

DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR PINE CREEK

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PHASE I OF PINE CREEK (the "Declaration"), is made and entered into as of the 30th day of July, 2002, by PINE CREEK DEVELOPERS, LLC, a North Carolina limited liability company, hereinafter referred to as "Declarant".

WITNESSETH:

Declarant is the owner and developer of that certain real property located in Cabarrus County, North Carolina and more particularly described in Exhibit A hereto, which real property is being developed by Declarant as an exclusive residential community to be known as Pine Creek (the "Project").

Declarant contemplates developing the Project in phases. In connection therewith, Declarant has provided for the preparation and recording of Maps (defined below) of Lots (defined below), which maps are recorded in Plat Book 40 at Page(s) 36, 37 and 38 of the Cabarrus County Public Registry.

Declarant desires to provide for the preservation and enhancement of the property values, amenities and opportunities in the Project and for the maintenance of the Lots and improvements thereon, and to this end desires to subject the Lots to the easements, covenants, conditions, restrictions, charges and liens hereinafter set forth and/or described.

NOW, THEREFORE, Declarant hereby subjects the Lots to the easements, covenants, conditions and restrictions hereinafter set forth and hereby declares that (subject to certain rights of amendment, as hereinafter described) all of the Lots shall be held, sold and conveyed subject to such easements, covenants, conditions and restrictions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Lots and the Project. Subject to the above-described rights of Declarant, such easements, covenants, conditions and restrictions shall run with the Lots and be binding on all parties having or acquiring any right, title or interest in the Lots, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner of the Lots or any part thereof, their heirs, successors and assigns.

ARTICLE I
DEFINITIONS

The following terms when used in this Declaration, or any amendment hereto (unless the context shall otherwise require or unless otherwise specified herein or therein) shall have the following meanings:

- (a) "Architectural Committee" shall mean and refer to the committee appointed by the Board to oversee the development and enforcement of architectural control standards and restrictions in the Project.
- (b) "Architectural and Landscape Guidelines" shall mean the Guidelines issued and amended by the Architectural Committee from time to time.

- (c) "Association" shall mean and refer to Pine Creek Property Owners Association, Inc., a North Carolina non-profit corporation, which Association has been established and exists to govern the ownership and maintenance of the Project and the enforcement of the provisions of the Declaration.
- (d) "Board" shall mean and refer to the Board of Directors of the Association.
- (e) "Common Area" or "Common Areas" shall mean and refer, singularly or collectively, as applicable, to all land, improvements, easements and other properties which hereafter shall be deeded to or acquired by, in fee, from time to time by the Association for the common use and enjoyment of the Owners and the Occupants, including without limitation the Roadways and that property identified and designated as "Common Area" on any recorded Plat or Plats of the Property or any part of it.
- (f) "Declarant" shall mean and refer to Pine Creek Developers, LLC, a North Carolina limited liability company, its successors and assigns.
- (g) "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Phase I of Pine Creek as it may be amended from time to time.
- (h) "Improvement" shall mean and include any and all man-made changes or additions to a Lot or Tract, including but not limited to the location, materials, size and design of all buildings (including any exterior devices attached to or separate from buildings, such as heating and air conditioning equipment, solar heating devices, antennae, satellite dishes, clothes lines, etc.), storage sheds or areas, piers, docks, boathouses, roofed structures, parking areas, fences, invisible" pet fencing, pet "runs", lines and similar tethers or enclosures, walls, landscaping (including cutting of trees), hedges, mass plantings, poles, driveways, ponds, lakes, changes in grade or slope, site preparation, swimming pools, hot tubs, Jacuzzis, tennis courts, treehouses, basketball goals, skateboard ramps, and other sports or play apparatus, signs, exterior illumination and changes in any exterior color or shape. The definition of Improvements includes both original Improvements and all later changes to Improvements. The definition of Improvements, however, does not include the replacement or repair of Improvements previously approved by the Architectural Committee, provided that such replacement or repair does not change exterior colors, materials, designs or appearances from that which were previously approved by the Architectural Committee as set forth in the Declaration.
- (i) "Lot" shall mean and refer to any numbered tract of land which is shown on the Map, and which shall be restricted for such uses as are consistent with this Declaration and any other restrictions covering the area wherein the tract is located.
- (j) "Map" shall mean and refer to the maps of Pine Creek recorded in the Cabarrus County Public Registry and any amendments or supplements thereto.
- (k) "Member" shall mean and refer to each Owner who holds membership in the Association.
- (l) "Occupant" shall mean and refer to any person occupying all or any portion of a Lot or the Lots for any period of time, regardless of whether such person is a tenant of the Owner of such Lot or portion of the Lots.
- (m) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot, but excluding those having such interest merely as security for the performance of an obligation.
- (n) "Person" shall mean and refer to any individual, corporation, partnership, association, trust or other legal entity.
- (o) "Phase I" shall mean and refer to the Lots in Phase I of the Project, as the same are shown on the Map.

(p) "Property" shall mean and refer to that certain real property located in Cabarrus County, North Carolina and more particularly described on Exhibit A attached hereto and incorporated herein by reference, as well as such additional property as may be made subject to the provisions of this Declaration pursuant to the provisions of this Declaration.

(q) "Project" shall mean and refer to the residential development known as Pine Creek, as more particularly described on Exhibit A hereto.

(r) "Roadways" shall mean and refer to the roads, streets, entranceways and cul-de-sacs; in the Subdivision, as shown on the Plats, and any other roads, streets, entrance ways and cul-de-sacs: on the Property.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 2.1. Property Made Subject to this Declaration. The Property is hereby made subject to this Declaration and the Property shall be owned, held, leased, transferred, sold, mortgaged and/or conveyed by Declarant, the Association, each Owner and each party owning record title to any of the Property subject to this Declaration and the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens set forth in this Declaration.

Section 2.2. Additional Property. Declarant shall have the right, at its election without the consent of any Owner or Owners, to bring within the coverage of this Declaration and the jurisdiction of the Association any additional property. Such additions authorized hereby shall be made by filing of record in the Office of the Register of Deeds for Cabarrus County, North Carolina, Supplementary Declarations of Covenants, Conditions and Restrictions with respect to such additional property. Each such Supplementary Declaration shall extend the scheme of this Declaration and the Association to such additional property and thereby subject such additional property to assessment for their just share of the Association's expenses. Such Supplementary Declarations may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character of the additional property. Nothing contained in this Section 2.2, however, shall be construed to obligate Declarant to bring any additional property within the coverage of this Declaration.

Section 2.3. Additional Declarations. In addition to the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens set forth in this Declaration, Declarant shall have the right, at its election without the consent of any Owner or Owners, to subject any Phase, section or portion of the Property owned by Declarant to additional controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens, by filing an Additional Declaration in the Office of the Register of Deeds of Cabarrus County covering only such Phase, section or portion of the Property. Such an Additional Declaration may or may not provide for the establishment of any Association to govern the ownership and/or maintenance of the Property affected by and the enforcement of the provisions of such Additional Declaration. Whether or not an Association is formed pursuant to such Additional Declaration, the Association shall have the right and authority to enforce all controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens imposed by such Additional Declaration and any amendments thereto, whether or not such right and authority is expressly provided for in such Additional Declaration.

