

Great Oaks

Homeowner's Association

Homeowners Covenants, Conditions & Restrictions

BYLAWS
OF
GREAT OAKS HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is Great Oaks Homeowners' Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 6035 Florence Avenue, Suite 100, Charlotte, Mecklenburg County, North Carolina 28212, but meetings of members and directors may be held at such place or places within the State of North Carolina, Mecklenburg County, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to Great Oaks Homeowners' Association, Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions, and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to Firstmark Development Corporation, its successors and assigns, if such successors or assigns should acquire more

than one undeveloped lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the Properties recorded in the Office of the Register of Deeds of Mecklenburg County.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:30 P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the

meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) directors who need not be members of the Association; provided, however, the affairs of this Association prior to the first annual meeting shall be managed by an initial Board of three (3) directors appointed by the Declarant who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting, the members shall elect two (2) directors for a term of one year and three (3) directors for a term of two (2) years, and at each annual meeting thereafter, the members shall elect for a term of two (2) years the number of directors whose terms are expiring.

Section 3. Removal. Any director may be removed by the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation, or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meeting of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

* (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations.

(c) exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. 1. shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owners personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association and upon all of the Properties in accordance with the provisions of the Declaration;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice president, who shall, at all times, be members of the Board of Directors; a secretary, a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board, and each shall hold,

office for one (1) year, unless he shall sooner resign, shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time, giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President

(b) The vice president shall act in the place and stead of the president in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and

of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meeting of the Board and of the members; keep appropriate current records showing the members of the Association, together with their addresses; and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records, and papers of the Association shall, at all times during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after

the due date, the assessment shall bear interest from the date of delinquency at the rate of six (6%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interests, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waiver or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form, having within its circumference the words: Great Oaks Homeowners' Association, Inc.

ARTICLE XIII

AMENDMENTS

Section 1. These Bylaws may be amended at a regular or special meeting of the members by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

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PRESENTED FOR REGISTRATION

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NORTH CAROLINA
MECKLENBURG COUNTY

DEC 30 2 30 PM '87
DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS OF
MINERAL SPRINGS SUBDIVISION
REGISTERED
MECKLENBURG COUNTY, N.C.

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS made this the 29th day of December, 1987, by FIRSTMARK DEVELOPMENT CORPORATION, a North Carolina corporation, hereinafter referred to as "Declarant";

WHEREAS, Declarant is the owner of the real property shown on a map of Mineral Springs Subdivision, which map is recorded in Map Book 22, Pages 176 and 177, in the Mecklenburg Public Registry, or such other Map Book and Page where said map may be revised and rerecorded, which property is more particularly described in Section 1 of Article II hereof, and desires to create thereon an exclusive residential community of single-family homes to be named Mineral Springs Subdivision;

WHEREAS, Declarant desires to insure the attractiveness of the subdivision and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect, and enhance the values and amenities of all properties within the subdivision and to provide for the maintenance and upkeep of the Common Area, as hereinafter defined; and, to this end desire to subject the real property shown upon the aforesaid map, together with such additions as may hereafter be made thereto to the covenants, conditions, restrictions, easements, charges, and liens hereafter set forth, each and all of which is and are for the benefit of said property and each owner thereof;

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46.00
46.00

WHEREAS, Declarant has deemed it desirable, for the efficient preservation, protection, and enhancement of the values and amenities in said subdivision and to insure the residents enjoyment of the specific rights, privileges and easements in the Common Area, as hereinafter defined, and to provide for the maintenance and upkeep of the Common Area, to create an organization to which will be delegated and assigned the powers of owning, maintaining, and administering the Common Area and administering, enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has incorporated under North Carolina law Mineral Springs Homeowners' Association, Inc. as a non-profit corporation for the purpose of exercising and performing the aforesaid functions;

DRAWN BY MAIL TO
WOOD, HENRY & WOODEN, P.A.
ATTORNEYS AT LAW
200 S. TRYON STREET

NOW, THEREFORE, Declarant, by this Declaration of Covenants, Conditions, and Restrictions, does declare that all of the property shown on the aforesaid map of Mineral Springs Subdivision, and such additions thereto as may be hereafter made, pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, conditions, restrictions, easements, charges, and liens set forth in this Declaration which shall run with the real property and be binding on all parties owning any right, title, or interest in said real property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Homeowners' Association" shall mean and refer to Mineral Springs Homeowners' Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to the "Existing Property" described in Article II, Section 1, hereof, and any additions thereto as are or shall become subject to this Declaration and brought within the jurisdiction of the Homeowners' Association under the provisions of Article II hereof.

Section 4. "Common Area" shall mean all real property owned by the Homeowners' Association for the common use and enjoyment of the owners. Common Areas, with respect to the property subject to this Declaration, shall be shown on the various plats of Mineral Springs Subdivision, recorded or to be recorded in the Mecklenburg Public Registry and designated thereon as "Common Areas", but shall exclude all lots as hereinafter defined and all public streets shown thereof. "Common Area" shall include all private streets shown on said plats as now recorded or shall be hereafter recorded in the Mecklenburg Public Registry. The Common Area to be owned by the Association at the time of the conveyance of the first lot is more particularly shown on the plat of the Properties recorded in Map Book 22, at Page 196 + 197 in the Mecklenburg Public Registry, or such other Map Book and Page where said map may be revised and rerecorded.

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Section 5. "Lot" shall mean and refer to any numbered plot of land, with delineated boundary lines, appearing on any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to Firstmark Development Corporation and shall also mean and refer to any person, firm, or corporation which shall hereafter become vested, at any given time, with title to two or more undeveloped Lots for the purpose of causing residence building(s) to be constructed thereon, and any such successor in title to Firstmark Development Corporation shall be a Declarant during such period of time as said property is vested with title to two or more such Lots (whether undeveloped or developed and unconveyed), but no longer.

Section 7. "Member" shall mean and refer to every person or entity who holds membership in the Homeowners' Association.

Section 8. "Residence" shall mean and refer to a dwelling or place of residence, which shall be a single family detached dwelling constructed upon a Lot within the Properties.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION
AND WITHIN THE JURISDICTION OF
MINERALS SPRINGS HOMEOWNERS' ASSOCIATION, INC.

