the decision rendered. Any Notice of Appeal shall be delivered to the Board within fifteen (15) days after the Architectural Control Committee renders its decision. The Board shall have the power and authority to determine whether or not a hearing will be held, whether further information will be received, or whether the matter will be decided based on the record from the Architectural Control Committee. The Board shall have the power

to affirm, modify or reverse the decision of the Architectural Control Committee as the Board, in its sole discretion, deems reasonable, appropriate and warranted, and the decision of the Board shall be final.

The members of the Architectural Control Committee need not be Owners. In the event of the death or resignation of any member of the Architectural Control Committee, the Board shall have full authority to designate and appoint a successor. Members of the Architectural Control Committee may be removed and replaced at any time, with or without cause, and without prior notice, by the Board.

Section 3. Professional Services. Professional fees for services rendered may be charged to the Owner submitting a request for such services and if unpaid shall become a Special Individual Assessment enforceable as provided in Article V, Section 5. Notwithstanding anything contained herein to the contrary, the Reviewer shall have the right, power and authority to employ and/or use the services of any architects, engineers, attorneys or other professionals as it deems necessary or advisable, in its sole discretion, to carry out the duties and obligations of the Reviewer as described in this Article VIII.

ARTICLE IX **INSURANCE**

Section 1. Association Insurance. The Association shall procure and maintain, or cause to be maintained, insurance in accordance with the following provisions:

(a) Property Insurance. The Association shall obtain and maintain at all times a policy or policies of property insurance (ISO special form or its equivalent) covering all buildings and improvements located on the Property and all improvements located in the Common Elements, in an amount not less than one hundred percent (100%) of the replacement cost of such improvements at the time such insurance is purchased and at the time of each renewal thereof, exclusive of the land, excavations, paving, foundations, footings, and other items normally excluded from property policies. The policy may include a commercially reasonable deductible not in excess of \$10,000.00.

Each policy obtained pursuant to this Subsection (a) shall:

- (1) show the Association as the named insured, but shall provide that each Owner is an insured person with respect to his Lot and Townhome and with respect to liability arising out of his interest in the Common Elements or membership in the Association;
- (2) contain clauses providing for waiver of subrogation against any Owner or members of his household;
- (3) provide that it may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association and all insureds, including all Owners and all mortgagees to whom certificates or memoranda of insurance have been issued;

- (4) provide that no act or omission by any Owner will preclude recovery upon such policy;
- (5) provide that if, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance except to the extent the loss or damage is subject to the allowed deductible;
- (6) contain an inflation guard endorsement and a construction code endorsement, if available;
- (7) provide that adjustment of loss shall be made by the Association as insurance trustee; and
- (8) provide for the issuance of certificates or memoranda of insurance to all mortgagees who request verification.

The responsibility for payment of the deductible authorized above shall be allocated to and between the Association and the Owner(s) of each affected Lot and Townhome by the Board of Directors as it, acting in its sole discretion, deems reasonable and appropriate and as allowed in Section 6.

(b) Liability Insurance. The Association shall obtain and maintain a policy of commercial general liability insurance in such limits as the Association may, from time to time, determine, covering each member of the Board, the property manager, if any, and each Owner with respect to liability arising out of the use, ownership, maintenance, or repair of the Common Elements; provided, however, that in no event shall the limits of such policy ever be less than \$1,000,000.00 per occurrence. The liability insurance policy shall include endorsements covering cross liability claims of one insured against another, including the liability of the Owners as a group to a single Owner, and shall provide that it may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association and to all insureds, including all Owners and all mortgagees to whom certificates or memoranda of insurance have been issued. The Association shall review such limits annually.

(c) Fidelity Insurance. The Association shall procure and maintain, or cause to be maintained, a policy or policies of insurance coverage to protect against dishonest acts on the part of officers, directors, volunteers, managers and employees of the Association and any other persons who handle or are responsible for handling funds of the Association. Any such fidelity insurance policy must name the Association as the named insured and shall be written in an amount as may be determined by the Association, but in no event less than the greater of (i) one and one-half (1 ½) times the estimated annual operating expenses and reserves of the Association or (ii) the sum of three (3) months aggregate assessments on all Lots plus the Association's reserve funds.

