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**MASTER DECLARATION
OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
CITY PARK**

NO FLAG SHALL BE DISPLAYED ON OR ABOUT THE EXTERIOR OF ANY UNIT, OR IN THE WINDOW OF ANY UNIT, OR IN THE COMMON ELEMENTS WITHOUT THE PRIOR WRITTEN CONSENT OF THE DRB OR ITS DESIGNEE OR EXCEPT AS OTHERWISE EXPRESSLY AUTHORIZED BY THE TERMS OF THIS DECLARATION (SEE ARTICLE XIV, SECTIONS 1, 15, AND 20, OF THIS DECLARATION). THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF THE FLAG OF THE UNITED STATES OF AMERICA AND STATE OF NORTH CAROLINA.

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Drawn by and upon recording, please return to:
Patrick L. Ridinger, Esq.
K&L Gates LLP
Hearst Tower, 47 Floor, 214 N. Tryon Street, Charlotte, NC 28202

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Table of Exhibits

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“A”	Land Initially Submitted
“B”	Land Subject to Annexation
“C”	Bylaws of City Park Master Property Owners Association, Inc.
“D”	Master Plan
“E”	Common Elements Plan

**MASTER DECLARATION
OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
CITY PARK**

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (the "Declaration") is made on the date set forth below, by P&L COLISEUM, L.P., a Georgia limited partnership (the "Declarant").

Declarant is the owner of the real property described on Exhibit "A" attached hereto and incorporated herein by reference. Declarant hereby declares that all of the property depicted by cross-hatching on Exhibit "A" (including Lot 1) and any Additional Property which is hereafter subjected to this Declaration by Supplemental Declaration (as defined herein) shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, conditions, liens, charges and equitable servitudes which are for the purpose of protecting the value and desirability of and which shall run with title to the real property subjected to this Declaration. This Declaration shall be binding on all parties having any right, title, or interest in the Community (as defined herein) or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof.

**ARTICLE I
PURPOSE**

Declarant intends to create a real estate development with a mixture of retail and other commercial uses, office uses, hotel uses, and residential uses built on a human scale and with a pedestrian orientation where diverse land uses are combined in ways that foster a sense of identity and community.

Declarant intends by this Declaration to bind the Community with covenants to help implement the plan of development, provide for a diversity of land uses within the Community, protect property values and establish an Association for the administration of the Community as a whole.

To encourage land uses and architectural design that are diverse yet cohesive, and to create a community that is both vibrant yet controlled, the Declarant has reserved to itself and to the Association significant power and discretion through this Declaration to control both the physical and social environment within the Community.

Since the Community will be developed over a period of years, and will therefore be subject to changing tastes, consumer preferences and market forces, Declarant reserves to itself the right to modify, alter or change the development plan for the Community. No statement contained herein should be construed as a warranty or representation with respect to the nature of the services, amenities and land uses to be located within the Community, the social or physical environment existing within the Community, or the administration and operation of the Community.

This Declaration creates a planned community under the North Carolina Planned Community Act (N.C. Gen. Stat. Chap. 47F).

ARTICLE II
DEFINITIONS

The terms in this Declaration and the exhibits to this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

Section 1. "Act" shall mean the North Carolina Planned Community Act, N.C. Gen. Stat. Chap. 47F.

Section 2. "Additional Property" shall mean and refer to the real property depicted by cross-hatching on Exhibit "B" which may be submitted to the terms of this Declaration as set forth in Article XI.

Section 3. "Articles of Incorporation" or "Articles" shall refer to the Articles of Incorporation of City Park Master Owners Association, Inc., as filed with the Secretary of State of North Carolina.

Section 4. "Association" shall refer to City Park Master Owners Association, Inc., a North Carolina nonprofit corporation, its successors or assigns.

Section 5. "Association Delegate" shall refer to the natural person appointed by an Owner to represent such Owner in the affairs of the Association, as more particularly described in the Bylaws. As long as Declarant owns any portion of the property described on Exhibits "A" or "B" hereof, Declarant shall appoint a natural person to represent Declarant in the affairs of the Association.

Section 6. "Base Assessment" shall refer to assessments levied on all Parcels subject to assessment under Article XII to fund Common Expenses for the general benefit of all Parcels, as more particularly described in Article XII.

Section 7. "Board of Directors" or "Board" shall be the body responsible for administration of the Association, selected as provided in the Bylaws and generally serving the same role as the board of directors under North Carolina corporate law.

Section 8. "Bylaws" shall refer to the Bylaws of City Park Master Owners Association, Inc., attached hereto as Exhibit "C" and incorporated by reference, as they may be amended from time to time.

Section 9. "Building" shall mean any building constructed on a Parcel. A Building may contain one or more or portions of one or more Parcels.

Section 10. "Common Elements" shall mean those portions of the Community, including the improvements constructed and installed thereon, described as follows:

(a) such portions of the Community as are shown or designated as "Common Elements," "Common Property," "Common Area," "Common Open Space," "COS" or similar designation from time to time on any Record Plat, or in this Declaration or any amendment or supplement to this Declaration, which may include, but are not limited to, entrance features, landscaped areas, trees, plantings, medians, signage, monuments, lighting (including street lights leased by Declarant or the Association from a utility company), sitting areas, streets, drainage facilities, irrigation facilities, water, sanitary sewer, storm sewer, storm water drainage and/or retention, Community Systems, communications and/or other utility facilities, ponds and retention ponds, greenways, The Loop (as defined herein) and other jogging trails,

walkways, recreational areas and other lands and improvements, other than any common property established under a Parcel Declaration by a Parcel Developer;

(b) any real or personal property now or hereafter owned by the Association or by the Declarant for the benefit of the Owners and the Permittees, including, but not limited to, Exclusive Common Elements, as defined below, entrance features, landscaped areas, trees, plantings, medians, signage, monuments, lighting [including street lights leased by Declarant or the Association from a utility company], sitting areas, private streets (if any), drainage facilities, irrigation facilities, water, sanitary sewer, storm sewer, storm water drainage and/or retention, Community Systems, communications and/or other utility facilities, retention ponds, greenways, The Loop and other jogging trails, walkways, recreational areas and other lands and improvements;

(c) such easement rights for rights-of-way and such appurtenant easements or licenses as Declarant may declare, acquire or reserve or as are granted to the Association for the benefit of the Owners and the Permittees or for the use, care or maintenance of any portion of the Community, including, but not limited to, the license created hereunder over the License Areas, rights-of-way and appurtenant easements or licenses for landscaping, trees, plantings, irrigation, signage, monuments, lighting, water, sanitary sewer, storm sewer, storm water drainage and/or retention, Community Systems, communications and/or other utility services. Declarant may (but shall not be obligated to) dedicate some part or all of any such easement rights for public use and/or maintenance. Declarant may (but shall not be obligated to) retain rights to maintain and/or improve portions or all of any such right-of-way and appurtenant easements (and improvements, trees, plantings or landscaping therein) so dedicated and/or areas (and improvements, trees, plantings or landscaping therein) not so dedicated. To the extent that Declarant shall so declare or designate, any such rights-of-way and/or rights appurtenant thereto and/or improvements, trees, plantings or landscaping therein shall be Common Elements.

Notwithstanding any definition of "Common Elements" as defined in the Act, Common Elements in the Community shall be as defined herein, whether owned by Declarant, the Association, or a Parcel Owner. Common Elements shall not include any Private Amenities; the Buildings; or common property established under a Parcel Declaration by a Parcel Developer.

The Common Elements Plan shows the current contemplated location and configuration of the Common Elements; however, no portion of the Property shall be a Common Element except pursuant to subsections (a), (b), or (c) above.

Section 11. "Common Elements Plan" shall mean the plan attached hereto as Exhibit "E" and incorporated herein by this reference.

Section 12. "Common Expenses" shall mean the actual and estimated expenses incurred, or anticipated to be incurred, by the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Bylaws, and the Articles of Incorporation of the Association, but shall not include any expenses for Community marketing, initial development, original construction, installation of infrastructure, original capital improvements, or other original construction costs for improvements constructed by Declarant unless approved by Association Delegates representing eighty percent (80.0%) of the total votes of the Association; provided, however, the repair, maintenance, replacement and insurance of such infrastructure or other original capital improvements shall be a Common Expense. Lease payments on all street lights leased by the Declarant within the Community shall be a Common Expense; and ad valorem property taxes not billed directly to the Owners of Parcels or to Permittees owning Units shall be a Common Expense (it being intended that unless otherwise provided herein, each Owner/Permittee shall pay for ad valorem taxes on its Parcel or Unit and for insurance for the improvements on the same).

Section 13. "Community" shall mean and refer to the real property described in Exhibit "A" attached hereto, together with such Additional Property as is hereafter subjected to this Declaration in accordance with Article XI.

Section 14. "Community System(s)" or "System(s)" shall mean any or all of a central telecommunication receiving and distribution system (e.g., cable television, high speed data/internet/intranet services, and security monitoring), and its components, including associated infrastructure, equipment, hardware, and software, serving any portion of the Community.

Section 15. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Community. Such standard may be more specifically determined by the Board of Directors and the DRB. Notwithstanding the foregoing, the Community (including all Common Elements and Buildings therein) shall be maintained in a neat and attractive condition and shall have an appearance consistent with "Class-A" mixed-use projects located in the Charlotte, North Carolina area.

Section 16. "Declarant" shall refer to P&L Coliseum, L.P., a Georgia limited partnership, or any successor, successor-in-title, or assign who takes title to any portion of the property described on Exhibits "A" or "B" hereof for the purpose of development and/or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant. In all events there shall be only one (1) Declarant at any time and in no event shall more than one (1) Person have the right to exercise power and authority of the Declarant at any time.

Section 17. "Declarant Control Period" shall refer to the period of time during which Declarant shall at all times be entitled to appoint and remove the Board of Directors and the officers of the Association, and during which other Owners shall have no right to nominate, elect, or remove, or exercise any vote to nominate, elect, or remove, the Board of Directors; such period of time beginning on the date that the Association is incorporated and ending at such time as Declarant, together with any parent, affiliate or subsidiary of Declarant, collectively owns less than fifty percent (50%) of any portion of the Property described on Exhibits "A" and "B", or at such earlier time as Declarant terminates such right by execution of a written instrument of termination. Anything to the contrary in this Declaration, the Bylaws, the Articles of Incorporation, or the North Carolina Planned Community Act notwithstanding, if not sooner ended or terminated, the Declarant Control Period shall end on December 31, 2032.

Section 18. "Designated Maintenance Items" shall mean and refer to the Common Elements except for those Common Elements to be maintained by Owners as provided herein; for and during the term of the license granted therein pursuant to Article III, Section 6 below, the License Areas; and all those areas or improvements, which by the terms of this Declaration, any Supplemental Declaration or other applicable covenants, contract, or agreement with any Parcel, become the responsibility of the Association.

Section 19. "Design Review Board" or "DRB" shall mean the committee of the Association created pursuant to Article XIII with authorization over new construction and modifications in the Community.

Section 20. "Exclusive Common Elements" shall refer to a portion of the Common Elements which the Declarant or the Association now or hereafter owns, leases, or otherwise holds possessory or use rights in for the exclusive use or primary benefit of one (1) or more, but less than all, Parcels, as more particularly described in Article III of this Declaration.

Section 21. "License Areas" shall refer to those areas within the Additional Property designated by Declarant from time to time as License Areas in which the Declarant has granted to the Association, for the benefit of the Owners and Permittees, a revocable license of use pursuant to Article III, Section 2, below.

Section 22. "Lot 1" shall mean the real property conveyed by Declarant to Oxford City Park Apartments, LLC by Special Warranty Deed dated of even date herewith and filed in the Public Registry.

Section 23. "Majority" shall mean those votes, Owners, Association Delegates, or other group as the context may indicate totaling more than fifty percent (50%) of the total number of eligible votes, Owners, Association Delegates, or other group, respectively, as determined by the Prorata Shares. Unless otherwise specifically stated, the words "Majority vote" mean more than fifty percent (50%) of the votes exercised by those voting in person or by proxy. Except as otherwise specifically provided in the Declaration or the Bylaws, all decisions requiring a vote shall be made by Majority vote.

Section 24. "Master Plan" shall refer to the master plan for City Park, as it may be amended from time to time, which plan contemplates development on all or a portion of the property depicted by cross-hatching on Exhibit "A" and the property depicted by cross-hatching on Exhibit "B" which Declarant may subject to this Declaration from time to time. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the exclusion of property depicted on Exhibit "B" from the Master Plan bar its later annexation in accordance with Article XI hereof. The current Master Plan is attached hereto as Exhibit "D" for informational purposes and incorporated herein by reference. BY ATTACHING THE MASTER PLAN TO THIS DECLARATION, OR BY EXHIBITING THE MASTER PLAN IN SALES OR MARKETING MATERIALS, DECLARANT IN NO WAY OBLIGATES ITSELF TO SUBJECT ANY OR ALL OF THE PROPERTY SHOWN ON THE MASTER PLAN TO THIS DECLARATION, OR OBLIGATES ITSELF TO DEVELOP THE COMMUNITY IN ACCORDANCE WITH THE MASTER PLAN, OR PREVENTS DECLARANT FROM CHANGING THE MASTER PLAN FROM TIME TO TIME.

Section 25. "Mortgage" shall refer to a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

Section 26. "Mortgagee" shall refer to a beneficiary or holder of a Mortgage.

Section 27. "Mortgagor" shall refer to any Person who gives a Mortgage.

Section 28. "Nonresidential Parcel" shall mean a Parcel other than a Residential Parcel.

Section 29. "Office Parcel" shall mean a Parcel containing exclusively office uses.

Section 30. "Owner" shall refer to the one (1) Person who holds the record title to any Parcel, but excluding, however, (i) any Person holding an interest merely as security for the performance of an obligation; (ii) Permittees that are not otherwise Owners; and (iii) Persons owning any easements, rights-of-way, or licenses of real property. Notwithstanding the foregoing, if any Parcel is submitted to the condominium form of ownership under the North Carolina Condominium Act, N.C. Gen. Stat. §§47C-1-101, et seq., or is submitted to covenants subject to a mandatory Parcel Association, then the term "Owner" shall for all purposes be the Parcel Association.

Section 31. "Parcel" shall refer to each separately developed area, including improvements constructed thereon, within the Community, located approximately as shown on and identified on the Master Plan (ultimate exact locations to be shown on a Record Plat) as initially configured, sold, or

developed by Declarant, whether or not governed by a Parcel Association, and each Parcel of land within the Community intended for separate development generally as shown on the Master Plan and more particularly on a Record Plat. A Parcel may or may not include land (for example a Residential Parcel may be constructed in an air Parcel superjacent to and within the same Building as a ground level Nonresidential Parcel with the land beneath the Building being a part of the Nonresidential Parcel and not part of the Residential Parcel). There may or may not be more than one Unit constructed within any given Parcel. The term "Parcel," unless the context dictates otherwise, shall include Residential Parcels and Nonresidential Parcels.

Section 32. "Parcel Assessments" shall mean assessments levied against a particular Parcel or Parcels to fund Parcel Expenses, as more particularly described in Article XII of this Declaration.

Section 33. "Parcel Association" shall refer to any condominium association, homeowners' association or other mandatory membership owners association having concurrent, but subordinate, jurisdiction over any Parcel.

Section 34. "Parcel Declaration" shall refer to any declaration of condominium, declaration of protective covenants, or similar instrument which subjects all or a portion of any property within a Parcel to covenants, restrictions and/or easements in addition to those contained in the Declaration.

Section 35. "Parcel Developer" shall mean any Person which owns or purchases one (1) or more Parcels or any portion thereof for the purpose of constructing improvements thereon for later sale or lease to consumers or any Person which purchases portions of land within the Community for further subdivision, development and/or resale in the ordinary course of such Person's business.

Section 36. "Parcel Expenses" shall mean and include the actual and estimated expenses incurred or anticipated to be incurred by the Association for the benefit of a particular Parcel or Parcels, which may include a reasonable reserve for capital repairs and replacements (exclusive of any costs or expenses related to repairs or replacements necessitated by construction defects in the initial improvements constructed by Declarant), all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized herein or in Supplemental Declarations applicable to the Parcel or Parcels.

Section 37. "Permittees" shall mean any and all of the following: (a) an owner of any portion of a Parcel including, without limitation, owners of condominium Units, townhouse Units, nonresidential Units, outparcels and any other parcel or Parcel of land comprising a portion of a Parcel; (b) the tenants or lessees of a Parcel or portion thereof; and (c) the guests, licensees and invitees of an Owner of a Parcel, an owner of a portion of a Parcel, or the tenants and lessees of a Parcel or portion thereof. Subject to the terms of this Declaration or any Supplemental Declaration, (i) all Permittees shall be bound by the terms hereof; (ii) all owner or tenant Permittees shall have the same rights as Owners as to use, access, and enjoyment in and to the Common Elements and License Areas; and (iii) all provisions of the Declaration, any Supplemental Declaration, Bylaws, and rules and regulations which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Permittees. The terms "owner Permittee," "tenant Permittee" and "owner/tenant Permittee" are used in this Declaration in order to distinguish the "non-owner/non-tenant Permittees" described in (c) above from other types of Permittees described above.

Section 38. "Person" shall mean a natural person, a corporation, limited liability company, a partnership, joint venture, a trust, or any other legal entity.

Section 39. "Private Amenities" shall mean any real property and improvements and facilities thereon located within or in the vicinity of the Community, which are privately owned and operated by Persons other than the Association for recreational and related purposes on a membership basis or otherwise.

Section 40. "Prorata Share" shall mean and refer to that percentage of the Common Expenses and votes in the Association allocated to a Parcel, which shall be based on the acreage of the land included in the Parcel as a percentage of the acreage of all Parcels and of the Additional Property, as determined by Declarant and set forth herein and in any supplements and amendments to this Declaration. The total acreage of all Parcels and of the Additional Property is 118.91 acres. If a Parcel is an air Parcel including no land area, the Prorata Share shall be allocated between the air Parcel and the Parcel containing land area beneath the air Parcel by Declarant in its reasonable discretion.

Section 41. "Public Registry" shall mean and refer to the Office of the Register of Deeds in Mecklenburg County, North Carolina.

Section 42. "Record Plat" shall mean any plat of all or any portion of the Community that is separately recorded as a plat by Declarant in the Public Registry.

Section 43. "Residential Parcel" shall mean a Parcel containing exclusively residential and appurtenant/related uses, but excluding Parcels upon which apartment projects are developed or to be developed, which shall be deemed Nonresidential Parcels hereunder.

Section 44. "Special Assessment" shall mean and refer to assessments levied in accordance with Article XII, Section 5 of this Declaration.

Section 45. "Specific Assessment" shall mean assessments levied in accordance with Article XII, Section 6 of this Declaration.

Section 46. "Supplemental Declaration" shall mean an amendment or supplement to this Declaration either as a separate document or as part of the deed conveying property to an Owner filed pursuant to Article XI which subjects Additional Property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein.

Section 47. "The Loop" shall mean that certain hiking, walking running and biking trail located around and through the Community in the location generally shown on the Master Plan, as such Master Plan may be amended from time to time by Declarant, as contemplated herein.

Section 48. "Unit or Units" shall mean a portion of a Residential Parcel owned by a Permittee; this may include a single family home; a condominium unit; or a patio home or townhome, but shall exclude apartment units in multi-family buildings for rent.

ARTICLE III **COMMON ELEMENTS AND LICENSE AREAS**

Section 1. Common Elements. The Association, subject to the rights of the Owners set forth in this Declaration and except as otherwise provided herein, shall be responsible for the maintenance, repair and replacement, and the exclusive management, operation and control of, the Common Elements and all improvements thereon (including, without limitation, entrance features, landscaped areas, trees, plantings, medians, signage, monuments, lighting [including leased lighting], sitting areas, private streets and drives, roundabouts, drainage facilities, irrigation facilities, water, sanitary sewer, storm sewer, storm water

drainage and/or retention, Community Systems, communications and/or other utility facilities, ponds, retention ponds, greenways, The Loop and any other walking, jogging or biking trails, walkways, recreational areas and other lands), and shall keep them in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard.

Prior to the acquisition of such Parcel by an Owner, Declarant may designate certain Common Elements located upon Parcels for maintenance by the Owner of such Parcels to the Community Wide Standard at the sole cost and expense of such Owner. The Association shall have the right to determine the degree and frequency of such maintenance, to be performed by the Owner at its sole cost and expense, so that the Common Elements are uniformly maintained throughout the Community. Any such designation of a Common Element for maintenance by an Owner shall be made prior to the conveyance of the Parcel upon which the Common Element is located, and may not be made thereafter without the Owner's consent.

Declarant currently contemplates that the areas shown on the Master Plan as streetscape, entrance features, parks, The Loop and other areas within the Community developed as trails, sidewalks, landscaped berms, irrigation systems, private streets and drives, street lights, and other similar facilities, will be Common Elements and/or Designated Maintenance Items.

As of the date and time of filing of this Declaration, the Common Elements include the rights-of-way as described or depicted on the Master Plan, including the existing National Avenue, the existing portions of City Park Drive, the to-be-constructed portions of City Park Drive, and the to-be-constructed National Avenue, Potomac River Parkway, Arbor Loop and Speer Boulevard, and any utility and drainage facilities installed or to be installed for use by more than one Parcel; provided, however, that, except to the extent allowed by the City of Charlotte, no publicly dedicated and accepted rights of way or publicly dedicated and accepted utility and drainage facilities shall be Common Elements.

Section 2. Use of and Easements for Common Elements; Use of License Areas. All Owners and owner/tenant Permittees are hereby granted and conveyed perpetual and nonexclusive (except where exclusivity is granted herein) easements of use, access, and enjoyment in and to the Common Elements, and are furthermore granted a revocable non-exclusive license of use, access, and enjoyment in and to the Common Elements, and all non-owner/non-tenant Permittees are hereby granted a revocable license of use, access, and enjoyment in and to the Common Elements and License Areas, subject to:

(a) This Declaration, any Supplemental Declaration, and any other applicable covenants, as the same may be amended from time to time, and subject to any restrictions or limitations contained in any deed conveying such property to the Association.