Section 2.4. Merger or Consolidation. Upon any merger or consolidation of an Association with another Association, the properties, rights and obligations of the association may be transferred to another surviving or consolidated Association or, alternatively, the properties, rights and obligations of another Association may be added to the property, rights and obligations of such Association as the surviving corporation pursuant to a merger, The surviving or consolidated Association shall be considered an Association and shall administer the terms and provisions of this Declaration (to the

extent they relate to the Phase(s) or section(s) of the Property over which such Association has jurisdiction and the applicable Additional Declarations affecting the portions of the Property in the jurisdiction of such Association, together with the covenants and restrictions established upon any other properties, as, one scheme. No such merger or consolidation, however, shall effectuate a revocation change or addition to the terms and provisions of this Declaration or any Additional Declaration pertaining to the Property or any portion thereof except as specifically provided in this Declaration.

Section 2.5. Changes to this Declaration or Additional or Supplementary Declarations Requiring Declarant's Consent. Notwithstanding anything contained herein to the contrary, it is expressly understood and agreed that, so long as Declarant owns any part of the Property, the prior written consent of Declarant shall be required for any parties to modify, change and/or amend, in whole or in part the terms and provisions of this Declaration, any Supplementary Declaration and/or any Additional Declaration or to impose new or additional covenants; conditions, restrictions or easements on any part of the Property.

ARTICLE III PROPERTY RIGHTS

Section 3.1. Owners Easements of Enjoyments. Every owner shall have a right and easement of enjoyment in and to the Common Area, which right shall be appurtenant to and shall pass with the title to each Lot, subject to the following provisions:

- (a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- (b) the right of the Association to suspend the voting rights and right to use the recreational facilities by an owner for any period during which assessments against his lot remain unpaid, and for a period not to exceed 60 days for an infraction of the Association's published rules and regulations;
- (c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded.

Section 3.2. Delegation of Use. Any owner may delegate, in accordance with the By-laws of the Association, his right of enjoyment to the Common Area and facilitate to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE IV ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 4.1. Every owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 4.2. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each lot owned. When more than one person holds interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member (s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B Membership shall cease and be covered by Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) on August 1, 2007.

ARTICLE V COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 5.1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot(s) by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be charged 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 5.2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

Section 5.3. Maximum Annual Assessment. Until December 31 of the year of the conveyance of the first Lot to an Owner, the maximum annual assessment shall be six hundred dollars (\$600.00) per Lot.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased up to and including 10% the maximum assessment for the previous year without a vote of the membership.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 10% by a vote of one-half (1/2) of each class members who are voting in person or by proxy at a meeting duly called for this purpose.
- (c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 5.4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, maintenance, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or for any other purpose deemed appropriate by the Board. So long as the total amount of special assessments allocable to each Lot does not exceed Three Hundred Dollars (\$300.00) in any one fiscal year, the Board may impose the special assessment. Any special assessment which would cause the amount of special assessments allocable to any Lot to exceed this limitation shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5.5. Notice and Quorum for Any Action Authorized Under Article V. Written notice of any meeting called for the purpose of taking an action authorized under Article V shall be sent to all members not less than 15 days nor more than 60 days in advance of the meeting. At the first such meeting called the presence of members or proxies entitled to cast fifty-one percent (51%) of all the votes of each class of membership shall constitute a quorum. The required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 5.6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis, if approved by the Board.

Section 5.7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the day of the day of closing (or conveyance) of each respective Lot. The first annual assessment shall be adjusted according to the number of days remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto, the due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 5.8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 8 percent per annum, plus a monthly late fee established or set by the Board of Directors. The Association may bring an action at law against the Owner, obligated to pay the same, personally, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 5.9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage on a Lot. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 5.10. Right of Owner to Review Books. Any Owner shall, at his own expense, have the right to review or inspect the Association's accounting books or ledgers at the Association's office or at such place where those items are kept in the regular course of business.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 6.1. Architectural Committee. Except for improvements made upon the Property by Declarant or except as otherwise provided under this Declaration, no building, fence wall or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same 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 Association, which is advised by and receives recommendation(s) from an architectural committee composed of two (2) or more representatives appointed by the

Board (the "Committee"). In the event said Board 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.

Approval by the Board is not required for any construction, demolition or renovation affecting only the interior of a dwelling or other structure located upon the property.

The Committee shall meet upon the call of the Chairman, and all meetings shall be held at such place as may be designated by the Chairman. A majority of the members present in person, by telephone and by written proxy shall constitute a quorum for the transaction of business, and the affirmative vote of a majority of those present in person or by proxy at a meeting of the Committee shall constitute the action of the Committee on any matter before it. The role of the Committee is to make a recommendation to the Board in all matters requiring approval of any plan or specification.

The Board shall have the authority to disapprove of any plans and specifications presented to it, or to require modifications thereof before granting approval, for any reason the Board deems objectionable, including purely aesthetic reasons. Should an applicant disagree with the Board's decision, the applicant may schedule a meeting with the Chairman of the Board, or the Chairman's designated agent, in order to identify and address the Board's concern. In unusual situations, a personal presentation to the full Board may be made at the discretion of the Board.

Section 6.2. Definitions. For purposes of this Article VI, the following terms shall have the following meanings unless the context clearly requires a different meaning:

- (a) "accessory building" means every detached garage, carport, tool shed, storage or utility building, well house, guest quarters, detached servants quarters or other similar building constructed on a Lot or incidental thereto which is not a dwelling;
- (b) "buildings" means accessory buildings and dwellings;
- (c) "dwelling" means a building constructed for single-family residential use but excluding servants quarters and guest quarters; and
- (d) "improvements" or "structures" mean buildings, walls, fences, decks, patios, planters, terraces, swimming pools, tennis courts or anything else constructed or placed on a Lot.

Section 6.3. General Guidelines. The placement and construction of improvements on the Lots shall be subject to the following general requirements:

- (a) Every dwelling constructed on a Lot shall contain a minimum of 3000 square feet of fully enclosed, heated and cooled floor space, exclusive of any basement, and every such dwelling shall contain a ground level of a minimum of 2200 square feet of fully enclosed, heated and cooled floor space. If a dwelling incorporates a basement no square footage to meet the requirements shall be included in the basement.
- (b) The Board shall have the right to control absolutely and solely to decide the precise site and location of any structure, improvements and utilities upon all Lots and every Lot within the subdivision; provided, however, that such location shall be determined only after reasonable opportunity is afforded the Owner to recommend a specific site.
- (c) All storage areas and facilities must be screened and hidden from view.
- (d) Unless specifically otherwise approved in writing by the Board, all structures constructed or placed on any Lot shall be built of substantially new materials and no used structures shall be relocated or placed on any such Lot.

(e) All structures approved by the Board must be completed within one (1) year after the receipt of such approval; provided, however, the Board may waive this requirement if construction delays have been caused by strikes, war, fire, acts of God or other events which render the completion of construction within such time impossible.

