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

ARTICLE I

DEFINITIONS

Section 1. "Townhouse Association" shall mean and refer to SARDIS GLEN TOWNHOUSE ASSOCIATION, INC., a North Carolina non-profit corporation, its successors and assigns.

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

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

Section 4. "Townhouse Common Area" shall mean all real property owned by the Townhouse Association for the common use and enjoyment of the owners. Townhouse Common Areas, with respect to the property subject to this Declaration, shall be shown on the various plats of SARDIS GLEN TOWNHOUSES, recorded or to be recorded in the Mecklenburg Public Registry and designated thereon as "Common Areas", but shall exclude all lots as hereinafter defined and all public streets shown thereof. "Townhouse Common Area" shall include all private streets shown on said plats as now recorded or shall be hereafter recorded in the Mecklenburg Public Registry. The Common Area to be owned by the Association at the time of the conveyance of the first lot is more particularly shown on the plat of the Properties recorded in Map Book 21, at Page 360 in the Mecklenburg Public Registry.

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

Section 6. "Declarant" shall mean and refer to FIRSTMARK DEVELOPMENT CORPORATION and shall also mean and refer to any person, firm, or corporation which shall hereafter become vested,

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at any given time, with title to two or more undeveloped Lots for the purpose of causing residence building(s) to be constructed thereon, and any such successor in title to FIRSTMARK DEVELOPMENT CORPORATION shall be a Declarant during such period of time as said property is vested with title to two or more such Lots (whether undeveloped or developed and unconveyed), but no longer.

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

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF SARDIS GLEN TOWNHOUSE ASSOCIATION, INC.

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

Being all of the property shown on map recorded in Map Book 21 at Page 360 in the Mecklenburg Public Registry.

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

(a) Additional land within the area described in the metes and bounds description attached hereto as SCHEDULE A and incorporated herein by reference may be annexed to the existing property by Declarant, in future stages of development, without the consent of the Townhouse Association or its Members, provided that said annexations must occur within six (6) years after the date of this instrument. Declarant may remove all or any property from the Schedule A description prior to its annexation by filing a written declaration of removal in the Mecklenburg Public Registry;

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

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ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

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

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

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

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

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

(2) On December 31, 1989, whichever is earlier.

ARTICLE IV

PROPERTY RIGHTS

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

(a) The right of the Townhouse Association to dedicate or transfer all or any part of the Townhouse Common Area to any public agency, authority, or utility for such purpose and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless the Members entitled to at least two-thirds (2/3) of the votes appurtenant to each Class of Lots (Class A and Class B) agree to such dedication or transfer and signify their agreement by a signed and recorded written instrument, provided that this subsection shall not preclude the Board of Directors of the Townhouse Association from

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granting easements to public authorities or others for the installation and maintenance of sewage, utilities, and drainage facilities upon, over, under, and across the Townhouse Common Area without the assent of the membership when, in the sole opinion of such Board, such easements do not interfere with the use and enjoyment of the Properties or are necessary for the convenient use and enjoyment of the Properties;

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

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

Section 2. Delegation of Use.

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

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

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

Section 3. Parking Rights.

(a) Assigned Parking Spaces. Ownership of each Lot shall entitle the Owner(s) thereof to the use of two automobile parking spaces, together with the right of ingress and egress in and upon said parking area. The Board of Directors of the Townhouse Association shall have the authority, acting in its sole discretion, to assign parking spaces for Owners and Visitors from time to time as it may determine are in the best interest of the Members.

(b) Recreational Vehicles. No campers, trucks, vans or recreational vehicles may be parked or kept within the Properties,

except at locations specifically designated for such parking by the Townhouse Association. The Townhouse Association may make reasonable charges for parking of such vehicles in designated areas and may in its sole discretion refuse to allow any such parking within the confines of the Properties. No trailers, boats, or tractors may be parked or kept within the Properties, except for maintenance equipment owned by the Townhouse Association.