(d) Other Insurance. The Board, or its duly authorized agent, shall have the authority to and shall obtain and maintain in effect such other insurance coverages as the Board shall determine are needed or desirable from time to time, specifically including, without limitation, directors and officers liability insurance, workers' compensation insurance, performance bonds,

payment on labor and material bonds and maintenance bonds. In addition, the Association shall maintain flood insurance on any Lot located within a "special flood hazard area," as designated on a Flood Insurance Rate Map published by the Federal Emergency Management Association, or if otherwise required by any Agency.

(e) Insurance Unavailable. In the event the insurance described in Subsections (a) through (c) is not reasonably available, the Association promptly shall cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all Owners. For purposes of this subsection, insurance will be deemed "not reasonably available" if the cost of that insurance is prohibitive in light of the Association's budget and available resources. In the event the Association determines any such insurance is "not reasonably available," it shall take reasonable steps to obtain insurance for the benefit of the Association and the Owners which is as closely equivalent to the insurance coverage required in Subsections (a) through (c) that is reasonably available.

Section 2. Premiums. Premiums upon insurance policies purchased by the Association, and any amounts paid as a result of any deductible applicable to coverage provided under Sections 1 (b), (c) or (d), shall be paid by the Association as a Common Expense. All such premiums shall be paid by the Association at least thirty (30) days prior to the expiration date of such policies.

Section 3. General Standards. All insurance policies maintained by the Association under this Article IX shall be written with a company or companies licensed to do business in the State of North Carolina and holding a rating of A or better in *Best's Insurance Guide*, provided that such insurance is available from a company with at least such a rating and that, in the event not so available, such insurance is obtained from a company with the highest rating available in *Best's Insurance Guide*. Upon written request, the Association shall deliver certificates or memoranda of insurance to the Owners and their mortgagees attesting the fact that such policies of insurance are in force and effect. The Association also shall furnish to all Owners and Mortgagees, upon written request, evidence that premiums for the required insurance have been paid on an annual basis.

Section 4. Owners' Insurance. Each Owner shall obtain and keep continuously in force additional fire and casualty and extended insurance coverage as follows:

- (1) Property insurance covering his Lot and Townhome in an amount not less than \$10,000.00 and covering personal property in such amount as the Owner deems appropriate;
- (2) Public liability insurance coverage in an amount of at least \$100,000.00 for bodily injury, including death of persons, and for property damage, arising out of a single occurrence; and
- (3) Such other insurance as the Owner may deem desirable and appropriate.

Each Owner shall promptly pay all premiums charged in connection with insurance coverage required by this section. In addition, each Owner shall provide the Association with evidence that all required insurance coverage has been obtained and remains in force upon request.

Section 5. Use of Insurance Proceeds. All policies of property insurance procured by the Association in accordance with Section 1(a) shall provide that all losses shall be adjusted with and all proceeds shall be payable to the Association. The Association shall have exclusive authority to negotiate any and all losses under such insurance policies, and the Association is hereby irrevocably appointed as agent and attorney-in-fact for each Owner to adjust all claims arising under such policies and to execute and deliver releases upon the payment of claims. The Association shall use and apply insurance proceeds received to repair or restore the damaged property as provided in Section 6.

Section 6. Responsibility for Reconstruction or Repair of Casualty Damage. Notwithstanding any other provisions contained in this Declaration to the contrary, the Association and the Owners shall be responsible for the repair and replacement of portions of the Property damaged by casualties as follows:

(a) If any portion of the Property is damaged by perils that ARE covered by the property insurance maintained by the Association in accordance with Section 1(a), then:

(1) The Association shall cause such damaged portion to be promptly reconstructed or repaired with the proceeds of insurance available for that purpose. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications for the original development of the Property. Except as provided herein, the cost of repair and replacement in excess of insurance proceeds available is a common expense. In the event of any deficiency, one or more Special Assessments shall be made against all Owners in sufficient amounts to provide funds for the payment of such costs, and the proceeds of any such Special Assessments shall be deposited with the Association. In addition or alternatively, the Association may borrow funds to pay for such costs with the consent and approval of two-thirds (2/3) of the Members of the Association present, in person or by proxy, at a meeting duly called for such purpose at which a quorum is present.