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration, and within the jurisdiction of the Homeowners' Association is located in Charlotte Township, Mecklenburg County, North Carolina, described as follows:

Being all of the property shown on map recorded in Map Book 22 at Pages 196 & 197 in the Mecklenburg Public Registry, or such other Map Book and Page where said map may be revised and rerecorded.

Section 2. Additions to Existing Property. Additional land may be brought within the scheme of this Declaration and the jurisdiction of the Homeowners' Association in the following manner:

(a) Additional land within the area described in the metes and bounds description attached hereto as SCHEDULE A and incorporated herein by reference may be annexed to the existing property by Declarant, in future stages of development, without the consent of the Homeowners' Association or its Members,

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provided that said annexations must occur within six (6) years after the date of this instrument. Declarant may remove all or any property from the Schedule A description prior to its annexation by filing a written declaration of removal in the Mecklenburg Public Registry;

(b) The additions authorized under Subsection (a) above shall be made by filing of record Supplementary Declarations of Covenants, Conditions, and Restrictions with respect to the additional properties which shall extend the scheme of this Declaration and the jurisdiction of the Homeowners' Association to such properties and thereby subject such additions to the benefits, agreements, restrictions, and obligations set forth herein, including, but not limited to, assessments as herein determined, to pay for the Homeowners' Association's expenses.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a Member of the Homeowners' Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The voting rights of the membership shall be appurtenant to the ownership of the Lots. There shall be two classes of Lots with respect to voting rights:

(a) Class A Lots. Class A Lots shall be all Lots except Class B Lots as the same are hereinafter defined. Each Class A Lot shall entitle the Owner(s) of said Lot one (1) vote. When more than one person owns an interest (other than a leasehold or a security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any one Class A Lot.

(b) Class B Lots. Class B Lots shall be all Lots owned by Declarant which have not been converted to Class A Lots as provided in (1) or (2) below. The Declarant shall be entitled to three (3) votes for each Class B Lot owned by it. The Class B Lots shall cease to exist and shall be converted to Class A Lots:

(1) When the total number of votes appurtenant to the Class A Lots equal the total number of votes appurtenant to the Class B Lots, or

(2) On December 31, 1991, whichever is earlier.

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ARTICLE IV

PROPERTY RIGHTS

Section 1. Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and pass with the title to every Lot, subject to the following provisions:

(a) The right of the Homeowners' Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purpose and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless the Members entitled to at least two-thirds (2/3) of the votes appurtenant to each Class of Lots (Class A and Class B) agree to such dedication or transfer and signify their agreement by a signed and recorded written instrument, provided that this subsection shall not preclude the Board of Directors of the Homeowners' Association from granting easements to public authorities or others for the installation and maintenance of sewage, utilities, and drainage facilities upon, over, under, and across the Common Area without the assent of the membership when, in the sole opinion of such Board, such easements do not interfere with the use and enjoyment of the Properties or are necessary for the convenient use and enjoyment of the Properties;

(b) The right of the Homeowners' Association to convey or transfer small portions of the Common Area to any party or parties for the purposes of changing any Lot lines or correcting minor errors or discrepancies which may arise in any deeds or other instruments into the Homeowners' Association or any Owner, including any corrections made necessary by the revision or modification of an existing recorded map of the subdivision.

(c) The rights of Owners to the exclusive use of parking spaces as provided in Section 3 of this Article IV;

(d) The right of the Homeowners' Association, with the written assent of Members entitled to at least two-thirds (2/3) of the votes appurtenant to each Class of Lots (Class A and Class B), to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

Section 2. Delegation of Use.

(a) Family. The right and easement of enjoyment granted to every Owner in Section 1 of this Article IV may be

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exercised by members of the Owners' family who occupy the residence of the Owner within the Properties as their principal residence in Mecklenburg County, North Carolina.

(b) Tenants or Contract Purchasers. The right and easement of enjoyment granted to every Owner in Section 1 of this Article IV may be delegated by the Owner to his tenants or contract purchasers who occupy a residence within the Properties, or a portion of said residence, as their principal residence in Mecklenburg County, North Carolina.

(c) Guests. The right and easement of enjoyment granted to every Owner in Section 1 of this Article IV may be delegated to guests of Owners, tenants, or contract purchasers subject to the rules and regulations of the Homeowners' Association, as may be established by its Board of Directors, governing use of the Common Area by guests.

Section 3. Parking Rights. The owners of each Lot shall park their automobiles(s) on their Lot in their garage, carport or parking area designated therefor. Limited parking may be provided for recreation areas located on the Properties. No vehicles of any type or recreational equipment may be driven on, across or parked within the Common Area, except in spaces reserved for parking, subject to Homeowners' Association regulations. The Homeowner's Association through its Board of Directors may issue regulations from time to time restricting or prohibiting the parking of boats, trailers, campers, R.V.'s or motorcycles which would be in public view.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Homeowners' Association, subject to the terms and conditions of this Declaration: (1) annual assessments or charges and (2) special assessments for capital improvements. Any such assessment or charge, together with interest, costs, and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purposes of Assessments. The assessments levied by the Homeowners' Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties in connection with their use and occupancy of the Properties and in particular for the acquisition, improvement, and maintenance of Properties, service, and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including, but not limited to, the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management, and supervision thereof, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the Bylaws, the employment of attorneys to represent the Homeowners' Association when necessary, the payment of charges for common television antenna or cable service to the residences situated upon the Lots and such other needs as may arise.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$60.00 per Class A Lot and \$15.00 per Class B Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessments above established may be increased, effective January 1 of each year, without a vote of the membership, but subject to the limitation that any such increase shall not exceed the percentage increase, if any, in the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for all Cities over the immediately preceding twelve (12) month period which ended on the previous October 1.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, said maximum assessments may be increased without limitation, if such increase is approved by Members entitled to no less than two-thirds (2/3) of the votes (appurtenant to each Class of Lots) represented in person or by proxy at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessments at amounts not in excess of the maximum, but the ratio of the assessment established for each Class A Lot to the assessment established for each Class B Lot shall always be 4 to 1.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Homeowners' Association may levy, in any assessment year, a

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special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Homeowners' Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the same assent of the Members as provided in Section 3(b) of this Article.

Section 5. Assessment Rate. Both annual and special assessments must be fixed at a uniform rate for all Lots within each class and may be collected on a monthly basis.