(c) Rules and Regulations Regarding Parking. The Board of Directors of the Townhouse Association may make such reasonable rules and regulations as it may elect with respect to the parking of vehicles as aforesaid and may amend and vary the requirements of 3(a) and (b) above without the consent of the Members of the Townhouse Association.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

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

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

residences situated upon the Lots and such other needs as may arise. In addition, expenditures by the Townhouse Association for the landscaping, planting, and maintenance of areas within Lots, but lying outside of residence buildings and enclosed patio areas, shall be deemed expenditures for the recreation, health, safety, and welfare of the residents of the Properties and are hereby authorized.

Section 3. Maximum Monthly Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly assessment shall be \$70.00 per Class A Lot and \$17.50 per Class B Lot.

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

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

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

Section 4. Special Assessments for Capital Improvements. In addition to the monthly assessments authorized above, the Townhouse 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, repair, or replacement of a capital improvement upon the Townhouse Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the same assent of the Members as provided in Section 3(b) of this Article.

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

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

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

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

Section 8. Effect of Nonpayment of Assessments; Remedies of the Townhouse Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum interest rate permitted to be legally charged under the laws of the State of North Carolina at the time of such delinquency. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the Board of Directors of the Townhouse Association to defray the costs of late payment. The Townhouse Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, late payment fee, costs, and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise except liability for the assessments provided for herein by non-use of the Townhouse Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage, mortgages, first deed of trust, or deeds of trust on a Lot. Sale or transfer of any Lot shall not affect any

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assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof shall extinguish the lien of such assessments as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust, or deeds of trust.

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

ARTICLE VI

ARCHITECTURAL CONTROL

No building, fence, wall, or other structure shall be commenced or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made, including the erection of antennas, aerials, awnings, the placement of reflective or other material in the windows of a Townhouse Unit or other exterior attachment, until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Townhouse Association, or by an architectural control committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with. The Townhouse Association shall have the right to charge a reasonable fee for receiving such application in an amount not to exceed \$25.00. Neither the Board of Directors nor the architectural control committee shall approve any alterations, decorations, or modifications which would jeopardize or impair the soundness, safety, or appearance of any Lot or the Townhouse Common Area. Provided that nothing herein contained shall be construed to permit interference with the development of the Properties by the Declarant in accordance with its general plan of development.

ARTICLE VII**EXTERIOR MAINTENANCE**

In addition to maintenance upon the Townhouse Common Area, the Townhouse Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder as follows: Paint, repair, replace, and maintain walks, roofs, gutters, downspouts, exterior buildings surfaces and other exterior improvements and landscaping, including grass, trees, shrubs, and other vegetation in those portions of each Lot lying outside of the residence building and patio. Such exterior maintenance shall not include glass surfaces, and each Owner shall be required to maintain his own glass and his own patio, deck, and fence. In order to enable the Townhouse Association to accomplish the foregoing, there is hereby reserved to the Townhouse Association the right to unobstructed access over and upon each Lot at all reasonable times to perform maintenance as provided in this Article.

In the event that the need for maintenance, repair, or replacement is caused through the willful or negligent act of the Owner, his family, guests, or invitees, the cost of such maintenance, replacement, or repairs incurred by the Townhouse Association shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE VIII**INTERIOR MAINTENANCE**

Each Owner shall maintain, repair, and replace at his expense all interior portions of the improvements on his Lot which shall need repair, including patios, fencing, and decks located on the Lot, if any, and all bathroom and kitchen fixtures, light fixtures, or other electrical or plumbing equipment, pipes, and fittings serving an Owner's unit which are located in a party wall, if any. Further, each Owner shall repair, maintain, and replace at his own expense when necessary the heating and air conditioning systems servicing his dwelling, whether located on his lot or in the Townhouse Common Area adjacent to the Lot.

ARTICLE IX**PARTY WALLS**

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the residences upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property

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damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

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

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

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

ARTICLE X

USE RESTRICTIONS

Section 1. Land Use. All Lots shall be used for residential purposes only and only one family may occupy a Lot as a principal residence at any one time. Declarant may maintain a sales office, models, and construction office in one or more units until all units to be located on the premises have been sold.

Section 2. 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 3. Animals. No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats, or other household pets may be kept or maintained, provided they are not kept or maintained for commercial purposes.

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Section 4. 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 Townhouse Association, or its designated agent or representative.

