

FOR REGISTRATION JUDITH A. GIBSON
REGISTER OF DEEDS
MECKLENBURG COUNTY, NC
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DECLARATION OF COVENANTS AND RESTRICTIONS
FOR PARK PLACE AT DAVIDSON SUBDIVISION
BY RIVER RUN LIMITED PARTNERSHIP

WITNESSETH:

WHEREAS, RIVER RUN LIMITED PARTNERSHIP, herein called the "Declarant", is the fee simple owner of certain real property located in the Town of Davidson, Mecklenburg County, North Carolina, and desires to establish on a portion thereof a residential community consisting of single-family residential dwellings to be known as PARK PLACE AT DAVIDSON SUBDIVISION, and further desires that said property be used, developed, maintained and managed for the benefit and welfare of owners of property in Park Place at Davidson Subdivision; and

WHEREAS, Declarant desires to insure the attractiveness of Park Place at Davidson Subdivision and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of all properties within Park Place at Davidson Subdivision and to provide for the maintenance and upkeep of all common areas in Park Place at Davidson Subdivision. To this end the Declarant desires to subject the real property described herein, together with such additions as may hereafter be made thereto, to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Declarant further desires to create an organization to which will be delegated and assigned the powers of owning, maintaining and administering the common area in Park Place at Davidson Subdivision, administering and enforcing the covenants and restrictions contained herein, and collecting and disbursing the assessments and charges hereinafter created in order to efficiently preserve, protect and enhance the values and amenities in Park Place at Davidson Subdivision to insure the

Prepared by and mail to:

Richard J. Kline
Post Office Box 1508
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residents' enjoyment of the specific rights, privileges and easements in the common area, and to provide for the maintenance and upkeep of the common area.

NOW, THEREFORE, in consideration of the premises, the Declarant hereby declares that all of the property hereafter described on Exhibit A hereto annexed or that property that hereafter may be made subject to this Declaration of Covenants and Restrictions (hereinafter called the "Restrictions") is and shall be held, transferred, sold, conveyed, occupied and used subject to the restrictions and matters hereinafter set forth, said Restrictions and matters to be construed as covenants running with the land which shall be binding on all parties having or acquiring any right, title or interest in the described property, or any part thereof, and which shall inure to the benefit of each owner thereof, for and during the time hereinafter specified. Every party hereafter acquiring any lot, or portion thereof, in the described properties, by acceptance of a deed conveying title thereto or by execution of a contract for the purchase thereof, whether from the Declarant or a subsequent owner of such lot, shall accept such deed or contract subject to each and all of the covenants, restrictions and agreements contained within these Restrictions, as well as any additions or amendments hereto, and also subject to the jurisdiction, rights and powers of the Declarant, Park Place at Davidson Property Owners Association, Inc., and their successors and assigns. Each grantee of any Lot subject to these Restrictions, by accepting the deed or contract thereto, shall, for himself, his heirs, personal representatives, successors and assigns, covenant, consent and agree to and with the Declarant, the Association, and with grantees and subsequent owners of each of the Lots within the Subdivision to keep, observe, comply with and perform said Restrictions and agreements.

ARTICLE I

DEFINITIONS

"Association" shall mean and refer to the Park Place at Davidson Property Owners Association, Inc., a non-profit corporation organized under the laws of the State of North Carolina, its successors and assigns.

"Builder" shall mean and refer to a licensed contractor who engages in the construction of houses and other Improvements on a Lot.

"Common Areas" shall mean and refer to any and all real property owned or held by the Association and all streets and roads after the initial construction thereof (reserving the option to defer the final layer of asphalt until the roads are otherwise acceptable for public maintenance) by Declarant and prior to the maintenance thereof by the Town of Davidson or other governmental body, improvements located within the Common Areas (including decorative street lights), and other common areas located within the Development which are designated on the Plat as Common Areas or which are designated in a recorded instrument as Common Areas. Common Areas shall include, but not be limited to, "Common Elements" as defined in the PCA.

"Declarant" shall mean and refer to the Declarant herein, River Run Limited Partnership, its successors or designated assigns.

"Development" or "Park Place at Davidson Subdivision" shall mean the Property described on Exhibit A hereto annexed, and any additional land which is made subject to these Restrictions by amendment or supplemental filings, divided or to be divided into Lots, roads and Common Areas.

"Lot" shall mean and refer to (a) any plot of land identified as a lot on Exhibit A attached hereto, or on any deed or contract of conveyance of any portion of the Property from the Declarant; and (b) any numbered plot of land shown on the Plat or any part thereof.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot as herein defined, excluding however, those parties having such interest merely as a security interest for the performance of an obligation.

"PCA" shall mean the North Carolina Planned Community Act, codified as Chapter 47F of the North Carolina General Statutes, as amended or supplemented.

"Plat" shall mean the recorded subdivision map of the Property or any portion thereof.

"Property" shall mean that real property described on Exhibit A hereto annexed, together with any additional real property which is made subject to these Restrictions.

ARTICLE II

PROPERTY SUBJECT TO RESTRICTIONS AND ADDITIONS THERETO

1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to these Restrictions is located in the Town of Davidson, Mecklenburg County, North Carolina, and is more particularly described on Exhibit A hereto annexed.

2. Additional Property. The Declarant reserves the absolute right, exercisable in its sole discretion from time to time, to add other property to the Development, and to subject such additional property to the terms of these Restrictions. Such additions shall be made in order to extend the scheme of these Restrictions to other real property that may be developed as part of the Development, and to bring such additional property within the jurisdiction of the Association. Such additions shall be made by filing of record a Supplemental Declaration of Covenants and Restrictions, which shall identify the real property to be included and shall incorporate these Restrictions by reference.

3. Excluded Property. No property of Declarant shall be subject to these restrictions except that property made subject thereto as herein provided. No property of Declarant shall be subject to any restrictions by implication arising from Declarant imposing these restrictions on the property herein identified.

ARTICLE III

COMMON AREA PROPERTY RIGHTS

1. Private Areas. Every Common Area within the Development is a private area, and neither the execution nor recording of any plat nor any other act of the Declarant or Declarant's successor in title to all or any portion of the Development is, or is intended to be, or shall be construed as, a dedication to the public of any Common Area, except those that hereafter may be dedicated by a specific written and recorded deed or agreement of dedication.

2. Reservation of Easements. So long as Declarant owns fee simple title to such, the Declarant reserves for itself the right to dedicate or transfer any streets or other parts of the Common Area to any public agency, authority or utility if it so desires. The Declarant also reserves for itself and, subsequent to the conveyance of the Common Area to the Association, for the Association, the right to grant and reserve easements and rights of way through, under, over and across the Development for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, cable vision and other utilities. This reservation shall not apply to Lots in the Development except for easements within such Lots shown on any recorded plat of the Development or any part thereof or as reserved in Article IX hereof or as created or reserved by subsequent written agreement.

3. Ownership of Common Areas. The ownership of all Common Areas within the Development shall be in the Declarant until such time as the Declarant may convey such area or areas to the Association or some other party.

4. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the limitations set forth in these Restrictions and the Articles of Incorporation and Bylaws of the Association as to the following:

a. The right of the Association to limit use of the Common Areas to Owners, their families and guests and to adopt reasonable rules and regulations governing the use of the Common Areas, which may include prohibiting any use which may constitute a nuisance or annoyance to the Owners.

b. The right of the Association to suspend the use of the Common Areas (except the roads) by an Owner, after notice and an opportunity for hearing, for

any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

c. The right of the Association to grant easements in the Common Areas, or to dedicate or transfer all or any part of the roads or Common Areas to any public agency, authority, or utility for public purposes, subject to such conditions as may be agreed to by the membership.

ARTICLE IV

HOMEOWNER'S ASSOCIATION

ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

1. **Administration of Common Areas.** The administration of the Common Areas, including maintenance, repair, and upkeep of the Common Areas, including the acts required by these Restrictions, the Bylaws, and Articles of Incorporation of the Association, shall be performed by the Association. Any road which is wholly within a Lot, and which does not serve as access to another Lot, shall not be maintained by the Association.

2. **Rules and Regulations.** The Association may also adopt and enforce rules and regulations not inconsistent with these Restrictions, the Articles of Incorporation or Bylaws of the Association and the PCA, for the operation and administration of the Association and its property.

3. **Membership.** Every Owner, including Declarant, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot, and shall be transferred automatically when the Owner conveys, devises, gives or otherwise transfers his Lot, even though such conveyance, devise or gift does not make mention of the membership rights of the Association. Such membership is not intended to apply to those persons or entities who hold an interest in any Lot merely as security for the performance of an obligation to pay money, e.g., mortgages or deeds of trust; however, if such secured party should realize upon his security and become the fee owner of a Lot, he and his assigns of the Lot will then be subject to all the requirements and limitations imposed in these Restrictions on owners of Lots within the Development and on members of the Association, including those provisions with respect to payment of annual charges.

4. **Voting Rights.** The voting rights of the membership shall be appurtenant to Lot ownership. All members shall be entitled to one (1) vote for each Lot owned. When more than one (1) person or entity holds an interest in any Lot, all such persons or entities shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot, nor shall any vote be fractionalized.

5. Borrowing. The Association shall possess the right, pursuant to the PCA and as provided in the Bylaws, to borrow money for the purpose of improving the Common Areas and to mortgage any portions of the Common Areas necessary to secure loans for such improvements; provided, however, that no such borrowing or mortgaging shall be done without the written agreement of Owners entitled to cast eighty (80%) percent of the votes in the Association.

6. Default by Owner. During any period in which an Owner shall be in default in the payment of any annual, special or other assessment levied by the Association, his right to vote and all other rights and incidents of membership in the Association may be suspended by the Board of Directors until such assessment is paid. A member's voting and use rights may also be suspended for violation of the Association's published rules and regulations. Prior to any suspension for such violation, the Board of Directors (or an adjudicatory panel appointed by it) shall conduct a hearing regarding the alleged violation after giving the accused member at least ten (10) days prior written notice specifying each alleged violation and setting the time, place and date of the hearing. At the hearing, the accused member shall have the right to call and question witnesses as well as any opposing witnesses. A determination of violation as well as the terms of any suspension shall be made only by a majority vote of the Board or its duly appointed adjudicatory panel.

7. Entry by Association. The Association also reserves the right to direct its agents and employees to enter upon the Lot of any Association member for the purpose of repairing, maintaining or restoring the Lot or exteriors of any buildings or improvements thereon, including the removal of unsightly weeds, underbrush, or other items; provided, however, that the Association may exercise such right only when the Lot to be entered has not been maintained in a manner satisfactory to the Declarant, or the Architectural Review Committee established in Article VI, and after approval of such action by two-thirds (2/3) vote of the Association's Board of Directors. No entry may be made under this subsection without first providing the Owner of the Lot to be entered at least ten (10) days prior written notice requesting him to properly repair or maintain his Lot; any entry by the Association for the foregoing purposes shall be only between the hours of 7:00 a.m. and 6:00 p.m. on any day except Sunday. Such entry as herein provided shall not constitute a trespass, and the Association shall bear no liability for performing any acts reasonably necessary or appropriate in connection with the execution of these provisions. All costs of such exterior maintenance shall be added to and become part of the annual assessment applicable to such Lot, and shall constitute a permanent lien upon such Lot until paid. In addition, the Owner shall be personally liable to the Association for such costs, all as provided in Article V.

ARTICLE V

COVENANTS FOR MAINTENANCE ASSESSMENTS

1. Creation of Lien and Personal Obligation for Assessments. The Owner of each Lot in the Development, by acceptance of a deed therefor, is deemed to covenant

and agree to pay to the Association: (a) annual assessments or charges; and (b) special assessments for capital improvements. Such covenant will be deemed to arise whether or not it is expressly stated in the deed or other conveyance to the Owner. The annual and special assessments, together with interest, costs and reasonable attorney's fees, as well as any charges imposed under Section 7 of Article IV above, shall be a charge on the land and shall constitute a continuing lien upon the Lot against which each 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 Owner of such Lot at the time when the assessment was made and shall not pass to his successors in title (other than as the continuing lien on the land) unless expressly assumed by such successor.

2. Purpose of Assessments. All assessments levied by the Association shall be used to provide funds for such purposes as are authorized by the PCA and as specifically set out herein for the benefit of its members. Such purposes may include: maintenance, landscaping and beautification of the Common Areas; construction, repair and replacement of improvements upon the Common Areas, including the maintenance and repair of the streets (but not the installation of the final layer of asphalt which is the Declarant's responsibility) prior to acceptance by a public body; the costs of labor, equipment, materials, management and supervision thereof; the payment of taxes assessed against the Common Areas; the procurement and maintenance of insurance; the employment of attorneys, accountants and other professionals to represent the Association when necessary or useful; and the provision of other services intended to promote the health, safety and welfare of the members.

3. Determination of Budget and Assessment Amount. Prior to the annual meeting each year the Board of Directors shall prepare a proposed budget for the next fiscal year and based upon such budget, the Board shall fix one annual assessment amount for all Lots in the Development. Within thirty (30) days of the adoption of the proposed budget, a summary of the budget including the proposed assessment amount shall be provided to Lot Owners along with notice of the annual meeting. The notice of meeting shall be mailed or delivered to Lot Owners at least ten (10) days, but no more than (60) days before the meeting date, and shall state that the proposed budget may be ratified without a quorum at the meeting. The budget shall be ratified unless a majority of the Lot Owners in the Association shall reject it. In the event a budget is rejected, the last effective budget shall be continued until a new budget is adopted at a duly called meeting of the Association.

4. Payment of Assessments. All annual and special assessments provided for herein shall commence as to all Lots on the first day of the month following the transfer of title from Declarant to Owner, except that Declarant may defer the obligation of a Builder to pay any assessments, whether annual or special, as set out herein for a period of eight (8) months after conveyance of the Lot by Declarant to the Builder. The annual assessment shall be adjusted according to the number of months remaining in the calendar year. Thereafter, payment of assessments shall be made annually to the Association or its designee, on or before the due date established by the Board; provided, however, that the Board may elect to receive payments on a quarterly basis. The Board

of Directors shall provide written notice of the annual assessment amount fixed by the ratified budget, together with other charges as may be assessed against a particular Lot or Lots as provided for herein or by the PCA, at least thirty (30) days before the due date.