(2) Notwithstanding the forgoing, to the extent insurance proceeds are not available for repair or reconstruction by reason of the application of an allowed deductible and the damages are to structures or improvements on a Lot or Lots in whole or in part, then the Lot Owner(s) shall be responsible for reimbursing the Association for up to \$10,000.00 of any deductible(s) applied which the Board of Directors, acting in its sole discretion, attributes to the repair or replacement of the structures or improvements on Lot(s). The owner property insurance required under Section 4(a) shall be primary with respect to any repair or reconstruction expenses that are attributed to a deductible under the Association's policy and are determined to be the responsibility of Owner(s) as provided herein. The amount of the deductible attributed to the repair or replacement of the Lot or Townhome may also be assessed against that Lot as a Special Individual Assessment,

and, if not paid, shall be a lien on the Lot having all of the priorities of an assessment as provided for in this Declaration and shall be collectible and enforceable as provided in N.C.G.S. § 47F-3-116.

(b) If any portion of the Property is damaged by perils that ARE NOT covered by the property insurance maintained by the Association in accordance with Section 1(a), then:

(1) The repair or reconstruction of any damaged improvements within the Common Elements shall be accomplished promptly by the Association and the extent of such repairs shall be a common expense of the Association. In such event, one or more Special Assessments shall be made against all Owners in sufficient amounts to provide funds for the payment of such costs, and the proceeds of any such Special Assessments shall be deposited with the Association. In addition or alternatively, the Association may borrow funds to pay for such costs with the consent and approval of two-thirds (2/3) of the Members of the Association present, in person or by proxy, at a meeting duly called for such purpose at which a quorum is present.

(2) The repair or reconstruction of any damaged improvements within any Lot shall be accomplished promptly by the Owner of the affected Lot at his or her own expense. If the Owner of the affected Lot fails to promptly accomplish such repair or reconstruction, the Association may perform such repairs or reconstruction on the Owner's behalf. The expense of such performance may be assessed against that Lot as a Special Individual Assessment, and, if not paid, shall be a lien on the Lot having all of the priorities of an assessment as provided for in this Declaration and shall be collectible and enforceable as provided in N.C.G.S. § 47F-3-116.

Section 7. FNMA, FHA or VA Insurance Requirements. Notwithstanding any other provision contained in this Article or this Declaration, the Association is authorized to obtain and maintain insurance sufficient to satisfy the insurance requirements, the Federal National Mortgage Association ("FNMA"), the Federal Housing Administration ("FHA") and the Veteran's Administration ("VA") that will be applicable to the Project, as those requirements and standards may be modified or changed from time to time.

ARTICLE X

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish and enforce rules and regulations concerning the use and enjoyment of the Townhomes, the Lots and Common Elements subject to this Declaration, including but not limited to, rules and regulations regarding the usage of the front and rear yards of each Lot. Rules and regulations adopted by the Board shall not require the approval of the Members but shall require the approval of the Declarant during the Declarant Control Period.

Section 2. Antennas/Satellite Dishes. No outside radio or transmission tower or receiving antenna, including a satellite dish antenna, and no outdoor television antenna or satellite dish may be erected or installed on the Common Elements under any circumstances or by an Owner on a Lot without the prior approval of the Board or the Architectural Control

Committee. To the extent antennas or dishes are allowed by law, the Association reserves the right to approve, regulate and require screening to the fullest extent the law allows. In the event the erection or installation of any dish or device damages or otherwise requires maintenance or repair to any portion of the Lot or Townhome that the Association is responsible to maintain, the Association may require the Owner to properly repair and restore the affected area or, in the alternative, the Association may itself provide for the repair or maintenance of the affected area and recover all of the costs and expenses thereof from the Owner as a Special Individual Assessment.

Section 3. Restriction on Use. The Lots shall be occupied and used by Owners for residential purposes only and no trade or business may be conducted in or from any Lot, except that an Owner residing in a Townhome on a Lot may conduct business activities within the Townhome as long as:

- (a) The existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Townhome;
- (b) The business activity conforms to all zoning requirements for the Property;
- (c) The business activity does not involve (i) persons coming onto the Property who do not reside in the Property or (ii) door-to-door solicitation of residents of the Property; and
- (d) The business activity is consistent with the residential character of the Property and does not constitute a nuisance, a hazardous or offensive use or threaten the security or safety of other residents of the Property, as may be determined by the Board in its sole discretion.

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

- (i) such activity is engaged in full or part time;
- (ii) such activity is intended to or does generate a profit;
- (iii) a license is required therefore;
- (iv) such activity causes an increase in traffic flow; or
- (v) such activity involves visitation of clients to the Lot.

This Section shall not apply to any activity conducted by the Declarant with respect to its development and sale of the Property or its use of any Lot(s) which it owns within the Property.