Section 5. Use of Townhouse Common Area. The Townhouse Common Area shall not be used in any manner except as shall be approved or specifically permitted by the Townhouse Association.

Section 6. Access to Lot. The Townhouse Association, its agents or employees shall have access to all Lots from time to time during reasonable working hours, upon oral or written notice to the Owner, as may be necessary for the maintenance, repair, or replacement of any portion of the Townhouse Common Area, or facilities situate 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 Townhouse Common Area or another Lot.

Section 7. 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 patios) within the Properties other than between the hours of 8:00 A.M. and 5:00 P.M. on Monday through Friday and 8:00 A.M. and 1:00 P.M. on Saturdays (except when any such day shall fall on a holiday) and clothes hanging devices such as lines, reels, poles, frames, etc. shall be stored out of sight other than during the times aforementioned.

Section 8. Signs. No signs or other advertising devices shall be displayed upon any Lot which are visible from the exterior of the dwelling thereon or on the Townhouse Common Area, or in the facilities thereon, without prior written permission of the Townhouse Association. Declarant, however, may post temporary for sale signs on the Properties until such time as all units owned by Declarant have been sold.

Section 9. Garbage Disposal. All garbage shall be stored within the residence of each Owner or in the storage facilities provided for said residence at the time same is constructed. No Owner may change or supplement the garbage disposal facilities provided for such Owner's residence on the date of completion of construction thereof unless the Board of Directors of the Townhouse 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 obligatory public rules and regulations.

Section 10. Regulations. Reasonable regulations governing the use of the Townhouse Common Area and external appearance of the Townhouse units may be made and amended from time to time by

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the Board of Directors of the Townhouse Association; provided, however, that all such regulations and amendments thereto shall be approved by a majority vote of the Owners before the same shall become effective. Copies of such regulations and amendments thereto shall be furnished to each Member by the Townhouse Association upon request.

ARTICLE XI

EASEMENTS

Easements for the installation and maintenance of driveway, walkway, parking area, water line, gas line, telephone, electric power line, sanitary sewer and storm drainage facilities and for other utility installations are reserved as shown on the recorded plat. The Townhouse Association may reserve and grant easements for the installation and maintenance of sewerage, utility, and drainage facilities over the Properties as provided in Article IV, Section 1(c) of this instrument. Within any such easement above provided for, no structure, planting, or other material shall be placed or permitted to remain which may interfere with the installation of sewerage disposal facilities and utilities, or which may change the direction of flow or drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements. In addition, the Townhouse Association shall have the continuing right and easement to maintain all sewer and water lines located on the Lots.

Every portion of a Lot and each single-family attached townhouse constructed thereof and contributing to the support of an abutting townhouse shall be burdened with an easement of support for the benefit of such abutting townhouse. Further, all attachments to the exterior walls of a townhouse which are a part thereof but which protrude beyond the delineated boundaries of the Lot upon which the dwelling is located, and which were constructed in conformity with the plans and specifications, shall be deemed to be included within said delineated boundaries and there is hereby reserved an easement to permit the construction of and continued existence of any such protruding attachment.

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

ARTICLE XII

INSURANCE

Section 1. Authority to Purchase Insurance. Insurance policies upon the Properties (except title insurance) shall be purchased by the Townhouse Association in the name of the Board of

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Directors of the Townhouse Association as Trustees for the Owners, for the benefits of the Owners and their respective mortgagees as their interests may appear, and shall provide for the issuance of certificates or mortgagee endorsements to the holders of first mortgages or deeds of trust on the Lots or any of them, and if the companies writing such policies will agree, the policies shall provide that the insurer waives its rights of subrogation as to claims against Owners, the Townhouse Association, and their respective servants, agents, and guests.

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

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

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

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

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

(4) Fidelity coverage protecting against dishonest acts by Association officers, directors, trustees, and employees and all others who are responsible for handling funds of the Association in the amount of one year's operating budget and

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projected reserve balances during the budget year. If professional management is obtained by the Association and it has this coverage, and it handles the funds, then this requirement will be satisfied.