5. Special Assessments. In addition to the annual assessment 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 acquisition of, and any construction, reconstruction, repair or replacement of, a capital improvement upon Common Areas. Any such special assessment may be proposed as a part of the budget process described under Section 3 of this Article, and shall be ratified unless rejected as provided above.

6. Notice and Quorum. Except for a vote to amend the Restrictions, which vote shall be conducted pursuant to Section 1 of Article VIII below, the notice and quorum required for any actions of the Association authorized by Article IV and V of these Restrictions or as otherwise in the Articles of Incorporation, the Bylaws or the PCA provided, shall be as follows:

a. Written notice of any meeting called for the purpose of taking any action authorized under Articles IV and V of these Restrictions shall be sent to all members not less than ten (10) days nor more than sixty (60) days in advance of the meeting.

b. Owners may attend membership meetings and may vote in person or by proxy executed in writing by a member. No proxy shall be valid after eleven (11) months from the date of its execution, or after conveyance by the member of his Lot.

c. At any meeting called for the purpose of taking some action by the Association, the presence in person or by proxy of Owners entitled to cast ten percent (10%) of the votes which may be cast for the Board of Directors shall constitute a quorum. If the required quorum is not present, the meeting may be adjourned to a later date by majority vote of those present in person or by proxy. The quorum requirement at the next meeting shall be fifty percent (50%) of the quorum requirement for the previously adjourned meeting. The quorum requirement shall continue to be reduced by fifty percent (50%) with each adjournment until a quorum is present at a subsequent meeting.

7. Exempt Property. Any Lot which the Declarant may hereafter designate for common use as part of the Common Areas, as well as all Lots dedicated to and accepted by a local public authority, shall be exempt from the assessments, both general and special, and charges created herein. In addition, the lien of a mortgage or deed of trust representing a first lien placed upon any Lot for the purpose of purchasing the Lot or for permanent financing and/or constructing a residence or other improvement therein recorded in accordance with the applicable state laws from the date of recordation shall be superior to any and all liens provided for herein. The sale or transfer of any Lot by foreclosure of any first mortgage or any proceeding in lieu thereof shall extinguish the

lien of such assessments as to payments due subsequent to recordation thereof and prior to such sale or transfer, provided such transfer shall not have been made for the purpose of defeating the lien. All Lots owned by the Declarant shall be exempt from any special assessment not consented to by Declarant.

8. Continuance of Lien.

a. The assessments and charges created herein shall constitute a continuing lien upon all Lots in the Development and no Owner may waive or in any way reduce his liability for the assessment by non-use of the Common Areas or abandonment of his Lot.

b. With the exception of sales pursuant to foreclosure proceedings as described in Section 7 above, no sale or transfer of a Lot shall relieve that Lot from liability for any assessments previously due or from the lien thereof.

c. In the event that any charge or assessment created in these Restrictions remains unpaid by an Association member for thirty (30) days after the due date determined by the Board of Directors, the Association, through its agents and employees, may record with the Mecklenburg County Clerk of Court a Claim of Lien which shall be enforceable as provided in the PCA.

9. Effect of Nonpayment of Assessments; Remedies of the Association. In the event that any assessment or charge created herein remains unpaid for thirty (30) days after the due date announced by the Board of Directors, such unpaid assessment shall bear interest from the date of delinquency, said interest rate shall be ten percent (10%) and may hereafter be changed by the Board of Directors from time to time, but in no event shall it exceed the maximum interest rate allowed by the PCA. The Association, its agent or representative, may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot subject to the unpaid assessment. In either case, interest, costs and reasonable attorney's fees shall be added to the amount of such assessment to the extent allowed by the PCA. Any foreclosure conducted pursuant to this section shall comply fully with the procedures authorized by the PCA.

10. Certificate of Payment. The Association shall, upon demand at any time, furnish a certificate in writing signed by an officer of the Association certifying that the charges on a specified Lot have been paid or that certain charges against said Lot remain unpaid, as the case may be. A reasonable charge may be made by the Board of Directors of the Association for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any charges therein stated to have been paid. For purposes of obtaining a certificate, interested parties should contact the Association at its address.

ARTICLE VI

ARCHITECTURAL CONTROL

1. Architectural Review Committee. There is hereby established an Architectural Review Committee. Initially the Declarant shall serve as the Architectural Review Committee. After the Declarant expressly transfers control of the review and approval process in writing to the Association (or at such time as Declarant shall cease to own any Lots), the Board of Directors of shall determine the number of members of the Architectural Review Committee and shall appoint the members.

2. Procedure/Approval of Plans. No Improvements of any kind or nature shall be erected, remodeled or placed on any Lot until all plans and specifications therefore and a site plan therefore have been submitted to and approved in writing by the Architectural Review Committee, as to:

- a. location with respect to topography and finished grade elevation and effect of location and use on neighboring Lot;
- b. quality of workmanship and materials, adequacy of Lot dimensions and alignment of main elevations with respect to nearby streets;
- c. conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping; and
- d. other standards set forth within this Declaration (and any amendments hereto) or as may be set forth within rules and regulations promulgated by the Architectural Review Committee, or matters in which the Architectural Review Committee has been vested with the authority to render a final interpretation and decision.

Final plans and specifications for all Improvements proposed to be constructed on a Lot shall be submitted in duplicate to the Architectural Review Committee for approval or disapproval. The Architectural Review Committee is authorized to request the submission of samples of proposed construction materials. At such time as the plans and specifications meet the approval of the Architectural Review Committee, one (1) complete set of plans and specifications will be marked "Approved" and returned to the Owner or his designated representative and the remaining set will be filed in the office of the Architectural Review Committee. If found not to be in compliance with these covenants, conditions and restrictions or if found to be otherwise unacceptable to the Architectural Review Committee pursuant hereto, one (1) set of plans and specifications shall be returned to the Owner marked "Disapproved," accompanied by the reasonable statement of items found not to be in compliance with these covenants, conditions and restrictions or otherwise being so unacceptable. Owner thereafter shall resubmit, in accordance with the provisions of this Section 2, such plans and specifications setting forth the required changes to the Architectural Review Committee for its approval. Any modification or change to the Approved set of plans and specifications must again be submitted in duplicate to the Architectural Review Committee for its inspection and

approval. The Architectural Review Committee's approval or disapproval, as required herein, shall be in writing. Once the Architectural Review Committee has approved the plans and specifications for the Improvements, the construction of such Improvements must be promptly commenced and diligently pursued to completion.

The final plans and specifications as referred to in the preceding paragraph shall mean the following:

a. Final site plan which shows topography at two foot (2') contours (at a scale of one inch (1") equals twenty feet (20') or at a larger scale) and shall include the following information:

(1) Precise dimensioned location of the dwelling and garage, showing orientation on the Lot, and indicating all doors at grade and foundation elevations at all corners.

(2) Location of driveways, walkways, etc.

(3) Location of all trees over eight inches (8") caliper at three feet (3') above grade and groups of trees with those to be retained so marked.

(4) Grading plan showing existing and new contours and proposed pattern of surface drainage.

(5) Location of mechanical equipment and other utility related apparatus.

b. Final floor plans at a scale of one-fourth inch (1/4") equals one foot (1') which shall include the following information:

(1) Square footage calculated per floor.