The foregoing provisions of this Section or any other provision of this Declaration notwithstanding, Declarant shall have an easement to maintain sales offices and models for sales of Lots throughout the Property. Declarant shall have the right to relocate, and to discontinue and reestablish sales offices and models within the Property from time to time until all of the

Lots have been conveyed to Owners other than Declarant. Declarant also shall have the right to change the use or combination of uses of such offices or models, provided that such offices or models shall be used only for sales offices or models.

Section 4. Nuisances. No unlawful activity or condition, nor any activity or condition deemed noxious or offensive by the Board of Directors, shall be carried on or maintained upon or within the Property, nor shall anything be done or maintained therein which is or may become an annoyance or nuisance to the neighborhood as determined by the Board of Directors, in its sole and absolute discretion. Examples of such offensive activities shall include, but not be limited to: (i) the origination or emission of any loud or disturbing noise or vibrations which exceed limits set in applicable ordinances, (ii) the maintenance of an auto repair site, (iii) the outdoor storage of personal property (including, but not limited to, toys, motorcycles or other motor vehicles, tricycles, bicycles, wood piles or other miscellaneous items) on porches, patios, decks, terraces or yards, and (iv) similar activity or condition which the Board, acting in its sole and absolute discretion, determines is not in keeping with the aesthetic character and high level of appearance of the community. The Architectural Control Committee, with the approval of the Board of Directors of the Association, may establish additional reasonable rules and regulations for enforcing the provisions of this Section 4.

No potentially hazardous or toxic materials or substances shall be used or stored on any Lot other than normal household, lawn and garden products which shall be used by the Owner in a manner not to permit spills or runoff of such materials onto the Lot, adjacent Lots or property, wetlands area, ponds or buffers.

Section 5. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any Townhome except that dogs or cats or other household pets that are expressly permitted in writing and in advance by the Board of Directors may be kept or maintained provided that they are not kept or maintained for commercial purposes. The number of animals shall not exceed two (2), except for newborn offspring of dogs and cats which are under six (6) months in age. Notwithstanding the foregoing, pit bulls, Rottweilers, German Shepherds, and any other dogs having dangerous propensities as determined by the Board, in its sole and absolute discretion, are expressly prohibited. The Association shall have the right to prohibit or require the removal of any permitted pet which the Board, in its sole and absolute discretion, deems to be a nuisance or a safety hazard. If any such animal creates a nuisance or safety hazard as determined by the Board, in its sole and absolute discretion, then the Owner shall remove the pet from the Property within fifteen (15) days after written notice from the Board, and the pet shall not be allowed to return to the Lot. Failure to do so by the offending Owner may result in imposition of a fine or fines as determined by the Board until the Owner complies. No pet shall be permitted upon the Common Elements or any Lot, including the Owner's Lot, unless carried or leashed by a person that can and does control the animal. No Owner shall permit a pet to defecate in the Common Elements or any Lot other than the Owner's Lot, and each Owner shall immediately clean up after his or her pet if such occurs. All pets shall be registered or inoculated as required by law. Every person owning or having possession, charge, care, custody or control of any permitted pet shall keep such pet exclusively upon his own Lot; provided, however, that such pet may be off the Lot if it is under the control of a competent person and restrained by a chain, leash or other means of adequate physical control. Each Owner agrees to hold the Association harmless from any claim or loss resulting from any

action of his pet, and shall repair at the Owner's sole expense any damage to the Common Elements caused by his pet.

Section 6. Temporary Structures. No residence or living quarters of a temporary nature shall be erected or allowed to remain on the Property, and no trailer, basement, shack, tent, garage, barn or any other building of a similar nature shall be used as a residence or living quarters on the Property, either temporarily or permanently. No out-buildings, storage sheds, trash receptacles or other structures shall be placed on the Property or any adjoining public right of way. This paragraph shall not preclude temporary buildings and other structures used during the construction period by Declarant for the sale of Lots, such as a temporary sales office or construction trailer.

Section 7. Parking of Vehicles On-street and Off-street. Trailers, recreational vehicles ("RVs"), motor homes, vehicles or enclosed bodies of the type which may be placed on or attached to a vehicle (known generally as "campers"), commercial vehicles of any kind (as defined by the Board of Directors from time to time in the Association's rules and regulations), boats and boat trailers are not permitted on any Lot or any other portion of the Property at any time. No vehicle of any type which is unlicensed, without a current inspection, abandoned, inoperative or unsightly as determined by the Board of Directors, in its sole and absolute discretion, shall be stored or kept on any Lot or elsewhere within the Property. No vehicles or other mechanical equipment may be repaired, dismantled or serviced on any Lot. No vehicles of any type shall be parked, placed, or stored on any part of a Lot except inside a garage. Garage doors shall remain closed except when opened to allow a vehicle to enter or exit the garage. No vehicles of any type shall be parked on the Common Elements, including any street or alley that is a part thereof or is adjacent thereto, except as may be permitted in the Association's rules and regulations. This paragraph shall not preclude the operation, maintenance or parking of trucks and other construction vehicles and equipment used during construction of Townhomes and development of the Property by the Declarant or its contractors, agents and employees.