Section 6. Notice and Quorum for Any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty (60%) percent of the votes appurtenant to each Class of Lots (Class A and Class B) shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments; Due Dates; Certificate of Payment. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance to the Homeowners' Association of the Common Area.

At least thirty (30) days before January 1 of each year, the Board of Directors shall fix the amount of the annual assessments against each Lot for the next year and at least fifteen (15) days before January 1 shall send written notice of such fixed assessment to every Owner subject thereto. The due dates for the payment of annual and special assessments shall be established by the Board of Directors. The Homeowners' Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Homeowners' Association setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Homeowners' Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum interest rate permitted to be legally charged under the laws of the State of North Carolina at the time

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of such delinquency. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the Board of Directors of the Homeowners' Association to defray the costs of late payment. The Homeowners' Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, late payment fee, costs, and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise except liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage, mortgages, first deed of trust, or deeds of trust on a Lot. Sale or transfer of any Lot shall not affect any assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof shall extinguish the lien of such assessments as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust, or deeds of trust.

Section 10. Exempt Property. All property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 11. UDC Homes. Notwithstanding anything in this Declaration to the contrary (including but not limited to Sections 3 and 4 of this Article), the sole and exclusive obligation of UDC-Universal Development L.P., an Illinois limited partnership authorized to transact business in North Carolina under the name UDC Homes Limited Partnership ("UDC Homes"), to pay annual, special or other assessments pursuant to this Declaration shall be for UDC Homes to pay, at the time it acquires any Lot covered by this Declaration, an amount equal to one year's annual assessment at the then applicable rate for a Class B Lot.

ARTICLE VI

ARCHITECTURAL CONTROL

No building, fence, wall, or other structure shall be commenced or maintained upon the Properties, nor shall any

exterior addition to or change or alteration therein be made, including the erection of antennas, aerials, awnings, the placement of reflective or other material in the windows of a residence situated upon any Lot or other exterior attachment, until the plans and specifications showing the nature, kind, shape, heights, materials, exterior colors or finishes, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Homeowners' Association, or by an architectural control committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with. The Homeowners' Association shall have the right to charge a reasonable fee for receiving such application in an amount not to exceed \$25.00. Neither the Board of Directors nor the architectural control committee shall approve any alterations, decorations, or modifications which would jeopardize or impair the soundness, safety, or appearance of any Lot or the Common Area. Provided that nothing herein contained shall be construed to permit interference with the development of the Properties by the Declarant in accordance with its general plan of development.

ARTICLE VII

GENERAL MAINTENANCE

Section 1. Association's Responsibility. The Homeowner's Association shall be responsible for improving, maintaining, repairing, cleaning and operating the Common Area including applicable parking areas, recreational facilities, utilities and other property owned by the Homeowners' Association for the benefit of its Members. It may care for vacant and untended land, if any, within the subdivision, removing grass and weeds therefrom and doing any other thing necessary or desirable in the opinion of the Board of Directors of the Homeowners' Association for the general benefit of its Members. To carry out these responsibilities the Homeowners' Association may hire such persons and pay such expenses and costs as it deems necessary and desirable.

Section 2. Easement. The agents or employees of the Homeowners' Association are authorized to enter upon any Lot or property in the subdivision at reasonable times, without damage to the Lots or property, for the purpose of carrying out any of its responsibilities.

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Section 3. Owners' Responsibilities. Owners of Lots shall be responsible for providing exterior maintenance upon their residences, including staining and/or painting of the exterior of their residence, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, decks, and all other exterior improvements. The owner shall also maintain all enclosed portions of his Lot including fences, trees, shrubs, flowers, grass and other improvements in the fenced, walled or enclosed portions.

Section 4. Rights of Homeowners' Association. If, in the opinion of a majority of the Board of Directors of the Homeowners' Association any Owner fails to properly maintain his residence or yard in a neat and orderly manner, or any part thereof, the Homeowners' Association shall have the right but not the duty to perform maintenance that the Board of Directors deems necessary and the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE VIII

USE RESTRICTIONS

Section 1. Land Use and Building Type. All Lots shall be known and described as residential lots and shall be used for residential purposes only. No structure shall be erected, altered, placed or permitted to remain on any Lot other than one detached single-family dwelling not to exceed two and one-half stories in height and a private garage or carport for not more than three (3) cars and other accessory buildings and structures incidental to the residential use of the Lots. Notwithstanding the above restriction, Declarant reserves for itself the right, in its discretion, to use any Lot for the purposes of constructing or expanding streets and street improvements to gain access to adjacent property acquired by Declarant, and constructing or expanding utility lines and facilities to service such property.

Section 2. Building Setback Lines. No building, fence, or wall shall be erected on any Lot nearer to any front street right-of-way or side street right-of-way line than minimum building setback lines shown on the recorded plat or than permitted by applicable current zoning ordinances. No building shall be located nearer to an interior side lot line than the minimum building lines, if any, shown on the recorded plat, or than permitted by applicable current zoning ordinances. For purposes of determining compliance or noncompliance with the foregoing building line requirements, porches, terraces, eaves, wing-walls, and steps extended beyond the outside wall of a structure shall not be considered as part of the structure;

provided, however, that this provision shall not be construed to authorize or permit encroachment of any structure upon any easement shown on the recorded plat or reserved herein or upon any other Lot.

Section 3. Unintentional Violation. In the event of the unintentional violation of any building setback line requirements as set forth above, the Homeowners' Association shall have the right, by and with the written consent of the Owner or Owners for the time being of such Lot, to change the building setback line requirements set forth in this instrument; provided, however, that no such change shall exceed ten percent (10%) of the marginal requirements of such building setback line requirements.

Section 4. Lot Area and Width. No residential structure shall be erected or placed on any Lot having an area or a width at the front building setback line of less than that required by applicable zoning ordinances.

Section 5. Temporary Structures and Off-Street Parking. No tent, shack, trailer, bus, camper or motor home or temporary structure of any kind shall be erected, kept, had or allowed at any time on any Lot or parked on the street or road adjacent thereto; provided, however, that a camper or motor home may be parked in an enclosed garage where such recreational vehicle is not visible from the street, or adjoining homes, and also provided such garage meets all requirements for buildings and improvements contained in these restrictions. All garage doors shall remain closed except for ingress and egress.

Section 6. Dwelling Size. The finished and unfinished living area of any dwelling constructed on any Lot, exclusive of garages, carports, and porches, shall not be less than 1400 square feet.