(2) All floor plans with accurate dimensions and orientation.

c. Final elevations, showing all sides, and accurate grade at a scale of one fourth inch (1/4") equals one foot (1'); and

d. Roof plan (bird's eye view).

e. All material selections and color selections

f. Landscape plan at two (2) foot interval showing the location of all proposed new landscaping, describing type and size of planting; and the design, location and materials of outdoor living spaces such as patios, fences, walls, screens, decks, paving materials, swimming pools, tennis courts and their shelters, etc.

In addition to the procedure described in this section, and in recognition of the cost involved in producing the final plans and specifications, the Owner may request a preliminary review of the design of the Improvements upon the submission of the following:

- w. Schematic site plan which is three-dimensional and accurately shows topography (at a scale of one inch (1") equals twenty feet (20') or at a larger scale); and showing proposed location of dwelling, and other Improvements including garage, fences, etc.
- x. Schematic floor plans at a scale of one-fourth inch (1/4") equals one foot (1');
- y. all elevations and accurate grade at a scale of one-fourth inch (1/4") equals one foot (1'); and
- z. All material selections and color selections.

The Architectural Review Committee shall be responsive to technological advances and general changes in architectural design and materials and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand). The Architectural Review Committee may refuse approval of plans, locations, exterior color or finish or specifications for any reason, including purely aesthetic reasons, which in the sole discretion of the Architectural Review Committee shall be deemed sufficient.

3. Procedure/Review of Construction. During the Construction Activity and again upon completion of approved construction, the Architectural Review Committee shall inspect the construction to insure that the approved plans and samples are complied with by the Owner. No structure may be occupied or used until the issuance by the Architectural Review Committee of a letter of compliance. The letter of compliance shall be issued by the Architectural Review Committee without fee. All fees payable to the Architectural Review Committee shall be paid in full before the letter of compliance shall be issued.

4. Jurisdiction. The Architectural Review Committee is authorized and empowered to consider and review any and all aspects of the construction of any improvements on a Lot which may, in the reasonable opinion of the Architectural Review Committee, adversely affect the living enjoyment of one or more Owners or the general value of the Property or the Development.

5. Enforcement.

a. The Association shall have the specific right (but not obligation) to enforce the provisions contained in this Article VI of this Declaration and/or to prevent any violations of the provisions contained in this Article of this Declaration by a

proceeding at law or in equity against the person or persons violating or attempting to violate any such provisions contained in this Article of this Declaration.

b. As to nonconforming or unapproved improvements, the Association may require any Owner to restore such Owner's Improvements to the condition existing prior to the construction thereof (including, without limitation, the demolition and removal of any unapproved improvements) if such Improvements were commenced or constructed in violation of this Article. In addition, the Association may, but has no obligation to do so, cause such restoration, demolition and removal and levy the amount of the cost thereof as a special individual assessment against the Lot upon which such Improvements were commenced or constructed.

6. Failure of the Architectural Review Committee to Act. If the Architectural Review Committee fails to approve or disapprove any plans and specifications and other submittals which conform (and which relate to Improvements which will conform) with the requirements hereof or to reject them as being inadequate or unacceptable within twenty (20) days after receipt thereof, and provided such submittal was a full and complete submittal of all items that were to have been submitted to the Architectural Review Committee, and provided the Architectural Review Committee shall again fail to approve or disapprove of such plans, specifications and other submittals within fifteen (15) days after an additional written request to act on such items is delivered to the Architectural Review Committee following the passage of such first above described twenty (20) day period, it shall be conclusively presumed that the Architectural Review Committee has approved such conforming plans and specifications and other submittals, except that the Architectural Review Committee has no right or power, either by action or failure to act, to waive or grant any variances relating to any mandatory requirements specified in these Restrictions, except where variances shall be expressly permitted herein. If plans and specifications or other submittals are not sufficiently complete or are otherwise inadequate, the Architectural Review Committee may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject the balance. The Architectural Review Committee is hereby authorized to request the submission of samples of proposed construction materials.

7. Limitation of Liability. Neither the Architectural Review Committee nor the members thereof nor the Association nor Declarant shall be liable in damages or otherwise to any Lot owner or any other person by reason of mistake of judgment, negligence or nonfeasance arising out of or in connection with any submittal for approval or disapproval or failure to approve or disapprove any plans or specifications. Every person who submits plans or specifications, and every Lot owner agrees that he will not bring any action or suit against Declarant, the Association, the Architectural Review Committee, the Board of Directors, or the officers, directors, members, employees and agents of any of them, to recover any such damages and hereby releases, remises and quitclaims all claims, demands and causes of action arising out or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

In the event that Declarant is or becomes liable to any person with respect to any claim, demand or obligation arising under these Restrictions or arising as a result of the development of the Property, the sale of Lots, the use or conveyance of the Common Areas or any other cause relating to the Property, the claimant shall look solely to the assets of Declarant to satisfy such claim.

8. Design Guidelines. The Architectural Review Committee may, from time to time, publish and promulgate Design Guidelines (herein so called), and such Design Guidelines shall be explanatory and illustrative of the general intent of the development of the Property and are intended as a guide to assist the Architectural Review Committee in reviewing plans and specifications. In any event, such Design Guidelines shall not be binding upon the Architectural Review Committee and shall not constitute the basis for approval or disapproval of plans, specifications and other materials submitted to the Architectural Review Committee for approval.

9. Variances. Upon submission of a written request for same, the Architectural Review Committee may, from time to time, in its sole discretion, permit Owners to construct, erect or install Improvements which are in variance with the architectural standards or similar provisions of these Restrictions or Supplemental Restrictions which may be promulgated in the future. In any case, however, such variances shall be in basic conformity with and shall blend effectively with the general architectural style and design of the community and shall not materially change the scheme of restrictions herein set forth. Written requests for variances shall be deemed to be disapproved in the event the Architectural Review Committee has not expressly and in writing, approved such request within thirty (30) days of the submission of such requests. No member of the Architectural Review Committee shall be liable to any Owner for any claims, causes of action or damages arising out of the grant or denial of any variance to any Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Architectural Review Committee's right to strictly enforce the covenants, restrictions and architectural standards provided hereunder, against any other Owner.

10. Review and Inspection Fee. At the time of the submission of the Final Plans and Specifications, the Owners shall submit an initial review fee of \$500.00 for expenses incurred in reviewing the Final Plans and Construction Activity and performing up to four site inspections (which shall include foundation staking and tree removal, rough framing including all roof rafters, exterior trim completion, and final) by a representative of the Architectural Review Committee during the construction of the Improvements and the installation of the landscaping. Following the initial review and disapproval (if applicable) a review fee of \$50.00 will be charged for each resubmission of plans and specifications to the Architectural Review Committee. If the Owner chooses a preliminary review of the proposed plans, there shall be no fee for the initial preliminary plan review, but a review fee of \$100.00 shall be charged for each preliminary plan submitted after the initial plan. If the Owner fails to construct the

Improvements or install the landscaping in accordance with the approved plans, or if changes to the plans are approved during the construction process, and as a result of either such events a representative of the Architectural Review Committee deems it necessary to make more than four site inspections, the Owner shall pay to the Architectural Review Committee a site inspection fee in the amount of \$100.00 for each additional site inspection.