Section 8. Signs and Flags. No signs, flags or advertising devices shall be erected upon or otherwise be displayed or exposed to view on any Lot or any improvement thereon without the prior written consent of the Association. Notwithstanding the forgoing, one (1) political sign, one (1) American flag and one (1) State of North Carolina flag may be displayed in locations approved by the Board and in strict compliance with limitations set forth in N.C.G.S. §47F-3-121(1) and (2).

Section 9. Garbage and Refuse Disposal. All trash, garbage or other waste shall be stored in sanitary containers in accordance with the rules and regulations of the Association and of any health or public safety authority having jurisdiction over the Property. Containers used to hold trash, garbage or other waste shall be kept at location on the Lot approved by the Architectural Control Committee. The Architectural Control Committee may post screening requirements for any exterior storage area where containers may be kept. The Board of Directors shall specify where and when the storage containers may be moved for pickup and disposal of their contents. No trash, garbage or other waste may be placed within the Common Elements, except in containers approved by the Association. Association will provide solid waste removal services which shall be paid for with assessments levied as provided in Article V. No Owner may contract separately

for solid waste removal services except with the written consent and approval of the Board of Directors.

Section 10. Regulation of Renting. No Owner shall rent his Lot or the structure thereon for transient or hotel purposes, which, for the purposes of this Declaration shall be defined as either (i) a rental for any period less than six (6) months, or (ii) any rental, of any duration, if the lessee of the Lot or the Townhome thereon is provided customary hotel services. Each permitted lease shall lease an entire Lot and the Townhome thereon, shall be in writing, and shall be subject to this Declaration and the bylaws and rules and regulations of the Association, and any failure of the lessee to comply with the terms of such documents shall be a default under the lease. Any Owner who enters into a lease of his Lot and Townhome shall promptly notify the Association of the name and address of each lessee and occupant of the Lot and Townhome rented, and the term of the lease. The Owner shall provide a written copy of the lease to the Board upon request and shall provide the lessee with the Governing Documents, which shall be deemed incorporated by reference into every lease of a Lot and the Townhome thereon whether or not this is expressly stated in the lease. Any violation of the Governing Documents by a tenant or occupant of a leased lot and Townhome shall be grounds for termination of the lease and in the event of any such violation the Association may require the Owner to evict all tenants and persons occupying the Lot and Townhome at the time the violation occurred.

Section 11. Zoning Standards. All Owners shall comply with all zoning standards and regulations including all standards and conditions applicable to the Property, which are incorporated by reference herein. Without limiting the generality of the foregoing, all of the terms, provisions, conditions and notes set forth in Rezoning Petition 2007-0511 as revised on March 8, 2017 are incorporated by reference herein.

Section 12. No Unlawful Activities or Conditions. Every Owner and every occupant, visitor or guest shall abide by and comply with all applicable laws and ordinances at all times while present on the Property. Acts, omissions or conditions in violation of applicable law, ordinances, regulations or codes are expressly prohibited and shall constitute nuisances per se, including, without limitation, the violation of any regulation or code governing fire pits, grills or other burning near or around residential structures. Notwithstanding the foregoing, nothing herein shall obligate the Board to take enforcement action with respect to any violation.

Section 13. No Fly Zone. The operation of Unmanned Aircraft Systems (UAS) and Unmanned Aerial Vehicles (UAV), commonly known as drones, is prohibited anywhere within the Property and within the air space above the Property from the surface to 500 feet above ground level ("No Fly Zone"). No person or entity shall launch, land or fly any UAS or UAV within the No Fly Zone nor shall any person or entity use a UAS or UAV for the purpose of photographing or surveillance of any person without that person's written permission. No person shall request or solicit a UAS or UAV flight into or within the Property for any purpose, including the delivery of goods or services. Each separate flight and each photograph taken without authorization shall constitute a separate violation of this Section 13. Notwithstanding the foregoing, the Board of Directors may establish and amend rules and regulations regarding UAS and UAV operations within the No Fly Zone and/or issue general or specific licenses to Members, occupants, guests or outsiders allowing UAS and UAV operations within the No Fly Zone established herein.