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

(c) All insurance policies purchased by the Townhouse Association shall be for the benefit of the Townhouse Association and the Owners and their mortgagees, as their respective interests may appear, and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Townhouse Association as Trustees for the Owners. The Townhouse Association shall hold such proceeds in trust for the benefit of the Townhouse Association, the Owners, and their respective mortgagees in the following shares:

(1) Proceeds on account of damage to Townhouse Common Area shall be held by the Townhouse Association to repair or rebuild the Townhouse Common Area. If the property is not rebuilt, then the funds shall be held by the Townhouse Association and applied to its general expenses.

(2) Proceeds on account of damages to Lots and residences constructed thereon shall be held in the following undivided shares:

(a) Partial destruction when the building is to be restored: for the Owners of damaged Lots in proportion to the costs of repairing the damage suffered by each damaged Lot;

(b) Total destruction of the building or where the building is not to be restored: for all Owners and their mortgagees, the share of each being the percentage of loss suffered by that Lot in relation to total loss.

(d) In the event a mortgagee endorsement has been issued as to a Lot, the share of the Owner shall be held for the mortgagee and the Owner as their interests may appear, but no mortgagee shall have the right to participate in the determination of reconstruction or repair.

(e) Proceeds of insurance policies received by the Townhouse Association shall be paid to defray the costs of repairing and reconstructing improvements. Any proceeds remaining after defraying such costs shall be distributed to the beneficial Owners, all remittances to Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Lot and may be enforced by him.

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

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

(h) Each Owner delegates to the Board of Directors of the Townhouse Association his right to adjust with insurance companies all losses under policies purchased by the Townhouse Association.

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

ARTICLE XIII

FINANCING PROVISIONS

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

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Townhouse Association. The granting of easements for utilities or other purposes shall not be deemed a transfer within the meaning of this clause.

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

(c) by act or omission change, waiver, or abandon any plan of regulation, or enforcement thereof, pertaining to the architectural design or the exterior appearance of residences located on Lots, the maintenance of party walls or common fences and driveways, or the upkeep of lawns and plantings in the subdivision.

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(d) fail to maintain fire and extended coverage insurance on insurance improvements in the Townhouse Common Area and upon the Lots on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value.

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

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

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

ARTICLE XIV

GENERAL PROVISIONS

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

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

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

BOOK PAGE

5255 0518

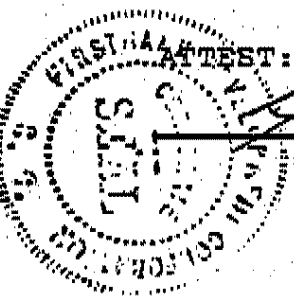
must be properly recorded. For the purpose of this section, additions to existing property, as provided for in Article II, Section 2, hereof, shall not be deemed an "Amendment".

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

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

FIRSTMARK DEVELOPMENT CORPORATION

By: Steven D Caldwell
Vice President



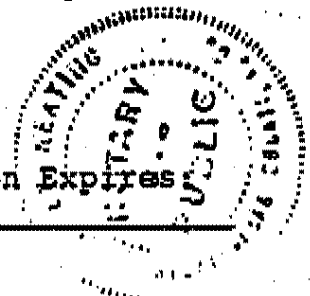
Heaven L. Owen
Assistant Secretary

* * * *

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

This the 25 day of June, 1986, personally came before me Steven D. Caldwell, who, being by me duly sworn, says that he is the Vice President of FIRSTMARK DEVELOPMENT CORPORATION and that the seal affixed to the foregoing writing was signed and sealed by him, in behalf of said Corporation, by its authority duly given; and the said Steven D. Caldwell acknowledged the said writing to be the act and deed of said corporation.