The address of the Architectural Review Committee shall be the principal place of business of the Association as designated in writing by its Board of Directors from time to time. Such address shall be the place of the submission of any plans and specifications and the place where the current rules and regulations, if any, of the Architectural Review Committee shall be kept. Any additional Improvements proposed by an Owner subsequent to the construction of Improvements approved pursuant to this Article shall be separately reviewed as stipulated herein. The fee for such review will be determined by the Architectural Review Committee.

11. No Liability for Design or Materials Defect. Plans and specifications, and materials, are not approved for engineering or structural design or for quality or suitability, and by approving such plans and specification neither Declarant, the Architectural Review Committee, the members thereof, nor the Association assumes liability or responsibility therefore, or for any defect in any structure constructed from such plans and specifications, or materials.

12. Construction Deposit. Owner shall deposit with an attorney selected by Declarant or, if Declarant is not then performing the architectural review function, the Architectural Review Committee, prior to the commencement of any construction activity on the Lot, including clearing and grading, a Construction Deposit in the amount of \$5,000.00. The Construction Deposit shall be held in the attorney's trust account and shall not bear interest. The attorney shall make payments of the Construction Deposit based solely upon the instructions of the Declarant, or the Architectural Review Committee. If Owner or his Builder fails to correct a violation of these Restrictions within five (5) days after receipt of written notice thereof, or if such violation cannot reasonably be corrected in such time period, if Owner has not commenced the correction of such violation within five (5) days after receipt of such notice and does not proceed thereafter diligently and in good faith to correct such violation, Declarant or the Architectural Review Committee without further notice may correct such violation and charge the cost thereof to Owner. Declarant or the Architectural Standards Committee, its employees, agents or contractors, may enter upon the Lot, if necessary, in order to correct such violation, without such entry constituting a trespass; nor such Declarant or the Architectural Standards Committee, its employees, agents or contractors be liable for any damage caused by such entry or the correction of such violation unless such damage was caused by their negligence or willful act. If Owner fails to pay to Declarant or the Architectural Standards Committee the costs incurred in the correction of such violation within thirty (30) days after receipt of notice thereof by Owner, the amount thereof may be paid out of the Construction Deposit. Owner shall promptly deposit with Declarant or the Architectural Standards Committee such additional amounts as are necessary to

replace any monies paid out of the Construction Deposit pursuant to the provisions hereof. No construction activity of any type may be conducted on a Lot by or for the Owner until any required funds are added to the Construction Deposit. If the cost paid by Declarant or the Architectural Standards Committee to correct any violation or a series of violations shall exceed the amount of the Construction Deposit, including any additional deposits made by Owner, the amount of such excess, if not paid within thirty (30) days after it is due, shall constitute a lien upon the Lot, enforceable in the same manner as set out in Article V, Section 8 for assessments.

13. Landscaping Deposit. At the time the landscaping plan is approved by the Architectural Review Committee, the Owner shall deposit with an attorney selected by the Architectural Review Committee a Landscaping Deposit in the amount of \$5,000.00 which shall be held until all approved and/or required landscaping is properly installed, at which time the Landscaping Deposit shall be returned to the Owner. The Landscaping Deposit shall be held in the attorney's trust account and shall not bear interest. The attorney shall make payments of the Landscaping Deposit based solely upon the instructions of the Architectural Review Committee. In the event the Owner fails to install the landscaping in accordance with the approved plan, the Architectural Review Committee may install all or any portion of the landscaping shown on the approved plan and pay the cost thereof from the Landscaping Deposit. The Owner shall be responsible for any expenses incurred by the Architectural Review Committee in the installation of the landscaping material in excess of the Landscaping Deposit.

ARTICLE VII

CONSTRUCTION OF IMPROVEMENTS

1. Approval Required. Notwithstanding anything contained within these Restrictions to the contrary, no Owner shall undertake, or permit to be undertaken, on any Lot prior to approval in writing by the Architectural Review Committee any of the following:

(i) the construction of any Improvement(s), which shall include, in addition to the actual erection of a dwelling and its appurtenances, any staking, clearing, excavation, grading or other site work;

(ii) the installation of any landscaping or plantings, or the removal of plants, trees or shrubs other than general maintenance of landscaping located pursuant to previously approved landscaping plans, or the removal of dead or diseased trees; or

(iii) any modification, change or alteration of any Lot or dwelling or Improvement thereon, whether functional or decorative.

The procedure to be followed by an Owner in obtaining approval from the Architectural Review Committee is set forth in Article VI.

2. Construction Requirements. Homes must be substantially of brick, stucco, clapboard (including shake shingle), stone or fibre cement siding construction with roof lines consistent with the Design Guidelines as may be established by the Architectural Review Committee from time to time. No other pressed board or man-made material (such as Masonite), vinyl or aluminum siding will be allowed. Homes shall be constructed on a crawl space; slab on grade will be allowed only for basement areas. Roofing material shall be approved colors of asphalt shingles (at least 280 lb. weight of composition type), cedar shakes, tile, slate, copper or similar permanent roofing material approved by the Architectural Review Committee. The Architectural Review Committee may approve other materials which in its sole discretion provide similar high quality aesthetic appeal and long term value both in utility and appearance. The Architectural Review Committee may refuse approval of plans, location, exterior color or finish or specifications for any reason, including purely aesthetic reasons, which in the sole discretion of the Architectural Review Committee shall be deemed sufficient.

3. Improvements. The term "Improvement(s)" as used throughout these Restrictions shall mean and include all buildings, storage sheds or areas, roofed structures, parking areas, loading areas, fences, walls, hedges, mass plantings, poles, driveways, ponds, lakes, changes in grade or slope, site preparation, swimming pools, tennis courts, tree houses, children's playhouses, basketball goals, signs, exterior illumination, exterior antennae, earth satellite stations, microwave dishes, solar panels or other similar receiving, transmission or energy generating equipment, and changes in any exterior color or shape. The definition of Improvements(s) does not include garden shrub or tree replacement or any other replacement or repair of any magnitude which ordinarily would be expensed in accounting practice and which does not change exterior colors or exterior appearances. The definition of Improvements does include both original Improvements and all later changes, repairs to Improvements and any additional Improvements.

4. Floor Areas, Stories. The total heated floor area of the main dwelling on each Lot, exclusive of porches, terraces, garages, basements (finished or unfinished), attics and outbuildings shall contain not less than 2,000 square feet. No dwelling shall contain more than two and one-half stories on the front elevation.

5. Building Setback Lines. Unless a greater setback is required by specific lot restrictions, all setback issues shall be as governed by the Planning Ordinance for the Town of Davidson as of the date hereof.

6. New Construction. Construction of new buildings only shall be permitted on a Lot, it being the intent of this covenant to prohibit the moving of any existing building onto a Lot and remodeling or converting the same into a dwelling.