Section 7. Nuisances. No noxious, offensive or illegal activity shall be carried on upon any Lot nor shall anything be done on any Lot which may be or may become an annoyance or nuisance to the neighborhood. No Lot shall be used, in whole or in part, for storage of rubbish of any character whatsoever; nor shall any substance, thing or material be kept upon any Lot which will emit foul or noxious odors, or that will cause any noise that will or might disturb the peace and quiet of the occupants of surrounding property. No trash, rubbish, stored materials, wrecked or inoperable vehicles or similar unsightly items shall be allowed to remain on any Lot outside an enclosed structure. However, the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish and other debris for pickup by garbage and trash removal service units. The provisions of

this paragraph shall not apply to Lots upon which houses are under construction.

Section 8. Animals. No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats, or other household pets may be kept or maintained, provided they are not kept or maintained for commercial purposes.

Section 9. Recutting Lots. No Lot shall be recut so as to face in any direction other than as is shown on the recorded plat nor shall it be recut so as to make any building site smaller than is provided for herein. This provision is not intended to prevent cutting off a small portion or portions of any Lot for the purpose of conveying the same to an adjoining property owner or straightening a boundary line. However, the remaining portion of the Lot must not violate the minimum size requirements of any zoning regulations.

Section 10. Attractive Premises. Garbage containers, trash cans, wood piles, dog houses, pet yards or cages, and clothes drying areas must be so located that they will not be visible from the front street. The yards of each Lot shall be maintained so as to be neat and clean at all times.

Section 11. Use of Common Area. The Common Area shall not be used in any manner except as shall be approved or specifically permitted by the Homeowners' Association.

Section 12. Access to Lot. The Homeowners' Association, its agents or employees shall have access to all Lots from time to time during reasonable working hours, upon oral or written notice to the Owner, as may be necessary for the maintenance, repair, or replacement of any portion of the Common Area. The Association or its agent shall also have access to each Lot at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Area.

Section 13. Fencing. Any fencing placed upon any Lot shall be constructed of wood and shall be no more than six (6) feet in height.

Section 14. Satellite Dishes or Antennas. No radio or television transmission or reception towers, antennas, or discs shall be erected on a Lot other than customary antenna which shall not extend more than ten (10) feet above the top roof line ridge of the house. In no event shall free-standing transmission or receiving towers or discs or dishes be permitted.

Section 15. Signs. No sign of any kind shall be displayed to the public view on any Lot, except one (1) professional sign of not more than one (1) square foot, and one (1) sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during construction and sales period. During the initial period of construction on the vacant Lots, no sign shall be placed on any Lot unless the style and design thereof shall have been approved in writing by the Developer, its successors or assigns.

Section 16. Regulations. Reasonable regulations governing the use of the Common Area may be made and amended from time to time by the Board of Directors of the Homeowners' Association; provided, however, that all such regulations and amendments thereto shall be approved by a majority vote of the Owners before the same shall become effective. Copies of such regulations and amendments thereto shall be furnished to each Member by the Homeowners' Association upon request.

ARTICLE IX

EASEMENTS

Easements for the installation and maintenance of driveway, walkway, parking area, water line, gas line, telephone, electric power line, sanitary sewer and storm drainage facilities and for other utility installation and maintenance are reserved as shown on the recorded plat and over the rear ten (10) feet and each side five (5) feet of each Lot. The Homeowners' Association may reserve and grant easements for the installation and maintenance of sewage, utility, and drainage facilities over the Properties as provided in Article IV, Section 1(a) of this instrument. Within any such easement above provided for, no structure, planting, or other material shall be placed or permitted to remain which may interfere with the installation of sewage disposal facilities and utilities, or which may change the direction of flow or drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements. In addition, the Homeowners' Association shall have the continuing right and easement to maintain all sewer and water lines located on the Lots. The easement area of each Lot shall be maintained continuously by the Owner thereof, except where a public authority or utility company is responsible for such maintenance.

Declarant, its successors and assigns, hereby reserves and shall have temporary easements for itself, its agents and employees over all Common Areas for the purpose of constructing improvements thereon, and completing development of the properties.

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ARTICLE X

INSURANCE

Section 1. Authority to Purchase Insurance. Insurance policies upon the Common Area (except title insurance) shall be purchased by the Homeowners' Association in the name of the Board of Directors of the Homeowners' Association, and if the companies writing such policies will agree, the policies shall provide that the insurer waives its rights of subrogation as to claims against Homeowners' Association, and their respective servants, agents, and guests.

Section 2. Insurance Coverage to be Maintained - Use and Distribution of Insurance Proceeds.

(a) The following insurance coverage shall be maintained in full force and effect by the Homeowners' Association covering the operation and management of the Common Area:

(1) Casualty insurance covering the buildings and all improvements upon the Common Area and all personal property located thereon except such personal property as may be owned by others, shall be procured in an amount equal to 100% of the insurance replacement value thereof (exclusive of excavation, foundations, streets and parking facilities) with a replacement cost endorsement as determined annually. If coverage is provided by an insurance policy in which there is a co-insurance clause applying, every effort will be made to obtain an agreed amount endorsement or its equivalent. Such coverage shall afford protection against: (a) loss or damage by fire or other hazards covered by the standard extended coverage endorsement; (b) such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location, and use, including vandalism and malicious mischief.

(2) Bodily Injury Liability and Property Damage Liability insurance in such amounts and in such forms as shall be required by the Homeowners' Association, covering all premises and operations necessary or incidental to the conduct of the business of the Homeowners' Association, including hired automobile and non-owned automobile bodily injury and property damage liability coverages.

(3) All liability policies shall contain a severability of interest (cross-liability) endorsement. The insurance afforded under the liability section of the policy applies separately to each insurance against whom claim is made or suit is brought, except with respect to this company's limit of liability.

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(4) Fidelity coverage protecting against dishonest acts by Association officers, directors, trustees, and employees and all others who are responsible for handling funds of the Association in the amount of one year's operating budget and projected reserve balances during the budget year. If professional management is obtained by the Association and it has this coverage and it handles the funds, then this requirement will be satisfied.

(b) Premiums upon insurance policies purchased by the Homeowners' Association shall be paid by the Homeowners' Association as common expenses to be assessed and collected from all of the Owners.