Judy T. Feasting
Notary Public

My Commission Expires 3-1-91

REAL STATE
BOOK PAGE

5255 0519

SCHEDULE A
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
SARDIS GLEN TOWNHOUSES

Lying and being in the City of Charlotte, County of Mecklenburg, State of North Carolina, and being more particularly described as follows:

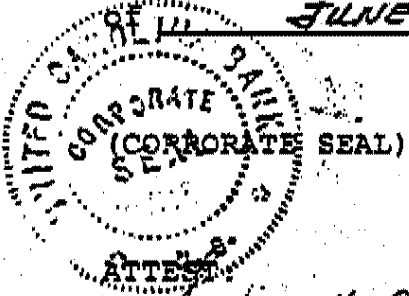
BEGINNING at an old iron located in the northerly margin of the right-of-way of Sardis Road North (said right-of-way being 60 feet in width), said Beginning Point marking the southeasterly corner of Lot 29 of Sardis Woods Subdivision as shown on map thereof recorded in Map Book 19 at Page 372 in the Mecklenburg County Public Registry and running thence from said Beginning Point with the rear or easterly property lines of Lots 29, 28, 27, 26, 24, 23, 22 and 21 of Sardis Woods Subdivision as shown on the aforesaid map seven (7) calls and distances as follows: (1) N 7-54-19 W 110.00 feet to an old iron; (2) N 0-20-39 W 147.50 feet to an old iron; (3) N 19-41-19 W 122.45 feet to an old iron; (4) N 30-50-40 W 90.00 feet to an old iron; (5) N 12-39-20 E 109.70 feet to an old iron; (6) N 2-05-07 E 77.59 feet to an old iron; and (7) N 11-18-00 E 148.05 feet to an old iron marking the common rear corners of Lots 21 and 20 of Sardis Woods Subdivision as shown on the aforesaid map; thence with the rear or southerly property line of the said Lot 20 N 70-53-15 E 98.06 feet to an iron located in the westerly or southwesterly property line of the property of Sardis Executive Park as same is described in deed recorded in Book 4796 at Page 632 in the Mecklenburg County Public Registry; thence with the westerly or southwesterly and southerly property lines of the said property of Sardis Executive Park (now or formerly) three (3) calls and distances as follows: (1) S 29-10-38 E 42.99 feet to a point; (2) S 52-50-25 E 151.61 feet to an old iron; and (3) N 71-50-47 E 412.26 feet to an old iron marking the northwesterly corner of the property of K & K Investments as said property is described in deed recorded in Book 4563 at Page 455 in the Mecklenburg County Public Registry; thence with the westerly property line of the said property of K & K Investments (now or formerly) S 18-21-52 E 765.65 feet to a point located in the centerline of the right-of-way of Sardis Road North (passing an iron on line in the northerly margin of the right-of-way of Sardis Road North at 735.40 feet); thence with the centerline of the right-of-way of Sardis Road North S 82-05-41 W 823.55 feet to a point; thence N 7-54-19 W 30.00 feet to the point or place of Beginning, and containing 12.803 acres, all as shown on boundary survey for John Crosland Co. dated March 14, 1986 by Hugh E. White, Jr., N.C.R.L.S., reference to which survey is hereby made.

5255 520

SUBORDINATION OF CONSTRUCTION LENDER

UNITED CAROLINA BANK, owner and holder of the Note secured by that certain Deed of Trust dated June 5, 1986, and recorded in Book 5240 at Page 265 in the Mecklenburg County Public Registry, and Duane K. Fournier, Trustee under said Deed of Trust, hereby consent to and join in this Declaration of Covenants, Conditions, and Restrictions of SARDIS GLEN TOWNHOUSES and subordinate the lien of said Deed of Trust to the provisions of this Declaration of Covenants, Conditions, and Restrictions.

IN WITNESS WHEREOF, the parties hereto have caused this Subordination to be executed as by law provided, this 23rd day of JUNE, 1986.



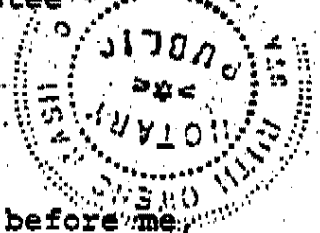
UNITED CAROLINA BANK

BY: Duane K. Fournier
President

Wanda H. Outtitt
Assistant Secretary

Duane K. Fournier (SEAL)
Duane K. Fournier, Trustee

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG



On this 23 day of June, 1986, before me, the undersigned Notary Public in and for the County and State aforesaid, personally appeared Duane K. Fournier, who, being by me first duly sworn, said that he is vice President of UNITED CAROLINA BANK, that the seal affixed to the foregoing instrument in writing is the corporate seal of said Bank, and that he signed and sealed said instrument in behalf of said Bank by its authority duly given. And the said Wanda H. Outtitt ~~President~~ Assistant Secretary acknowledged said instrument to be the act and deed of said Bank.