7. Diligent Construction. All construction, landscaping or other work which has been commenced on any Lot located within the Property must be continued with reasonable diligence to completion and no partially completed houses or other Improvements shall be permitted to exist on any Lot, except during such reasonable time

period as is necessary for completion. Maximum construction duration shall be no longer than eighteen (18) consecutive months from the placement of footings unless approved by the Architectural Review Committee. Prior to commencement of construction on any Lot, the Owner shall provide a gravel driveway with a minimum base of five inches (5") of #5 crushed stone from the paved street to the site of the actual house construction area. No construction materials of any kind may be stored within the road right of way (which includes the sidewalk). Any damage to the street, curb or sidewalk or to any part of any Common Area or utility system caused by the Owner or Owner's builder shall be repaired by such responsible Owner. The Owner of each Lot shall at all times keep adjacent public and private areas free from any dirt, mud, garbage, trash or other debris which is occasioned by construction of Improvements. Declarant or the Association may provide for the cleaning of public and private areas due to the activities of the Owner or Owner's builder and may assess the Owner a reasonable charge not to exceed the actual cost for such cleaning. Every Builder constructing Improvements within the Lot, consistent with standard construction practices, shall keep all portions of the Lot free of unsightly construction debris and shall at all times during construction either provide dumpsters for the containment of garbage, trash or other debris which is occasioned by construction of Improvements or take other measures consistent with standard construction practices necessary to keep the Lot free of garbage, trash or other debris which is occasioned by the construction of Owner's Improvements. All Owners and Owners' Builders shall comply with such rules of the Declarant or the Association as are from time to time adopted with respect to construction of Improvements. All Owners shall be responsible to insure that any Builder employed by it complies with all Builder's Rules adopted by the Declarant or the Association from time to time. The initial Builder's Rules of the Association are follows:

a. All Builder personnel, subcontractors and material deliveries are subject to these Restrictions while on the Property. The only signs permitted on the Lot during construction will be one sign that bears the Builder's name.

b. Each Builder and Owner is required to keep the Lot and surrounding areas clean and free from mud, silt, rubbish, and debris at all times. Trash and discarded materials must be removed on a daily basis, or deposited daily in a receptacle approved by the Architectural Review Committee. Trash not removed may be removed by the Declarant or the Association and billed or assessed to the Owner of the Lot. Adjacent streets should be cleaned when necessary after heavy rains or frequent construction use. Silt fences for sedimentation control are required as outlined in Section 8.

c. Any damage caused by Builders to streets, curbs, amenities, adjacent property or common areas will be billed to the Owner of the Lot. The Builder shall not at any time discard any trash or construction debris on any lot or Common Area the Development. Builder shall pay particular attention to concrete delivered to the Lot. Absolutely no cleaning of concrete trucks will be allowed on any Lot other than the Lot under Construction.

d. No vehicles (trucks, vans, cars, trailers, etc.) may be left parked on the subdivision's streets overnight. Declarant shall have the right to tow away at the Owner's expense any vehicle which remains overnight on the subdivision streets. Construction vehicles may be left in driveways or in other appropriate areas on a Lot.

e. No construction activities will be permitted after 7:30 p. m. unless approved by the Architectural Review Committee. No loud radios or distracting noise will be permitted during any construction.

f. Builders personnel will not be permitted to bring pets on the Property, nor will they be permitted in Common Areas or any unauthorized areas.

g. Builders should be aware that certain areas of the Property exist as natural woodlands and cannot be disturbed. Additionally, the roads and Common Areas have been constructed for the long-term and unique benefit of the Owners and must be maintained and protected in a high quality manner. Special construction requirements unique to the Development may be established and all contractors must cooperate with the Association in enforcing these rules.

h. Failure to abide by any of the above rules may result in the loss of a Builder's privilege to enter the Development on a temporary or permanent basis.

8. Location of Improvements. In order to assure that buildings and other Improvements will be located and staggered so that the maximum view, privacy, sunlight and breeze will be available to each building or structure within the confines of each Lot, and to assure that structures will be located with regard to the topography of each Lot, taking into consideration the location of large trees and other aesthetic and environmental considerations, the Architectural Review Committee, shall have the right to control absolutely, (subject to the provisions of Planning Ordinance of the Town of Davidson), the precise site and location of any building or Improvement on any Lot for reasons which may in the sole and uncontrolled discretion and judgment of the Architectural Review Committee be sufficient. Such location shall be determined only after reasonable opportunity is afforded the Owner of the Lot in question to recommend a specific site. The provisions of this Section shall in no way be construed as a representation, covenant or warranty that the view, privacy, sunlight or breeze available to a building or structure on a given Lot shall not be affected by the location of a building or structure on an adjacent Lot.

9. Landscaping; Driveways.

a. General. Except for the building pad, driveways, sidewalks and other Improvements on each Lot, the surface of each Lot shall be of grass or other live foliage and/or ground cover and such grass, foliage and ground cover shall be neatly maintained at all times.

b. Driveways. All driveways, turning areas and parking areas shall be surfaced with asphalt (to a thickness at least equal to the required asphalt surface of the streets in the Development), concrete or brick and must be completed prior to the occupancy of any dwelling on the Lot. If any driveway is to cross a drainage ditch, the Owner will be required to install, at his own expense, all necessary culverts and coverings prior to the commencement of any other construction on the Lot. The installation of the culvert and any covering must be approved by the Committee. The Owner of each Lot shall be responsible for the connection of the driveway to the public road. Any repairs or corrections to such driveway connection required by the governmental authority responsible for maintaining the subdivision streets shall be performed by and at the expense of the Lot owner.

c. Landscape Guidelines. The Architectural Review Committee reserves the right to promulgate and amend from time to time Landscape Guidelines (referred to hereinafter as the "Landscape Guidelines") which shall establish approved standards, methods and procedures for Landscape Management on the Property and such authorized standards, methods and approval by the Architectural Review Committee. No trees measuring eight inches (8") or more in diameter at a point three feet (3') above ground level may be removed without the prior written approval of the Association. In addition to the removal of trees in areas designated on the approved plans for construction of Improvements, approval may be granted for the removal of trees (i) located within ten feet (10') of the main dwelling or accessory building, or within ten feet (10') of the approved site for such building, unless such removal will substantially decrease the attractiveness of the Property, (ii) that are dead or diseased, and (iii) as part of a thinning process in order to increase air flow, maximize views, and permit sun light penetration to facilitate the approved landscaping plan without reducing substantially the character of the Property.

10. Sediment Control. Sufficient sediment control measures including, but not limited to, installation and maintenance of silt fences, straw base fences, storm water inlet protection and temporary seeding, to the extent deemed reasonably necessary by the Declarant, shall be taken by the Owner or Owner's Builder to ensure that all sediment resulting from any land disturbance or construction operation is retained on the Lot in question. All sediment control measures must be maintained until such Lot has been permanently stabilized with respect to soil erosion.

11. Swimming Pools; Tennis Courts. No swimming pool, hot tub, jacuzzi or tennis court shall be installed or erected on any Lot until the plans and specifications for same showing the nature, kind, shape, materials, height and location of the same shall have been approved by the Architectural Review Committee. No swimming pool shall be constructed on a Lot in front of a dwelling or so that any portion of such pool protrudes above the finish grade of the adjoining ground as found prior to such construction; provided, however, that when the average slope of a Lot exceeds twenty-five percent (25%), the Architectural Review Committee may approve an exception. The pool itself and pool equipment shall be screened, housed or stored underground.