Section 14. Protection of Easements on Plat. The Post-Construction Controls Easements (“PCCE”) and the Storm Drainage Easement (“SDE”) shown on the Plat are to provide storm water conveyance and control and treatment of storm water runoff. The erection or construction of buildings or the placement of any other object within these easements which may impede or hinder storm water flow, system performance or system maintenance are expressly prohibited. These easements also provide for unrestricted access for inspection and maintenance purposes to be performed as required by the City of Charlotte Post-Construction Storm Water Ordinance.

ARTICLE XI

EASEMENTS AND PRIVATE STREETS

Section 1. General. All of the Property, including Lots and Common Elements, shall be subject to such easements for driveways, walkways, private alleys, parking areas, water lines, sanitary sewer, storm drainage facilities, gas lines, telephone lines, electric power lines, and other public utility facilities as shall be established by the Declarant or by its predecessors in title, prior to the subjecting of the Property to this Declaration or by the recording of the Plat. The Declarant, during the Declarant Control Period, shall have the power and authority to grant and establish upon, over, under, and across the Property such further easements as may be required for the convenient use, development and enjoyment of the Property. In addition, there is hereby reserved in the Declarant and its agents and employees an easement and right of ingress, egress and regress across all Common Elements for the purpose of development of the Property and of construction of improvements within the Property.

All Lots shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots by the Declarant to the extent that such initial improvements actually encroach including, but not limited to, such items as overhanging eaves and walls.

Section 2. Private Streets. The streets in the Project are private easements as shown on the Plat (“Private Streets”). The Private Streets are part of the Common Elements and shall be owned and maintained by the Association as a Common Expense. The use of the Private Streets shall be subject to the rules and regulations adopted by the Board from time to time. The Private Streets may be gated by the Declarant during the Declarant Control Period or by the Board after the termination of the Declarant Control Period; provided however, nothing herein shall obligate the Declarant or the Board to install or maintain gates.

Section 3. Construction and Development Easement. As a Special Declarant Right, Declarant hereby reserves a blanket easement over the entire Property for the installation of streets, infrastructure and utilities, for the construction of Townhomes on the Lots and improvements on the Common Elements, and for any other construction or development activities Declarant, in its sole discretion, deems appropriate.

Section 4. Emergency. There is hereby reserved without further assent or permit and to the extent allowed by law, a general easement to all firemen, ambulance personnel, policemen and all similar persons to enter upon the Property or any portion thereof which is now or hereafter may be made subject to this Declaration in the performance of their respective duties.

The Association and its agents shall also have the right to enter the Lots and any improvements located thereon for the purpose of making any emergency repairs or replacements.

Section 5. Perimeter Wall Maintenance Easement. Declarant does hereby grant to the Association an easement over the Property for the purpose of repairing, maintaining, or replacing the wall constructed on the perimeter of the Property which easement rights shall include a right of access over each Lot to the perimeter wall for these purposes.

Section 6. Lot Maintenance Easement. Declarant does hereby grant to the Association an easement over each Lot for the purpose of providing the maintenance for which the Association is responsible under Article VI, Section 1, including, without limitation, any retaining walls constructed by the Declarant on a Lot.

Section 7. Signage Easement. Declarant reserves to itself a perpetual easement over the Common Elements for the installation of signage promoting the development and sale of the Property or promoting the development and sale of any of Declarant's other properties developments or communities.

ARTICLE XII

UTILITIES, INFRASTRUCTURE AND FACILITIES

Section 1. Utilities. All utilities and utility connections shall be located underground, including, but not limited to, electrical, telephone and cable television lines.

Section 2. Private Water System. Every Lot shall be connected to a private potable water system. **Declarant makes no representations regarding the future availability of municipal water service to the Lots.** The private water system shall be approved by, and be constructed and maintained in accordance with all the regulations and requirements of all governmental authorities and regulatory agencies having jurisdiction thereof. The private water system will be operated and maintained by the Association. All Owners purchasing Lots acknowledge that they will be charged by the Association for the cost of maintaining, operating and administering the private water system, as well as for the cost of water used. Charges by the Association to Owners of Lots may be allocated on a pro rata and/or usage basis or any other reasonable basis that the Board of Directors determines to be reasonable, necessary and appropriate, in its sole discretion. Each Owner shall be responsible for the maintenance of all water lines that serve only the Owner's Lot and Townhome, regardless of whether those lines are located on the Lot or within the Common Elements. Waterlines, or portions thereof, serving more than one Lot shall be maintained by the Association.