(f) All driveways, turning areas and parking areas shall be surfaces concrete or approved brick or concrete pavers and must be completed prior to the occupancy of any dwelling on the Lot. If any driveway is to cross a drainage ditch or stream, the Owner will be required to install, at his own expense, all necessary culverts and coverings in compliance with any and all applicable government rule(s) or regulation(s) prior to the commencement of any other construction on the Lot. The installation of a culvert and of any such covering must be approved by the Board. One or two decorative light pole(s) at the entrance of the driveway shall be required for each home.

Section 6.4. Approval of Plans, Specifications, and Construction. In addition to the requirements imposed by all applicable governmental agencies governing the issuance of building permits and certificates of occupancy, no structure shall be erected on any Lot without the approval of the Board as provided in this section.

In order to initiate the Architectural Approval Process, an applicant shall submit to the Committee on the Committee's then current application form, a completed and signed Request for Committee Recommendation together with the non-refundable application fee pursuant to the schedule set forth on the application form, as the same may be revised from time to time.

The Approval Process is a three-step procedure involving Preliminary and Final Approvals and issuance of a Certificate of Compliance when the improvements have been completed in accordance with the Final Approval. If all elements of the proposed project are finalized, the Preliminary and Final Approvals may be requested simultaneously.

(a) Preliminary Approval. In order to obtain Preliminary Approval, site plan, floor plan and elevation drawings are required. A full set of working drawings is recommended but all details are not required at the Preliminary Approval stage. The site plan shall show the location of all exterior walls and the setback therefore to the boundary lines of the lot as well as the location and materials to be used for all decks, walks, drives, courtyards, fences, pools or other improvements to be placed on the lot. The site plan may be 1/8-inch scale drawings. The floor plan should be 1/4 inch scale drawings. Dimensions and details are not required. The elevation drawings shall be final working drawings, and a 1/4 inch scale is preferred but 1/8-inch scale is acceptable at the Preliminary Approval stage.

(b) Final Approval. In order to obtain Final Approval from the Board, a full set of working drawings, and each of the following enumerated items, must be provided to the Committee:

- a. Site Plan (scale 1/8" = 1' or 1" = 30'-0") including:
 - i. Property Lines
 - ii. Access street in front of lot
 - iii. Driveway, walks, patios and swimming pools (indicate color and type of material)
 - iv. Culverts and direction of drainage
 - v. Drainage and grading plan with contours indicating finish grade. Finish grading contours are required where the elevation of the finished floor is three (3) feet or more above the center elevation of the lot.
 - vi. Elevations of lot corners, center of lot, culvert inverts, edge of roadway and proposed finished floor elevations.
 - vii. General location of special features, e.g., trees, drainage, ditches, and easements.
 - viii. Locate any retaining wall or similar structure.

- ix. The location of any structure on adjacent lots, by marking the front and rear corners of these structures.
- b. Roof Plan (may be included in the site plan, if desired). A minimum roof pitch of 8/12 is required. Overall mass, wall to roof will be considered.
- c. Elevation drawings must include all four elevations. Elevations must indicate rough and proposed finished grade elevations, and proposed finished floor elevations. It is suggested that the grade contours be shown by a dotted line. Elevations must be sufficient detail as to depict the exterior design of the structure, its related materials, exterior window and door design and other related detailing (minimum scale $\frac{1}{4}'' = 1'0''$). Overall curb appeal of the elevations must be transitional or traditional in nature, no stark contemporaries.
- d. Floor plan ($\frac{1}{4}'' = 1'0''$ scale) with dimensions required. Dotted line of roof overhang must be on the floor plan.
- e. Detail drawing of:
- Typical wall section.
 - Patio wall section, if appropriate – vertical and horizontal details.
 - Fireplaces and chimneys. Plans that incorporate a wood burning or gas prefab fireplace extending through the roof must utilize brick, stone or stucco chase way. Prefab gas fireplaces are encouraged to be installed so they vent to an exterior perimeter wall so as to be as inconspicuous as possible. Any metal cap must be painted in harmony with the color of the roof or wall.
- f. Specifications: - any specifications that will clarify the plans or related materials. A window and shutter schedule is not required, but is helpful – identified, at least by type and color.
- g. All exterior materials shall be brick, stucco, stone, or cedar shakes. Horizontal or vertical cedar or cement-type siding (such as cemplant) may only be used as an accent in a small amount if per aesthetic reasons it makes sense to do so. All trim, trim boards, soffits, doors or window casings and sash must be wood, vinyl, masonite or other approved materials. Roof shingles shall be full architectural shingles or cedar shakes. Some small roof areas, where appropriate, may be metal. A sample display board is not required but recommended and keyed numerically to the Final Plans so as to show all exterior materials specified with its corresponding color. The intent is to achieve a natural high-end curb appeal with the exterior materials.
- h. Electrical plan noting all exterior lighting and electrical meters may also be shown on the landscaping plan.
- i. Landscaping: Landscaping plan (the "Landscaping Plan") shall be submitted by any initial purchaser of a lot in the Property to the Committee for approval in the sole but reasonable discretion of the Board in accordance with the following procedures. All lawn and landscaping work as set out on an approval plan shall be completed as soon after construction is completed as weather permits, but not later than 210 days subsequent to the substantial completion of construction (as evidenced by the issuance of a Certificate of Occupancy by the municipality), unless approval is granted by the Board to install landscaping in stages.

In determining whether a Landscaping Plan is acceptable, the Committee/Board will determine whether the plan accomplishes the following objectives, taking into account the size, shape, topography and location of the lot and the design of the structural improvements thereon:

1. Beautify
 - A. Soften vertical structures from the horizontal ground plan with foundation plantings of sufficient density and size to cover construction scars and screen the foundation.

- B. Soften impact of corners and broad wall areas with vertical and spreading foliage.
- 2. Screen compressors, meters, parking areas and other hard or unsightly areas.
- 3. Restoration of site damage caused by construction.
- 4. Handle surface water to minimize the impact on adjoining lots and insure that water is moved to the appropriate areas to interface properly with the Property's master drainage plan.
- 5. "Natural" areas may be approved, but owners are cautioned that such areas must be maintained and not left to grow wild.
- 6. Phasing: This approach to landscaping is approvable, however, the initial phase must meet the first three objectives above, especially the sides facing the road.

The landscaping Plan shall show lot number, adjoining lots boundary lines and identification of open areas and natural areas, and shall be drawn at a scale of 1/8, 1/10 or 1/30 inch equals one (1) foot.

Landscaping materials (shrubs, trees, etc.) are to be identified as a specific size to be planted, number, genus, species, and the variety of material used. A schedule of all plant material to be installed must accompany, or be incorporated into, the Landscaping Plan. A color photograph of proposed landscaping would be helpful but not necessary.

All existing and proposed site features such as roads, walks, walls, etc. are to be graphically noted on the Landscaping Plan. All surfacing materials and the colors thereof are to be clearly noted (as to whether they are concrete pavers, flagstone, grass, planting beds, asphalt, etc.). The Landscaping Plan shall also show the location and specifications of all exterior lighting.