(b) The right of the Board of Directors to adopt rules regulating the use and enjoyment of the Common Elements, and the manner, purposes and activities for which the Common Elements may be used or which may take place on the Common Elements. In establishing such rules and regulations, the Board may adopt different rules and regulations for different portions of the Common Elements. Such rules and regulations shall apply uniformly to all Owners and their Permittees that are similarly situated. By way of example, such rules and regulations may limit hours of use of Common Elements by Owners and Permittees of Residential Parcels differently than for Owners and Permittees of Nonresidential Parcels.

(c) The right of the Board of Directors to revoke the licenses granted herein and to declare and treat any non-owner/non-tenant Permittee whose use of the Common Elements or whose actions or activities therein violate any local, state or federal law, any of the covenants set forth in this Declaration

or in any Supplemental Declaration relating to the use and enjoyment of the Common Elements, or any rules and regulations adopted by the Board of Directors relating to the use and enjoyment of the Common Elements, as a trespasser on the Common Elements and to cause said Permittee to be removed from the Common Elements and/or prosecuted to the fullest extent of the law. The Board of Directors shall also have the right to further suspend or revoke said Permittee's license of use, access, and enjoyment in and to the Common Elements, excepting rights of access to and from Units and excepting drainage rights.

(d) The right of the Board of Directors to impose reasonable fines upon an Owner or Permittee whose use of the Common Elements or whose actions or activities therein violate any local, state or federal law, any of the covenants set forth in this Declaration or any Supplemental Declaration relating to the use and enjoyment of the Common Elements, or any rules and regulations adopted by the Board of Directors relating to the use and enjoyment of the Common Elements to use the Common Elements for reasonable periods, after notice and a right to a hearing pursuant to Article V, Section 2 of the Bylaws.

(e) The right of the Association, acting through the Board, to convey or transfer all or any part of the Common Elements owned by the Association pursuant to and subject to the limitations of Article VI hereof, provided that Common Elements may be conveyed or subjected to a security interest only pursuant to Section 47F-3-112 of the Act.

(f) The right of the Association, acting through the Board, to charge reasonable fees for reserving the use of a facility or portion of the Common Elements for a private function.

(g) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that Common Elements may be conveyed or subjected to a security interest only pursuant to Section 47F-3-112 of the Act, and shall also be subject to the approval of the Declaration during the Declarant Control Period.

(h) The rights of certain Owners and Permittees to the exclusive use of those portions of the Common Elements designated "Exclusive Common Elements," as more particularly described in Section 4 below.

(i) The right of the Association, acting through the Board, to close temporarily portions of the Common Elements.

(j) The right of the Association, acting through the Board, to set curfews for the use of all or any portion of the Common Elements by minors.

(k) The right of the Association, acting through the Board, to grant easements and licenses over the Common Elements owned by the Association for the benefit of the Community or any Parcel or Parcels.

(l) The right of the Association, acting through the Board, to lease portions of the Common Elements owned by the Association. The Association, acting through the Board, may enter into leases, licenses or operating agreements for portions of the Common Elements, for such consideration or no consideration as the Association deems appropriate, to permit use of such portions of the Common Elements by community organizations and by others, whether nonprofit or for profit, for the provision of goods or services for the general benefit or convenience of Owners and Permittees of the Community, or for the general public. The Association may enter into such leases with Declarant or an affiliate of Declarant, including during the Declarant Control Period, and may allow the tenant under any such lease

to construct and operate retail and other nonresidential improvements upon the portion of the Common Elements so leased.

(m) The right of Declarant or the Association (but not the obligation) to construct amenities upon the Common Elements (or to allow construction thereof), and to lease or convey any such amenities to a third party, and to allow such third party to operate the amenities for member use or for use by the general public.

(n) The right of the Declarant or the Association to construct and complete any improvements within the Common Elements, in the sole discretion of the Declarant or the Association, respectively.

(o) The right of a Parcel Developer to construct and complete any improvements within the Common Elements at the direction of Declarant.

(p) Easement rights in favor of Declarant and to Parcel Developers at the direction of Declarant such that Declarant and Parcel Developers as so directed may use Common Elements for access, ingress, egress and for the placement of utilities to serve the Community, as well as to serve any additional and/or adjacent land, including but not limited to the Additional Property, whether or not brought within the Community. Notwithstanding the foregoing, access, ingress, egress, or placement of utilities to serve any additional and/or adjacent land shall in no way impact, burden or limit the use of the Common Elements by Owners and Permittees, except temporarily during the period of initial construction; provided, however, in no event shall there be any cessation of utility services or access to a Parcel on which improvements have been constructed.

(q) The right of the Declarant to establish and enforce reasonable rules and regulations regarding the use of the License Areas.

Notwithstanding any provision to the contrary herein, including without limitation the matters noted under subsections (a) through (q) above, in no event shall the perpetual easements in and to the Common Elements granted pursuant to the first paragraph of this Section 2 be materially and adversely affected, modified, or diminished after the date of this Declaration. However, the licenses granted over the License Areas may be terminated at any time by Declarant.

Section 3. Prohibited Activities on the Common Elements. Notwithstanding anything to the contrary stated herein, the following activities shall not be permitted by an Owner or Permittee on any portion of the Common Elements without such Owner on behalf of itself and any Permittee first obtaining a written permit from the Board of Directors: (a) demonstrations; (b) solicitations; (c) use of loud speakers and amplifiers; (d) public speeches; (e) rallies; (f) public performances of music, theater, or dance; (g) sale of goods or services; (h) parades; (i) camping; (j) swimming or fishing in any stream, fountain or other body of water located on the Common Elements; (k) playing or listening to music (unless the music is not audible to other persons); and (l) taking photographs for commercial or other non-personal use and distribution. All Owners and owner/tenant Permittees, on behalf of themselves and their Permittees, acknowledge that the Common Elements are private property, that the scope and nature of the activities that will be permitted on the Common Elements are intended to be far more restrictive than what might be permitted on public property, and that the Board may deny the granting of a permit if it determines in its sole and absolute discretion, that the issuance of the permit may interfere with or have a potentially negative effect on: (i) the quiet enjoyment of other Parcels, Units and Common Elements by other Owner(s) and Permittees; or (ii) the ability of any other Owner or Owners and Permittees to use their Parcel and/or Unit(s) for their intended purpose or purposes. The permit issued by the Board shall be for a specific date, place, and time. Nothing herein shall limit the Board from issuing permits for any

of the activities prohibited above as part of the celebration of a public holiday or planned community event. The Board of Directors may through its rule making authority expand the list of activities for which a written permit is first required to be obtained. Notwithstanding the foregoing, and notwithstanding any other provision of this Declaration to the contrary, Declarant or the Association may conduct any of the foregoing activities without obtaining a permit from the Board of Directors. In particular, it is contemplated that Declarant and/or the Association may conduct public performances of music, theater, and dance on the Common Elements, and that Declarant may conduct marketing, sales, and promotional activities that include one or more of the activities listed in this Section. No permission of any other party shall be required for Declarant's or Association's conduct of any such activities.

Section 4. Exclusive Common Elements. Certain portions of the Common Elements may be designated as Exclusive Common Elements and reserved for the exclusive use or primary benefit of Owners and Permittees within a particular Parcel or Parcels. By way of illustration and not limitation, Exclusive Common Elements may include entry features, terraces, decks, amenities, landscaped medians and cul-de-sacs, ponds and other portions of the Common Elements within a particular Parcel or Parcels. All costs associated with maintenance, repair, replacement, and insurance of an Exclusive Common Elements shall be assessed as a Parcel Assessment against the Owners of those Parcels to which the Exclusive Common Elements are assigned.

Initially, any Exclusive Common Elements shall be designated as such and the exclusive use thereof shall be assigned herein, in any Supplemental Declaration which subjects the Exclusive Common Elements to this Declaration, or on the Record Plat establishing/identifying such Exclusive Common Elements; provided, any such assignment shall not be exclusive and shall not preclude the Declarant from later assigning use of the same Exclusive Common Elements to additional Parcels, during the Declarant Control Period. Thereafter, a portion of the Common Elements may be assigned as Exclusive Common Elements of a particular Parcel or Parcels, and Exclusive Common Elements may be reassigned, upon the vote of Association Delegates representing a Majority of the total votes in the Association, which Majority must include a Majority of the votes within the Parcel(s) to which the Exclusive Common Elements are assigned, if applicable, and a Majority of the votes of the Parcel(s) to which the Exclusive Common Elements are to be assigned. As long as the Declarant owns any property described on Exhibits "A" or "B" for development and/or sale, any such assignment or reassignment shall also require the consent of the Declarant.

The Association may, upon approval of the Owner(s) of the Parcel(s) to which certain Exclusive Common Elements are assigned, permit Owners of other Parcels and Permittees to use all or a portion of such Exclusive Common Elements upon payment of reasonable user fees, which fees shall be used to offset the Parcel Expenses attributable to such Exclusive Common Elements.

Each Owner of a Parcel to which an Exclusive Common Element is assigned shall indemnify and hold harmless the Association and the other Owners and all owner Permittees of other Parcels from and against any and all any and all losses, claims, demands, damages, costs, and expenses of whatever kind or nature (including, without limitation, reasonable attorneys' fees and costs at all tribunal levels and whether or not suit is instituted, including those incurred in establishing the right to be indemnified, defended, and held harmless pursuant hereto), which relate to or arise out of the use, maintenance or operation of such Exclusive Common Elements.

Section 5. Construction and Installation of Improvements within Common Elements or as Designated Maintenance Items. In connection with the sale of a Parcel to a Parcel Developer, the Declarant may require the Parcel Developer, to the extent Parcel Developer agrees to do so, to construct and install certain improvements within the Common Elements (or to install certain facilities within the Parcel conveyed as Designated Maintenance Items) including, but not limited to, entrance features,

landscaped areas, parks, trees, plantings, medians, signage, monuments, lighting, sitting areas, streets, drainage facilities, irrigation facilities, water lines, sanitary sewer lines, storm sewer lines, storm water drainage and/or retention, ponds, retention ponds, greenways, jogging trails, walkways, and other amenities. In the event the Declarant so requires a Parcel Developer to construct and install improvements within the Common Elements, or upon such Parcel as a Designated Maintenance Item, such obligations shall be specifically set forth in the contract of sale and/or in the deed to the Parcel Developer or in a Parcel Declaration or a Supplemental Declaration encumbering the subject Parcel and shall run with the land in favor of the Declarant.

Section 6. License Areas. It is currently contemplated that the License Areas will ultimately be sold and/or developed as Parcels (although Declarant shall have no obligation whatsoever to sell or develop the License Areas, or to subject them to this Declaration). While the License Areas remain undeveloped, the maintenance thereof, by mowing and removal of trash and rubbish, and the performance of other minimal landscaping and care, to keep the appearance thereof consistent with the appearance of the Community, is beneficial to the Community. Furthermore, while the License Areas remain undeveloped, the use thereof by the Association, the Owners, and Permittees, and particularly by Permittees of Residential Parcels, for recreational purposes, is beneficial to the Community. To that end, Declarant does hereby grant to the Association, for the benefit and enjoyment of the Owners and Permittees, the nonexclusive, revocable right and license to use the License Areas for recreational purposes. Access over the License Areas by Owners and Permittees shall be limited to pedestrian and non-motorized vehicle (*i.e.*, bicycle) traffic. By written notice to the Association from time to time, Declarant shall indentify those areas within the Additional Property which Declarant designates as License Areas. Such designation and license may be revoked with respect to all or any part of parts of the designated License Area by the Declarant at any time by written notice given to the Association, and upon such revocation the affected License Area, or such portion thereof with respect to which such license has been revoked, shall no longer be a License Area hereunder. Use of the License Areas shall be subject to such rules and regulations as the Declarant may impose. Maintenance of the License Areas shall be performed by the Association, to the level and intensity as the Board deems appropriate, and the cost of such maintenance shall be a Common Expense.

ARTICLE IV

PARCELS; PRORATA SHARES

Section 1. Creation of Parcels. All real property subjected to the Declaration either initially or through the filing of a Supplemental Declaration shall be divided by the Declarant into Parcels at such time as Declarant determines, in its sole discretion, and shall be designated on a Record Plat or Plats for the Community or by a metes and bounds description of the property recorded either as an exhibit to this Declaration, in a Supplemental Declaration, or separately, on a Record Plat or Plats or in a deed or deeds in the Public Registry. The Declarant may with the written consent of the Owners thereof amend this Declaration or any Supplemental Declaration from time to time during the Declarant Control Period, to subdivide, combine and/or redesignate Parcels and/or revise Parcel boundaries. Parcels may be subjected to additional covenants and restrictions set forth in a Supplemental Declaration or in a Parcel Declaration separately filed by the Owner thereof, provided that all such covenants and restrictions are approved by Declarant in accordance with the terms hereof.

Section 2. Parcel Declaration. No more than one (1) Person shall hold title to a Parcel, or any portion thereof (including a Unit therein), unless such Parcel is subject to a Parcel Declaration recorded in the Public Registry. Each Parcel Declaration must provide for the following:

(a) A Parcel Association, established as a nonprofit corporation under North Carolina law, that is responsible for the administration, maintenance, preservation, use, and enjoyment of such Parcel and is to function as the Owner of such Parcel as set forth in Article II, Section 29 above.

(b) Mandatory membership in the Parcel Association by all owners of real property in the Parcel.

(c) The Parcel is bound by the Parcel Declaration during the entire time period that the Declaration binds the Community.

(d) The payment of all Base Assessments, Parcel Assessments, Special Assessments, Specific Assessments, fees, charges, and fines levied by the Association against a Parcel or its Permittees shall be the responsibility of the Parcel Association, which may be sued in its own name for failure to pay such monies, and shall also be the responsibility of and a pro-rata lien and charge upon the property of each Owner and of each owner of any portion of a Parcel including all Permittees that are owners of Units in any Parcel.

(e) Authority of the Parcel Association to collect assessments from all Permittees owning any Units within a Parcel, including each such Person's pro-rata share of any assessments, charges, fees, or fines levied by the Association.

(f) Authority of the Parcel Association to have lien rights (as permitted under North Carolina law) against any owner of any real property within the Parcel to secure payment of delinquent assessments, as well as interest, late charges (subject to the limitations of North Carolina law), and the costs of collection (including attorneys' fees). Such lien shall be prior and superior to all other liens, except (i) liens and encumbrances (specifically including, but not limited to, a mortgage or deed of trust on the real property but excluding mechanic's or materialmen's liens) recorded before the docketing of the claim in the Office of the Superior Court; (ii) liens for real estate taxes and other governmental assessments and charges against the Parcel; and (iii) the liens of the Association against any Parcel to secure payment of delinquent assessments, as well as interest, late charges, and costs of collection.

(g) Authority of the Parcel Association to institute legal proceedings in its own name to collect all sums due and owing.

(h) Prohibition of all uses not permitted in Article XIII; provided, however, a Parcel Declaration may further restrict or prohibit activities permitted in this Declaration; provided such restrictions or prohibitions are not inconsistent with the Community-Wide Standard.

(i) The appointment of an Association Delegate.

Section 3. Special Parcel Services. The Owner of a Parcel or Parcels may request that the Association provide or perform a higher level of service or special services for the benefit of a Parcel or Parcels. The Association shall provide such services, except where the Association, acting through its Board of Directors, determines, in its sole discretion, that the Association does not have the capacity, skill or expertise to provide the requested service; where the Association determines that the provision of the service would expose the Association to an unreasonable risk of claims, potential or legal exposure; where the Association determines that the provision of services would be unduly burdensome on the Association; or where the Parcel or Parcels requesting the same owe outstanding assessments or other charges to the Association, or have failed to timely pay such assessments or charges in the past two (2) years. The cost of such services shall be assessed against the Parcel or Parcels requesting the same as a Parcel Assessment pursuant to Article XII hereof; provided, however, that the Association may but shall

not be required to request advance payment for start-up costs associated with providing the service. In such event, the Association shall provide the requested services. The cost of such services shall be assessed against the Parcel or Parcels requesting such services as a Parcel Assessment pursuant to Article XII hereof. In the event the Association determines that the Association does not have the capacity, skill or expertise to provide the requested service, that the provision of the service would expose the Association to an unreasonable risk of claims, potential or legal exposure, that the provision of services would be unduly burdensome on the Association, or that the Parcel or Parcels requesting such services owe outstanding assessments or other charges to the Association, or have failed to timely pay such assessments or charges in the past two (2) years, the Association may elect to discontinue the provision of such services upon thirty (30) days' written notice to the Owner of the Parcel.

Section 4. Subdivision of a Parcel. The Owner of a Parcel may at any time petition the Board of Directors to divide the property comprising the Parcel into two (2) or more Parcels. Such petition shall be in writing and shall include a plat of survey which indicates the boundaries of the proposed Parcels. Such petition shall be granted upon the filing of all required documents with the Board, unless the Board of Directors denies such application in writing within thirty (30) days of its receipt thereof. Notwithstanding the above, so long as the Declarant owns any property described in Exhibits "A" and "B" for development and/or sale, any subdivision of Parcels shall require the prior written consent of the Declarant; provided, further, in the event the Declarant or DRB has approved a site plan for a Parcel that contemplates the creation of Units within such Parcel, such approved site plan shall constitute approval of the subdivision plan to create such Units and no other approval under this Section shall be required. All applications and copies of any denials shall be filed with the books and records of the Association and shall be maintained as long as this Declaration is in effect. Furthermore, conversion of an existing Parcel to the condominium form of ownership shall not be deemed a subdivision subject to this Section.

Section 5. Prorata Share. The Declarant shall assign and allocate a Prorata Share expressed as a percentage to each Parcel at or before the initial sale or conveyance of the Parcel by the Declarant to a third party or prior to the commencement of development of any Parcel developed by Declarant or an affiliate of Declarant. As set forth elsewhere in this Declaration, the Prorata Share is used to determine the number of votes and the amount of Base Assessment allocated to and assessed against each Parcel. The Prorata Share for Lot 1 is 9.3%.

ARTICLE V MEMBERSHIP; VOTING RIGHTS; CONTROL

Section 1. Membership. Each Owner shall have a membership in the Association. As long as Declarant owns any portion of the property described on Exhibits "A" or "B" hereof, Declarant shall have a membership in the Association.

Section 2. Voting Generally. Each Owner shall have a vote for each Parcel owned, computed by multiplying the Prorata Share for such Parcel by 1000, such that each Parcel has allocated to it that percentage of 1000 votes equal to its percentage Prorata Share, such that the total of all votes is 1000. Such vote is to be exercised by the Association Delegate.

Section 3. Declarant Control Period. During the Declarant Control Period, the Declarant shall at all times be entitled to appoint and remove the Association's Board of Directors and the officers of the Association, and other Owners shall have no rights to nominate, elect, or remove, or exercise any vote to nominate, elect, or remove, the Board of Directors. Furthermore, during the Declarant Control Period, the Board shall have the sole and exclusive authority to exercise all powers and rights of and to act in all instances on behalf of the Association, and the members shall have no authority to exercise such powers

or rights by exercise of their votes, except as expressly provided herein, in the Bylaws, in the Act, or in the North Carolina Nonprofit Corporation Act.

During the period of Declarant Control, the Board shall have the sole and exclusive authority to exercise all powers and rights of and to act in all instances on behalf of the Association, and the members shall have no authority to exercise such powers or rights to act by exercise of their votes, except as provided with respect to the commencement of judicial proceedings as provided in Article XIX, Section 5 herein; and those acts that the Act or other applicable laws provide may not be undertaken unilaterally by the Board, such as, to the extent required, ratification of the budget as provided herein, borrowing of funds to pay operational costs of the Association as provided in Article III C., Section 3 of the Bylaws, and the conveyance of fee simple title to any portion of the Common Elements.

ARTICLE VI

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property and all interests therein. Subject to any limitations set forth herein and in the Bylaws, the Declarant may convey or grant to the Association for no consideration personal property and improved or unimproved real estate located within the Community described in Exhibits "A" or "B," including, but not limited to, possessory, use or easement rights, leasehold and other property interests. Upon conveyance or dedication by the Declarant to the Association, or upon designation by Declarant of such property as Common Elements, such property or interests therein shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of the Owners and their Permittees, subject to and in accordance with any terms, restrictions or limitations set forth in the deed of conveyance, and such property or interests therein shall be deemed to be Common Elements, if not already established as such.

Section 2. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Community, which rules and regulations shall be consistent with and not more restrictive than the rights and duties established by this Declaration. Such regulations and use restrictions shall be binding upon all Owners and Permittees. Such rules and regulations may not materially increase the burden imposed by this Declaration or adversely affect title to any Parcel or Unit. Such rules and regulations may be maintained, overruled, cancelled, or modified in a regular or special meeting of the Association by the Majority vote.

Section 3. Enforcement. The Association shall be authorized to impose sanctions for violations of this Declaration, the Bylaws, or rules and regulations. Sanctions may include reasonable monetary fines not to exceed the maximum amount allowed under the Act, and suspension of the right to vote and to use any facilities within the Common Elements after notice and a right to a hearing pursuant to Article V, Section 2 of the Bylaws. In addition, the Association, through the Board, in accordance with Article V, Section 3 of the Bylaws, shall have the right to exercise self-help to cure violations, and shall, in accordance with Article V, Section 2 of the Bylaws, be entitled to suspend any services provided by the Association to any Owner or such Parcel in the event that such Owner is more than thirty (30) days delinquent in paying any assessment or other charge due to the Association after such Owner has received notice of such delinquency from the Association. The Board shall have the power to seek relief in any court for violations or to abate nuisances. Sanctions shall be imposed as provided in the Bylaws.

Section 4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration, the Bylaws or the Act. The Association may also exercise every other right

or privilege reasonably implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 5. Governmental Interests. For so long as Declarant owns any property described on Exhibits "A" or "B" for development and/or sale, the Association shall permit Declarant to designate sites within the Community then owned by Declarant for fire, police, water, and sewer facilities, public schools and parks, and other public facilities. The sites may include Common Elements owned by Declarant or the Association.