(c) All insurance policies purchased by the Homeowners' Association shall be for the benefit of the Homeowners' Association, and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Homeowners' Association. Proceeds payable on account of damage to the Common Area shall be held by the Homeowners' Association to repair or rebuild the Common Area. If the property is not rebuilt, then the funds shall be held by the Homeowners' Association and applied to its general expenses.

(d) Immediately after the casualty causing damage to property, the Homeowners' Association shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board deems appropriate.

(e) Any such reconstruction or repair shall be substantially in accordance with the original plans and specifications.

(f) Each Owner, at his expense, shall keep in force fire and extended coverage insurance insuring his residence against loss for a reasonable amount of insurance.

(g) In the event of a hazard loss, each Owner shall repair or rebuild his residence, if advisable. The reconstructed or repaired residence shall be substantially identical to the destroyed residence, unless a change shall be approved by the Homeowners' Association, and shall be constructed in conformity with plans submitted to and approved by the Homeowners' Association prior to construction. In the event a dwelling is damaged or destroyed, and the owner does not begin repair or reconstruction within thirty (30) days following the damage or destruction, he shall remove or cause to be removed, at his

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expense, all debris from the lot, so that it shall be placed in a neat, clean and safe condition; and if he fails to do so, the Homeowners' Association may cause the debris to be removed, and the cost of removal shall constitute a lien upon the Lot until paid by the Owner.

(h) Each Owner, at his expense, shall keep in force comprehensive personal liability insurance covering liability for damages to person or property of others located within such Owner's Lot in such amounts as the Board of Directors shall, from time to time, determine, but in no case less than \$100,000.00 for each occurrence. Each Owner, at his expense, may obtain such additional insurance coverage on his Lot, personal property, and personal liability and any additional insurance shall contain waive of subrogation clause.

ARTICLE XI

FINANCING PROVISIONS

Section 1. Approval of Owners and Holders of First Deeds of Trust. Unless at least seventy-five (75%) percent of the Owners and holders of first deeds of trust on Lots located within the Properties have given their prior written approval, the Homeowners' Association shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Homeowners' Association; provided, however, that the Homeowners' Association may sell or transfer any such real estate or improvements without the necessity of obtaining any such approval, for the purposes of changing any Lot lines or of correcting minor errors which may arise in any deeds or other instruments into the Homeowners' Association or any Owner, including any corrections made necessary by the revision or modification of any existing recorded map of the subdivision. The granting of easements for utilities or other purposes shall not be deemed a transfer within the meaning of this clause.

(b) change the method of determining the obligations, assessments, dues, or other charges which may be levied against a Lot Owner.

(c) by act or omission change, waive, or abandon any plan of regulation, or enforcement thereof, pertaining to the architectural design of residences located on Lots.

(d) fail to maintain fire and extended coverage insurance on improvements in the Common Area on a current

replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value.

(e) use the proceeds of any hazard insurance policy covering losses to any part of the Common Area for other than the repair, replacement, or reconstruction of the damaged improvements.

Section 2. Books and Records. Any Owner and holder of a first deed of trust on any Lot will have the right to examine the books and records of the Homeowners' Association during any reasonable business hours.

Section 3. Payment of Taxes and Insurance Premiums. The Owners and holders of first deeds of trust on Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge or lien against any of the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy for property owned by the Homeowners' Association and the persons, firms, or corporations making such payments shall be owed immediate reimbursement therefor from the Association.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Enforcement. The Homeowners' Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Homeowners' Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by the Owners of not less than ninety (90%) percent of the Lots and thereafter by an instrument signed by the Owners of not less than seventy-five (75%) percent of the Lots. Any amendment must be properly recorded. For the purpose of this section,

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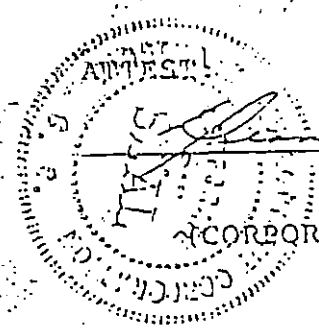
additions to existing property, as provided for in Article II, Section 2, hereof, shall not be deemed an "Amendment".

Section 4. FHA/VA Approval. In the event the Declarant has arranged for and provided purchasers of Lots with FHA/VA insured mortgage loans, then as long as any Class B Lot exists, as provided in Article III hereof, the following action will require the prior approval of the Federal Housing Administrator or the Veterans Administration: Annexation of additional properties, other than as provided in Article II, Section 2, hereof, and amendment of this Declaration of Covenants, Conditions, and Restrictions.

IN WITNESS WHEREOF, the undersigned, Firstmark Development Corporation, Declarant by virtue of the provisions of Article I, Section 6, of the aforesaid Declaration of Covenants, Conditions, and Restrictions, has caused this instrument to be executed by the signature of its Vice President, attested by its Assistant Secretary, and its corporate seal to be hereunto fixed, the day and year first above written.

FIRSTMARK DEVELOPMENT CORPORATION

By: Steven D Caldwell
Vice President



William L Cree
Assistant Secretary

* * * *

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

This the 29th day of December, 1987, personally came before me Steven D. Caldwell, who, being by me duly sworn, says that he is the Vice President of FIRSTMARK DEVELOPMENT CORPORATION and that the seal affixed to the foregoing writing was signed and sealed by him, in behalf of said Corporation, by its authority duly given; and the said Steven D. Caldwell acknowledged the said writing to be the act and deed of said corporation.