A minimum of six inches (6") of runner crush or bank run gravel must be installed on all driveways prior to commencement of framing of any structures.

(c) The Board shall have the absolute and exclusive right to refuse to approve the proposed Plans. In passing upon such Plans and samples, the Board may take into consideration the suitability and desirability of the proposed construction and the proposed materials to the Lot involved, and the harmony of the external design with the natural features and the existing structures of the surrounding neighborhood and the appearance of such proposed improvements as viewed from neighboring Lots. Refusal to approve the proposed Plans may be based by the Board on any grounds, including purely aesthetic considerations. If the Board approves the construction of such improvements, it shall issue a letter evidencing such approval. No alterations in the external appearance of any structure shall be made without approval by the Board as provided herein; provided, however, that no approval by the Board granted hereunder shall constitute or be construed as approval by Declarant or any other person of the structural stability or quality of any structure.

(d) If the Board of Directors deems it desirable to enlist the services of a consulting architect or engineer to advise the Committee/Board in review of the Plans, the Board may require a fee sufficient to pay for such service, which shall be paid in advance by the Owner submitting Plans to the Committee.

(e) Upon completion of approved construction, the Committee/Board shall inspect the construction to insure that the approved Plans and samples were complied with by the Owner. No structure may be occupied or used until the issuance by the Board of a letter of compliance. The letter of compliance shall be issued by the Board without fee; provided, however, that in the event the Committee/Board's first inspection of the construction reveals deviations or deficiencies from the approved Plans and samples, the Board may charge a fee of \$50 for every subsequent inspection which is necessary to insure compliance with the approved Plans and samples. Any such fee must be paid before the issuance of the compliance letter.

(f) No approval of plans, location or specifications and no publication of architectural standards or recommendations shall be construed as representing or implying that any such plans, specifications or standards will, if followed, result in a

properly constructed residence. Such approvals and standards shall in no event be construed as representing, warranting or guaranteeing that any residence or improvement thereto will be built in a good workman like manner or that the plans and specifications with respect thereto shall result in a residence or liable for any defects in any plans or specifications submitted, revised or approved under the restrictive covenants or under the architectural review board procedures, nor shall the Developer or committee members have any responsibility for defects in construction pursuant to any such plans and specifications. Each property owner shall have sole responsibility for compliance with the plans as approved by the Board and agrees to hold the Developer and the Board harmless from any failure thereof caused by property owners, architects or builders.

ARTICLE VII

RULES and REGULATIONS GOVERNING CONSTRUCTION WITHIN PINE CREEK (the "Rules and Regulations")

Section 7.1. Applicability. The Rules and Regulations in this Article shall be followed by all contractors, subcontractors, material suppliers, maintenance personnel and any other engaged in construction or allied activity in Pine Creek. These Regulations are not intended to restrict, penalize or impede construction activity during reasonable performance of duties while within Pine Creek, rather, they will be enforced fairly to achieve the objectives enumerated below and in the Declaration, and facilitate orderly and controlled construction activity preserving the overall quality and appearance of Pine Creek. Violations are subject to assessments and repeated violations may cause for denial of access.

Section 7.2. Construction Equipment. Large equipment transporting trucks, e.g. flat bed trucks, will not be permitted to remain in residential areas overnight. Construction equipment will be allowed to remain on-site, only as required to perform specific work. Contractors shall be held liable for damage to roads, utility infrastructure or landscaping on private property or road right-of-ways. Mud and debris in the road must be removed by the weekend at the responsibility of the builder.

Section 7.3. Construction Hours. Construction within Pine Creek is permitted between the hours of 7:00 A.M. to 8:00 P.M. Monday thru Friday and 8:00A.M. to 5:00 P.M. Saturday and Sunday. Noisy construction such as lot clearing, framing, shingling, and siding is not permitted on Sundays. Quiet work and interior work is permitted as long as there are no complaints regarding loud radios or conduct. NO work is permitted on Christmas Day, New Year's Day, Thanksgiving or Easter.

Section 7.4. Trespassing. All access and work, including storage of materials, location of dumpsters, and toilets etc., must be confined to permitted lots.

Section 7.5. Trash Receptacles. Each residential building site must be provided with a suitable trash receptacle. Building sites must be cleared of liter and construction debris each day and stored in the trash receptacle for removal when full. The dumping of trash is not permitted inside of Pine Creek.

Section 7.6. Hauling of Fill Dirt. Hauling of fill dirt must be accomplished in suitable vehicle equipped only for that purpose. Fill dirt loads must not exceed one (1) foot in height above the side rails of the truck at the center of the load, and the load must be tapered to the sides of the truck rails. Fill dirt will not be hauled on Sundays.

Section 7.7. Portable Toilets. Each lot owner shall furnish a portable toilet within the Subdivision. These toilets will be placed in an inconspicuous location, not closer than 30'-0" from the street or 30'-0" from any adjoining residential property lots, with the door facing away from any view from the adjacent street or house. Clean and sanitary conditions are required for all toilets.

Section 7.8. Signage. Signs shall be of uniform size shape and color as determined by the Committee, and shall comply with the following:

1. Only one sign permitted per site, in addition to lot sign.
2. No signs permitted prior to receiving Plan approval. Signs must be removed upon occupancy or substantial completion.

Section 7.9. Prior to Construction. A gravel driveway with a crushed stone base (6" min.) must be approved from the paved street to the site of actual house construction area. Silt fences must be installed and maintained. The Builder will be required to take preventive measures necessary to control run off to adjacent lots or street right of ways in accordance with Kannapolis City ordinances relating to erosion and siltation control.

Section 7.10. Damage. Builder shall be responsible for any damages to streets, street lights, utility and drainage improvements, including but not limited to, catch basin covers, curbing, water main, sewer lines, drainage pipe and head walls, paving, street markers, gas mains, power and telephone lines resulting from work done by builder, sub-contractors or builders suppliers. Builder shall not, however be responsible for ordinary wear and tear or routine maintenance in respect of such improvements. Subject to the foregoing, Builder hereby assumes full responsibility for the cost of any repair of subdivision improvements which are necessitated by Builder's activities or the activities of its employees or subcontractors in the Development.

Section 7.11. Remedies for Violations of the Rules and Regulations of Pine Creek. In the event any of the Rules and Regulations or other terms, covenants, conditions or restrictions in the Declaration are violated, the Board, upon its own petition, or at the request of any other party, may revoke any and all approvals previously granted for the construction, renovation or demolition on the lot where the violation occurred. In such an event no work may continue until the Board has determined, in its sole but reasonable discretion, that the violation has been remedied and will not occur again. The Board, or any other party benefited by this Declaration may seek any remedy available at law or in equity, including injunctive relief, against a party that violates the Rules and Regulations or the Declaration. A party who is found to have violated the Rules and Regulations or the Declaration by the Board/Committee or by a court of competent jurisdiction, in the event it is necessary for the Board/Committee or a complaining party to seek judicial enforcement of this Declaration, shall be liable for all fees and disbursements, including attorneys fees and disbursements, incurred by the Board/Committee and/or the complaining party resulting from such party's failure to comply with the Rules and Regulations or the other terms, covenants, conditions or restrictions contained in this Declaration.