Section 6. Indemnification. The Association shall indemnify every officer, director, and committee member or former director, officer or committee member of the Association or any person who may have served at the request of the Association as a director, officer or committee member of another corporation, whether for profit or not for profit, against expenses (including reasonable attorneys' fees) or liabilities actually and reasonably incurred by him in connection with the defense of or as a consequence of any threatened, pending or completed action, suit or proceeding (whether civil or criminal) in which he is made a party or was (or is threatened to be made) a party by reason of being or having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of a duty. Notwithstanding the foregoing, no Association Delegate shall be indemnified under this Section 6 as to any liability arising from his or her status as an Association Delegate, but only as to liabilities arising out of serving on the Board or serving as an officer of the Association.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, bylaw, agreement, vote of Owners or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Association shall, as a Common Expense, purchase and maintain adequate general liability and officers' and directors' liability insurance to fund this indemnification obligation, if such insurance is reasonably available, on behalf of any person who is or was a director, officer, committee member, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, committee member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability.

The Association's indemnity of any person who is or was a director, officer, committee member, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, committee member, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, committee member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his behalf by the Association or (ii) from such other corporation, partnership, joint venture, trust or other enterprise.

Nothing contained in this Section 6, or elsewhere in this Declaration, shall operate to indemnify any director or officer if such indemnification is for any reason contrary to any applicable state or federal law.

Section 7. Dedication of Common Elements. The Association, acting through the Board of Directors, shall have the power to dedicate portions of the Common Elements owned by the Association

to the City of Charlotte or the County of Mecklenburg, North Carolina, or to any other local, state, or federal governmental entity. The Association shall require approval from the Declarant in order to so dedicate during the Declarant Control Period. Notwithstanding the foregoing, no such dedication shall occur which will affect or otherwise remove the use of an Exclusive Common Element by the Owner and/or Permittees of the Parcel to which Exclusive Common Element is assigned without the consent of the Owner of such Parcel, unless required by the City of Charlotte or the County of Mecklenburg, North Carolina, or to any other local, state, or federal governmental entity.

Section 8. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Community designed to make the Community safer than they otherwise might be. THE ASSOCIATION, THE DECLARANT, ANY SUCCESSOR DECLARANT AND THE OFFICERS, DIRECTORS, COMMITTEES, MEMBERS, SHAREHOLDERS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS OF ANY OF THE FOREGOING (THE "PARTIES") SHALL NOT IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE COMMUNITY AND SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE FOR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND THEIR PERMITTEES ACKNOWLEDGE THAT THE PARTIES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM, OR OTHER SECURITY SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY THE DECLARANT OR THE DESIGN REVIEW BOARD MAY NOT BE COMPROMISED OR CIRCUMVENTED; NOR THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE; NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. ALL OWNERS AND THEIR PERMITTEES ACKNOWLEDGE AND UNDERSTAND THAT THE PARTIES ARE NOT INSURERS. ALL OWNERS AND THEIR PERMITTEES ASSUME ALL RISKS FOR LOSS OR DAMAGE TO PERSONS AND PROPERTY, AND FURTHER ACKNOWLEDGE THAT THE PARTIES HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER OR ITS PERMITTEES RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE COMMUNITY.

Section 9. Bulk Rate and Exclusive Provider Service Agreements. The Association, acting through the Board of Directors, shall have the power to enter into contracts or to assume contracts entered into by the Declarant, including bulk rate service agreements, with providers of Community Systems components and other utilities and with other Persons for the maintenance, management, administration, upgrading, modification and operation of the Community Systems and utilities. The Association's expenses in connection with any such bulk rate contracts shall be Common Expenses to be included in the Base Assessment to the extent that such services benefit all Parcels; if particular or additional services or benefits are provided to a particular Parcel, the Owner of the Parcel shall pay the service provider directly for such services, or the Association may assess the costs as a Parcel Assessment. The authority of the Association to enter into such contracts, however, shall not include the authority to include the furnishing of services through Community Systems to Parcels for which contracts have previously been entered into for the furnishing of such services by the Owner thereof, and no cost of the furnishing of such services through the Community System shall be allocated to any such Parcel.

The terms of any Association contract for Community Systems or other utilities may obligate Permittees to execute subscription agreements or other contracts directly with the Persons providing components or services prior to gaining access to the Community System or utility, or in the alternative, the Association may execute a subscription agreement or contract on behalf of all Owners of Parcels and their Permittees. Such subscription agreements or other contracts may contain terms and conditions relating to use and access to the Community Systems or utility which, if violated by the Owner of a Parcel or its Permittees, may result in services to such Parcel or Permittee being terminated by the Community System or utility provider or by the Association. The termination of service for such a violation shall not relieve the Owner of the Parcel of the continuing obligation to pay Parcel Assessments or other Association charges pertaining to the Community Systems or common utilities.

The Association shall have no obligation to utilize any particular service provider or providers; provided, except for cause (as defined under a written agreement with the provider), the Association may not, without Declarant's consent, terminate or refuse to renew any contract entered into during the Declarant Control Period.

Additionally, Declarant reserves the right, in its sole discretion, to grant non-exclusive easements to utility providers over and across the alleyways, road rights of way and those portions of the Parcels within setback lines for the provision of the following services: (i) gas service; (ii) telephone service; (iii) video service; and (iv) broadband communications service, including without limitation high speed internet service or any other means of transmitting electronic data, whether by hard wire or wireless means, and to receive and retain compensation from the providers for the granting of such easement. Unless Declarant otherwise agrees in its sole discretion, the Association shall have no right to any such compensation. Such easements may not be granted over and with respect to a Parcel following the conveyance of such Parcel without the consent of the Owner of such Parcel, not to be unreasonably withheld, conditioned or delayed. Any such easement shall provide that the grantee of the easement must pay all costs to repair and restore all disturbed portions of any Parcel; that there be no interruption of the operations of the Owner upon the Parcel with respect to which the easement was granted; that the grantee of such easement indemnify and hold harmless the Owner of the Parcel with respect to which the easement was granted from losses, costs, damages, and liabilities arising out of the exercise of such easement; and that no exercise of such easement shall be allowed without at least forty-eight (48) hours advance notice to the Parcel Owner. If such an easement is entered into, Declarant may require an Owner to use such provider exclusively with respect to services provided to such Owner's Parcel.

Section 10. Facilities and Services Open to the Public and Other Parties. Certain facilities and areas within the Community owned by Declarant or the Association may be open for general use and enjoyment of the public. Such facilities and areas may include, by way of example: roads, sidewalks, greenways, The Loop and other trails, paths, parks, and similar areas conducive to public gathering and interaction. Declarant, during the Declarant Control Period, may designate such facilities and areas as open to the public at the time Declarant makes such facilities and areas a part of the Designated Maintenance Items, or the Association, acting through the Board of Directors, may so designate them at any time thereafter. The availability of such areas to the general public shall not relieve any Owner of responsibility for assessments levied to fund the Association expenses incurred in connection with such areas. In addition, certain facilities, including, without limitation, the Private Amenities, may be open to third parties who pay a fee to use such services. Furthermore, even if generally open to the public, such portions of the Community as are not dedicated to the public shall at all times remain private property subject to closure or other regulation by the Declarant or the Association, for safety reasons, or otherwise in the Declarant's or the Board's sole discretion.

ARTICLE VII
MAINTENANCE

Section 1. Association's Responsibility. As of the completion of the construction or installation of the Designated Maintenance Items, the Association shall maintain and keep in good repair the Designated Maintenance Items, such maintenance to be funded as hereinafter provided. The Designated Maintenance Items shall include, but need not be limited to:

(a) all Common Elements, including to the extent applicable all landscaping and other flora; parks; any private streets, sidewalks, The Loop and bike and pedestrian pathways/trails; and including ponds, lakes, streams and/or wetlands located within the Community, but not outside of the Community, which serve as part of the drainage and storm water retention system for the Community, including any retaining walls, bulkheads or dams (earthen or otherwise) retaining water therein, and any fountains, lighting, pumps, conduits, and similar equipment installed therein or used in connection therewith which are part thereof;

(b) landscaping, sidewalks, private streets, and streetscapes within public rights-of-way within or abutting the Community, including any median within the right-of-way of Tyvola Road, to the extent not maintained to the Community-Wide Standard by the City of Charlotte or by another Owner or Parcel Association;

(c) such portions of any Additional Property included within the Designated Maintenance Items as may be dictated by this Declaration, any Supplemental Declaration, or any contract or agreement for maintenance thereof entered into by the Association;

(d) any other property and facilities owned by the Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association, Owners, and Permittees, such property and facilities to be identified by written notice from the Declarant to the Association and to remain a part of the Designated Maintenance Items and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association; and

(e) the License Areas, such maintenance to be limited to mowing and removal of trash and rubbish, and the performance of other minimal landscaping and care, to keep the appearance thereof consistent with the appearance of the Community, to the level and intensity as the Board deems appropriate.

Except as otherwise provided in this Declaration, the Designated Maintenance Items shall not be reduced by amendment of this Declaration or any other means except with the prior written approval of the Declarant during the Declarant Control Period.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard, and is performed with respect to property over which the Association and Owners have easement rights. In this regard, Declarant has granted licenses and may in the future grant licenses or easements in favor of the Association and the Owners and their Permittees over portions of the Additional Property. The Association shall maintain such portions of the Additional Property until such time as the license or easement of the Association and the Owners with respect thereto has been terminated, and the costs of such maintenance shall be Common Expenses.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Designated Maintenance Items shall be a Common Expense to be allocated among all Parcels in accordance with Article XII, Section 2 hereof, without prejudice to the right of the Association to seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Designated Maintenance Items pursuant to this Declaration, other recorded covenants, or agreements with the owner(s) thereof. All costs associated with maintenance, repair and replacement of Exclusive Common Elements shall be a Parcel Expense assessed as a Parcel Assessment solely against the Parcel(s) to which the Exclusive Common Elements are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder. All costs associated with maintenance, repair and replacement of Designated Maintenance Items located on a Parcel and not part of the Common Elements shall be a Parcel Expense assessed as a Parcel Assessment solely against the Parcel(s) upon which the Designated Maintenance Items are located, notwithstanding that the Association may be responsible for performing such maintenance hereunder, unless such Designated Maintenance Items are of a type found on all Parcels.

Section 2. Additional Responsibility. The Association may assume maintenance responsibility for property within any Parcel either by agreement with the Owner of the Parcel or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard. All costs of maintenance pursuant to this Section shall be assessed as a Parcel Assessment only against the Parcel to which the services are provided. The Board acting for the Association shall have the right to delegate any of the Association's maintenance obligations hereunder as to a particular Parcel to any Parcel Association, upon agreement by and between the Association and such Parcel Association; provided, however, that the Association shall reserve the right to continue to undertake said maintenance on behalf of the Parcel Association where the Parcel Association is delinquent in doing so, and in such a case, the Association may assess the Parcel for the cost of said maintenance and may assess a reasonable fee or fine against the Parcel in accordance herewith.

Section 3. Owner's Responsibility. Notwithstanding the foregoing, the cleanliness and orderliness of each Parcel, all Buildings located therein, and the Exclusive Common Elements allocated thereto shall be the responsibility of the individual Parcel Owner(s) and Permittees having the right to the use and enjoyment the same.

Section 4. Standard of Performance. Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants. The Association, and/or an Owner and/or a Parcel Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities hereunder.

ARTICLE VIII

INSURANCE AND CASUALTY LOSSES

Section 1. Association Insurance. The Association, acting through its Board of Directors or its duly authorized agent, shall have the authority to and shall obtain blanket "all-risk" property insurance, if reasonably available, for all insurable improvements on the Common Elements (including Common Elements located within Parcels) in the event of a casualty. If blanket "all-risk" coverage is not generally available at reasonable cost, then at a minimum an insurance policy providing fire and extended coverage, including coverage for vandalism and malicious mischief, shall be obtained. The face amount of such insurance shall be sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any insured peril.

In addition, the Association may (but shall have no obligation to), upon request of an Owner of a Parcel or a Parcel Association, and shall, if so specified in a Supplemental Declaration applicable to the Parcel, obtain and continue in effect adequate blanket "all-risk" property insurance on property not constituting Common Elements, located within such Parcel, if reasonably available. If "all-risk" property insurance is not generally available at reasonable cost, then fire and extended coverage may be substituted. Such coverage may be in such form as the Board of Directors deems appropriate. The face amount of the policy shall be sufficient to cover the full replacement cost of all structures to be insured. The costs thereof shall be charged to the Owner of the benefited Parcel as a Parcel Assessment. All policies shall provide for a certificate of insurance to be furnished to each Person insured, to the Association, and to the Parcel Association, if any.

The Board also shall obtain a public liability policy covering the Designated Maintenance Items (including the License Areas) insuring Declarant, the Association and the Owners and all owner/tenant Permittees for all damage or injury caused by the negligence of the Association, and its officers, directors, committee members, and agents while acting on behalf of the Association. If generally available at reasonable cost, the public liability policy or the endorsements made a part thereof shall provide immediate protection with minimum combined liability limits of \$2,000,000 per occurrence for bodily injury, death and property damage.

Except as otherwise provided herein, premiums for all insurance to be obtained by the Association shall be Common Expenses and shall be included in the Base Assessment. Provided, however, that premiums for insurance on Exclusive Common Elements or for Designated Maintenance Items located on a Parcel of a type not found on other Parcels may be included in the Parcel Assessment of the Parcel(s) benefited unless the Board of Directors reasonably determines that other treatment of the premiums is more appropriate.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the coverage required hereunder. In the event of an insured loss, the deductible shall be treated as a Common Expense or a Parcel Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with Article V, Section 2 of the Bylaws, that the loss is the result of the negligence or willful conduct of one (1) or more Parcel Owners, or owner/tenant Permittees, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Parcel(s) pursuant to Article XII, Section 5(b).

All insurance coverage obtained by the Board of Directors, whether obtained on behalf of the Association or a Parcel, shall be governed by the following provisions:

(a) All policies shall be written with a company authorized to do business in North Carolina, which holds a Best's rating of A or better and is assigned a financial size category of IX or larger as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating which is available.

(b) All insurance obtained by the Association shall be written in the name of the Association as trustee for the benefited parties. Policies on the Common Elements shall be for the benefit of the Association and the Owners and owner Permittees. Policies secured on behalf of a Parcel shall be for the benefit of the Parcel Association, if any, the owners of property within the Parcel, and their Mortgagees, as their interests may appear.

(c) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association be brought into contribution with insurance purchased by individual Owners or their Permittees or Mortgagees.

(e) All property insurance policies shall have an inflation guard endorsement, if reasonably available. If the policy contains a co-insurance clause, it shall also have an agreed amount endorsement. The Association shall arrange for an annual review of the sufficiency of insurance coverage by one (1) or more qualified Persons, at least one (1) of whom must be in the real estate industry and familiar with construction in the City of Charlotte, North Carolina area.

(f) The Board of Directors shall be required to use reasonable efforts to secure insurance policies that will provide the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, officers, employees, and its manager, the Owners and their Permittees;

(ii) a waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

(iii) a statement that no policy may be cancelled, invalidated, suspended, or subjected to nonrenewal on account of the acts or omissions of any one (1) or more individual Owners or Permittees;

(iv) a statement that no policy may be cancelled, invalidated, suspended, or subjected to nonrenewal on account of any curable defect or violation without prior demand in writing delivered to the Association to cure the defect or violation and the allowance of a reasonable time thereafter within which it may be cured by the Association, its manager, any Owner, or Mortgagee;

(v) a statement that any "other insurance" clause in any policy excludes individual Owners' or Permittees' policies from consideration; and

(vi) a statement that the Association will be given at least thirty (30) days prior written notice of any cancellation, substantial modification, or non-renewal.

In addition to other insurance required by this Section, the Association shall obtain, as a Common Expense, worker's compensation insurance if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, and flood insurance, if advisable.

The Association also shall obtain, as a Common Expense, a fidelity bond or bonds, if generally available at reasonable cost, covering all persons responsible for handling Association funds. The amount of fidelity coverage shall be determined in the Board of Directors' best business judgment but, if reasonably available, may not be less than one-sixth of the annual Base Assessments on all Parcels plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days prior written notice to the Association of any cancellation, substantial modification or nonrenewal.

Section 2. Owners' Insurance; Maintenance of Parcels After Damage or Destruction. Except as otherwise provided herein, by virtue of taking title to a Parcel subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner or its Permittees owning portions of the Parcel shall carry blanket "all-risk" property insurance on its Parcel(s) (which include the Building and Unit structures constructed thereon) providing full replacement cost coverage (less a reasonable deductible).

Each Owner and Permittee owning any portion of a Parcel further covenants and agrees that in the event of damage to or destruction of structures comprising his or her Parcel, the Owner or Permittee shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article XIII of this Declaration. Alternatively, the Owner or Permittee shall clear the Parcel of all debris and ruins and thereafter shall maintain the Parcel in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner or owner Permittee that owns the damaged structure shall pay any costs of repair or reconstruction which are not covered by insurance proceeds.

Additional recorded covenants applicable to any Parcel may establish more stringent requirements regarding the standards for rebuilding or reconstructing structures on the Parcels and the standards for clearing and maintaining the Parcels in the event the structures are not rebuilt or reconstructed, in which event such standards shall control.

Section 3. Damage and Destruction to Common Elements.

(a) Immediately after damage or destruction by fire or other peril to all or any part of the Community covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other peril, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Any damage to or destruction of the Common Elements shall be repaired or reconstructed unless the Association Delegates representing at least seventy-five percent (75%) of the total votes in the Association, and the Declarant, as long as the Declarant owns any property described in Exhibits "A" and "B" for the development and/or sale, decide within sixty (60) days after the loss not to repair or reconstruct.

If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such funds or information shall be made available. However, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Elements shall be repaired or reconstructed.

(c) If it is determined in the manner described above that the damage or destruction to the Common Elements shall not be repaired or reconstructed and no alternative improvements are authorized, the affected portion of the Community shall be cleared of all debris and ruins. Thereafter, such property shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Section 4. Disbursement of Proceeds. Any insurance proceeds remaining after defraying such costs of repair or reconstruction of the Common Elements, or if no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association or the Parcel Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Parcel and may be enforced by such Mortgagee.

Section 5. Repair and Reconstruction. If the insurance proceeds are insufficient to defray the costs of repairing or reconstructing the damage to the Common Elements, the Board of Directors shall, without the necessity of a vote of the Association Delegates, levy a Special Assessment or Parcel Assessment against those Parcel Owners responsible for the premiums for the applicable insurance coverage under Section 1 of this Article. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

ARTICLE IX
NO PARTITION

Except as is permitted in this Declaration or amendments hereto, there shall be no judicial partition of the Common Elements or any part thereof. No Person acquiring any interest in the Community or any part thereof shall seek any judicial partition unless the Community or such portion thereof have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE X
CONDEMNATION

Whenever all or any part of the Common Elements shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Association Delegates representing at least sixty-seven percent [67%] of the total votes in the Association and of the Declarant, as long as the Declarant owns any property described on Exhibits "A" or "B") by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Elements on which improvements have been constructed, then the Association shall restore or replace such improvements so taken on the remaining land included in the Common Elements to the extent funds are available, unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any property described in Exhibits "A" or "B" of this Declaration, and Association Delegates representing at least seventy-five percent (75%) of the total vote of the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the provisions in Article VIII hereof regarding the disbursement of funds for the repair of casualty damage or destruction shall apply.

If the taking does not involve any improvements on the Common Elements, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors shall determine.

ARTICLE XI
ANNEXATION AND WITHDRAWAL OF PROPERTY

Section 1. Annexation Without Approval. The Declarant shall have the unilateral right, privilege, and option, from time to time at any time until the expiration of the Declarant Control Period, to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property described in Exhibit "B," including any real property that has been removed from the Community in accordance with the provisions for withdrawal in Section 3 of this Article, which real property shall be deemed to be Additional Property. The Declarant shall have the unilateral right to transfer to any other Person the right, privilege, and option to annex Additional Property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of the real property described in Exhibits "A" or "B" and that such transfer is memorialized in a written, recorded instrument executed by the Declarant.

Annexation under this Section 1 shall be accomplished by filing a Supplemental Declaration annexing such Additional Property in the Public Registry. Any such Supplemental Declaration may contain additional covenants, restrictions, and easements, applicable to the Additional Property being annexed, to reflect the nature, character, and use of the Additional Property being annexed. Such Supplemental Declaration shall not require the consent of Association Delegates, but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein. Such Supplemental Declaration need only be executed by Declarant and the owner of such property, if other than Declarant.

Section 2. Annexation With Approval. Subject to the consent of the owner thereof, the Association may annex real property other than that described on Exhibit "B," and following the expiration of the right in Section 1, any property described on Exhibit "B," to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of Association Delegates representing a Majority of the votes of the Association represented at a meeting duly called for such purpose, and, during the Declarant Control Period, the consent of the Declarant.

Annexation under this Section 2 shall be accomplished by filing a Supplemental Declaration describing the property being annexed in the Public Registry. Any such Supplemental Declaration may contain additional covenants, restrictions, and easements, applicable to the Additional Property being annexed, to reflect the nature, character, and use of the Additional Property being annexed. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed. Any such annexation shall be effective upon filing unless otherwise provided therein.

Section 3. Withdrawal of Property. The Declarant reserves the right to amend this Declaration unilaterally at any time during the Declarant Control Period, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Community then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration (including any Additional Property which may have theretofore been subjected to this Declaration), provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Community. Notwithstanding the foregoing or any provision to the contrary in this Declaration, in no event shall Declarant or the Association have any right to remove or withdraw any of the initial Parcels, or any portion thereof, subject to this Declaration as of the date of this Declaration, without the express written consent of the Owners of all such Parcels and the execution of an amendment to this Declaration by such Owners.

Section 4. Amendment. Without limiting any other provisions of this Declaration, during the Declarant Control Period, this Article shall not be amended without the prior written consent of the Declarant.