All tennis courts must be naturally screened from adjacent Lot, Common Areas and Common Open Spaces and wind screens should not be greater than ten feet (10") in height. A plot plan showing the tennis court location shall be submitted to the Architectural Review Committee showing any and all proposed grading and screening. Design and color of fencing materials should blend naturally into the surrounding area and plant materials should be added where necessary to soften the visual impact. Court surface colors shall be muted reds and greens and not highly reflective. Lights for tennis courts will be permitted if at night the light does not intrude on adjacent property. Lights on tennis courts must be turned off by 10:30 p.m. Tennis courts, swimming pools and other recreational improvements must be set back a minimum of twenty-five feet (25') from any property line and sixty-five feet (65') from any Common Area.

12. Fences, Walls and Play Equipment. No fence, hedge or wall, playground equipment including basketball goals shall be erected, placed or altered on any Lot where such fence, hedge, wall or playground equipment extends beyond (i.e. in the direction of the street facade) the rear facade of the main house or garage. No basketball goals shall be affixed to a house or garage. Any fence, hedge or wall shall be finished on both sides. All fences and walls shall be constructed of brick, decorative metal, wood (but not split rail), or stone and shall not exceed eight feet (8') in height. Owners must obtain from the Architectural Review Committee its written approval of any proposed fence, hedge or wall or playground equipment, including approval of the location and materials, before erecting or installing the same.

13. Garages. Each Lot will be required to have a garage, either attached or detached, accompanying the dwelling. Garages located upon the Lot must be fully enclosed with doors for at least two (2) vehicles and consistent in design with the overall Architectural Design of the dwelling on the Lot as determined by the Architectural Review Committee. No carports will be permitted.

14. Sight Line Limitations. To the extent that governmental requirements shall not impose a stricter standard, no fence, wall, hedge, shrub, or structure planting which obstructs sight lines at elevations between two (2) and six (6) feet above roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and line connecting them at a point thirty-five feet (35') from the intersection of the street line, or in the case of a rounded street property corner, from the intersection of the street property lines, as extended or within any area designated as a sight easement on the Plat. The same sight line limitations shall apply on any Lot within ten feet (10') from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of sight lines.

15. Wells. No wells shall be installed, used or maintained on any Lot for human domestic water consumption nor shall any well be connected in any manner whatsoever to the water mains, laterals and piping serving the dwelling which shall furnish domestic water from sources beyond the boundary lines of the Lot.

Notwithstanding the foregoing prohibition, the Architectural Review Committee may permit in writing the installation, use and maintenance of wells based upon criteria uniformly applied.

16. Air-Conditioning Equipment. No air-conditioning or heating apparatus shall be installed on the ground in front of any residence on a Lot. No air-conditioning or heating apparatus shall be attached to any front wall of a residence on a Lot. No air-conditioning or heating apparatus shall be installed on the side wall of a residence on a Lot unless the same shall be screened from view from the street abutting such Lot and any adjacent Lot.

17. Antennae and Solar Panels. No exterior antennae, earth satellite station, microwave dish, solar panels or other similar receiving, transmission or energy generating equipment may be constructed, placed or maintained on any Lot unless approved by the Architectural Review Committee and will not be considered for approval unless such apparatus is totally screened from view from any other Lot or Common Area utilizing a structure, including screening, meeting all Architectural Guidelines as set forth in this Document; provided that, a satellite reception device no larger 24" in diameter shall be permitted at a location approved by the Architectural Review Committee.

18. Gas Meters. No gas meters shall be set in the front of a residence on a Lot unless such meter is of an underground type.

19. Mail Boxes and Newspaper or News Box. After the construction of a house, Declarant may designate the design, color, and size of the mailbox and newspaper box be erected or maintained on each Lot. No other receptacle shall be permitted.

ARTICLE VIII

RESTRICTIONS AND PROHIBITIONS

1. No Clothes Lines. No clothes lines of any description or type, or the outside drying of clothes shall be allowed on the outside of the dwelling unit on any Lot.

2. Signs. No signs or other advertising devices shall be displayed upon any Lot, road Right-of-Way or Common Area with the following exceptions; the property Owner may post one "For Sale" sign on the Lot until said property is sold. Declarant may place signs or advertising at it's' discretion. Any sign must be approved by the Architectural Review Committee.

3. Garbage Disposal. Unless otherwise provided herein, all garbage shall be stored within the dwelling or garage of each Owner or completely screened from view. 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. All garbage and recycle

containers shall be removed from the curbside to their customary location on the same day that the garbage and recycled materials are picked up.

4. Maintenance. The Owner is responsible for maintaining the exterior of the residential improvements thereon as well as the Lot itself. All Lots, except those owned by Declarant, shall be kept free of all tall grass, undergrowth, dead, diseased or decaying trees, weeds, trash, rubbish and debris, and in a neat and attractive condition. All dwellings and improvements shall be maintained in a clean, neat and orderly condition and in a good state of maintenance and repair.

5. Vehicles and Parking. Owner shall provide on site parking for all domiciled vehicles. No trucks (except private use sports utility vehicles and pick-up trucks), commercial vehicles, boats, motor home, trailers, travel trailers or other recreational vehicle, and no inoperable vehicle, may be stored on any Lot, unless garaged or totally screened from the street and neighboring properties.

6. Nuisance. No noxious or offensive activity shall be conducted upon a 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.

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

8. Temporary Structures. No structure of a temporary nature shall be erected or allowed to remain on any Lot unless and until permission for the same has been granted by the Architectural Review Committee.

9. Leasing. No dwelling on any Lot may be leased except in accordance with rules and regulations promulgated by the Association.

10. Hazardous Activities. Nothing shall be done or kept on any Lot which will increase the rate of insurance on any other Lot without the prior written consent of the Architectural Review Committee. No Owner shall permit anything to be done or kept on his Lot which would result in the cancellation of insurance or which would be in violation of any law.

11. Hoses and Pipes. Except for the temporary use of hoses and the like which are reasonably necessary in connection with normal lawn maintenance, no hose, water pipe, sewer pipe, gas pipe, drainage pipe, television cable or other similar transmission line shall be installed or maintained upon any Lot above the surface of the ground, unless such installation is expressly approved by the Architectural Review Committee.

12. No Subdivision of Lots. Except for Lots owned by Declarant, no Lot shall be subdivided by sale, lease or otherwise so as to reduce the total Lot area as shown on the recorded map or plan; however, portions of Lots may be added to other Lots so long as the total number of Lots is not increased.

13. Governmental Requirements. Nothing herein contained shall be deemed to constitute a waiver of any governmental requirements applicable to any Lot and all applicable governmental requirements or restrictions relative to the construction of improvements on and/or use and utilization of any Lot shall continue to be applicable and shall be complied with in regard to the Lots.

14. Utilities. All utilities and utility connections shall be located underground, including electrical and telephone cables and wires. Transformers, electric, gas or other meters of any type, or other apparatus shall be located at the rear of the buildings constructed on Lots or, if approved by the Architectural Review Committee in writing, located elsewhere on the Lot provided they are adequately screened as required by the Architectural Review Committee in accordance with the provisions of this Declaration.