ARTICLE VIII RESTRICTIONS

Section 8.1. Land Use. All Lots shall be used for residential purposes only and common recreational purposes auxiliary thereto and for no other purpose. Only one family may occupy a Lot as a principal residence at any one time. No structure, except as herein provided, shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single family dwelling, which may include a detached private garage, provided that such building is not used for any activity normally conducted as a business. No group home or dwelling wherein a person is paid for his or her supervisory role is permitted to remain on any Lot. Provided, however, Declarant or his specifically designated agent(s) may maintain a sales office, models and construction office on any Lot until all Lots have been sold.

Section 8.2. Governmental Regulations. Each owner shall observe all governmental building codes, health regulations, zoning restrictions and other regulations applicable to this Lot.

Section 8.3. Nuisance. No noxious or offensive activity shall be conducted upon any Lot or in any dwelling nor shall anything be done thereon or therein which may be or may become an annoyance or nuisance to the neighborhood.

Section 8.4. 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 common household pets may be kept or maintained provided they are not kept or maintained for commercial purposes. Not more than four (4) domestic animals shall be kept upon any residential premises at any time. All dogs must be kept on a leash when they are outside the owner's property and must not become a nuisance to other owners by barking or other acts.

Section 8.5. Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other building shall be used on any lot at any time as a residence, either temporarily, or permanently, except equipment, used by the contractors for the development of said tract. No batting cages shall be placed upon any lot.

Section 8.6. Tanks. No exposed above ground water or fuel tanks will be permitted to be located on any Lot.

Section 8.7. Machinery and Satellite Receivers. No machinery shall be placed or operated upon any Lot except such machinery as is customarily used in the maintenance of a private residence or as may be located indoors and used in the pursuit of any home hobby. No television antennas, satellite dishes larger than (18") shall be placed upon any Lot. All permitted satellite dishes shall be placed on the roof of the respective dwelling and placed in a manner so that no such satellite dish is visible from the front of a dwelling by a person standing on the ground at a point that is perpendicular to the front door of the dwelling.

Section 8.8. Leasing. Lots may be leased for residential purposes. However, no building on any Lot may be leased except in accordance with rules and regulations promulgated by the Association.

Section 8.9. Utilities. All residential utility service lines to the Lots shall be underground; provided, however, that this restriction shall not be construed to prohibit the installation or construction of one or more central utility service relay towers in the event such is deemed necessary in the Board's sole discretion. Further, certain amenities such as utilities transformers, trash containers, mailboxes, lighting facilities, utilities meters, drainage pipes, ditches and swales, storm drains and easements may be located and maintained on the Lots (even though they may serve other Lots) and the Association and others benefiting from such items shall have non-exclusive easements over the Lots for the installation, maintenance and use of the same.

Section 8.10. Mailboxes. No mailboxes may be placed upon any Lot or attached to any structure unless required by the U.S. Postal Service except as originally installed by Declarant. Declarant will install one (1) mailbox for each Lot prior to receiving Certificate of Occupancy for that Lot. Each Owner will be required to notify the Declarant forty-five (45) days prior to Certificate of Occupancy to arrange for installation. After installation, all damages to the mailbox intentionally or negligently caused by any Owner, his family, guests, agents, servants, lessees, employees or contractors shall be promptly repaired or replaced by such Owner at his sole cost and expense. It is the Owner's responsibility to maintain the mailbox. All mailboxes shall be of a type consistent with the character of the Development and shall be placed and maintained to compliment the houses in the neighborhood. Prior to second installation Owner is to receive written approval by the Board of Directors of the Association.

Section 8.11. Use of Common Area. The Common Area shall not be used in any manner except as shall be approved or specifically permitted by the Association. All damages to the Common Areas intentionally or negligently caused by any Owner, his family, guests, agents, servants, lessees, employees or contractors shall be promptly repaired by such Owner at his sole cost and expense.

Section 8.12. Access to Lots. The Association, its agents or employees shall have access to each Lot 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, or facilities situated upon such Lot which serve another Owner's Lot. 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 or another Lot.

Section 8.13. Clothes Drying. No drying or airing of any clothing or bedding shall be permitted outdoors on any Lot or in any other unenclosed area (including porches and patios) within the Property, except bathing suites or towels around a swimming pool.

Section 8.14. Signs. No signs or other advertising devices shall be displayed upon any Lot or the Common Area, or the facilities thereon, without prior written permission of the Board of Directors of the Association. Declarant and/or Owner, however, may post temporary for sale signs on the Property until 60 days after such time as all Lots owned by the Declarant have been sold. Thereafter, no signs shall be permitted in or on the Property or any Lot or improvement within the Property excepting one "For Sale" or "For Rent" sign per Lot, such sign not larger than 2.5 feet by 2.5 feet.

Section 8.15. Garbage Disposal. Unless otherwise provided herein, all garbage shall be stored within the residence of each Owner and no Owner may change or supplement the garbage disposal facilities (if any) provided for such Owner's residence on the date of completion of construction thereof unless the Board of Directors of the Association shall first approve in writing the change or addition to the method of storage. It is provided, however, that if the public health authorities, or other public agency, shall require a specific method of garbage disposal, nothing herein contained shall prevent the compliance by Owners with public rules and regulations.

Section 8.16. Owner Maintenance. Each Owner shall keep and maintain all of the land and buildings owned by such Owner in good condition and repair, including, but not limited to, the repairing, staining or painting, (or other appropriate external care) of all buildings, fences and improvements; the seeding, watering, mowing of all lawns; the pruning and trimming of all trees, hedges, shrubbery, and other plantings so that the same are not detrimental to adjoining Lots, obstructive of street traffic, or unattractive in appearance. Each Lot Owner shall maintain all lawns, shrubbery and trees in the street right-of-way adjacent to such Owner's Lot.

Section 8.17. Additions. Any additions or substantial alterations to improvements, including alteration to the exterior of residential improvements and garages, must be approved in writing by the Board of Directors of the Association. No owner may change the color of his residence or garage or repaint same in a color other than its original color without prior approval of the Board of the Association.

Section 8.18. Vehicles and Parking. There shall be no parking on any street, public or private, except where specifically designated by the Association. Parking is permitted in conjunction with each Lot only within the driveway serving said Lot. No boat, motor home, travel trailer or other recreational vehicle or commercial vehicle may be stored or parked overnight on any Lot without first written approval from the Board of Directors of the Association. Any recreational vehicle must be garaged if left on the property overnight, unless otherwise approved by the Board.

Section 8.19. Reconstruction. Any building on any Lot which is destroyed in whole or in part by fire, windstorm, flood or other Act of God must be rebuilt, and all debris from such building removed and the Lot restored to the reasonable promptness. Specifically, any such reconstruction must be commenced within six (6) months from the date of such destruction or if no reconstruction is to occur, then all such debris must be removed and the Lot restored to its prior condition within six (6) months of such destruction.