Section 3. Private Sewage Disposal System. Every Lot shall be connected to a private sewage disposal system. **Declarant makes no representations regarding the future availability of municipal sewage disposal service.** The private sewage disposal system shall be approved by, and be constructed and maintained in accordance with all the rules and regulations and requirements of all governmental authorities and regulatory agencies having jurisdiction thereof. The private sewage disposal system will be operated and maintained by the Association. All Owners purchasing Lots acknowledge that they will be charged by the Association for the cost of maintaining, operating and administering the private sewage disposal system. Charges by

the Association to Owners of Lots that are serviced by a private sewage disposal system may be allocated on a pro rata and/or usage basis or any other reasonable basis that the Board of Directors deems to be reasonable, necessary and appropriate, in its sole discretion. Each Owner shall be responsible for the maintenance of all sewage disposal lines that serve only the Owner's Lot and Townhome, regardless of whether those lines are located on the Lot or within the Common Elements. Sewage disposal lines, or portions thereof, serving more than one Lot shall be maintained by the Association.

Section 4. Leased Lighting. Declarant may install or contract with Duke Energy or any of its affiliates, subsidiaries or divisions ("Duke") to install lighting within the Project and may enter into a lease agreement with Duke for the ongoing operation and maintenance of some or all of that lighting. Duke shall remain the owner of all leased lighting. Leases executed by and between the Declarant and Duke may be assigned by the Declarant to the Association at any time, at which point the Association shall be responsible for all rights, duties and obligations therein provided.

Section 5. Association Acceptance of Responsibility for Infrastructure and Facilities. At the request of the Declarant, the Association and the Board shall accept responsibility for the repair, maintenance and replacement of infrastructure and facilities constructed and/or installed on the Property when and to the extent acceptance of that responsibility is requested or required by any local, state or federal office, agency, department or authority. The officers of the Association shall be obligated to execute and deliver all documents reasonably necessary to facilitate and memorialize the Association's acceptance of repair, maintenance and replacement responsibilities as provided for herein, and the Association shall be responsible for any costs, expenses or damages incurred or sustained by the Declarant as a result of any delay or failure by the Association or its officers to do so.

ARTICLE XIII **GENERAL PROVISIONS**

Section 1. Amendment. This Declaration may be amended as provided in N.C.G.S. § 47F-2-117; provided, however, that no amendment to this Declaration shall be effective unless consented to by Declarant, as evidenced by a written document signed by Declarant and recorded in the Mecklenburg County Public Registry, for so long as Declarant owns any Lot or any portion of the Property. Such amendment shall be prepared, executed, certified and recorded by the President, Vice-President or Secretary of the Association. **Notwithstanding the provisions contained herein, Declarant shall have the unilateral right to amend add provisions to the Declaration during the Declarant Control Period for any reason without the joinder, consent or approval of the Owners or Members.**

Section 2. Covenants Running with the Land. Each Owner, by the acceptance of a deed of conveyance for a Lot, accepts title to that Lot subject to all of the restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All rights, benefits and privileges of every character hereby granted, created, reserved, or declared, and all responsibilities and obligations hereby imposed, shall be deemed to be covenants running with the land, and shall bind any person(s) having, at any time, any interest or estate in said land, and shall inure to the benefit of such person(s) in like

manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

Section 3. Construction. The provisions of this Declaration shall be liberally construed to effectuate the purpose of creating, preserving and maintaining the development and operation of a residential community.

Section 4. Enforcement. The Declarant, Association and Owner of any Lot, by acceptance of a deed therefor, is deemed to covenant and agree (i) that any controversy, claim or dispute arising out of or relating to the Project, the Association or any provision of the governing documents, or any breach or violation thereof, may be enforced by any means allowed under North Carolina law, including, without limitation, by seeking injunctive relief and/or the imposition of fines or other sanctions as permitted by N.C.G.S. § 47F-3-102(12) and § 47F-3-107.1 and (ii) that each has standing to seek enforcement. Reasonable attorneys' fees may be recovered as permitted in N.C.G.S. § 47F-3-120.