ARTICLE IX

EASEMENTS

1. The Declarant reserves for itself, its successors and assigns, for purposes incident to its development of the Property subject to these Restrictions, the following easements and/or rights of way:

a. A ten (10) foot strip along the rear and a five (5) foot strip along the front line and side lines of each Lot (except Lots designated for Townhome construction on any Plat) for the purpose of installing, operating and maintaining utility lines and mains, radio and television transmission cables and surface water drainage ditches or lines;

b. The right to trim, cut and remove any trees and brush and to locate guy wires and braces within the road rights of way, and rear and side line easement areas for the installation, operation, and maintenance, together with the right to install, operate and maintain, gas, water and sewer mains and other services for the convenience of the property Owners.

2. Declarant reserves unto itself, its successors and assigns, and for the benefit of all Lot Owners in the Development, the street and road rights of way shown on the plats now or hereafter recorded of the Development for construction, repair and maintenance of utility lines and mains and for drainage, and no Owner may interfere with such rights of way or such uses therein.

3. On each Lot the rights of way and the easement areas reserved by the Declarant shall be maintained continuously by the Lot Owner; but no structures, plantings or other material shall be placed or permitted to remain or other activities undertaken which may damage or interfere with the installation or maintenance of the road, or utilities, which may change the direction or flow of drainage channels in the easements, which may obstruct or retard the flow of water through drainage channels in the easements, or interfere with established slope ratios or create erosion or sliding problems, provided, however, that the existing location of a drainage channel may be relocated, as long as such relocation does not cause an encroachment on any other Lot in the Development. Improvements within such areas shall also be maintained by the respective Lot Owner except for those for which a public authority or utility is responsible.

ARTICLE X

GENERAL PROVISIONS

1. Term. These Restrictions shall affect and run with the land and shall exist and be binding upon all parties and all persons claiming under them until amended or terminated as provided herein or in the PCA. These Restrictions may be amended by recordation of an instrument signed by the Owners of Lots to which at least sixty-seven percent (67%) of the votes in the association are allocated. Notwithstanding any provision hereof to the contrary, no amendment to these restrictions shall be made, nor shall any attempted amendment or termination be effective, without the written consent (either on the face thereof or in a separate recorded instrument) of Declarant, if at the time of such proposed amendment the Declarant is the owner of any portion of the Property.

2. Mutuality of Benefit and Obligation. The Restrictions and agreements set forth herein are made for the mutual and reciprocal benefit of each and every Lot in the Development and are intended to create mutual, equitable servitudes upon each Lot in favor of each and all of the other Lots therein; to create a privity of contract and estate between the grantees of said Lots, their heirs, successors and assigns, and to the Association, and shall, as to the Owner of each Lot, his heirs, successors and assigns, operate as covenants running with the land for the benefit of each and all other Lots in the Development and their respective Owners. Declarant, so long as it shall own a Lot or any Common Area in its own name, any Lot Owner or the Association shall have the right to enforce these Restrictions.

3. Fines. In addition to any other rights and remedies available for the enforcement of the provisions of these Restrictions, the Association may after delivery of notice meeting the requirements set out herein to the Owner of the Lot on which the violation is occurring, and an opportunity for such Owner to be heard before the Board of Directors or an adjudicatory panel appointed by it, impose a fine against such Owner for each day the violation continues. The fine shall not exceed Ten Dollars (\$150.00) per day. Such fine shall constitute a lien against such Lot in the same manner as an

assessment under Article V. The notice to the Lot Owner shall state the Owner's name, the Lot number, the specific violation which is occurring, a reasonable time period for correction of such violation before the imposition of a fine (which shall be determined based upon the nature of the violation, but shall be no less than three (3) days), the opportunity for a hearing before the Board of Directors or an adjudicatory panel appointed by it, the amount of the proposed fine and the fact that it will be imposed daily until the violation is cured. Delivery of notice shall be sufficient if either mailed by registered or certified mail, return receipt requested or posted in a prominent location on the Lot.

4. **Severability.** Every part of these Restrictions is hereby declared to be independent of, and severable from, the rest of the Restrictions and of and from every other one of the Restrictions and of and from every combination of the Restrictions. Therefore, if any of the Restrictions shall be held to be invalid or to be unenforceable or to lack the quality of running with the land, that holding shall be without effect upon the validity, enforceability, or "running" quality of any other one of the Restrictions.

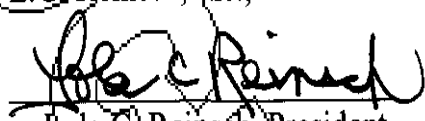
5. **Captions.** The captions preceding the various paragraphs and subparagraphs of these Restrictions are for convenience or reference only, and none of them shall be used as an aid to construction of any provision of these Restrictions. Wherever and whenever applicable, the singular form of any word shall be taken to mean or apply to the plural, and the masculine form shall be taken to mean or apply to the feminine or to the neuter.

IN WITNESS WHEREOF. Declarant has caused this instrument to be duly executed, this 11th day of August, 2006.

RIVER RUN LIMITED PARTNERSHIP
A Virginia Limited Partnership

By: E.G. Reinsch, Inc., General Partner

By:


Lola C. Reinsch, President

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, Pamela S. Allen, a Notary Public of the County and State
aforesaid, certify that LOLA C. REINSCH personally came before me this day and
acknowledged that she is President of E. G. REINSCH, INC., a Virginia corporation,
general partner of RIVER RUN LIMITED PARTNERSHIP, and that she, as President,
being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official stamp or seal, this 11th day of August, 2006.

My commission expires: May 23, 2008

Pamela S. Allen
Notary Public

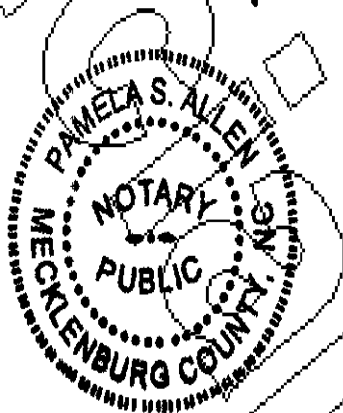
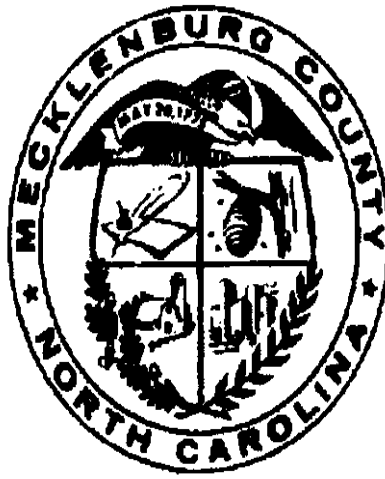


EXHIBIT A

Being all of Lots 1, 2, 3, 4, 5, 8, 9, 10, 11 and 12 as shown on the plat of Park Place at Davidson Subdivision recorded in Map Book 46 Page 105 Mecklenburg County Public Registry.



JUDITH A. GIBSON
REGISTER OF DEEDS, MECKLENBURG
COUNTY & COURTS OFFICE BUILDING
720 EAST FOURTH STREET
CHARLOTTE, NC 28202

PLEASE RETAIN YELLOW TRAILER PAGE

It is part of the recorded document, and must be submitted with original for re-recording
and/or cancellation.

Filed For Registration: 08/14/2006 01:59 PM

Book: RE 20898 Page: 515-543

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