Section 8.20. Subdivision. No Lot shall be subdivided or its boundary lines changed without the written consent of the Declarant. However, the Declarant hereby expressly reserves to itself, its successors and assigns, the right to replat any two (2) or more Lots shown on the Maps of the development provided that no Lot originally shown on any Map is reduced by more than 20% of its original size.

Section 8.21. Hazardous Activities. Nothing shall be done or kept on any Lot or in the Common Area which will increase the rate of insurance for the Common Area or any Lot without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept on his Lot or in the Common Area which would result in the cancellation of insurance on any part of the Common Area, or which would be in violation of any law.

Section 8.22. Regulations. Reasonable regulations governing the use of the Common Area and external appearance of all structures erected on the Lots may be made and amended from time to time by the Board of Directors of the Association. Copies of such regulations and amendments thereto shall be furnished to each Member by the Association upon request at a charge determined by the Board to the Member.

Section 8.23. Enforcement. Enforcement of the terms, covenants, conditions or restrictions contained in this Declaration shall be by proceedings at law, or in equity, against any person(s) or entity violating or attempting to violate any of such terms, covenants, conditions, or restrictions contained in this Declaration, either to restrain or enjoin such violation or to recover damages for said violation. The owner of any lot that is found to have violated or attempted to violate said terms, covenants, conditions, and/or restrictions, shall be liable for all costs, including reasonable attorney's fees incurred by the Declarant or the owner of any portion of the Property to enforce this Declaration, regardless of whether such enforcement measures include the commencement of litigation or not. In addition, any party determined by the Board of Directors to be in violation of the terms, conditions, covenants or restriction contained in this Declaration may be liable to the Board of Directors in the amount of One Hundred Fifty and 00/100 Dollars (\$150.00) per day per violation for each day or part of a day that such violation shall exist. Such charge shall compensate the Board of Directors for the administrative costs of monitoring any violation(s) and enforcing this Declaration. Any party acquiring an interest in all or part of the Property consents to the assessment of the aforesaid administrative fee not as a penalty but as a reasonable estimate of the costs to be incurred by the Board of Directors as the result of a violation of this Declaration, it being extremely difficult and impractical to ascertain the exact costs of a violation but beneficial to the Board of Directors and the owners of the said Property to know the consequences of a violation of this Declaration in advance of any such violation.

Section 8.24. Repair Work. No extensive repair work, including but not limited to, the dismantling of any motor vehicle, boat or machine of any kind, shall be permitted outdoors on any lot.

Section 8.25. Lights. The use of high intensity light sources shall be controlled so that the neighboring properties, and the vision of drivers of moving vehicles shall not be adversely affected by any glare or excessive light.

Section 8.26. Fences or Enclosures, Mailboxes. No hedge, fence, wall or any other form of an enclosure (other than a permanent wall commonly termed a retaining wall) shall be erected, placed or permitted to remain upon that portion of any lot in the Property which lies between the front line of the main building erected on such lot and the road line, except spindle aluminum or wrought iron fencing not more than five (5) feet in height or a decorative stone wall. Any fence constructed on a lot shall be of wood, aluminum, vinyl or wrought iron with no wire or chain-link fences being permitted, except for the perimeter of approved tennis courts or dog runs. The height, color, style and material for all fences and security gates shall be subject to the approval of the Board.

Section 8.26. Wetlands. A portion of Lot(s) 4, 29, 30, 38 and 39 has been determined to meet the requirements for designation as a regulatory wetland. Any subsequent fill or alteration of this wetland shall conform to the requirements of the state wetland rules adopted by the State of North Carolina in force at the time of the proposed alteration. The intent of this provision is to prevent additional wetland fill, so the property owner should not assume that a future application for fill would be approved. The property owner shall report the name of the subdivision in any application pertaining to said wetland rules. This covenant is intended to ensure continued compliance with wetland

rules adopted by the State of North Carolina and, therefore, benefits may be enforced by the State of North Carolina. This covenant is to run with the land and shall be binding on all Parties and all persons claiming under them.

ARTICLE IX EASEMENTS

Section 9.1. Easements Reserved by Declarant. Declarant reserves easements for the installation and maintenance of driveways, walkways, parking areas, water lines, telephone and electric power lines, cable television lines, sanitary sewer and storm drainage facilities, pumping and lift stations, drainage ditches and for other utility installations over the Property and Common Area. Each Owner, by his acceptance of a deed to a Lot, and the Association by its acceptance of a deed to the Common Area, acknowledges such reservation and the right of Declarant to transfer such easements to the Association or to such utility companies as Declarant may choose. The easements reserved by the Declarant include the right to cut any trees, bushes or shrubbery, make any grading of the soil, or take any similar action reasonably necessary to provide economical utility installation and to maintain the overall appearance of the Development.

Certain easements reserved by the Declarant and the Association for the benefit of themselves and others are shown on the Maps. Declarant further reserves the right to locate wells, pumping stations, lift stations and tanks and other items as prescribed above within any Common Areas or any residential Lot designated for such use on any Map or upon any Lot adjacent to such designed Lot with the permission of the Owner of such adjacent Lot.

Declarant reserves the right and easement to erect permanent walls on the Common Area and Lots (other than areas of the Lots upon which buildings are constructed) for the purposes of providing screening, privacy, decoration, retainage and topographical stability in connection with the overall plan and development of the properties and the various Lots located thereon.

Within any such easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation or use of 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, or which may otherwise interfere with the enjoyment of the easements for their intended purpose(s). In addition, the Declarant and the Association shall have the continuing right and easement to maintain all sewer and water lines located on the Lots, including the right to go into dwellings and disturb the structure and floors thereof in order to maintain those lines located within or under said dwelling.

In addition, Declarant hereby reserves for itself, its employees, agents, and successors and assigns such easements over the Common Area for purposes of temporarily storing construction equipment for the construction of improvements on adjacent or contiguous property owned by Declarant.

Section 9.2. Easements Reserved for the Association. The Association is hereby granted an exclusive easement for the purpose of maintenance and landscaping all of the Common Area. The amount, manner and maintenance of said landscaping shall be in the Association's absolute discretion.

The Association is hereby granted an easement for the installation and maintenance of utilities (including transformers) and other commonly beneficial amenities including, without limitation, mailboxes, trash containers and area lighting.

Section 9.3. Encroachments. Each Owner of a Lot with an exterior wall, roof, or eave, including overhangs, a fence, concrete walk or concrete patio which encroaches on the Common Area owned by the Association and/or the unimproved portion of a Lot of

another Lot Owner shall have an easement over that portion of the Common Area or adjacent Lot affected by the encroaching wall, roof, eave, fence, walk or patio for the purpose of using said portion of the Common Area or adjacent Lot for his own benefit and for the purpose of maintaining the encroaching structure in good condition and repair. In the event of a wall, roof, eave and/or fence encroachment, it shall be the responsibility of the Owner thereof to maintain the encroaching wall, roof, eave and/or fence in good condition and repair unless said responsibility is that of the Association as is provided in this Declaration. Notwithstanding any of the above, this provision does not authorize any encroachments except those, which exist by virtue of original construction by the Declarant or with Declarant's express approval.