John [Signature]
Notary Public

My Commission Expires:

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SCHEDULE A
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
MINERAL SPRINGS SUBDIVISION

BEGINNING at a new iron pin in the northerly right-of-way line of Mineral Springs Road, which beginning point marks the southeasterly corner of the property of Caryl Hunter Beadel and Warren B. Hunter (now or formerly) as described in deed recorded in Book 4069, Page 491, Mecklenburg Public Registry; thence with the line of the aforesaid property of Beadel and Hunter N. 00-24-16 E. 501.38 feet to an old nail marking the southeasterly corner of the property of S. N. Hunter (now or formerly) as described in deed recorded in Book 488, Page 127, Mecklenburg Public Registry; thence with the line of the aforesaid property of Hunter N. 03-48-26 E. 271.70 feet to an old iron pin in the southerly property line of the property of Paul D. Christensen and Dixie Lee Christensen (now or formerly), described in deed recorded in Book 4003, Page 202, Mecklenburg Public Registry; thence with the line of the aforesaid property of Christensen in four (4) calls and distances as follows: (1) S. 76-46-08 E. 186.09 feet to a new iron pin, (2) N. 07-35-45 E. 233.78 feet to a new iron pin, (3) N. 76-50-21 W. 186.30 feet to a new iron pin, and (4) N. 04-11-58 E. 528.41 feet to an old iron pin in the centerline of Rumples Road; thence with the centerline of Rumples Road N. 03-03-40 E. 221.36 feet to a PK nail; thence with the property line of the property of Michael G. Littrell (now or formerly) as described in deed recorded in Book 4634, Page 368, Mecklenburg Public Registry S. 78-56-29 E. 743.60 feet to an old iron pin; thence with the property line of the aforesaid property of Littrell and the property of Robert L. Black, Jr. (now or formerly) as described in deed recorded in Book 4451, Page 602, Mecklenburg Public Registry N. 43-57-54 E. 1203.88 feet to an old iron pin marking the southeasterly corner of the property of John S. Fore and Betty B. Fore (now or formerly) as described in deed recorded in Book 3134, Page 41, Mecklenburg Public Registry; thence with the aforesaid property line of Fore and the property lines of Edwin Clinton Maness and Betty W. Maness (now or formerly) as described in deed recorded in Book 3160, Page 81, Mecklenburg Public Registry and Cary P. Kleiber and Scottie T. Kleiber (now or formerly) as described in deed recorded in Book 3021, Page 291, Mecklenburg Public Registry N. 13-56-23 E. 475.30 feet to an old iron pin marking a southerly or southwesterly corner of the property of David

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in deed recorded in Book 4303, Page 749, Mecklenburg Public Registry; thence with the aforesaid property line of Wilson S. 56-51-47 E. 579.12 feet to a point in the centerline of a creek; thence with the various meanderings of said creek in the following courses and distances: (1) S. 18-15-56 W. 109.03 feet, (2) S. 48-24-00 W. 38.38 feet, (3) S. 00-31-17 W. 51.82 feet, (4) S. 71-37-58 W. 105.06 feet, (5) S. 28-27-56 W. 49.78 feet, (6) S. 28-56-47 E. 27.35 feet, (7) S. 22-07-51 W. 227.43 feet, (8) S. 15-27-42 W. 122.01 feet, (9) S. 38-06-20 W. 38.82 feet, (10) S. 15-34-54 W. 423.40 feet, (11) S. 21-57-46 E. 25.93 feet, (12) S. 83-14-38 W. 30.20 feet, (13) S. 02-40-23 E. 90.52 feet, (14) S. 66-46-10 W. 227.70 feet, (15) S. 03-35-15 W. 24.42 feet, (16) S. 38-01-54 W. 47.58 feet, (17) S. 22-02-50 W. 53.81 feet, (18) N. 77-40-39 W. 18.76 feet, (19) S. 10-20-22 W. 85.10 feet, (20) S. 32-45-18 W. 170.59 feet, (21) S. 26-25-18 E. 35.03 feet, (22) S. 70-17-47 W. 78.32 feet, (23) S. 33-34-58 W. 25.80 feet, (24) S. 12-31-13 W. 170.99 feet, (25) S. 07-04-37 E. 24.89 feet, (26) S. 42-35-21 W. 49.55 feet, and (27) N. 68-01-21 W. 20.91 feet to an old stone; thence with the westerly property line of the property of Charles W. White, Jr. and Isabella R. White (now or formerly) as described in deed recorded in Book 1409, Page 88, Mecklenburg Public Registry in three (3) calls and distances as follows: (1) S. 71-50-48 W. 158.83 feet to an old iron pin, (2) S. 29-29-05 E. 300.04 feet to an old iron pin, and (3) S. 27-01-45 W. 397.39 feet to a new iron pin in the westerly property line of the property of Andy M. Tucker and Pearl B. Tucker (now or formerly) as described in deed recorded in Book 5102, Page 794, Mecklenburg Public Registry; thence with the aforesaid property line of Tucker and the property lines of Dean Nicholas Butckovitz and Elizabeth H. Butckovitz (now or formerly) as described in deed recorded in Book 4000, Page 230, Mecklenburg Public Registry and Homer Samuel Hamilton and Avis G. Hamilton (now or formerly) as described in deed recorded in Book 2507, Page 417, Mecklenburg Public Registry S. 02-07-18 W. 540.60 feet to an old iron pin in the northerly right-of-way line of Mineral Springs Road; thence with the northerly right-of-way of Mineral Springs Road N. 66-07-40 W. 1173.24 feet to a new iron pin marking the point or place of BEGINNING and containing 74.420 acres as shown on the survey entitled "Plat Prepared for Firstmark Development Corporation", dated October 1, 1986, by Power Engineering Co., Inc., to which survey reference is hereby made for a more particular description of the property.

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NORTH CAROLINA
MECKLENBURG COUNTY

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CHIEF CLERK
REGISTER OF DEEDS
MECKLENBURG COUNTY

PRESENTED FOR
REGISTRATION

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS (PUREUS)
MINERAL SPRINGS SUBDIVISION CO. N.C.

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THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS made this the 29th day of December, 1987, by FIRSTMARK DEVELOPMENT CORPORATION, a North Carolina corporation, hereinafter referred to as "Declarant";

WHEREAS, Declarant is the owner of the real property shown on a map of Mineral Springs Subdivision, which map is recorded in Map Book 22, Page 111, in the Mecklenburg Public Registry, or such other Map Book and Page where said map may be revised and rerecorded, which property is more particularly described in Section 1 of Article II hereof, and desires to create thereon an exclusive residential community of single-family homes to be named Mineral Springs Subdivision;

WHEREAS, Declarant desires to insure the attractiveness of the subdivision and to prevent any future impairment thereof; to prevent nuisances, to preserve, protect, and enhance the values and amenities of all properties within the subdivision; to provide for the maintenance and upkeep of the Common Area, as hereinafter defined; and, to this end desire to subject the real property shown upon the aforesaid map, together with such additions as may hereafter be made thereto to the covenants, conditions, restrictions, easements, charges, and liens hereafter set forth, each and all of which is and are for the benefit of said property and each owner thereof;

WHEREAS, Declarant has deemed it desirable, for the preservation, protection, and enhancement of the values and amenities in said subdivision and to insure the residents' enjoyment of the specific rights, privileges and easements in the Common Area, as hereinafter defined, and to provide for the maintenance and upkeep of the Common Area, to create an organization to which will be delegated and assigned the powers, owning, maintaining, and administering the Common Area and administering, enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has incorporated under North Carolina law Mineral Springs Homeowners' Association, Inc. as a non-profit corporation for the purpose of exercising and performing the aforesaid functions;

This instrument is being rerecorded to correct the Map Book and Page reference in the legal description which was originally incorrectly assigned by the Register of Deeds so as to duplicate existing Map Book and Pages but has now been reassigned as Map Book 22, Pages 225 and 226 to correct such duplication.