ARTICLE XII
ASSESSMENTS

Section 1. Creation of Assessments. There are hereby created assessments for Association expenses as may from time to time specifically be authorized by the Board of Directors, to be commenced at the time and in the manner set forth in Section 8 of this Article. There shall be four (4) types of assessments: (a) Base Assessments to fund Common Expenses for the general benefit of all Parcels; (b) Parcel Assessments for Parcel Expenses benefiting only a particular Parcel or Parcels; (c) Special Assessments as described in Section 5 below; and (d) Specific Assessments as described in Section 6 below. Each Owner is deemed to covenant and agree to pay these assessments and each owner Permittee is deemed to covenant and agree to pay its pro-rata share of these assessments based on the portion of the Parcel owned by such Permittee, or as otherwise provided in the Parcel Declaration for such Parcel.

All assessments, together with interest (at a rate not to exceed sixteen percent (16%) per annum, or the highest rate allowed by North Carolina law, whichever is less) as computed from the date the delinquency first occurs, late charges, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon each Parcel and upon each separately owned portion of such Parcel against which the assessment is made until paid, as more particularly provided in Section 7 of this Article. Each such assessment, together with interest, late charges, costs, and reasonable attorney's fees, also shall be the personal obligation of the Person who was the Owner of such Parcel at the time the assessment arose and the Person who was the owner of a portion of such Parcel at the time the assessment arose. In the event of a transfer of title to a Parcel or portion thereof, the grantee shall be jointly and severally liable for such pro-rata portion thereof as may be due and payable at the time of conveyance. However, no first Mortgagee who obtains title to a Parcel pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon demand at any time, furnish to any Owner or Permittee liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Parcel or portion thereof. Such certificate shall be conclusive evidence of payment to the Association of such assessment therein stated to have been paid. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors. If the Board so elects, assessments may be paid in monthly, quarterly or annual installments. Unless the Board otherwise provides, the Base Assessment and any Parcel Assessment shall be due and payable annually with the same being due in advance on January 31 of each year. If any Owner is delinquent in paying any assessments or other charges levied on his Parcel, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately.

No Owner may waive or otherwise exempt itself from liability for the assessments, including, by way of illustration and not limitation, by non-use of Common Elements or abandonment of the Parcel. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the

Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

During the Declarant Control Period, if the budget adopted by the Board is ratified, the Declarant shall contribute to the Association the difference (if any) between the amount of Base Assessments assessed against all of the Parcels subject to assessment and the amount of actual expenditures required to operate the Association during the fiscal year, exclusive of Parcel Expenses, and further exclusive of expenditures for which Special Assessments and Specific Assessments are levied. If the budget adopted by the Board is not ratified, then Declarant shall have no obligation to contribute to Common Expenses except for Base Assessments levied against any Parcel subject to this Declaration owned by Declarant.

Section 2. Computation of Base Assessment. Except as otherwise provided in this Declaration or in the Bylaws, each Owner shall contribute a share of the Common Expenses to be funded by the Base Assessment in shares equal to their relative Prorata Shares.

Common Expenses shall be assessed against the Parcels as respective Base Assessments in the shares calculated as set forth above, and shall be payable by the Owners of those Parcels, as follows:

It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare and approve a budget covering the estimated Common Expenses of the Association to be funded by Base Assessments for such fiscal year. The budget shall be required to include a capital contribution establishing a reserve fund in accordance with a budget separately prepared as provided in Section 4 of this Article. The budget may take into account any contribution that is anticipated to be made by Declarant.

Within thirty (30) days after adoption of the budget for the Community, the Board shall provide to all Declarant and all Association Delegates a summary of the budget and a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The Board shall set a date for a meeting of the Declarant and Association Delegates to consider ratification of the budget, such meeting to be held not less than ten (10) nor more than sixty (60) days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. If the proposed budget to be voted on at any such meeting does not increase the Base Assessment for such year by more than fifteen percent (15%) of the previous year's Base Assessment, the budget is ratified unless at that meeting eighty percent (80%) of the total votes in the Association (including Declarant's Majority vote exercisable during the Declarant Control Period, as provided in Article V, Section 2, above), rejects the budget. If the proposed budget to be voted on at any such meeting increases the Base Assessment for such year by an amount greater than fifteen percent (15%) of the previous year's Base Assessment, the budget is ratified unless at that meeting at least sixty-seven percent (67%) of the total votes in the Association (including Declarant's Majority vote exercisable during the Declarant Control Period, as provided in Article V, Section 2, above) rejects the budget. In the event any proposed budget is rejected, the periodic budget last ratified shall be continued until such time as a subsequent budget approved by the Board is not rejected.

Notwithstanding the foregoing, no vote on the budget and no budget established by the Board may change the apportionment formula for assessments as described in this Section 2.

Section 3. Computation of Parcel Assessments. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare and approve a separate budget covering the estimated Parcel Expenses to be incurred by the Association for each Parcel on whose behalf Parcel Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration, any Supplemental Declaration, or the Bylaws specifically

authorizes the Board to assess certain costs as a Parcel Assessment. Subject to Article IV, Section 3, any Parcel may request that additional services or a higher level of services be provided by the Association, and, if the Association elects to provide such additional services or a higher level of services, any additional costs shall be added to such budget. Such budget shall include a capital contribution establishing a reserve fund for repair and replacement of capital items maintained as a Parcel Expense, if any, within the Parcel.

Within thirty (30) days after adoption of the budget for the Parcel Expenses, the Board shall provide all Association Delegates of Parcels in which a Parcel Assessment is to be levied a summary of the budget and an opportunity to ratify the budget. The Board shall set a date by which the Association Delegate shall ratify or reject the budget, such date to be not less than ten (10) nor more than sixty (60) days after mailing of the summary. The budget is ratified unless the Association Delegate rejects the budget by the specified date. In the event the budget is rejected, the periodic budget last ratified shall be continued until such time as the Association Delegate ratifies a subsequent budget approved by the Board, and the Board in its discretion shall not provide such services that result in the Association incurring Parcel Expenses on behalf of the Parcel.

Section 4. Reserve Budget; Capital Contribution. The Board of Directors shall annually prepare reserve budgets for both general and Parcel purposes which take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect both to amount and timing by annual Base Assessments or Parcel Assessments, as appropriate, over the period of the budget. The budget may take into account a contribution, advance against future assessments due from Declarant, or loan that is anticipated to be made by Declarant, if any. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the applicable budget and notice of assessments, as provided in Sections 2 and 3 of this Article.

Section 5. Special Assessments.

(a) Unanticipated Expenses. In addition to other assessments authorized hereunder, upon the affirmative vote of eighty percent (80.0%) of the total votes in the Association, the Association may levy Special Assessments from time to time to cover unanticipated expenses. Such Special Assessment may be levied against all Parcels in the same percentage shares as Base Assessments if such Special Assessment is for Common Expenses, or against the appropriate Parcel(s) if such Special Assessment is for Parcel Expenses. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the unanticipated expenses are incurred or expected to be incurred.

(b) Costs to Cure Non-compliance. The Association may levy a Special Assessment against any Parcel or Parcels to reimburse the Association for costs incurred in bringing the Parcel or Parcels into compliance with the provisions of the Declaration, any applicable Supplemental Declaration, the Articles, the Bylaws, and the Association rules and regulations. Such Special Assessments may be levied upon the vote of the Board after notice to the Association Delegate(s) of the Parcel(s), as applicable, and an opportunity for a hearing.

Section 6. Specific Assessments. The Board shall have the power to specifically assess expenses of the Association against Parcels (a) that are incurred as a consequence of the conduct of less than all Owners or their Permittees; or (b) costs and expenses of any damages to the Common Elements (including an administrative fee not to exceed twenty percent (20%) of such costs and expenses) caused by the actions, including any negligent actions, of an Owner and/or its Permittees.

Section 7. Lien for Assessments. All assessments levied against any Parcel remaining unpaid for a period of thirty (30) days or longer after written notice that such payments are due, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, shall be secured by a lien on the Parcel in favor of the Association and a lien on each separately owned portion of such Parcel for its pro-rata share of such assessment. The Association shall evidence the existence of the lien by filing a claim of lien in the Office of the Clerk of the Superior Court of Mecklenburg County, North Carolina. The claim of lien shall set forth the address of the Association, the name of the record owner(s) of the Parcel or portions thereof at the time the claim of lien is filed, a description of the Parcel and separately owned portions thereof, and the amount of the lien claimed in respect to the Parcels and separately owned portions thereof. The lien shall be superior to all other liens and encumbrances on the Parcel and separately owned portions thereof, except for: (a) liens and encumbrances of any Mortgage on a Parcel or portion thereof; and (b) liens for real estate taxes and other governmental assessments and charges against the Parcel and separately owned portions thereof. This Section does not affect the priority of mechanic's or materialmen's liens.

All Persons acquiring liens or encumbrances on any Parcel or separately owned portions thereof after this Declaration has been recorded, other than as provided above, shall be deemed to consent that their liens or encumbrances shall be inferior to future liens for assessments, whether or not prior consent is specifically set forth in the instruments creating their liens or encumbrances.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessments or installments of assessments which are not paid when due shall be delinquent. Any assessment or installment delinquent for a period of more than thirty (30) days shall incur a late charge in an amount as the Board may from time to time determine and bear interest at the rate of sixteen percent (16%) per annum, or the highest rate allowed under North Carolina law, whichever is lower. The Association shall cause a written notice of delinquency to be given to any Owner who has not paid within ten (10) days following the due date and may (but shall not be obligated to) cause a written notice of delinquency to be given to said Owner's Permittees owning portions of the Parcel. If the assessment is not paid within thirty (30) days, a lien shall be filed as provided in Section 7 above and, in addition, the lien shall include the late charge, interest at a rate not to exceed sixteen percent (16%) per annum, or the highest rate allowed under North Carolina law, whichever is lower, and all late charges from the date first due and payable, all costs of collection, reasonable attorney's fees actually incurred, and any other amounts provided or permitted by law. In the event that the assessment remains unpaid after sixty (60) days, the Association may, as the Board shall determine, institute suit to collect such amounts and/or to foreclose its lien. Each Owner and its Permittees, by acceptance of a deed or as a party to any other type of a conveyance, vests in the Association or its agents the right and power to bring all actions against him or her, personally, for the collection of its prorata share of such charges as a debt or to foreclose the lien. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all other Owners and their Permittees.

No Owner or Permittee may waive or otherwise exempt himself or herself from liability for assessments, by abandoning the Parcel or portion thereof or in any other manner. The obligation to pay assessments is a separate and independent covenant on the part of each Owner and each Permittee (on a pro-rata basis for the portion of the Parcel owned by such Permittee) and no reduction of any assessment shall be claimed or allowed by reason of: (a) any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration or the Bylaws; (b) for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association; or (c) from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

All payments shall be applied first to costs and attorney's fees, then to late charges, then to interest, and to delinquent assessments.

The Association, acting on behalf of the Owners, shall have the power to bid for the Parcel or portion thereof, at the foreclosure sale and to acquire, hold, lease, mortgage, and convey the Parcel or portion thereof. During the period in which a Parcel or portion thereof is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Parcel shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Parcel had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid Common Expenses and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

The sale or transfer of any Parcel or portion thereof shall not affect the assessment lien or relieve such Parcel or portion thereof from the lien for any assessments thereafter becoming due. However, the sale or transfer of any Parcel or portion thereof pursuant to judicial or nonjudicial foreclosure of a first Mortgage, or deed in lieu thereof, shall extinguish the lien as to any installments of such assessments which became due prior to such sale or transfer. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Parcel or portion thereof obtains title pursuant to judicial or nonjudicial foreclosure of the Mortgage, or deed in lieu thereof, it shall not be personally liable for the share of the Common Expenses or assessments by the Association chargeable to such Parcel or portion thereof which became due prior to such acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from Owners of all Parcels subject to assessment under this Article, including such acquirer, its successors and assigns.

Section 9. Date of Commencement of Assessments. The obligation to pay the assessments provided for herein shall commence with respect to a Parcel the first day of the month following the later of: (i) the month in which such Parcel is made subject to this Declaration; or (ii) the month in which the Board first determines a budget and levies assessments as provided for herein.

Section 10. Failure to Assess. The omission or failure of the Board to fix the assessment amounts or rates or to deliver or mail to each Owner a written assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments and Parcel Assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.

Section 11. Exempt Property. Notwithstanding anything to the contrary herein, all property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public schools, public streets, and public parks, if any, shall be exempt from payment of Base Assessments, Parcel Assessments, Special Assessments and Specific Assessments.

ARTICLE XIII **DESIGN STANDARDS**

Section 1. General. No development of any Parcel (including structures or improvements that are part thereof) shall be commenced, placed, erected, or installed, and no construction or modification thereof (which shall include staking, clearing, excavation, grading and other site work, exterior alteration or modification of existing improvements, and planting or removal of plants, trees, or shrubs other than as may be permitted in Article XIV, Section 10) shall take place except in strict compliance with this Article, until the requirements below have been fully met, and the Design Review Board ("DRB") has rendered a final decision pursuant to Section 3 below.

Modifications or alterations to any Parcel visible from the Common Elements and the roadways within the Community during any time of the year shall be subject to approval of the DRB, including any improvements made to the interior of windows.

All structures constructed on any portion of the Community shall be designed by and built in accordance with the plans and specifications of a licensed architect or licensed building designer.

This Article shall not apply to the activities of the Declarant, nor to construction or improvements or modifications to the Common Elements by or on behalf of the Association.

This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration, unless the Declarant Control Period has expired.

Section 2. Design Review. Responsibility for administration of the Design Guidelines, as defined below, and review of all applications for construction and modifications under this Article shall be handled by the DRB. The members of the DRB need not be Association Delegates, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board of Directors. The Board of Directors may establish reasonable fees to be charged by the DRB on behalf of the Association for review of applications hereunder and may require such fees to be paid in full prior to review of any application. The DRB shall consist of at least three (3), but not more than five (5), persons. During the Declarant Control Period, the Declarant shall retain the right to appoint all members of the DRB who shall serve at the discretion of the Declarant. There shall be no surrender of this right prior to the expiration of the Declarant Control Period, except by a written instrument executed by Declarant and recorded in the Public Registry. Upon the expiration of such right, the Board of Directors shall appoint the members of the DRB, who shall serve and may be removed at the discretion of the Board of Directors.

Section 3. Guidelines and Procedures.

(a) The Declarant may prepare the initial design and development guidelines and application and review procedures (the "Design Guidelines") which shall be applicable to all construction activities within the Community. The Design Guidelines may contain general provisions applicable to all of the Community, as well as specific provisions which vary from one portion of the Community to another depending upon the location, unique characteristics, and intended use thereof.

The DRB, acting on behalf of the Board of Directors, shall adopt such Design Guidelines at its initial organizational meeting and, thereafter shall have sole and full authority to amend them from time to time, without the consent of the Owners.

The DRB shall, upon request, make the Design Guidelines available to Owners and Parcel Developers who seek to engage in development of or construction upon all or any portion of the Community and all such Persons shall conduct their activities in strict accordance with such Design Guidelines. In the discretion of the Declarant, such Design Guidelines may be recorded in the Public Registry, in which event the recorded version, as it may unilaterally be amended from time to time by the DRB by recordation of amendments thereto, shall control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

Any amendments to the Design Guidelines adopted from time to time by the DRB in accordance with this Section shall not apply to construction and modifications performed in accordance with plans and specifications previously approved by the DRB, and shall not apply to require modifications to plans

or specifications previously approved by the DRB for so long as such approval remains effective under the terms of this Declaration.

(b) Plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed construction and modifications shall be submitted to the DRB for review and approval (or disapproval). In reviewing each submission, the DRB may consider the quality of workmanship and design, harmony of external design with existing structures, compliance with applicable governmental construction permit requirements, location in relation to surrounding structures, topography, finish grade elevation, landscaping, efforts made to mitigate sound and light transmission, general aesthetics, and any other consideration in its sole discretion.

In the event that the DRB fails to approve or to disapprove any application within forty-five (45) days after submission of all information and materials reasonably requested, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the DRB pursuant to Section 6 below.

Section 4. Signs. Any Owner or Permittee may, before erecting a sign permitted under Article XIV, Section 1, request that the DRB determine whether such sign and the plans for the installation of such signs complies with the Design Guidelines. If the DRB determines that such sign complies with the Design Guidelines and the sign is installed pursuant to the plans for the installation of such, such sign shall not later be deemed not to comply with the Design Guidelines. No Owner or Permittee is required to request the approval of the DRB before erecting a sign permitted under Article XIV, Section 1, but such sign may later be deemed to violate the Design Guidelines and the DRB may order its removal within ten (10) days after receipt of notice to the responsible Owner or Permittee.

Section 5. No Waiver of Future Approvals. The members of the DRB will change from time to time and the interpretation, application and enforcement of the Design Guidelines may vary accordingly. The approval by the DRB of any proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the DRB shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

Section 6. Variance. The DRB may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to the restrictions set forth in this Declaration; or (c) estop the DRB from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 7. Commencement of Construction. All changes, modifications and improvements approved by the DRB hereunder must be commenced within one (1) year from the date of approval by the DRB (unless otherwise provided for in writing by the DRB at the time of approval). If not commenced within one (1) year from the date of such approval (or such other time period approved by the DRB), then such approval shall be deemed revoked by the DRB, unless the DRB gives a written extension for commencing the work. All work approved by the DRB hereunder shall be completed in its entirety within one (1) year from the date of commencement, unless otherwise agreed in writing by the DRB. All

approved changes, modifications, and improvements must be completed in their entirety. An Owner may not construct only a portion or part of an approved change, modification, or improvement.

Section 8. Limitation of Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the DRB shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board of Directors, the DRB, or any member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction or modifications to any Parcel.

Section 9. Enforcement. Any construction, alteration, or other work done in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board or the Declarant, Owners shall, at their own cost and expense, remove such construction, alteration, or other work and shall restore the land to substantially the same condition as existed prior to the construction, alteration, or other work. Should an Owner fail to remove and restore as required hereunder within sixty (60) days after receipt of such written request, the Board or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as existed prior to the construction, alteration or other work. All costs, together with the interest at sixteen percent (16%) per annum, or the maximum rate then allowed by law, whichever is less, may be assessed against the nonconforming Parcel and collected as a Special Assessment pursuant to Article XII, Section 4(b) hereof.

Any contractor, subcontractor, agent, employee, or other Permittee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded by the Board from the Community. In such event, neither the Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this Section.

In addition to the foregoing, the Board of Directors shall have the authority and standing, on behalf of the Association, to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the DRB.

ARTICLE XIV **USE RESTRICTIONS**

The Community shall contain a mix of commercial, office, residential, recreational and related and ancillary uses. Any Supplemental Declaration or additional covenants imposed on the any Parcel or a portion thereof in accordance with Article XI, Sections 1 and 2 above, may prohibit, regulate or limit the above-referenced uses and/or impose stricter standards than those contained in this Article. The Association, acting through its Board of Directors, shall have standing and the power to enforce such additional covenants or Supplemental Declarations.

Section 1. Signs and Flags. Except as may be provided for herein or as may be required by legal proceedings, and except for signs which may be erected by Declarant or a Parcel Developer at the direction of Declarant related to the development and sale of Parcels or Units, no signs (including political signs), advertising posters, flags (including the flags of the United States and the State of North Carolina), or billboards of any kind shall be erected, placed, or permitted to remain within the Community that are visible from the Common Elements or any private or publicly dedicated roadways within the Community without the prior written consent of the DRB or its designee, except that one (1) professionally lettered sign not to exceed five (5) square feet in area may be displayed on any lot within the Community to advertise the structure thereon as being "For Sale"; provided, however, any "For Sale" sign located on a developed residential Unit shall not exceed forty-two (42) inches in height, and any "For

Sale” sign located on any other portion of the Community owned by a Permittee shall not exceed thirty (30) inches in height. The DRB may in its discretion require all such signs to be uniform in appearance. Signs related to business activities located on Nonresidential Parcels may be permitted on the exterior of Buildings, provided such signs comply with the Design Guidelines and provided that DRB approval is obtained.

Notwithstanding the foregoing, Declarant and any Parcel Developer approved by Declarant may place such signs as Declarant or such Parcel Developer deems desirable in connection with the sale and development of the Community on any property owned by Declarant or such Parcel Developer or on any of the Common Elements if approved by Declarant, and such signs shall not be subject to DRB review or approval. Declarant may also grant to any Parcel Owner or Permittee the right to erect such signs as such Parcel Owner or Permittee deems desirable in connection with its sale and development of the Community on any property owned by such Parcel Owner or Permittee or on any of the Common Elements, and such signs shall not be subject to DRB review or approval; provided, however, no Parcel Owner or Permittee shall have such right unless and until it is granted in writing by Declarant, and such right may be made subject to such conditions as Declarant may impose, including, without limitation, review and approval of the location, content, and appearance of all such signs by Declarant.

Notwithstanding all of the foregoing, no sign shall be erected in the Community that conflicts with or violates state or local law, ordinance, or properly adopted local signage plan/program.

Section 2. Parking and Prohibited Vehicles.

(a) Parking. The parking rights of Owners and Permittees are subject to additional rules or regulations that may be promulgated by the Association. Vehicles shall be parked only in designated parking spaces within or serving a Parcel or Parcels. Vehicles shall be subject to such reasonable rules and regulations as the Board of Directors may adopt. The Declarant and/or the Association may designate certain on-street parking areas for Owners or Permittees subject to reasonable rules. Declarant and/or the Association for the benefit and upon the request of the Owner of Lot 1, and the Owner of Lot 1, shall have the right to remove vehicles parked for greater than thirty-six (36) consecutive hours in the parking spaces along the segment of the Common Element right-of-way identified as Potomac River Parkway on the date hereof located between those certain rights-of-way identified as Arbor Loop Drive and National Avenue as of the date hereof.