ARTICLE X INSURANCE

Section 10.1. Individual Lot Owners. Each Owner shall secure and maintain in full force and effect, at such Owner's expense, one or more insurance policies insuring Owner's Lot and the improvements thereon for the full replacement value thereof against loss of damage from all hazards and risks normally covered by a standard "extended coverage" insurance policy, including fire and lightning, vandalism and malicious mischief.

Each Owner, at Owner's expense, shall secure and maintain in full force and effect, comprehensive personal liability insurance for damage to personal property of others occurring on Owner's Lot, any other Lot, or upon the Common Area, in an amount not less than the amount designated by the Association. Owner shall provide the Association with satisfactory evidence (such as a certificate of coverage naming the Association) that the Association will be given thirty (30) days notice prior to the expiration or cancellation of any Owner's insurance coverage. In the event Owner fails or refuses to maintain such insurance coverage as herein required, the Association may, but shall not be obligated to, through its agent or representative, secure and maintain such insurance coverage for Owner's benefit, and the cost or expense thereof shall be deemed a special assessment levied by the Association against Owner and Owner's Lot in accordance with the provisions of this Declaration, and Owner covenants and agrees to pay to the Association such special assessment upon demand.

This insurance provision may be modified or amended to substitute one comprehensive insurance policy covering all Lots provided the approval of a majority of the Owners is obtained and approved by seventy-five percent (75%) of the owners and holders of first deeds of trust on the Lots is obtained. Such approvals shall be in writing but need not be acknowledged and shall be attached to an amendment to this Declaration, which amendment shall be executed only by the Association and recorded in the Cabarrus County Public Registry.

Section 10.2. Board of Directors. The Board of Directors shall obtain and maintain at all times insurance on the Property of the type and kind and in no less than the amounts set forth below:

(a) Fire. All improvements and all fixtures and personal property included in the Common Area and all personal property and supplies belonging to the Association shall be insured in an amount equal to 100% of the current replacement cost (exclusive of land, foundation, excavation and other normally excluded items) as determined annually by the Board of Directors with the assistance of the insurance company providing coverage. The Board of Directors shall, at least annually, review the insurance coverage required herein and determine 100% of the current replacement cost of such improvements and fixtures and personal property and supplies. Such coverage shall provide protection against loss or damage by fire or other hazards covered by a standard extended coverage endorsement, windstorm and water damage, explosion and boiler damage, vandalism and malicious damage and all perils covered by a standard "all risk" endorsement. All such policies shall prove that adjustment of loss shall be made by the Board of Directors. In addition to the provisions and endorsements set forth in this Article, the fire and casualty insurance described herein shall contain the following provision:

- (i) a waiver by the insurer of its right to repair and reconstruct instead of paying cash;
- (ii) standard "Agreed Amount" and "Inflation Guard" endorsements;
- (iii) construction code endorsements if the Common Area becomes subject to a construction code provision which would require changes to undamaged portions of any building thereby imposing significant costs in the event of partial destruction of such building by an insured peril;
- (iv) a waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent or employee of the Association, the Owners and their employees, agents, tenants and invitees;
- (v) a provision that the coverage will not be prejudiced by act or neglect of one or more Owners when said act or neglect is not within the control of the Association or by any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control; and
- (vi) steam boiler coverage, if applicable.

The fire and casualty insurance policy shall not contain (and the insurance shall not be placed with companies whose charters or bylaws contain) provisions whereby: (1) contributions or assessments may be made against the Association, the Owners or the Mortgagees; (2) loss payments are contingent upon action by the carrier's, directors, policy holders or members; and (3) there are limiting clauses (other than insurance conditions) which could prevent Owners or Mortgagees from collecting the proceeds.

ARTICLE XI

GENERAL PROVISIONS

Section 11.1. Duration. This Declaration and the controls, covenants, restrictions and standards set forth herein shall run with and bind the Lots, and shall inure to the benefit of every Owner of a Lot within the Property and every Owner of any other portion of the Property, the Association, Declarant, and their respective heirs, successors, and assigns, for a term of thirty (30) years beginning on the date this Declaration is recorded in the Office of the Registry of Deeds of Cabarrus County, North Carolina. At the end of such thirty (30) year period, the easements, covenants, conditions and restrictions herein shall automatically be extended for successive period(s) of ten (10) additional years; unless prior to the expiration of a respective period, by ninety percent (90%) vote of the Owners of Lots, there shall be adopted a resolution to terminate these covenants and restrictions; provided, however, that any termination of any or all provisions of this Declaration must be consented to by Declarant so long as Declarant is the owner of any Lot. Owners may vote in person or by proxy at a meeting duly called for such purpose, written notice of which shall have been sent to all Owners at least thirty (30) days in advance of the date of such meeting, which notice shall set forth the purpose of such meeting. The foregoing shall not limit the right of Declarant to amend and/or supersede, in whole or in part, the terms and provisions hereof, as such right in favor of Declarant is described herein.

Section 11.2. Amendment. Subject to the limitations hereinafter contained, this Declaration may be amended or modified at any time by the consent of the Owner or Owners of no less than sixty-seven (67%) of the Lots, provided, however, that any amendment or modification to this Declaration must be consented to by Declarant so long as Declarant is the Owner of any Lot, which consent Declarant may grant or withhold in its sole discretion. In addition, Declarant may make amendments or modifications hereto which are correctional in nature only and do not involve a change which materially affects the rights, duties or obligations specified herein without obtaining the approval of any Owner or Owners other than Declarant. Any amendment or modification effected pursuant to this Section 2 shall become effective when an instrument setting forth such amendment or modification is duly filed for record in the Office of the Register of Deeds of Cabarrus County, North Carolina. In addition to the foregoing rights, Declarant may, at Declarant's option, amend and modify this Declaration without obtaining the consent or approval of any other person or entity if such amendment or modification is necessary to cause this Declaration to comply with the requirements of FHA, VA, the Federal National Mortgage Association or other similar agency.

Section 11.3. Enforcement. The Association, Declarant or any Owner shall have the right, but not the obligation, on its own behalf or on behalf of others, to enforce the provisions of this Declaration. Enforcement of the controls, covenants, conditions, restrictions and easements for which provision is made in this Declaration shall be by any proceeding at law or in equity (or otherwise, as provided in this Declaration) against any person or persons violating or attempting to violate any such control, covenant, condition, restriction or easement, either to restrain such violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the, Association, Declarant or any Owner to enforce any such control, covenant, condition, restriction or easement shall in no event be deemed a waiver of the right to do so thereafter or of any other or future violation thereof.