Section 5. Waiver. No covenants, restrictions, conditions, obligations, or provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur. There shall be no waiver of strict compliance with the provisions of the Governing Documents except as may be waived expressly and in a writing signed by the waiving party.

Section 6. Severability. The invalidity of any covenant, restriction, condition, limitation or any other provision of this Declaration, or of any part of the same, shall not impair or affect in any manner the validity or enforceability of the rest of the Declaration.

Section 7. Time Limits. If any of the privileges, covenants, restrictions or rights created by this Declaration shall be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provision shall continue only until the expiration of ninety (90) years from the date of recordation of this Declaration.

Section 8. No Liability. Neither Declarant, nor any subsidiary of Declarant, nor any employee, agent, successor or assign of Declarant or any such subsidiary, shall be liable for any claim or damage whatsoever arising out of any actions performed pursuant to or in accordance with any authority granted or delegated to them by this Declaration.

Section 9. Headings. The heading to each Article and Section of this Declaration is inserted only as a matter of convenience for reference and in no way limits or describes the scope or intent of such Article or Section, or of this Declaration in general.

Section 10. Litigation by the Association. No judicial or administrative proceeding shall be initiated by the Association unless the Owners approve such action by a vote of Owners entitled to cast seventy-five percent (75%) of the total votes in the Association, except that no such approval shall be required for actions or proceedings: (a) initiated by Declarant or with the consent of the Declarant during the Period of Declarant Control; (b) initiated to enforce the provisions of this Declaration, including collection of assessments and foreclosure of liens; (c)

initiated to challenge ad valorem taxation or condemnation proceedings; (d) initiated against any contractor, vendor or supplier of goods or services arising out of a contract with the Association for services or supplies; or (e) to defend claims filed against the Association or to assert counterclaims in actions or proceedings instituted against it.

In the event any claim is made against the Declarant or any litigation is instituted against the Declarant, then the Association shall assess all Members other than the Declarant for all of the cost of the claim or litigation, including, without limitation, attorney's fees incurred, and funds from regular assessments shall not be used for any such claim or litigation. This section shall not be amended unless such amendment is approved by the same percentage of votes necessary to institute litigation proceedings pursuant to this Section and by the Declarant.

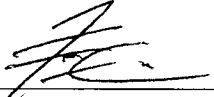
Section 11. Right to Enter and to Correct or Cure. Should any Owner fail to satisfy or fulfil any obligation or responsibility under the Project Documents or to cure or correct any violation of the Governing Documents, the Declarant and/or the Association shall have the right, power and authority to go upon the Owner's Lot and to take any action necessary to satisfy the Owner's responsibility or obligation or to correct and cure any violation. Any entry upon the Lot by the Declarant and/or the Association or their respective agents, employees or representatives under this section shall not be deemed a trespass. Actions permitted under this section shall include, but are in no way limited to, (a) removing or repairing non-conforming structures or improvements; (b) mowing, pruning, removing, clearing or cutting underbrush, weeds or other vegetation and trash; and (c) grading, landscaping, and constructing and maintaining erosion prevention devices before or after improvements have been constructed. All expenses incurred by the Declarant and/or the Association in taking such action shall be charged to and collected from such Owner as a Special Individual Assessment under Article V, Section 5, including, but not limited to, administrative fees and costs, reasonable attorney's fees and interest at the maximum rate allowed by law. The Owner shall pay all such costs incurred within thirty (30) days after receipt by said Owner of an invoice from the Declarant or the Association, as the case may be, setting for the cost of such work.

Section 12. Management Agreement. The Association shall have the right to hire a management company to undertake any of its responsibilities set forth in the Declaration. However, any such management agreement shall be terminable by the Association, without liability or penalty, upon not more than ninety (90) days' notice to the other party.

[SIGNATURE AND NOTARY ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the day and year first above written.

DECLARANT:
PULTE HOME COMPANY, LLC

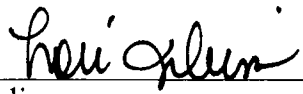
By: 
Francisco Garcia, Vice President

DECLARANT NOTARY

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

This 14 day of MAY, 2018, personally came before me Francisco Garcia who, being by me duly sworn, says that he is a Vice President of **PULTE HOME COMPANY, LLC**, and that said writing was signed by him, in his capacity as Vice President of the limited liability company, by its authority duly given, and on behalf of the limited liability company.


Notary Public

Printed Name: Lori J. Irvin

My commission expires: 10.25.2020

[NOTARIAL SEAL]