(b) Prohibited Vehicles. Mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall not be permitted in the Community, except in restricted areas, if any, designated by the Board. Stored vehicles and vehicles which are either obviously inoperable or do not have current operating licenses shall not be permitted in the Community except in areas not visible from the Common Elements, from private or publicly dedicated roadways, or from any adjoining or nearby property. For purposes of this Section, a vehicle shall be considered “stored” if it is put up on blocks or covered with a tarpaulin and remains on blocks or so covered for seven (7) consecutive days without the prior approval of the Board. Any vehicle parked in violation of this Section or parking rules promulgated by the Board may be towed in accordance with Article V, Section 3 of the Bylaws.

Section 3. Permittees Bound. Except as provided otherwise, all provisions of the Declaration, any applicable Supplemental Declaration, Bylaws, and rules and regulations which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Permittees. Every Owner shall use reasonable efforts to cause all Permittees of his or her Parcel to comply with the Declaration, any applicable Supplemental Declaration, Bylaws, and rules and regulations. Every Owner shall be responsible for all violations and losses to the Common Elements caused by such Permittees,

notwithstanding the fact that such Permittees of a Parcel are fully liable and may be sanctioned for any violation of the Declaration, Bylaws, and rules and regulations.

Section 4. Quiet Enjoyment. Nothing shall be done or maintained on any part of a Parcel which emits foul or obnoxious odors outside the Parcel or creates noise or other conditions which tend to disturb the peace, quiet, safety, comfort, or serenity of the Owners or Permittees of other Parcels. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community.

No noxious, illegal, or offensive activity shall be carried on upon any portion of the Community, which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Elements or to the Owners or Permittees of other Parcels. No outside burning shall be permitted within the Community. No speaker, horn, whistle, bell, or other sound device, except alarm devices used exclusively for security purposes, shall be installed or operated on any Parcel, if such device is audible on the Common Elements or publicly dedicated roadways within the Community.

Notwithstanding the above, and in consideration that the Community is a mixed-use community with residential uses immediately adjacent to and in some cases within the same Building as nonresidential uses, the ordinary operation of nonresidential uses, including the hours of operation and including, if applicable, the noises and smells associated with such operation (for example outdoor patio music or restaurant smells) shall not be deemed to violate the restriction contained in this Section 4. Furthermore, nothing in this Section shall prohibit customary construction activity and noise, dust, or other factors attendant thereto.

Section 5. Unsightly or Unkempt Conditions. All portions of a Parcel visible from the Common Elements or publicly dedicated roadways within the Community shall be kept in a clean and tidy condition at all times and all yard areas shall be mowed and all on-lot trees shall be pruned. Nothing shall be done, maintained, stored, or kept which, in the determination of the Board of Directors, causes an unclean, unhealthy, or untidy condition to exist or is obnoxious to the senses. Any structures, equipment or other items which may be permitted to be erected or placed on portions of Parcels and are visible from the Common Elements or publicly dedicated roadways within the Community shall be kept in a neat, clean and attractive condition and shall promptly be removed upon request of the Board if, in the judgment of the Board, they have become rusty, dilapidated or otherwise fallen into disrepair.

No Owner or Permittee shall dump grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within the Community, except that fertilizers may be applied to landscaping on Parcels provided care is taken to minimize runoff.

Section 6. Trash Removal. All rubbish, trash, and garbage shall be stored in appropriate containers approved pursuant to Article XIII hereof and shall regularly be removed from the Community and shall not be allowed to accumulate.

Section 7. Irrigation. No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, ponds, wetlands, canals, or other ground or surface waters within the Community shall be installed, constructed, or operated within the Community. However, the Declarant and the Association shall have the right to draw water from such sources for the purpose of irrigating the Designated Maintenance Items. All sprinkler and irrigation systems serving Parcels shall draw upon

public water supplies only and shall be subject to approval in accordance with Article XIII of this Declaration. Private irrigation wells are prohibited in the Community.

Section 8. Tents, Mobile Homes, and Temporary Structures. Except as may be permitted by the Declarant or the DRB during initial construction within the Community, no tent, shack, mobile home, or other structure of a temporary nature shall be placed upon a Parcel or any part of the Community. This prohibition shall not apply to restrict the construction or installation of a single utility or similar outbuilding to be permanently located on a Parcel, provided it receives the prior approval of the DRB, as appropriate, in accordance with Article XIII hereof. In addition, party tents or similar temporary structures may be erected for a limited period of time for special events with prior written approval of the Board.

Section 9. Grading, Drainage and Septic Systems. No Person shall alter the grading of any Parcel without prior approval pursuant to Article XIII of this Declaration. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant or a Parcel Developer, at the direction of Declarant, may obstruct or rechannel the drainage flows after location and installation of drainage swells, storm sewers, or storm drains. The Declarant hereby reserves for itself and the Association a perpetual easement across the Community for the purpose of altering drainage and water flow. However, the exercise of such an easement shall not materially diminish the value of or unreasonably interfere with the use of any Parcel without the Owner's consent. Septic tanks and drain fields, other than those installed by or with the consent of the Declarant, are prohibited within the Community.

Section 10. Removal of Plants and Trees. No trees or shrubs, except for those which are diseased or dead or create a safety hazard, shall be removed except in strict compliance with the Design Guidelines and upon prior approval in accordance with Article XIII of this Declaration. In the event of an intentional or unintentional violation of this Section, the violator may be required by the DRB to replace the removed tree with one (1) or more comparable trees of such size and number and in such locations as the DRB may determine necessary, in its reasonable discretion, to mitigate the damage.

Section 11. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

Section 12. Utility Lines. Unless otherwise approved by the DRB, no overhead utility lines, including lines for cable television, shall be permitted within the Community, except for temporary lines as required during construction and high voltage lines if required by law or for safety purposes.

Section 13. Air Conditioning Units. Except as may be permitted by the DRB or its designee, no window air conditioning units may be installed on any Parcel.

Section 14. Lighting. Except for traditional holiday decorative lights, which may be displayed for two months prior to and one (1) month after any commonly recognized holiday for which such lights are traditionally displayed, all exterior lights visible from the Common Elements or publicly dedicated roadways within the Community must be approved in accordance with Article XIII of this Declaration.

Section 15. Artificial Lakes, Exterior Sculpture, and Similar Items. No artificial vegetation or permanent flagpoles shall be permitted on the exterior of any portion of the Community visible from the Common Elements or publicly dedicated roadways within the Community, unless specifically approved by the DRB. No exterior sculpture, fountains, flags (including without limitation the flag of the United States of America and the flag of the State of North Carolina) and temporary flagpoles, birdhouses,

birdbaths, other decorative embellishments, or similar items visible from the Common Elements or publicly dedicated roadways within the Community shall be permitted unless approved in accordance with Article XIII of this Declaration, except for any such item installed by Declarant, or by any Parcel Owner pursuant to any right granted by Declarant to such Parcel Owner.

Section 16. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Parcel unless it is an integral and harmonious part of the architectural design of a structure, and approved in accordance with Article XIII hereof. No windmills, wind generators, or other apparatus for generating power from the wind shall be erected or installed on any Parcel without the prior written consent of the DRB.

Section 17. Wetlands and Other Water Bodies. All wetlands, ponds, and streams within the Community, if any, shall be aesthetic amenities or detention facilities only, and no other use thereof, including without limitation fishing, swimming, boating, playing, or use of personal flotation devices, shall be permitted without the prior approval of the Board of Directors. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of ponds, or streams within the Community. No docks, piers, or other structures shall be constructed on or over any body of water within the Community, except such as may be constructed by the Declarant or the Association.

Section 18. Fences. No fences, hedges or walls of any kind shall be permitted on any Parcel except as approved in accordance with Article XIII of this Declaration.

Section 19. Prohibited Uses. A Parcel or any portion thereof may be used for only purposes that are permitted by zoning, environmental and other applicable laws now or hereafter in effect having jurisdiction over the Community and which are not prohibited by the terms of the Declaration or any Supplemental Declaration applicable to the Parcel. Notwithstanding anything contained herein to the contrary, the following uses shall be prohibited, and permitted on a Parcel or any portion thereof only with the prior written consent of the Board of Directors and the written consent of the Declarant so long as Declarant owns any property described in Exhibit "A" or "B" of this Declaration, which may be given or withheld in the sole discretion of the Board of Directors and Declarant, respectively:

- (a) Warehousing, industrial and manufacturing uses;
- (b) Any use which involves the breeding of any animals, livestock or poultry;
- (c) Dangerous or unsafe uses such as the sale or storage of explosives;
- (d) Objectionable or nuisance uses by reason of odor, dust, fumes, smoke, noise, vibration, electro-mechanical disturbance and radiation, electro-magnetic disturbance and radiation, air or water pollution, refuse matter or water-carried waste;
- (e) Junk or salvage yards, mobile home park, trailer court, labor camp or stock yard;
- (f) Laundromat or washateria except for laundry facilities ancillary to and located within a Building on a Parcel and intended only for use by Owners and owner/tenant Permittees of such Parcel;
- (g) Above-ground swimming pools (which is not intended to prohibit a swimming pool incorporated into the roof or into an above-ground floor in the interior of a structure);
- (h) Bingo hall;

- (i) Pool hall;
- (j) Adult book store or adult video store where obscene, pornographic or “adult” materials or paraphernalia, including, but not limited to, movies, videotapes, devices, books, magazines, or other related items are sold or displayed;
- (k) Massage parlor (excepting licensed, therapeutic massage facilities, which are not prohibited) or facility which hosts obscene, nude or semi-nude live performances;
- (l) The sale or exhibition of pornographic materials or sexual paraphernalia;
- (m) Facilities used for the sale, display or advertisement of any paraphernalia used in the preparation or consumption of controlled substances;
- (n) Dry cleaning plant;
- (o) Funeral home or store selling caskets; and
- (p) Uses which are predominantly outdoor uses, including, without limitation, flea markets.

Section 20. Flags and Flagpoles. Freestanding flagpoles shall not be permitted (except for those constructed or installed by Declarant in the Common Elements); provided, flags may be displayed using a bracket or other approved device mounted to a dwelling so long as the size of the flag displayed does not exceed a standard size (as set forth in the Design Guidelines or determined in the DRB’s discretion).

Section 21. Outdoor Restaurant Uses. Restaurants located within the Community shall be permitted to have outdoor dining facilities, provided that seating at such outdoor dining facilities shall cease at such time as determined by the Association, which time shall not be earlier than 10:00 P.M. Notwithstanding the foregoing, those customers, guests, patrons or invitees of a restaurant located within the Community that are seated outdoors shall be permitted to remain until the end of permitted hours for outdoor seating as established by the Association. Such outdoor dining facilities may have music at reasonable volumes so long as the total noise level of the outdoor dining facilities at peak hours does not exceed one hundred ten (110) decibels measured from a distance of fifty (50) feet. Furthermore, intercom, microphone and other forms of voice amplification systems used for paging customers, guests, patrons or invitees of a restaurant located within the Community shall be prohibited from outdoor use at all times unless approved by the Association.

Section 22. Laws and Ordinances. Every Owner and Permittee shall comply with all laws, statutes, ordinances, and rules of federal, state, and municipal governments applicable to the Community. Any violation thereof may be considered a violation of this Declaration, including, without limitation, violations relating to: (a) zoning of any improvements constructed on a Parcel; (b) noise restrictions; (c) hours of operation of any commercial activity; and (d) construction permits. However, the Board shall have no obligation to take action to enforce such laws, statutes, ordinances, and rules.

ARTICLE XV
EASEMENTS

Section 1. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Parcel and any adjacent Common Elements and between adjacent Parcels due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the

terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, an Owner, Permittee, or the Association.

Section 2. Easements for Utilities, Etc. There are hereby reserved unto Declarant, so long as the Declarant owns any property described on Exhibit "A" or "B," of this Declaration, the Association, and the designees of each (which may include, without limitation, Mecklenburg County, or the City of Charlotte and any utility company) access and maintenance easements upon, across, over, and under all of the Community to the extent reasonably necessary for the purpose of replacing, repairing, and maintaining Community Systems, cable television systems, master television antenna systems, security and similar systems, roads, walkways, bicycle pathways, jogging/walking trails (including the Loop), ponds, wetlands, drainage systems, street lights, signage, and for the purpose of establishing Community Systems and the furnishing of utilities to any Parcel or any of the property described on Exhibit "A" and "B", including, but not limited to, water, sewers, meter boxes, telephone, gas, communications and electricity, and for the purpose of installing any of the foregoing on property which it owns or within easements designated for such purposes on recorded plats of the Community. Notwithstanding anything to the contrary herein, this easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any existing Building or other structure that is part of a Parcel, and any damage to a Parcel resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the easement. Any systems, facilities, or utilities shall be constructed only in locations on a Parcel approved by the Owner of such Parcel, such approval not to be unreasonably withheld, conditioned, or delayed. The exercise of this easement shall not unreasonably interfere with the use of any Parcel and, except in an emergency, entry onto any Parcel shall be made only after reasonable notice to the Owner, or Permittee.

Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier, electric company, and natural gas supplier easements across all the Common Elements for ingress, egress, installation, reading, replacing, repairing, and maintaining utility meters and boxes. Notwithstanding anything to the contrary contained in this Section 2, no sewers, electrical lines, water lines, or other utilities may be installed or relocated in the Community, except as may be approved by the Association's Board of Directors or as provided by Declarant.

Section 3. Easements for Stream and Pond Maintenance and Flood Water. The Declarant reserves for itself and its successors, assigns, and designees the nonexclusive right and easement to enter upon the ponds, streams, and wetlands identified as Designated Maintenance Items to (a) install, keep, maintain, and replace pumps in order to provide water for the irrigation of any of the Designated Maintenance Items; (b) install, keep, maintain, and replace fountains, lighting, conduits and similar equipment therein; (c) construct, maintain, and repair any bulkhead, wall, dam, or other structure retaining water; and (d) remove trash and other debris therefrom and fulfill their maintenance responsibilities as provided in this Declaration. The Declarant's rights and easements provided in this Section 3 shall be transferred to the Association at such time as the Declarant shall cease to own any property subject to the Declaration, or any of the property described on Exhibit "B" attached hereto, or such earlier time as Declarant may elect, in its sole discretion, to transfer such rights by a written instrument. The Declarant, the Association, and their designees shall have an access easement over and across any of the Community abutting or containing any portion of any of the lakes, ponds, streams, or wetlands to the extent reasonably necessary to exercise their rights under this Section.

There is further reserved herein for the benefit of Declarant, the Association, and their designees, a perpetual, nonexclusive right and easement of access and encroachment over the Common Elements and Parcels adjacent to or within one hundred (100) feet of ponds and streams within the Community, in

order to (a) temporarily flood and back water upon and maintain water over such portions of the Community; (b) fill, drain, dredge, deepen, clean, fertilize, dye, and generally maintain the lakes, ponds, streams, and wetlands within or constituting the Designated Maintenance Items; (c) maintain and landscape the slopes and banks pertaining to such lakes, ponds, streams, and wetlands; and (d) enter upon and across such portions of the Community for the purpose of exercising its rights under this Section 3. All persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to hurricanes, heavy rainfall, or other natural disasters.

Section 4. Easements to Serve Additional Property. The Declarant and its duly authorized agents, representatives, and employees, as well as its successors, assigns, licensees, and mortgagees, shall have and Declarant hereby reserves an easement over the Common Elements for the purposes of enjoyment, use, access, and development of the Additional Property, whether or not such Additional Property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Elements for construction of roads and for connecting and installing utilities on the Additional Property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Elements or any other portion of the Property as a result of vehicular traffic connected with development of the Additional Property, and the cost of repair of such damage shall not be a Common Expense, but shall be borne solely by the party causing such damage.

Section 5. Right of Entry. Except to the extent prohibited by the applicable terms of a nonresidential lease of any portion of the Community, the Association shall have the right, but not the obligation, to enter upon any Parcel for emergency, security, and safety reasons, to perform maintenance pursuant to Article VI hereof, and to inspect for the purpose of ensuring compliance with this Declaration, any Supplemental Declaration, Bylaws, and rules and regulations, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter upon any Parcel to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Board.

Section 6. Sidewalks/Walkways. Declarant hereby establishes, creates and reserves for itself, its successors and assigns, all Owners and their respective Permittees with respect to, and as a burden upon, the other Parcels and the Common Elements, a perpetual non-exclusive right, privilege, easement and reservation for the passage of pedestrians over, across and through all sidewalk and walkway areas which are located in the Community, including, without limitation, The Loop.

Section 7. Temporary Closings. In order to establish that the ingress and egress easements, and any private access ways or road ways located therein are and will continue to remain private property and to prevent a dedication thereof or the accrual of any rights to any person or to the public therein, except as herein specifically granted, or as may be reasonably necessary in connection with the performance of any construction, repair, relocation, replacement or maintenance of the improvements comprising such access ways or road ways, any utilities or any other improvements, located or to be located in or on the ingress and egress easement areas, the Association, for the Common Elements, and the Owner of any Parcel within the Community on which an ingress and egress easement is located, shall have the right to temporarily restrict access to the general public with respect to all or any portion of any such access way or road way, to the extent and for such limited periods as shall be necessary to prevent such dedication or accrual or to permit such construction, repair, relocation, replacement or maintenance; provided, however,

that neither the Association nor any such Owner shall exercise the rights granted in this Section 7 in any manner which will unreasonably interfere with rights and privileges granted herein or in any manner which will deny pedestrian or vehicular access over any of the ingress and egress easements granted herein, and in no event shall the exercise of such rights totally preclude pedestrian access to any portion of the Community by any parties benefited by the easements granted herein and provided further that no ingress and egress or parking easement shall be closed except as otherwise expressly permitted in this Declaration.

Section 8. Cooperation. All easements granted in this Declaration, and the use thereof, shall be deemed to be limited to the extent reasonably necessary to accomplish the purposes for which such easements are granted. The Declarant and each Parcel Owner and/or Permittee agree to cooperate with the reasonable requests of the others in furtherance of the spirit and intent of the matters addressed in this Declaration. To this end, the Declarant and the Parcel Owners and/or Permittees may enter into cooperative agreements with each other for the common provision of services and systems, so long as such agreement is consistent with the other terms and conditions contained in this Declaration.

ARTICLE XVI
DECLARANT'S RIGHTS

Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the Bylaws may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in this Declaration or in the Bylaws, as applicable. Furthermore, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Public Registry. Nothing in this Declaration shall be construed to require the Declarant or any successor to develop any of the Additional Property in any manner whatsoever.

Notwithstanding any provisions contained in this Declaration to the contrary, so long as construction and initial sales of Parcels or portions thereof shall continue, it shall be expressly permissible for the Declarant and Parcel Developers authorized by Declarant to maintain and carry on upon portions of the Common Elements such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the construction, marketing or sale of such Parcels, including, but not limited to, business offices, signs, models, and sales offices. The Declarant and Parcel Developers authorized by Declarant shall have easements for access to and use of such facilities. The right to maintain and carry on such facilities and activities shall include specifically, without limitation, the right to use Parcels owned by the Declarant and any community facilities which may be owned by the Association, as models and sales offices, respectively.

This Article may not be amended without the express written consent of the Declarant. However, the rights contained in this Article shall terminate upon termination of the Declarant Control Period.

ARTICLE XVII
PRIVATE AMENITIES

Various Private Amenities may be constructed and made available for use by Owners, Permittees and others for recreational purposes (including the general public), pursuant to an agreement with the Association or otherwise. Access to and use of any Private Amenity is strictly subject to the rules and procedures of the owner of such Private Amenity (it being clear that Declarant may be such an owner), and except as may otherwise be set forth in a written agreement between the Association or Parcel Association and the owner of the Private Amenity, no Person gains any right to enter or to use any Private Amenity solely by virtue of membership in the Association or ownership of a Parcel or Unit.

All Persons, including all Owners and Permittees, are hereby advised that no representations or warranties have been or are made by Declarant, the Association, or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership, operation or availability of any Private Amenity. No purported representation or warranty in such regard, written or oral, shall be effective unless specifically set forth in a written instrument executed by the record owner of the Private Amenity.

Rights to use Private Amenities will be granted only to such Persons, and on such terms and conditions, as may be determined by the owners of such Private Amenities. Such owners shall have the right, from time to time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of their respective Private Amenities and to terminate use rights altogether. No consent of the Declarant, Association, Association Delegate, or any Owner shall be required to effectuate any change in ownership, operation or terms of access to any Private Amenity.

ARTICLE XVIII
DISCLOSURES AND WAIVERS

SECTION 1. VIEW IMPAIRMENT.

NEITHER DECLARANT NOR THE ASSOCIATION GUARANTEE OR REPRESENT THAT ANY VIEW OVER AND ACROSS THE PARCELS OR COMMON ELEMENTS WITHIN THE COMMUNITY WILL BE PRESERVED WITHOUT IMPAIRMENT. NEITHER DECLARANT NOR THE ASSOCIATION SHALL BE OBLIGATED TO RELOCATE, PRUNE, OR THIN TREES OR OTHER LANDSCAPING EXCEPT TO MAINTAIN THE COMMUNITY-WIDE STANDARD OR AS OTHERWISE REQUIRED UNDER A SEPARATE COVENANT OR AGREEMENT. THE ASSOCIATION (WITH RESPECT TO THE COMMON ELEMENTS) HAS THE RIGHT TO ADD TREES AND OTHER LANDSCAPING FROM TIME TO TIME SUBJECT TO APPLICABLE LAW. ANY EXPRESS OR IMPLIED EASEMENTS FOR VIEW PURPOSES OR FOR THE PASSAGE OF LIGHT AND AIR ARE HEREBY EXPRESSLY DISCLAIMED.

SECTION 2. NOTICES AND DISCLAIMERS AS TO COMMUNITY SYSTEMS.

ANY COMMUNITY SYSTEM AND ITS PROVIDERS, MANAGERS AND OPERATORS MAY BE SUBJECT TO FEDERAL, STATE OR MUNICIPAL REGULATIONS, LAWS AND ORDINANCES. SUCH REGULATIONS, LAWS AND ORDINANCES MAY HAVE A SIGNIFICANT IMPACT ON CERTAIN ASPECTS OF THE SYSTEM INCLUDING, BUT NOT LIMITED TO, THE FEES CHARGED, THE METHOD OF DELIVERY, THE RIGHTS OF THE SYSTEM USERS, AS WELL AS THE RIGHTS OF THE SYSTEM PROVIDERS OR OPERATORS. THESE REGULATIONS AND THEIR IMPACTS ARE BEYOND THE DECLARANT'S AND ASSOCIATION'S CONTROL.