DRAWN BY: [unclear] TO
UNDERWOOD, KINSEY & WARREN, P.A.
ATTORNEYS AT LAW
215 SOUTH WILKINSON
CHARLOTTE, NC 28204
(Box #43)

UNDERWOOD, KINSEY & WARREN, P.A.
By: Carlton A. [unclear]

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NORTH CAROLINA
MECKLENBURG COUNTY

PRESENTED
FOR
REGISTRATION

AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS,
AND RESTRICTIONS OF
MINERAL SPRINGS SUBDIVISION
(GREAT OAKS SUBDIVISION)

FEB 24 9 37 AM '88

CHARLES E. CROWDER
REGISTERED OF DEEDS

THIS AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF MINERAL SPRINGS SUBDIVISION (GREAT OAKS SUBDIVISION) WAS MADE ON THIS 23rd day of February, 1988, by FIRSTMARK DEVELOPMENT CORPORATION, a South Carolina corporation authorized to transact business in North Carolina ("Firstmark") and REALTY DEALERS, LTD., LIMITED PARTNERSHIP, an Illinois limited partnership ("Realty Dealers");

WHEREAS, on December 30, 1987, Firstmark filed for record that certain Declaration of Covenants, Conditions, and Restrictions of Mineral Springs Subdivision, recorded in Book 5672, Page 237, Mecklenburg Public Registry, which Declaration was subsequently rerecorded on January 26, 1988, in Book 5686, Page 853, Mecklenburg Public Registry; and

WHEREAS, pursuant to Article XII, Section 3 of said Declaration, the Declaration "may be amended during the first twenty (20) year period by an instrument signed by the Owners of not less than ninety (90%) percent of the Lots", and together Firstmark and Realty Dealers own all of the Lots in the Subdivision; and

WHEREAS, Firstmark and Realty Dealers now desire to amend the Declaration;

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, Firstmark and Realty Dealers hereby amend the Declaration by deleting all references contained therein to "Mineral Springs Subdivision" and substituting therefor the name "Great Oaks Subdivision", and by further deleting therefrom all references to "Mineral Springs Homeowners' Association, Inc." and substituting therefor the name "Great Oaks Homeowners' Association, Inc.". In addition, the parties acknowledge the revision of the map formerly recorded at Map Book 22, Pages 225 and 226, Mecklenburg Public Registry and its re-recording at Map Book 22, Pages 252 and 253, Mecklenburg Public Registry.

Except as amended herein or otherwise, the provisions of the Declaration of Covenants, Conditions, and Restrictions of Great Oaks Subdivision remain in full force and effect.

10.00
10.00
10.00

CASH

20:01 #5500 000
02/24/88

mail to:
REGISTRY

5704 0707

IN WITNESS WHEREOF, the parties have caused this amendment to Declaration of Covenants, Conditions, and Restrictions of Great Oaks Subdivision to be executed and sealed as of the day and year first above written.

FIRSTMARK DEVELOPMENT CORPORATION

By: Stewart Colwell
Vice President

ATTEST:

James L. Price
Assistant Secretary
(CORPORATE SEAL)

REALTY DEALERS, LTD., LIMITED PARTNERSHIP

By: UDC Advisory Services, Inc., General Partner

By: [Signature]
Vice President

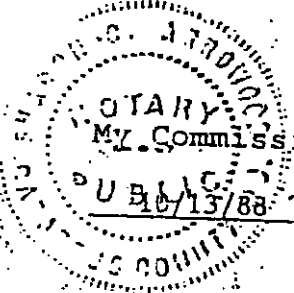
ATTEST:
Martha M. Larkin
Asst. Secretary
(CORPORATE SEAL)

BOOK FILE
5704 0708

STATE OF NORTH CAROLINA
COUNTY OF ~~MECKLENBURG~~ Mecklenburg

I, Sharon C. Arrowood, a Notary Public of the county and state aforesaid, certify that Deans R. Cree personally came before me this day and acknowledged that (s)he is Asst. Secretary of FIRSTMARK DEVELOPMENT CORPORATION, a South Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by her/him as its Asst. Secretary.

Witness my hand and official seal, this 23rd day of February, 1988.



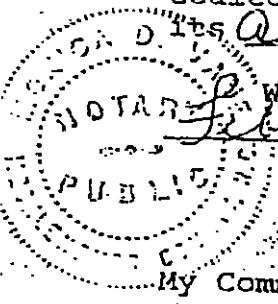
Sharon C. Arrowood
Notary Public

* * *

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

I, Annice D. Ware, a Notary Public of the county and state aforesaid, certify that Matthew Jordan personally came before me this day and acknowledged that (s)he is Asst. Secretary of UDC ADVISORY SERVICES, INC., an Illinois corporation, the managing general partner of Realty Dealers Ltd., Limited Partnership, and that by authority duly given and as the act of the corporation on behalf of Realty Dealers Ltd., Limited Partnership, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by her/him as its Asst. Secretary.

Witness my hand and official seal, this 22nd day of February, 1988.



Annice D. Ware
Notary Public

My Commission Expires:
3/26/92

REGISTERED AUG/28/1990 01:50PM ANNE A. POWERS REGISTER OF DEEDS MECK. CO. N.C.

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

SUPPLEMENTARY
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF
PHASE II, GREAT OAKS SUBDIVISION, ~~AND~~
~~SUBORDINATION OF CONSTRUCTION LENDER~~

THIS SUPPLEMENTARY DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF PHASE II, GREAT OAKS SUBDIVISION, AND SUBORDINATION OF CONSTRUCTION LENDER, is made this the 10th day of August, 1990, by Firstmark Development Corporation, a South Carolina corporation authorized to transact business in North Carolina ("Declarant"), and First Federal Savings and Loan Association of Charlotte, owner and holder of a Note secured by a Deed of Trust encumbering the property described below.