Section 11.4. Severability of Provisions. If any paragraph, section, sentence, clause or phrase of this Declaration shall be or become illegal, null or void for any reason or shall be held by any court of competent jurisdiction to be illegal, null or void, the remaining paragraphs, sections, sentences, clauses or phrases of this Declaration shall continue in full force and effect and shall not be affected thereby. It is hereby declared that the remaining paragraphs, sections, sentences, clauses and phrases would have been and are imposed irrespective of the fact that any one or more other paragraphs, sections, sentences, clauses or phrases shall become or be illegal, null or void.

Section 11.5. Notice. Except as otherwise set forth herein expressly, whenever written notice to an Owner (including Declarant) is required hereunder, such notice shall be given by the mailing of same, postage prepaid, to the address of such Owner appearing on the records of Declarant or the Association. If notice is given in such manner, such notice shall be conclusively deemed to have been given by placing same in the United States mail properly addressed, with postage prepaid, whether received by the addressee or not.

Section 11.6. Titles. The titles, headings and captions which have been used throughout this Declaration are for convenience only and are not to be used in construing this Declaration or any part thereof.

Section 11.7. No Exemption. No Owner or other party may exempt himself from the coverage hereof or obligations imposed hereby by non-use of such Owner's Lot(s).

Section 11.8. Changes to Plans for Project. Nothing contained herein shall be deemed to incorporate, by reference or otherwise, any plans or proposals promulgated by Declarant with respect to the development of the Project, and Declarant reserves the right to change any plans, uses and densities for the Project at any time and from time to time as Declarant may determine to be necessary based upon Declarant's continuing research and design program and/or market conditions, and Declarant's plans for the Project shall not bind Declarant or its successors and assigns to adhere to such plans in the development of the Lots or any part thereof.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by its members hereunto duly authorized on the day and year first above written.

PINE CREEK DEVELOPERS, LLC,
A North Carolina limited Liability Company

By: *David O'Bryan*
David O'Bryan, Member/Manager

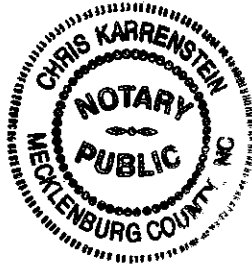
By: *Kenneth Lingafelt*
Kenneth Lingafelt, Member/Manager

NORTH CAROLINA
COUNTY OF MECKLENBURG

I, the undersigned, a Notary Public of the State and County aforesaid, herby certify that David O'Bryan and Kenneth Lingafelt, Members/Managers of Pine Creek Developers, LLC, personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal, this 30th day of July, 2002.

My Commission Expires: 6-16-03

[Signature]
Notary Public



NORTH CAROLINA - CABARRUS COUNTY

The foregoing (or annexed) certificate(s) of *Chris Karrenstein*, a notary public, is (are) certified to be correct. This the 13th day of September, 2002.

LINDA F. M^cABEE, REGISTER OF DEEDS
by: *Linda F. M^cAbbee* Asst./Deputy

EXHIBIT A
Property Description For
Declaration of Covenants, Conditions and Restrictions For Pine Creek

TRACT ONE: BEGINNING at a point in the center right-of-way of Trinity Church Road (State Road #1622), south of Barr Road (State Road #1621), said point being the westernmost common corner of Leonard E. Stogner, Jr. and wife, Rachel S. Stogner, as recorded in Book 1323, Page 141, Cabarrus County Public Registry, and Beverly A. Kee as recorded in Book 489, Page 321, Cabarrus County Public Registry, and moving thence North 50-04-12 East 800.00 feet to an existing iron pipe, passing an existing iron pipe at 30.16 feet; thence North 80-04-12 East 300.00 feet to an existing iron pipe; thence North 23-20-00 West 630.90 feet to an existing iron pipe; thence North 09-32-25 West 287.67 feet to an existing iron pipe; thence North 10-02-14 West 331.84 feet to an existing iron pipe; thence North 10-01-51 West 338.94 feet to an existing iron pipe; thence North 09-59-21 West 323.57 to a southwesternmost common point with Lot 36 of Mountain Vine, Phase 2, Map 2, Subdivision, as recorded in Map Book 30, Page 2, Cabarrus County Public Registry; thence with the line of said Lot 36 North 73-15-17 East 113.15 feet to an existing iron pipe, the westernmost common corner of Lots 36 and 35 Mountain Vine, Phase 2, Map 2, Subdivision, as recorded in Map Book 30, Page 2, Cabarrus County Public Registry; thence South 45-29-26 East 671.38 feet to a new iron pipe; thence North 49-38-20 East 285.01 feet to an existing iron pipe; thence North 50-06-48 East 299.99 feet to an existing iron pipe; thence North 47-54-08 East 77.67 feet to an existing iron pipe; thence North 47-23-02 East 195.48 feet to an existing iron pipe; thence North 47-31-22 East 249.79 feet to an existing iron pipe; thence North 47-25-42 East 215.93 feet to an existing iron pipe; thence North 47-26-05 East 523.35 feet to an existing iron pipe; thence South 05-00-00 West 1760.23 feet to an existing stone, passing an existing iron pipe at 1098.23 feet; thence South 71-44-20 East 313.54 feet to an existing iron pipe; thence South 11-36-09 West 45.96 feet to an existing iron pipe; thence South 75-37-43 West 376.22 feet to an existing iron pipe; thence South 08-03-01 West 381.99 feet to an existing iron pipe; thence South 77-39-51 West 567.43 feet to an existing iron pipe; thence South 35-28-05 East 459.71 feet to an existing iron pipe; thence South 51-52-36 West 525.68 feet to an existing iron pipe; thence North 22-55-06 West 227.40 feet to an existing iron pipe; thence North 47-41-29 West 179.88 feet to an existing iron pipe; thence South 51-52-44 West 182.39 feet to a new iron pipe; thence North 23-20-00 West 304.64 feet to a new iron pipe; thence South 80-04-12 West 298.22 feet to a new iron pipe; thence South 50-04-12 West 793.32 feet to a point in the center right-of-way of Trinity Church Road, passing a new iron pipe at 764.15 feet; thence North 31-01-31 West 60.73 feet to the point and place of BEGINNING, containing 76.9391 acres, more or less, according to a survey for Leonard E. Stogner, Jr., and wife, Rachel S. Stogner, by Michael J. Lucas, RLS, dated April 13, 1999, reference to which is hereby made for a more complete description.

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TRACT THREE: BEGINNING at an existing ½ inch rebar located in the eastern margin of Trinity Church Road (S.R. #1622), said rebar marking the common westernmost corner of the property of Beverly A. Kee as described in Deed Book 489 at Page 321, Cabarrus County Public Registry, and Leonard E. Stogner as described in Deed Book 1323 at Page 141, Cabarrus County Public Registry, and moving thence with the margin of Trinity Church road North 30-02-42 West 64.02 feet to a set ½ inch rebar; thence North 59-53-58 East 281.47 feet to a set ½ inch rebar; thence North 57-32-19 East 113.27 feet to a set ½ inch rebar; thence South 50-01-40 West 400.63 feet to the point and place of BEGINNING, containing 0.2749 acres, more or less, according to a boundary survey by Rodrick A. Sutton, NCRLS, dated January 24, 2001, reference to which is hereby made for a more complete description.