IN RECOGNITION OF THE FACT THAT INTERRUPTIONS IN CABLE TELEVISION AND OTHER COMMUNITY SYSTEMS SERVICES WILL OCCUR FROM TIME TO TIME, NEITHER DECLARANT NOR ITS SUCCESSORS OR ASSIGNS SHALL IN ANY MANNER BE LIABLE FOR, AND NO COMMUNITY SYSTEM USER SHALL BE ENTITLED TO A REFUND, REBATE, DISCOUNT OR OFFSET IN APPLICABLE FEES FOR ANY INTERRUPTION IN COMMUNITY SYSTEMS SERVICES, REGARDLESS OF WHETHER OR NOT SUCH INTERRUPTION IS CAUSED BY REASONS WITHIN THE SERVICE PROVIDER'S CONTROL.

EACH OWNER AND PERMITTEE ACKNOWLEDGES AND AGREES THAT THE ASSOCIATION, BY VIRTUE OF CONTRACTUAL RELATIONSHIPS WITH COMMUNITY SYSTEMS PROVIDERS, MAY GAIN ACCESS TO INFORMATION RELATING TO INDIVIDUAL

USE OF THE COMMUNITY SYSTEMS, INCLUDING ACCOUNT AND CONTENT INFORMATION. IN RECOGNITION OF THIS FACT, EACH OWNER AND ITS PERMITTEES WAIVE ANY PRIVACY RIGHTS HE OR SHE MAY HAVE IN SUCH INFORMATION AND ANY CLAIMS AGAINST THE ASSOCIATION, THE BOARD AND DECLARANT RELATING TO THE ACQUISITION OF SUCH INFORMATION. FURTHER, EACH OWNER AND PERMITTEE ACKNOWLEDGES AND AGREES THAT THE ACQUISITION OF SUCH INFORMATION BY THE ASSOCIATION SHALL NOT CREATE ANY DUTY ON THE PART OF THE ASSOCIATION OR DECLARANT TO ANY PERSON TO ACT IN ANY MANNER WITH RESPECT TO SUCH INFORMATION.

NOTWITHSTANDING THE ABOVE OR ANY OTHER PROVISIONS IN THIS DECLARATION, THERE IS NO GUARANTEE OR REPRESENTATION THAT ANY PARTICULAR COMMUNITY SYSTEM WILL BE MADE AVAILABLE.

SECTION 3. CONSTRUCTION ACTIVITIES.

ALL OWNERS AND PERMITTEES ARE HEREBY PLACED ON NOTICE THAT DECLARANT, PARCEL DEVELOPER, GENERAL CONTRACTOR, AND/OR THEIR AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES, AND OTHER DESIGNEES, SUCCESSORS, OR ASSIGNS, MAY, FROM TIME TO TIME, CONDUCT BLASTING, EXCAVATION, CONSTRUCTION, AND OTHER ACTIVITIES WITHIN THE COMMUNITY. BY THE ACCEPTANCE OF A DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE, OR OTHER INTEREST, AND BY USING ANY PORTION OF A PARCEL OR THE COMMUNITY GENERALLY, THE OWNERS AND THEIR PERMITTEES ACKNOWLEDGE, STIPULATE, AND AGREE (A) SUCH ACTIVITIES SHALL NOT BE DEEMED NUISANCES, OR NOXIOUS OR OFFENSIVE ACTIVITIES, UNDER ANY APPLICABLE COVENANTS OR AT LAW GENERALLY; (B) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO THE PARCEL WHERE SUCH ACTIVITIES ARE BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS); (C) THAT DECLARANT, PARCEL DEVELOPER, AND ALL OF THEIR AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES, AND OTHER DESIGNEES, SUCCESSORS, AND ASSIGNS, SHALL NOT BE LIABLE BUT, RATHER, SHALL BE HELD HARMLESS FOR ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE, OR OTHERWISE), INJURIES, OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, EXCEPT FOR SUCH LOSSES, DAMAGES, INJURIES, OR DEATHS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH PARTIES; (D) THAT ANY PURCHASE OR USE OF ANY PORTION OF A PARCEL HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING; AND (E) THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DECLARANT AND PARCEL DEVELOPER TO SELL, CONVEY, LEASE, AND/OR ALLOW THE USE OF PARCELS WITHIN THE COMMUNITY.

SECTION 4. WATER MANAGEMENT.

EACH OWNER AND PERMITTEE ACKNOWLEDGES AND AGREES THAT ANY PONDS OR WETLANDS ARE DESIGNED AS WATER MANAGEMENT AREAS AND ARE NOT DESIGNED SOLELY AS AESTHETIC FEATURES. DUE TO FLUCTUATIONS IN GROUND WATER ELEVATIONS WITHIN THE IMMEDIATE AREA, THE WATER LEVEL OF LAKES AND STREAMS WILL RISE AND FALL. EACH OWNER AND PERMITTEE FURTHER

ACKNOWLEDGES AND AGREES THAT DECLARANT HAS NO CONTROL OVER SUCH ELEVATIONS. THEREFORE, EACH OWNER AND PERMITTEE AGREES TO RELEASE AND DISCHARGE DECLARANT FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DEMANDS, DAMAGES, COSTS, AND EXPENSES OF WHATEVER NATURE OR KIND, INCLUDING REASONABLE ATTORNEYS' FEES AND COSTS AT ALL TRIBUNAL LEVELS, RELATED TO OR ARISING OUT OF ANY CLAIM RELATING TO SUCH FLUCTUATIONS IN WATER ELEVATIONS.

OWNERS AND PERMITTEES SHALL NOT ALTER, MODIFY, EXPAND, OR FILL ANY PONDS OR WETLANDS LOCATED WITHIN OR IN THE VICINITY OF THE COMMUNITY WITHOUT THE PRIOR WRITTEN APPROVAL OF THE LOCAL PERMITTING AUTHORITY, THE ASSOCIATION, THE DECLARANT, THE U.S. ARMY CORPS OF ENGINEERS (IF IT HAS AUTHORITY OVER WETLANDS WITHIN THE COMMUNITY), AND SUCH OTHER LOCAL, STATE, AND FEDERAL AUTHORITIES AS MAY HAVE RELEVANT JURISDICTION OVER SUCH MATTERS.

SECTION 5. LIABILITY FOR ASSOCIATION OPERATIONS AND OWNER AND PERMITTEE USE OF COMMON ELEMENTS AND LICENSE AREAS.

THE ASSOCIATION SHALL, TO THE FULLEST EXTENT PERMITTED BY LAW, INDEMNIFY, DEFEND, AND HOLD HARMLESS DECLARANT, ITS SUCCESSORS AND ASSIGNS, FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DEMANDS, DAMAGES, COSTS, AND EXPENSES OF WHATEVER KIND OR NATURE (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND COSTS AT ALL TRIBUNAL LEVELS AND WHETHER OR NOT SUIT IS INSTITUTED, INCLUDING THOSE INCURRED IN ESTABLISHING THE RIGHT TO BE INDEMNIFIED, DEFENDED, AND HELD HARMLESS PURSUANT HERETO), WHICH RELATE TO OR ARISE OUT OF THE MANAGEMENT AND OPERATIONS OF THE ASSOCIATION, AND THE ACTIVITIES OF THE OWNERS AND PERMITTEES ON THE COMMON ELEMENTS, AND LICENSE AREAS INCLUDING, WITHOUT LIMITATION, THE USE, IMPROVEMENT, MAINTENANCE, AND OPERATION OF THE COMMON ELEMENTS AND LICENSE AREAS BY THE ASSOCIATION, THE OWNERS, AND THE PERMITTEES; THE USE, IMPROVEMENT, MAINTENANCE, AND OPERATION THE DESIGNATED MAINTENANCE ITEMS BY THE ASSOCIATION; AND THE COLLECTION OF ASSESSMENTS BY THE ASSOCIATION, EXCEPT FOR SUCH LOSSES, DAMAGES, INJURIES, OR DEATHS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF DECLARANT, ITS SUCCESSORS AND ASSIGNS.

SECTION 6. CONVEYANCE OF COMMON ELEMENTS.

DECLARANT SHALL CONVEY, TRANSFER, AND/OR ASSIGN TO THE ASSOCIATION, AND THE ASSOCIATION SHALL ACCEPT, THE COMMON ELEMENTS, INCLUDING ALL IMPROVEMENTS CONSTRUCTED THEREON, IN THEIR "WHERE-IS, AS-IS" CONDITION. DECLARANT HEREBY DISCLAIMS AND MAKES NO REPRESENTATIONS, WARRANTIES OR OTHER AGREEMENTS, EXPRESS OR IMPLIED, BY LAW OR FACT, WITH RESPECT TO THE COMMON ELEMENTS, INCLUDING, WITHOUT LIMITATION, REPRESENTATIONS OR WARRANTIES OF MERCHANTABILITY REGARDING THE CONDITION, CONSTRUCTION, ACCURACY, COMPLETENESS, DESIGN, ADEQUACY OF SIZE OR CAPACITY IN RELATION TO THE UTILIZATION, DATE OF COMPLETION, OR THE FUTURE ECONOMIC PERFORMANCE OR OPERATIONS OF, OR THE MATERIALS, FURNITURE, OR EQUIPMENT USED IN, THE COMMON ELEMENTS. NEITHER THE ASSOCIATION NOR ANY OWNER OR PERMITTEE SHALL MAKE ANY CLAIM AGAINST DECLARANT, ITS SUCCESSORS AND

ASSIGNS, RELATING TO THE CONDITION, OPERATION, USE, ACCURACY OR COMPLETENESS OF THE COMMON ELEMENTS, OR FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING THEREFROM.

DECLARANT SHALL TRANSFER AND ASSIGN TO THE ASSOCIATION, WITHOUT RECOURSE, ALL WARRANTIES RECEIVED FROM MANUFACTURERS AND SUPPLIERS RELATING TO ANY OF THE COMMON ELEMENTS WHICH EXIST AT THE TIME OF TRANSFER AND ARE ASSIGNABLE.

ARTICLE XIX

GENERAL PROVISIONS

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Community, and shall inure to the benefit of and shall be enforceable by the Association or the Owners and their Permittees, their respective legal representatives, heirs, successors and assigns. This Declaration may be terminated only after the Declarant Control Period and then only by the affirmative vote or written consent, or any combination thereof, of Association Delegates representing ninety percent (90%) of the total votes in the Association, and the consent of the Declarant, as long the Declarant owns any property described in Exhibits "A" and "B" for development and/or sale.

Section 2. Amendment.

(a) By Declarant. Until expiration of the Declarant Control Period, Declarant may unilaterally amend this Declaration for any purpose provided that the amendment has no material adverse effect upon any right of any Owner or Permittee; does not materially increase the burden imposed by this Declaration on that part or portion of the Parcel owned by such Owner or such Permittee unless the affected Owner or Permittee shall consent in writing; does not withdraw from this Declaration any real property depicted in Exhibit "A" and does not adversely affect the title to that part or portion of the Parcel owned by such Owner or such Permittee unless the affected Owner or Permittee shall consent in writing; and provided further that such amendment is consistent with the general scheme of the Community. Thereafter, the Declarant may unilaterally amend this Declaration if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the property in the Community; (iii) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the property in the Community; (iv) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the property in the Community; or (v) otherwise necessary to satisfy the requirements of any governmental agency. However, any such amendment shall not adversely affect the title to any property in the Community unless the Owner shall consent thereto in writing. To be effective, any amendment made by the Declarant pursuant to this subsection (a) must be executed by the Declarant and recorded in the Public Registry; it need not be executed by Association or any other party.

(b) By Owners. Thereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Association Delegates representing seventy-five percent (75%) of the total votes in the Association.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that

clause. To be effective, any amendment enacted by the Owners pursuant to this subsection (b) must be executed by the Association and recorded in the Public Registry.

If an Association Delegate, on behalf of an Owner, consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Association Delegate has the authority so to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege.

Section 3. Services During Declarant Control. Each Owner acknowledges that Declarant and its affiliates may provide services utilized by communities such as this Community, including, but not limited to, management services. Each Owner consents and agrees that the Association may enter into service contracts with Declarant and its affiliates so long as such service contracts are on terms similar to those prevailing for such services in the Charlotte metropolitan area.

Section 4. Severability. Invalidation of any provision or portion of a provision of this Declaration by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 5. Litigation. Notwithstanding any other provisions herein, except as otherwise specifically provided below, no judicial or administrative or arbitration proceeding shall be commenced or prosecuted by the Association unless approved by a affirmative vote of eighty percent (80.0%) of the total votes in the Association. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article XII; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 6. Cumulative Effect; Conflict. The covenants, restrictions, and provisions of this Declaration shall be cumulative with those of any Parcel Declaration and the Association may, but shall not be required to, enforce the covenants, conditions, and provisions of any Parcel Declaration; provided, however, in the event of conflict between or among such covenants and restrictions, and provisions of any articles of incorporation, bylaws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, those of any Parcel Declaration shall be subject and subordinate to those of the Association. The foregoing priorities shall apply, but not be limited to, the liens for assessments created in favor of the Association.

Section 7. Use of the Phrase "City Park". No Person shall use the phrase "City Park" or any derivative thereof, or the City Park logo shown on the cover page of this Declaration in any printed or promotional material without the prior written consent of the Declarant. However, the Association shall be entitled to use the word "City Park" in its name, and a Parcel Association may use the phrase "City Park" in its name with the prior written consent of the Declarant. Owners, Parcel Developers, Permittees, and builders may use the term "City Park" in printed or promotional matter where such term is used solely to specify that particular property is located within the Community; provided, however, that the specific name used for such Owner's property shall be subject to the prior written approval of Declarant, not to be unreasonably withheld or delayed.

Section 8. Compliance. Every Owner and its Permittees shall comply with all lawful provisions of this Declaration, the Bylaws, and the rules and regulations of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, in a proper case, by any aggrieved Parcel Owner(s). In addition, the Association may avail itself of any and all remedies provided in this Declaration or the Bylaws.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 6th day of September, 2012.

DECLARANT:

P&L COLISEUM, L.P.,
a Georgia limited partnership

By: P&L Coliseum GP, LLC,
a Georgia limited liability company,
its General Partner

By: [Signature]
Name: H. Mason Zimmerman
Title: Manager

STATE OF GEORGIA

COUNTY OF COBB

I certify that the following person personally appeared before me this day, acknowledging to me that he voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: **H. Mason Zimmerman**.

Date: SEPTEMBER 6, 2012

[Signature]
Official Signature of Notary Public

CHAVIGNY K BRAY
Notary printed or typed name

My commission expires: 4/25/14

[OFFICIAL

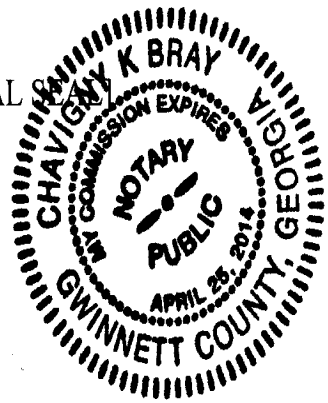
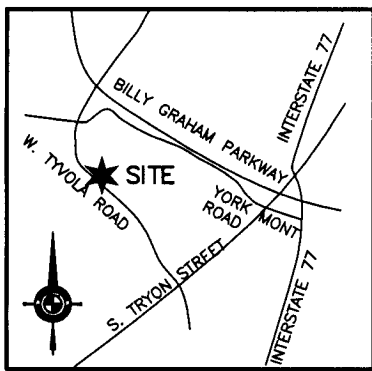


EXHIBIT "A"

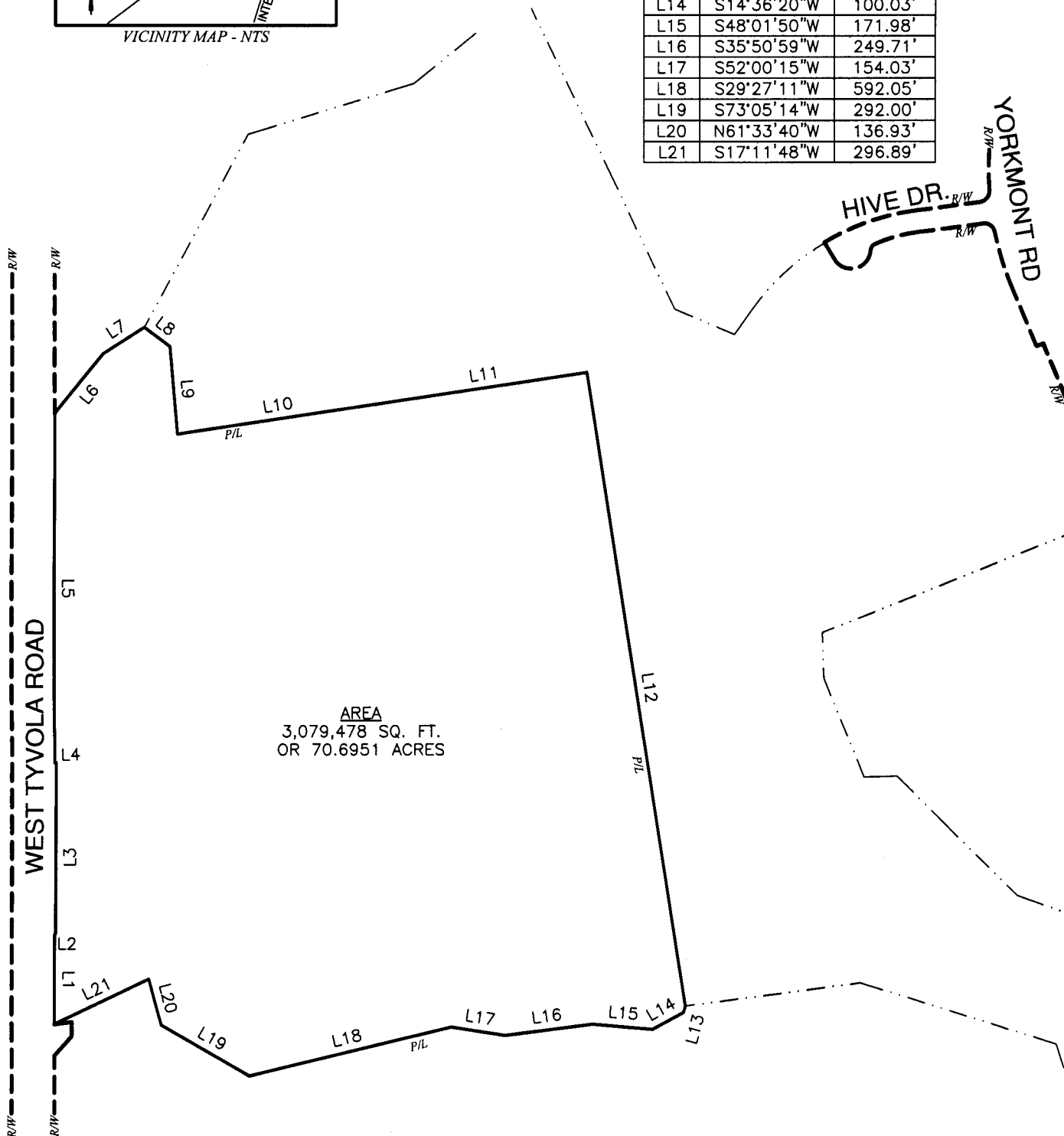
LAND INITIALLY SUBMITTED

(attached hereto)



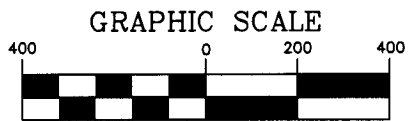
VICINITY MAP - NTS

LINE	BEARING	DISTANCE
L1	N47°04'10"W	260.13'
L2	N42°41'42"E	3.47'
L3	N46°50'21"W	494.94'
L4	S41°48'23"W	4.22'
L5	N46°58'13"W	1006.28'
L6	N08°26'56"W	221.58'
L7	N09°54'01"E	140.07'
L8	N80°35'23"E	91.90'
L9	S51°46'03"E	254.12'
L10	N34°22'00"E	594.27'
L11	N34°22'00"E	584.88'
L12	S55°38'00"E	1852.56'
L13	S32°15'36"E	19.38'
L14	S14°36'20"W	100.03'
L15	S48°01'50"W	171.98'
L16	S35°50'59"W	249.71'
L17	S52°00'15"W	154.03'
L18	S29°27'11"W	592.05'
L19	S73°05'14"W	292.00'
L20	N61°33'40"W	136.93'
L21	S17°11'48"W	296.89'



AREA
3,079,478 SQ. FT.
OR 70.6951 ACRES

THIS IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS.



(IN FEET)
1 inch = 400 ft.

LEGEND:

- P/L - PROPERTY LINE
- R/W - RIGHT-OF-WAY
- PROPERTY LINE
- PROPERTY LINE (NOT SURVEYED)
- RIGHT-OF-WAY
- RIGHT-OF-WAY (NOT SURVEYED)

EASEMENT EXHIBIT MAP
FOR
OXFORD CITY PARK

RE: P&L COLISEUM, LP PROPERTY
CITY OF CHARLOTTE, MECKLENBURG COUNTY, N.C.
DEED REFERENCE: 20205-242
TAX PARCEL: 143-131-08

R.B. PHARR AND ASSOCIATES, P.A.
SURVEYING AND MAPPING
LICENSURE NO. C-1471
420 HAWTHORNE LANE CHARLOTTE, N.C. 28204 TEL. (704) 376-2186

CREW: N/A	DRAWN: CW	REVISED:	SCALE: 1" = 400'	DATE: SEPTEMBER 20, 2012	JOB NO. 78743
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EXHIBIT "B"

ADDITIONAL PROPERTY

(attached hereto)

Being the remainder of the property conveyed to Declarant by deed recorded in Book 20205 at page 242 of the Mecklenburg Public Registry.