WITNESSETH:

WHEREAS, Declarant is the owner of additional property which it wishes to subject to the Declaration of Covenants, Conditions and Restrictions of Mineral Springs Subdivision, recorded in Book 5672, at Page 237, Mecklenburg Public Registry, rerecorded on January 26, 1988, in Book 5686, Page 853, Mecklenburg Public Registry, and amended on February 24, 1988, in Book 5704, Page 706, Mecklenburg Public Registry (all of which collectively shall be referred to herein as the "Declaration"), pursuant to Article II, Section 2 of the Declaration;

NOW THEREFORE, in consideration of these premises, Declarant does hereby subject the property hereafter described to the Declaration, and the restrictions, covenants, conditions, easements, assessments, liens and other provisions thereof to be construed as covenants running with the land, which shall be binding on and inure to the benefit of all parties acquiring any right, title or interest in any of the additional property.

The additional property which is and shall be held, transferred, sold, conveyed and occupied subject to the Declaration is located in Charlotte, Mecklenburg County, North Carolina, as is as all of the property shown on the map of Phase II, Great Oaks Subdivision, recorded in Map Book 23, at Page 930, in the Mecklenburg Public Registry.

Except as expressly supplemented herein to subject additional property to the Declaration, the Declaration shall continue in full force and effect.

IN WITNESS WHEREOF, Declarant has caused this Supplementary Declaration of Covenants, Conditions and Restrictions to be executed as of the day and year first above written.

ATTEST:

Annela L. Short
Assistant Secretary

(CORPORATE SEAL)

FIRSTMARK DEVELOPMENT CORPORATION

By: [Signature]
Robert C. Harris, Vice President

Charlotte, N.C. 28202

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, Rene Baum, a Notary Public in and for said County and State do hereby certify that Angela L. Short personally appeared before me this day and acknowledged that she is Assistant Secretary of FIRSTMARK DEVELOPMENT CORPORATION and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by her as its Assistant Secretary.

WITNESS my hand and official seal this the 10 day of August, 1990.

Rene Baum
NOTARY PUBLIC

My commission expires: April 11, 1991



State of North Carolina, County of Mecklenburg
The foregoing Certificate(s) of Rene Baum

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

ANNE A. POWERS, REGISTER OF DEEDS

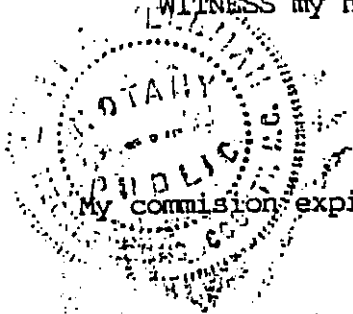
By Mary A. Powers Deputy - Register of Deeds

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

On this 10th day of August, 1990, before me, the undersigned Notary Public in and for the County and State aforesaid, personally appeared ROBERT E. PERRY, JR., Trustee under Deed of Trust recorded in Book 5704, at Page 715 of the Mecklenburg County Public Registry, and acknowledged the due execution thereof for the purposes therein expressed.

WITNESS my hand and notarial seal.



Ron A. Wellman
NOTARY PUBLIC

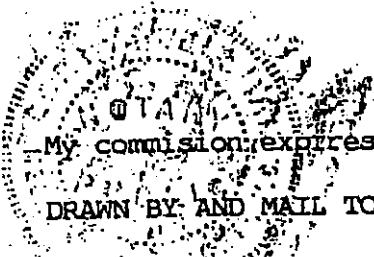
My commission expires: 2-26-94

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

On this 10th day of August, 1990, before me, the undersigned Notary Public in and for the County and State aforesaid, personally appeared RICHARD W. WILSON, Trustee under Deed of Trust recorded in Book 5704, at Page 715 of the Mecklenburg County Public Registry, and acknowledged the due execution thereof for the purposes therein expressed.

WITNESS my hand and notarial seal.



Ron A. Wellman
NOTARY PUBLIC

My commission expires: 2-26-94

DRAWN BY AND MAIL TO:

Firstmark Development Corporation
6035 Florence Avenue, Suite 100
Charlotte, North Carolina 28212

State of North Carolina, County of Mecklenburg
The foregoing Certificate(s) of Joan B. Wally and
Lori A. Wellman

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

REGISTERED AUG/28/1990 01:50PM ANNE A. POWERS REGISTER OF DEEDS MECK. CO. N.C.

✓✓

STATE OF NORTH CAROLINA

SUBORDINATION OF CONSTRUCTION LENDER

COUNTY OF MECKLENBURG

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF CHARLOTTE, owner and holder of the Note secured by that certain Deed of Trust dated February 23, 1988, and recorded in Book 5704, at Page 715 in the Mecklenburg County Public Registry, and Robert E. Perry, Jr. and Richard W. Wilson, Trustees under said Deed of Trust, hereby consent to and join in this Supplementary Declaration of Covenants, Conditions and Restrictions of PHASE II, GREAT OAKS SUBDIVISION and hereby subordinate the lien of said Deed of Trust to the provisions of said Supplementary Declaration of Covenants, Conditions, and Restrictions.

IN WITNESS WHEREOF, the parties hereto have caused this Subordination to be executed as by law provided, this 10 day of August, 1990.

FIRST FEDERAL SAVINGS & LOAN ASSOCIATION OF CHARLOTTE

ATTEST:

Donna Clark
Secretary

(CORPORATE SEAL)

By:

Chris Patton
President

Robert E. Perry, Jr. (SEAL)
Trustee

Richard W. Wilson (SEAL)
Trustee

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

On this 10 day of August, 1990, before me, the undersigned Notary Public in and for the County and State aforesaid, personally appeared Anderson Watkins, who, being by me first duly sworn, said that he is Vice President of FIRST FEDERAL SAVINGS AND LOAN OF CHARLOTTE, that the seal affixed to the foregoing instrument in writing is the corporate seal of said Bank, and that he signed and sealed said instrument in behalf of said Bank by its authority duly given. And the said Vice President acknowledged said instrument to be the act and deed of said Bank.

WITNESS my hand and notarial seal.



Susan B. Waller
NOTARY PUBLIC