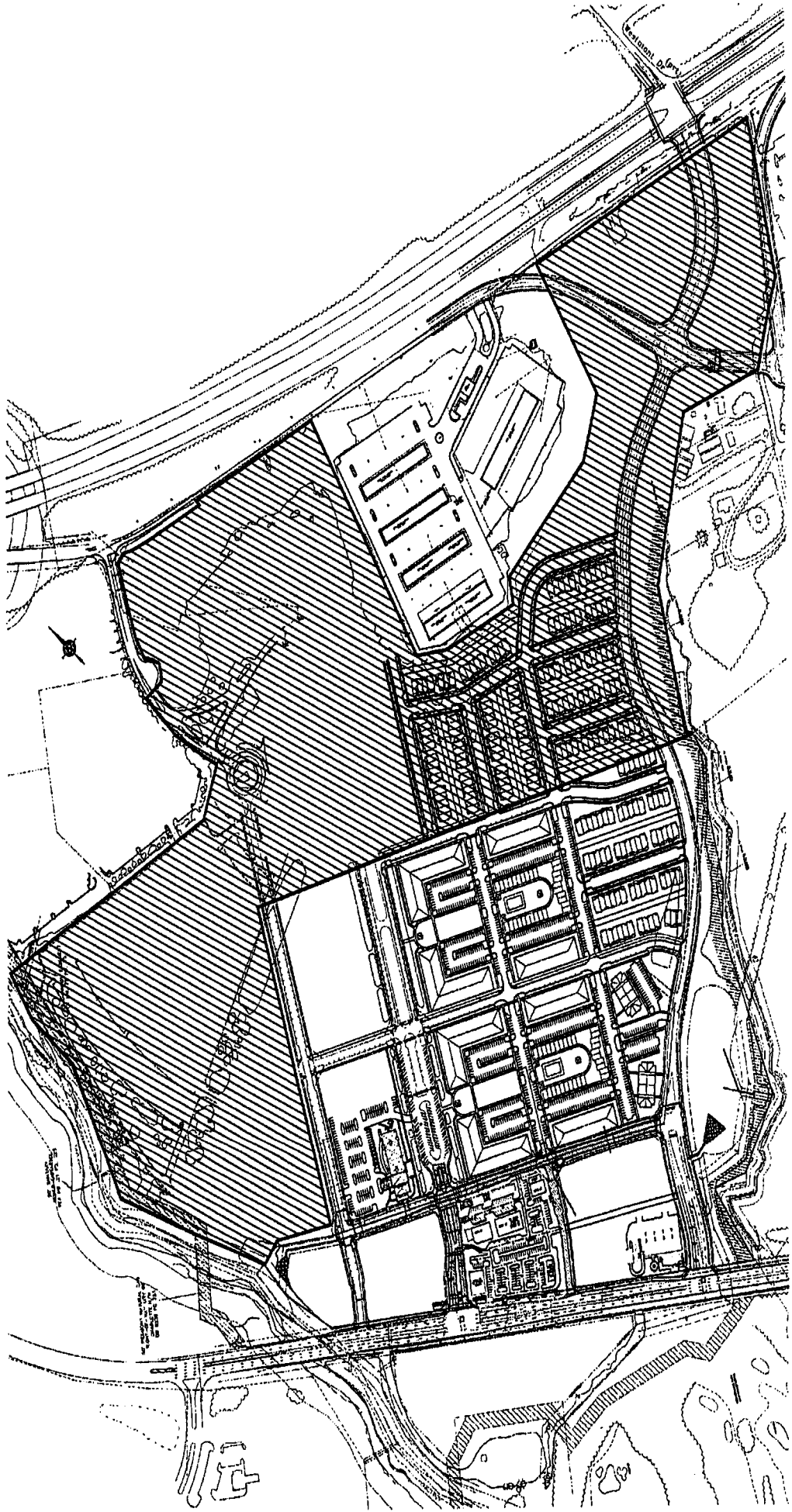


EXHIBIT "C"

**BYLAWS
OF
CITY PARK MASTER PROPERTY OWNERS ASSOCIATION, INC.
(attached hereto)**

BYLAWS
OF
CITY PARK MASTER OWNERS ASSOCIATION, INC.

Article I
General

Section 1. Applicability. These Bylaws provide for the self-government of City Park Master Owners Association, Inc., in accordance with the North Carolina Planned Community Act (the “Act”), the Articles of Incorporation filed with the Secretary of State and the Declaration of Covenants, Conditions and Restrictions for City Park, recorded in the public records of Mecklenburg County, North Carolina, (“Declaration”).

Section 2. Name. The name of the corporation is City Park Master Owners Association, Inc. (“Association”).

Section 3. Definitions. The terms used herein shall have their generally accepted meanings or such meanings as are specified in Article II of the Declaration.

Section 4. Membership. An Owner of a Parcel shall automatically be a member of the Association. Each Owner shall appoint one (1) natural person as the Association Delegate to represent such Owner in the affairs of the Association. No other Persons shall be entitled to participate in the affairs of the Association, including, without limitation, attending meetings and voting on Association matters. Such person’s relationship with the Association shall terminate automatically upon the termination of such person’s appointment by the Owner, and termination of the person’s relationship with the Association will create a vacancy in any elected or appointed position within the Association in which such person may have been serving and such vacancy will be filled in accordance with these Bylaws.

Section 5. Voting. Each Owner shall be entitled to one (1) weighted vote for each Parcel owned, the weight of which shall be equal to the Voting Factor attributable to the Parcel, which vote shall be cast by an Association Delegate or by a lawful proxy as provided below. No Association Delegate shall be eligible to vote if that Association Delegate’s Parcel is shown on the books or management accounts of the Association to be more than thirty (30) days delinquent in any payment due the Association or if the Association Delegate has had its voting rights suspended for the infraction of any provision of the Declaration, these Bylaws, or any rule of the Association. If the voting rights of an Association Delegate have been suspended, that Association Delegate shall not be counted as an eligible vote for purposes of establishing a Majority or a quorum. Notwithstanding the foregoing or anything to the contrary herein, until expiration of the Declarant Control Period, Declarant shall have a Majority vote.

Section 6. Majority. As used in these Bylaws, the term “Majority” shall mean those votes, Owners, Association Delegates, or other group as the context may indicate totaling more than fifty percent (50%) of the total number of eligible votes, Owners, Association Delegates, or other group, respectively. Unless otherwise specifically stated, the words “Majority vote” mean more than fifty percent (50%) of the votes exercised by those voting in person or by proxy.

Except as otherwise specifically provided in the Declaration or these Bylaws, all decisions shall be by Majority vote.

Section 7. Purpose. The Association shall have the responsibility of administering the Community, establishing the means and methods of collecting the contributions to the Common Expenses, arranging for the management of the Community and performing all of the other acts that may be required to be performed by the Association pursuant to the Act, the North Carolina Nonprofit Corporation Act and the Declaration. Except as to those matters which the Act, the Declaration or the North Carolina Nonprofit Corporation Act specifically require to be performed by the vote of the Association membership, the administration of the foregoing responsibilities shall be performed by the Board of Directors as more particularly set forth below.

Article II Meetings of Members

Section 1. Annual Meetings. The regular annual meeting of the Association Delegates shall be held during the fourth quarter of each year with the date, hour, and place to be set by the Board of Directors. No annual meeting of the Association shall be set on a legal holiday.

Section 2. Special Meetings. Special meetings of the Association Delegates may be called for any purpose at any time by the President or Secretary, by request of a majority of the Board of Directors, or upon written petition of Association Delegates holding at least ten percent (10%) of the total eligible Association vote. Any such written petition by the Association Delegates must be submitted to the Association's Secretary. The Secretary shall then verify that the required number of Association Delegates have joined in the petition and shall submit all proper petitions to the Association's President. The President shall then promptly call a special meeting for the purpose stated in the petition setting the date, time and location of the meeting (which is not required to be the date, time or location requested in any petition submitted to the Association), and the Secretary shall send notice of the meeting in accordance with these Bylaws. Any special meeting called pursuant to written petition shall be set within thirty (30) days of the date of the petition.

Section 3. Notice of Meetings. It shall be the duty of the Secretary to mail or deliver to each Association Delegate of record a notice of each annual or special meeting of the Association at least ten (10) days prior to, but no more than sixty (60) days in advance of, each meeting. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove a director or officer. If any Owner wishes notice to be given at an address other than his or her unit, the Owner shall have designated by notice in writing to the Secretary such other address. The mailing or delivering of a notice of meeting in the manner provided in this Section shall be considered proper service of notice.

Section 4. Waiver of Notice. Waiver of notice of meeting of the Association Delegates shall be deemed the equivalent of proper notice. Any Association Delegate may, in writing, waive notice of any meeting of the Association Delegates, either before or after such

meeting. Attendance at a meeting by an Association Delegate, whether in person or represented by proxy, shall be deemed a waiver by such Association Delegate of notice of the time, date, and place thereof, unless such Association Delegate specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a meeting shall also be deemed waiver of notice of all business transacted at such meeting unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

Section 5. Quorum. Except as may be provided elsewhere, the presence of Association Delegates, in person or by proxy, entitled to cast one-tenth (1/10) of the eligible votes of the Association shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished. Association Delegates whose voting rights have been suspended pursuant to the Declaration or these Bylaws shall not be counted as eligible votes toward the quorum requirement.

Section 6. Adjournment. Any meeting of the Association Delegates may be adjourned from time to time for periods not exceeding ten (10) days by vote of the Association Delegates holding the Majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the original session of the meeting may be transacted at a reconvened session, and no additional notice of such reconvened session shall be required.

Section 7. Proxy. Any member entitled to vote may do so by written proxy duly executed by the Association Delegate setting forth the meeting at which the proxy is valid. To be valid, a proxy must be signed, dated, and filed with the Secretary prior to the opening of the meeting for which it is to be used. Proxies may be delivered to the Board by personal delivery, U.S. mail or facsimile transmission to any Board member or the property manager. Proxies may be revoked only by written notice delivered to the Secretary, except that: (a) the presence in person by the giver of a proxy at a meeting for which the proxy is given shall automatically invalidate the proxy for that meeting; and (b) a later dated proxy shall automatically be deemed to invalidate any previously given proxy. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

Section 8. Action Taken Without a Meeting. In the Board's discretion, any action that may be taken by the Association Delegates at any annual, regular, or special meeting may be taken without a meeting if the Board delivers a written consent form or written ballot to every Association Delegate entitled to vote on the matter.

(a) Ballot. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

All solicitations for votes by written ballot shall: (1) indicate the number of responses needed to meet the quorum requirements; (2) state the percentage of approvals necessary to

approve each matter other than election of directors; and (3) specify the time by which a ballot must be received by the Board in order to be counted. A written ballot may not be revoked. The Association shall maintain such ballots in its file for at least three (3) years.

(b) Written Consent. Approval by written consent shall be valid only when the number of written consents setting forth the actions taken is received and equals or exceeds the requisite majority of the voting power required to pass such action at a meeting held on the date that the last consent is executed and such action is consented to by the Declarant, if required. Executed written consents shall be included in the minutes or filed with the Association's records. If an action of the Association Delegates is approved by written consent hereunder, the Board shall issue written notice of such approval to all Association Delegates who did not sign written consents. Approval shall be effective ten (10) days after written notice is issued; provided, however, if the consent is to an amendment to the Declaration or Bylaws which must be recorded, the effective date shall be no earlier than the date of recording of such amendment.

Section 9. Order of Business. At all meetings of the Association, Roberts Rules of Order (latest edition) shall govern when not in conflict with the Declaration, these Bylaws or the Articles of Incorporation, unless the Owners present at a particular meeting vote to suspend Robert's Rules at that meeting.

Section 10. Action by Members. Except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws, any act or decision approved by a vote of no less than a majority of all votes present at a duly held meeting of the Members at which a quorum is present shall be regarded as the act of the Members.

Article III Board of Directors

A. Composition and Selection.

Section 1. Composition and Eligibility. The affairs of the Association shall be governed by a Board of Directors. Except for directors appointed by the Declarant hereunder, the directors shall be Association Delegates. No Association Delegate shall be eligible to be elected to or continue to serve on the Board of Directors if such Association Delegate's Parcel is shown on the books and records of the Association to be more than sixty (60) days delinquent in the payment of any assessment or charge by the Association. Excepting the directors appointed by the Declarant, whose terms shall be determined by the Declarant in its sole discretion, directors shall not be eligible to serve more than three (3) consecutive two (2) year terms without first resigning from the Board for a time period which shall be the lesser of: (a) one (1) year; or (b) the period of time from the end of one annual meeting of the Association to the beginning of the next annual meeting of the Association.

Section 2. Directors Appointed by the Declarant. Notwithstanding anything to the contrary herein, Declarant shall have exclusive authority to appoint and remove directors and officers during the Declarant Control Period.

Section 3. Number of Directors and Term of Office. During the period that the Declarant has the authority to appoint directors, the Board shall consist of three (3) persons. Not

later than after termination of the Declarant's right to appoint directors and officers as described in Section 2 of this Article, the Association shall call a meeting to be held at which Association Delegates shall elect five (5), seven (7), or nine (9) persons, the exact number as determined by resolution of the Board. If such meeting is not the annual meeting, the directors elected shall serve until the next annual meeting. At the first annual meeting after Declarant has surrendered control of the Association, if there are five (5) directors, the three (3) directors receiving the most votes shall be elected for terms of two (2) years each and the two (2) directors receiving the next highest number of votes shall be elected for a term of one (1) year, or if there are seven (7) directors, four (4) of the directors shall be elected for terms of two (2) years each and three (3) directors shall be elected for terms of one (1) year, or if there are nine (9) directors, the five (5) directors receiving the most votes shall be elected for terms of two (2) years each and the directors receive the next highest number of votes shall be elected for a term of one (1) year. At each annual meeting thereafter, a successor shall be elected to serve for a term of two (2) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

Section 4. Removal of Members of the Board of Directors. At any annual or special meeting of the Association duly called, any one or more Board members, except for directors appointed by Declarant hereunder, may be removed with or without cause by a Majority of the Association Delegates of the Association entitled to elect said director and a successor may then and there be elected to fill the vacancy thus created. Further, any Association Delegate whose Parcel is more than sixty (60) days past due in the payment of any assessment or charge shall be automatically removed from the Board of Directors, even if the Owner subsequently pays the amount owed, and the vacancy shall be filled as provided in Section 5 below. Any director who has had three (3) consecutive unexcused absences from regularly scheduled Board meetings may be removed by the vote of a Majority of the other directors. Any director whose removal has been proposed shall be given at least ten (10) days notice of the calling of the meeting to consider his or her removal and the purpose thereof and shall be given an opportunity to be heard at the meeting.

Section 5. Vacancies. Vacancies in the Board caused by any reason shall be filled by a vote of the Majority of the remaining directors, even though there may be less than a quorum, at any meeting of the Board of Directors; provided, however, if Declarant elects to remove a director during the period that the Declarant has the authority to appoint and remove directors, Declarant shall have the right to appoint a new director in Declarant's sole discretion. The successor so selected shall hold office for the remainder of the term of the director being replaced. Notwithstanding anything to the contrary herein, any director whose appointment as an Association Delegate has been rescinded by the Parcel Owner, may be replaced by the newly appointed Association Delegate for such Parcel unless there has been a transfer of ownership of the Parcel, in which case, the vacancy shall be filled by the remaining directors, even if less than a quorum at any meeting of the directors.

Section 6. Compensation. Directors shall not be compensated for services as such unless and only to the extent that compensation is authorized by a Majority vote of the Association Delegates. Directors may be reimbursed for the expenses incurred in carrying out their duties as directors upon approval of such expenses by the Board of Directors.

Section 7. Director Conflicts of Interest. Nothing herein shall prohibit a director or an entity affiliated with a director from entering into a contract and being compensated for services or supplies furnished to the Association in a capacity other than as director, provided that the director's interest is disclosed to the Board and the contract is approved by a Majority of the directors who are at a meeting of the Board of Directors at which a quorum is present, excluding the director with whom the contract is made. The interested director shall not count for purposes of establishing a quorum of the Board. The interested director shall be entitled to be present at any meeting at which the proposed contract is discussed but shall not be entitled to discuss the proposed contract during the discussion. Notwithstanding anything herein, the directors, during the Declarant Control Period, shall be authorized on behalf of the Association to enter into contracts with the Declarant and its affiliates as set forth in the Declaration.

Section 8. Nomination. Nomination for election to the Board shall be made by a Nominating Committee which shall be appointed by the Board of Directors at least thirty (30) days prior to the annual meeting to serve a term of one (1) year and shall consist of at least one (1) Board member and at least two (2) other Association Delegates who are not Board members. The members of the Nominating Committee shall be announced at the annual meeting. The Nominating Committee may nominate any number of qualified individuals, but not less than the number of directors to be elected. The nominations shall be made at least fourteen (14) days prior to the annual meeting. Nominations shall also be allowed from the floor at the meeting. Each candidate shall be given a reasonable opportunity to communicate his or her qualifications to the Association Delegate prior to the election. No Association Delegate shall be nominated for election to the Board, nor permitted to run for election, if such Association Delegate's Parcel is more than thirty (30) days past due in the payment of any assessment. Failure to comply with this Section shall in no way invalidate the election of directors who were not nominated in accordance with the provisions hereof.

Section 9. Elections. All Association Delegates eligible to vote shall be entitled to cast their entire vote for each directorship to be filled. There shall be no cumulative voting. The directorships for which elections are held shall be filled by that number of candidates receiving the most votes. Voting for election of Board members shall be by written ballot (unless dispensed by unanimous consent at such meeting at which such voting is conducted).

B. Meetings.

Section 1. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by the Board, but such meetings shall be held at least once every six (6) months. The newly elected Board shall meet within ten (10) days after each annual meeting of the membership.

Section 2. Special Meetings. Special meetings of the Board may be called by the President on two (2) days notice to each director given by regular first class or electronic mail, in person, by telephone, or by facsimile transmission, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board shall be called by the President, Vice President, Secretary, or Treasurer in like manner and on like notice on the written request of at least two (2) directors.

Section 3. Waiver of Notice. Any director may, at any time, in writing, waive notice of any meeting of the Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall also constitute a waiver of notice by him or her of the time and place of such meeting. If all directors are present at any Board meeting, no notice shall be required and any business may be transacted at such meeting.

Section 4. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. A Majority of directors shall constitute a quorum for the transaction of business. One or more directors who participate in a meeting by means of telephone or electronic communication shall be deemed present and in attendance for all purposes at such meeting, provided all persons participating in the meeting can hear each other.

Section 5. Open Meetings. All meetings of the Board shall be open to all Association Delegates, but Association Delegates other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board. Notwithstanding the above, the Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 6. Action Without a Meeting. Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if a Majority of the directors consent to such action in writing, sent via hand delivery, regular first class or electronic mail or facsimile. Such consents must describe the action taken and be signed by no fewer than a Majority of the directors and such consents shall be filed with the minutes of the Board of Directors.

C. Powers and Duties.

Section 1. Powers and Duties. The Board of Directors shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the Community and may do all such acts and things as are not by the Act, the Declaration, the Articles of Incorporation, or these Bylaws directed to be done and exercised exclusively by the Association Delegates. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and shall be responsible for the following, in the way of explanation, but not limitation:

(a) preparation and adoption of an annual budget, in which there shall be established the contribution of each Owner to the Common Expenses;

(b) making assessments to defray the Common Expenses and Parcel Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of assessments;

(c) providing for the operation, care, upkeep, and maintenance of all of the Designated Maintenance Items as defined in the Declaration;

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, repair, and replacement of the Common Elements, Association property, and the Designated Maintenance Items and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a financial depository or institution which it shall approve, or otherwise investing the proceeds in accordance with any limitations set forth under North Carolina law, and using the proceeds to administer the Association;

(f) making and amending rules and regulations and imposing sanctions for violation thereof, including, without limitation, monetary fines;

(g) opening of bank or other financial accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to, or alterations of the Common Elements in accordance with the other provisions of the Declaration and these Bylaws, after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Act and the Declaration, and paying the premium cost thereof;

(k) paying the costs of all services rendered to the Association or its members and not directly chargeable to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred; and

(m) contracting with any Person for the performance of various duties and functions. The Board shall have the power to enter into common management agreements with trusts, condominium associations, or other associations or corporations. Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other Person.

Section 2. Management Agent. The Association may, but shall not be required to, hire a professional management agent or agents, at a compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize. The Board shall use reasonable efforts in any management contract to provide for termination of such contract by the Association with or without cause and without penalty, upon no more than thirty (30) days written notice. No management contract shall have a term in excess of one (1) year.

Section 3. Borrowing. Except as may be set forth in the Declaration, the Board of Directors shall have the power to borrow money for the purpose of maintenance, repair, restoration, or improvement of the Common Elements and facilities, and for other purposes, with the approval of a Majority of the Association Delegates.

Section 4. Liability and Indemnification of Officers, Directors and Committee Members. The Association shall indemnify every officer, director, and committee member or former director, officer or committee member of the Association or any person who may have served at the request of the Association as a director, officer or committee member of another corporation, whether for profit or not for profit, against expenses (including attorneys' fees) or liabilities actually and reasonably incurred by him in connection with the defense of or as a consequence of any threatened, pending or completed action, suit or proceeding (whether civil or criminal) in which he is made a party or was (or is threatened to be made) a party by reason of being or having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of a duty. Notwithstanding the foregoing, no Association Delegate shall be indemnified under this Section 4 as to any liability arising from his or her status as an Association Delegate, but only as to liabilities arising out of serving on the Board or serving as an officer of the Association. The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, bylaw, agreement, vote of Owners or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Association shall, as a Common Expense, purchase and maintain general liability and officers' and directors' liability insurance to fund this indemnification obligation, if such insurance is reasonably available, and the insurance shall be written as provided in the Declaration, on behalf of any person who is or was a director, officer, committee member, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, committee member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability.

The Association's indemnity of any person who is or was a director, officer, committee member, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, committee member, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, committee member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his behalf by the Association or (ii) from such other corporation, partnership, joint venture, trust or other enterprise.

Nothing contained in this Section 4, or elsewhere in these Bylaws, shall operate to indemnify any director or officer if such indemnification is for any reason contrary to any applicable state or federal law.

D. Committees.

Section 1. Design Review Board. During the Declarant Control Period, the Declarant shall appoint the members of a Design Review Board, who shall serve at Declarant's discretion. Thereafter, the Board shall appoint the Design Review Board. Except as otherwise provided in the Declaration, the Design Review Board shall establish and maintain Design Guidelines in the Community.

Section 2. Other Committees. There shall be such other committees as the Board shall determine with the powers and duties that the Board shall authorize.

Section 3. Service on Committees. Unless otherwise provided in these Bylaws or in the resolution authorizing a particular committee, the members of any committee shall be appointed by the President and shall serve at the pleasure of the Board of Directors. Any committee member may be removed with or without cause at any time and with or without a successor being named.

Article IV
Officers

Section 1. Designation. The principal officers of the Association shall be the President, the Secretary and the Treasurer, all or any of which may be the same person. A Vice President may be elected at the discretion of the Board.

Section 2. Election of Officers. The Association officers shall be elected annually by the Board at the first Board meeting following each annual meeting of the members and shall hold office at the pleasure of the Board and until a successor is elected.

Section 3. Removal of Officers. Upon the affirmative vote of a Majority of the members of the Board, any officer may be removed, either with or without cause, and a successor may be elected.

Section 4. Vacancies. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

Section 5. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and of the Board. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the North Carolina Nonprofit Corporation Act, including, but not limited to, the power to appoint committees from among the Association Delegates from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 6. Vice President. The Vice President, if any, shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

Section 7. Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all duties incident to the office of the secretary of a corporation organized under North Carolina law.

Section 8. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall be responsible for the preparation of the budget as provided in the Declaration. The Treasurer may delegate all or a part of the preparation and notification duties associated with the above responsibilities to a management agent.

Section 9. Other Officers. Other offices may be created by the Board, and the Board members which hold such offices shall have such titles and duties as are defined by the Board.

Section 10. Agreements, Contracts, Deeds, Leases, Etc. All agreements, contracts, deeds, leases, checks, promissory notes, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

Section 11. Amendments to the Declaration. All amendments to the Declaration required to be executed by the Association shall be prepared, executed, certified, and recorded by at least two (2) officers on behalf of the Association.

Article V

Rule Making and Enforcement

Section 1. Authority and Enforcement. The Community shall be used only for those uses and purposes set out in the Declaration. The Board of Directors shall have the authority to make, modify, repeal and enforce reasonable rules and regulations governing the conduct, use, and enjoyment of Parcels and the Common Elements; provided, copies of all such rules and regulations shall be furnished to all Owners. Any rule or regulation may be repealed by the affirmative vote or written consent of a Majority of the total Association vote and the consent of the Declarant so long as the Declarant has the right to appoint and remove directors, at an annual or special meeting of the Association. Every Owner and its Permittees shall comply with the Declaration, Bylaws and rules and regulations of the Association, and any lack of compliance therewith shall entitle the Association and, in an appropriate case, one or more aggrieved Unit Owners, to take action to enforce the terms of the Declaration, Bylaws or rules and regulations. The Board shall have the power to impose sanctions for violation of any duty imposed under the Declaration, these Bylaws, or any rules and regulations duly adopted hereunder. The failure of the Board to enforce any provision of the Declaration, Bylaws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

Section 2. Fining and Suspension Procedure. The Board shall not impose a fine upon an Owner or a Permittee, suspend the right of an Association Delegate to vote, suspend the right of an Owner or Permittee to receive any services provided by or on behalf of the Association, or suspend the right of an Owner or Permittee to use the Common Elements, unless and until the Association has sent or delivered written notice to the violator as provided in subsection (a) below and the violator has had an opportunity to be heard as provided in subsection (b) below. This Section shall not apply to Permittees, other than Permittees who are Owners of a portion of any Parcel.

(a) Notice. If any provision of the Declaration or Bylaws or any rule or regulation of the Association is violated, the Board shall send the Owner or Permittee written notice identifying the violation and fine(s) and/or suspension being imposed and advising the Owner or Permittee of the right to request a hearing before the Board to contest the violation or penalty or to request reconsideration of the penalty. Penalties may be effective or commence upon ten (10) days of receipt of such notice or such later date specified in such notice, unless the Association's Secretary, or another person designated by the Board, receives written notice before such time from the Owner or Permittee requesting a hearing before the Board to challenge the violation or penalty. The right to a hearing shall be deemed waived if the Owner or Permittee does not request a hearing within such time.

(b) Hearing. If a written request for hearing is received from the Owner or Permittee within ten (10) days of the date of the violation notice as provided above, then the Board shall schedule and hold in executive session a hearing affording the violator a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. The Board may establish rules of conduct for such hearing, which may include limits on time and on the number of participants who may be present at one time. Penalties may be effective or commence immediately upon completion of the hearing. In the event of a continuing violation, each day the violation continues or occurs again constitutes a separate offense, and a fine may be imposed on a per diem basis without further notice to the Owner or further hearings.

Section 3. Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Board may elect to enforce any provision of the Declaration, the Bylaws, or the rules and regulations by self-help (specifically including, but not limited to, towing of vehicles that are in violation of the parking rules and regulations or performing maintenance on any Parcel upon a failure by the Parcel Owner to so do) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity for compliance with the procedure set forth in Section 2 of this Article. In any such action, to the maximum extent permissible, the Owner responsible for the violation for which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred. The Association or its duly authorized agent shall have the power to enter a Parcel or any portion thereof or upon any portion of the Common Elements to abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates the Declaration, the Bylaws, or the rules and regulations; provided, however, written notice shall be given to the Owner or Permittee of the Parcel at least two (2) days prior to the time that any items of construction are altered or demolished. All costs of self-help, including reasonable attorney's fees, shall be assessed against the violating Parcel or portion thereof and shall be collected as provided herein for the collection of assessments.

Section 4. Conflict Resolution Account. The Board may maintain and fund an account to be used as an alternative to enforcement actions ("Conflict Resolution Account"). The costs and expenses of the Conflict Resolution Account shall be a Common Expense. The Board, upon the approval of a Majority of the directors, may waive its right to pursue an enforcement action for the violation of any provision of the Declaration, Bylaws, or any rule or regulation, and in lieu make an expenditure from the Conflict Resolution Account. No expenditure from the Conflict Resolution Account in response to a violation shall exceed One Thousand Dollars (\$1,000.00). Such expenditure shall, in the sole judgment of the Board, limit or ameliorate the disturbance to the Community caused by the violation. The decision of the Board to make an expenditure from the Conflict Resolution Account is a business judgment and may not be appealed, overruled, or challenged in any manner whatsoever unless such decision is the result of fraud or other willful misconduct.

The Board's decision to waive its right to pursue an enforcement action pursuant to this Section shall not be deemed a waiver of its right to thereafter enforce any provision of the Declaration, Bylaws, or any rule or regulation of the Association.

Article VI Miscellaneous

Section 1. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) If to an Owner or Association Delegate, at the address which the Association Delegate has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the Parcel of such Association Delegate;

(b) If to a Permittee, at the address of the portion of the Parcel owned by such Permittee; or

(c) If to the Association or the Board of Directors, at the principal office of the Association, if any, or at such other address as shall be designated in writing and filed with the Secretary.

Section 2. Severability. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws or the Declaration.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision thereof.

Section 4. Gender and Grammar. The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 5. Fiscal Year. The fiscal year of the Association may be set by Board resolution, and, in the absence thereof, shall be the calendar year.

Section 6. Financial Review. A financial review of the accounts of the Association shall be performed annually in the manner provided by the Board and a financial statement shall be prepared. However, after having received the Board's financial statement review at the annual meeting, the Association Delegates may, by a Majority of the Association vote, require that the accounts of the Association be audited as a Common Expense by an independent accountant. Such statement shall be made available to the holder, insurer, or guarantor of any first mortgage on a Parcel upon submission of a written request and must be available within one hundred twenty (120) days of the Association's fiscal year end. If an audited financial statement by an independent accountant is not required, a mortgage holder may have an audited statement prepared at its own expense.

Section 7. Conflicts. The duties and powers of the Association shall be those set forth in the Act, the North Carolina Nonprofit Corporation Act, the Declaration, these Bylaws, and the Articles of Incorporation, together with those reasonably implied to affect the purposes of the Association; provided, however, that if there are conflicts or inconsistencies between the Act, the North Carolina Nonprofit Corporation Act, the Declaration, these Bylaws, or the Articles of Incorporation, then the provisions of the Act, the North Carolina Nonprofit Corporation Act, as may be applicable, the Declaration, the Articles of Incorporation and these Bylaws, in that order, shall prevail, and each Association Delegate covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies.

Section 8. Amendment. Except where a higher vote is required for action under a particular provision of the Declaration or Bylaws, in which case such higher vote shall be necessary to amend, these Bylaws may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the Association Delegates holding a Majority vote. As long as Declarant has the right to appoint the directors and officers of the Association as provided in Article III, Section 2 of these Bylaws, any amendment to the Bylaws shall require the written consent of Declarant. No amendment shall become effective until it is certified by the President and Secretary of the Association and recorded in the public records of Public Registry. Any amendment duly certified and recorded shall be conclusively presumed to have been duly adopted in accordance with the Declaration and Bylaws. Association Delegates whose voting rights have been suspended pursuant to the Declaration or these Bylaws shall not be counted as eligible votes toward the amendment requirement. Any amendment of these Bylaws by Declarant, as the holder of a Majority interest or otherwise, shall not result in a material adverse effect upon any right of any Owner; shall not materially increase the burden imposed by the Declaration or these Bylaws on that part or portion of a Parcel owned by an Owner or its Permittee unless the affected Owner or Permittee shall consent in writing; and such amendment shall be consistent with the general scheme of the Community. However, any such amendment shall not adversely affect the title to any property in the Community unless the Owner shall consent thereto in writing. Any action to challenge the validity of an amendment adopted under this Section must be brought within one (1) year of the amendment's effective date. No action to challenge any such amendment may be brought after such time.

Section 9. Books and Records.

(a) All Association Delegates and any holder of a first Mortgage shall be entitled to inspect the following records at a reasonable time and location specified by the Association, upon written request at least five (5) days before the date on which the member or mortgagee wishes to inspect and copy:

(i) its Articles or restated Articles of Incorporation and all amendments to them currently in effect;

(ii) its Bylaws or restated Bylaws and all amendments to them currently in effect;

(iii) resolutions adopted by either Association Delegates or Board of Directors increasing or decreasing the number of directors or the classification of directors, or relating to the characteristics, qualifications, rights, limitations, and obligations of Owners or Association Delegates;

(iv) the minutes of all meetings of Association Delegates and records of all actions approved by the Association Delegates for the past three (3) years;

(v) all written communications to members generally within the past three (3) years, including the financial statements furnished for the past three (3) years;

(vi) a list of the names and business or home addresses of its current directors and officers; and

(vii) its most recent annual report delivered to the Secretary of State.

(b) An Association Delegate may inspect and copy the following records upon written notice at least five (5) business days before the date on which the Association Delegate wishes to inspect and copy only if the Association Delegate's demand is made in good faith and for a proper purpose that is reasonably relevant to the Association Delegate's legitimate interest as an Association Delegate; the Association Delegate describes with reasonable particularity the purpose and the records the Association Delegate desires to inspect; the records are directly connected with this purpose; and the records are to be used only for the stated purpose:

(i) excerpts from minutes of any Board meeting, records of any action of a committee of the Board while acting in place of the Board on behalf of the Association, minutes of any meeting of the Association Delegates, and records of action taken by the members or the Board without a meeting, to the extent not subject to inspection under subsection 9(a);

(ii) accounting records of the Association; and

(iii) the membership list only if for a purpose related to the Association Delegate's interest as an Association Delegate. Without the consent of the Board, a membership list or any part thereof may not be: used to solicit money or property unless such money or property will be used solely to solicit the votes of the Association Delegates in an election to be held by the Association; used for any commercial purpose; or sold to or purchased by any Person.

The Association may impose a reasonable charge, covering the cost of labor and material, for copies of any documents provided to the Association Delegate.

Notwithstanding anything to the contrary, the Board may limit or preclude Association Delegate inspection of confidential or privileged documents, including attorney/client privileged communications, executive session meeting minutes, and financial records or accounts of other Association Delegates. Minutes for any Board or Association meetings do not become effective and an official Association record until approved by the Board or Association, as applicable, at a subsequent meeting.

EXHIBIT "D"

MASTER PLAN

(attached hereto)

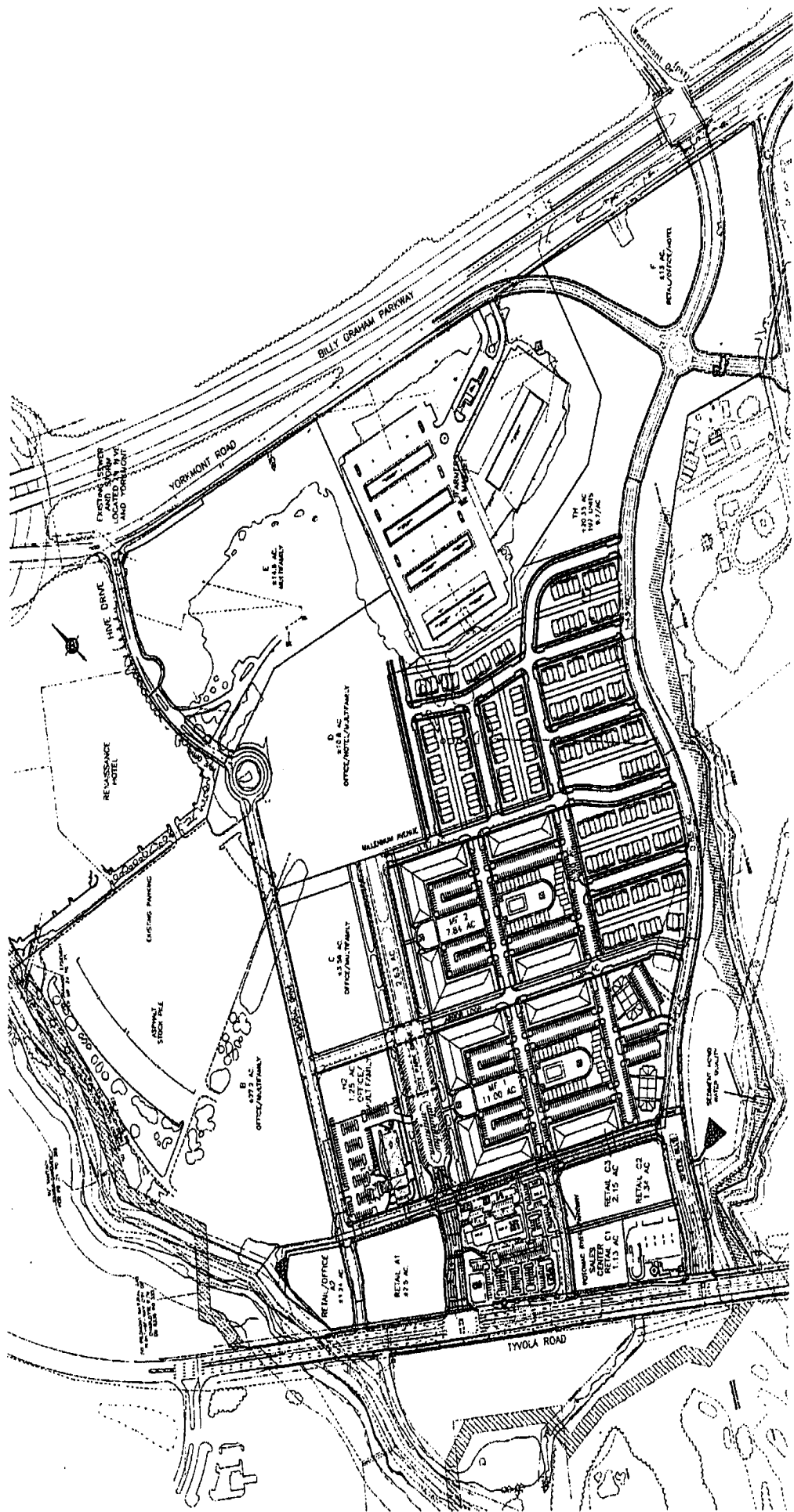
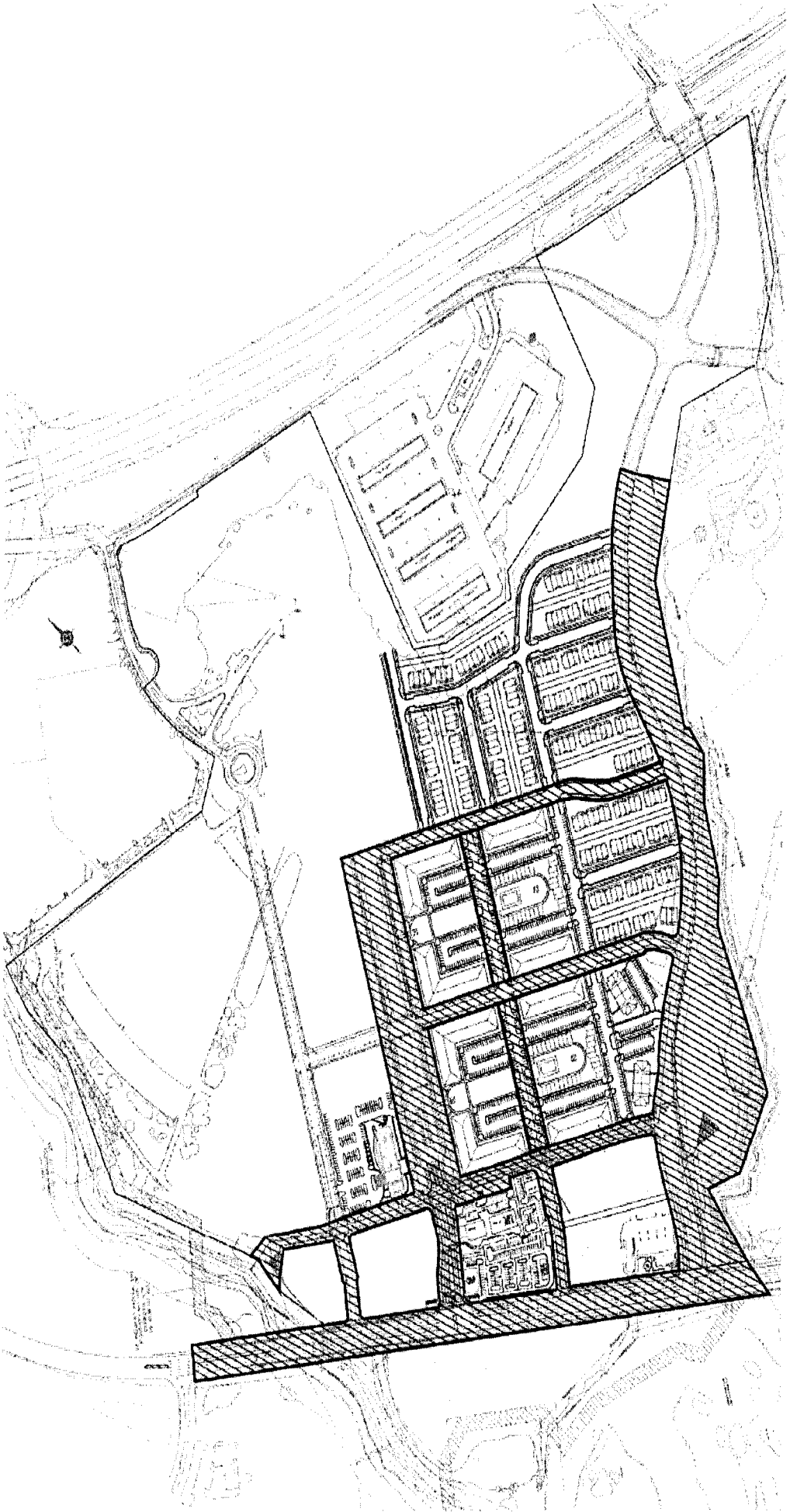


EXHIBIT "E"
COMMON ELEMENTS PLAN
(attached hereto)



CONSENT TO
MASTER DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

THIS CONSENT TO MASTER DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is granted by **USL CHARLOTTE COLISEUM, LLC**, a Delaware limited liability company whose address is 100 Waugh Street, Suite 100, Houston, Texas 77007 ("Lender").

RECITALS:

A. Lender is the beneficiary of that certain Deed of Trust and Security Agreement dated December 22, 2010 and recorded in the Mecklenburg County Register of Deeds at Book 26166, Page 191 (as amended and modified from time to time, the "Deed of Trust"), which encumbers the real property and improvements described in the Deed of Trust (the "Property").

B. P&L Colliseum, L.P., the grantor of the Deed of Trust has recorded, and is the "Declarant" under, the foregoing Master Declaration Of Covenants, Conditions, And Restrictions of City Park (the "Declaration"), which Declaration affects the Property, and Lender has been requested to give its consent to the Declaration and Lender is willing to do so.

AGREEMENT

THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, Lender hereby consents to the Declaration and declares that, in the event Lender takes title to the Property through foreclosure, deed in lieu thereof, or otherwise, Lender will not disturb the easements, rights and benefits set forth in the Declaration and will recognize and agree to be bound by the Declaration.

IN WITNESS WHEREOF, Lender has caused this consent to be executed by its duly authorized representative as of the date set forth above.

LENDER:

USL CHARLOTTE COLISEUM, LLC,
a Delaware limited liability company

By:  _____

Name: Thomas G. Bacon

Title: Manager

[SEAL]

STATE OF Texas)
COUNTY OF Harris)

On Sept 4th, 2012 before me the undersigned a notary public in and for said state, personally appeared Thomas G. Bacon, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he executed the same in his capacity(is), and that by his signature(s) on the instrument the individual(s) or the person upon behalf of which the individual(s) acted executed the instrument.

Loretta Frances Prince
Notary Public