WITNESS my hand and notarial seal.

Luth Owens Lash (Dict)
Notary Public
Staley Co., N.C.

My Commission Expires:
9-22-86

REAL ESTATE
BOOK PAGE
5255 0521

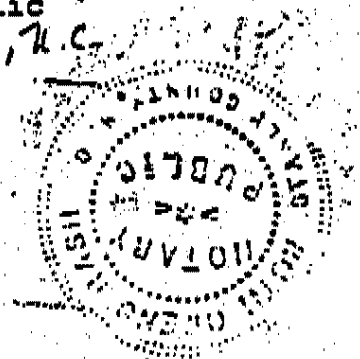
STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

On this 23 day of June, 1986, before me, the undersigned Notary Public in and for the County and State aforesaid, personally appeared DUANE K. FOURNIER, Trustee under Deed of Trust recorded in Book 5240 at Page 265 of the Mecklenburg County Public Registry, and acknowledged the due execution thereof for the purposes therein expressed.

WITNESS my hand and notarial seal.

Ruth Owens Rash (Dieth)
Notary Public
Stanly Co., N.C.

My Commission Expires:
9-22-86



FEE 35.00
<> 35.00
CASH 35.00

10:56 #4790 000
06/26/86

State of North Carolina, County of Mecklenburg, Ruth Owens Rash (Dieth), a Notary Public for Stanly County and State of North Carolina and Judy Keating a Notary Public of said County and State are certified to be correct. This 26 day of June 19 86
Charles E. Crowder, Register of Deeds, By: Mary A. P. [Signature] DEPUTY

5334 0454

PRESENTED
REGISTRATION
OCT 8 3 37 AM '86
CHANCE REGISTERED MECKLENBURG COUNTY

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

SUPPLEMENTARY
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF
SARDIS GLEN TOWNHOUSES PHASE II

THIS SUPPLEMENTARY DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS of Sardis Glen Townhouses Phase II, is made this the 2nd day of October, 1986, by Firstmark Development Corporation, a South Carolina corporation authorized to transact business in North Carolina ("Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is the owner of additional property which it wishes to subject to the Declaration of Covenants, Conditions and Restrictions of Sardis Glen Townhouses ("Declaration"), dated June 25, 1986 and recorded in Book 5255 at Page 501 in the Mecklenburg Public Registry, pursuant to Article II, Section 2 of the Declaration.

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

The additional property which is and shall be held, transferred, sold, conveyed and occupied subject to the Declaration is located in Charlotte, Mecklenburg County, North Carolina, and is as all of the property shown on the map of Sardis Glen Townhouses Phase II, recorded in Map Book 21 at Page 477 in the Mecklenburg Public Registry.

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

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

FIRSTMARK DEVELOPMENT CORPORATION

ATTEST:

By:

Steve D. Caldwell
Vice President

[Signature]
Secretary
(CORPORATE SEAL)
S. G. CORPORATION

9.50
<> 9.50
CASH 9.50

9:26 #1263 000
10/08/86

DRAWN BY - MAIL TO
UNDERWOOD, KIRSBY & WARREN, P.A.
ATTORNEYS AT LAW
2600 CHARLOTTE PLAZA
CHARLOTTE, NC 28224

5334 0455

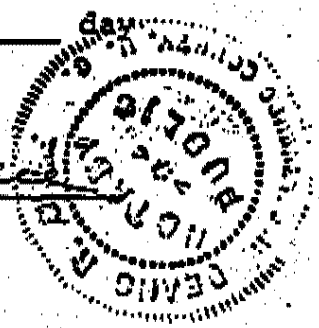
STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, Deans R. Cree, a notary public in and for said county and state do hereby certify that Judy Keating personally appeared before me this day and acknowledged that she is Assistant Secretary of FIRSTMARK DEVELOPMENT CORPORATION and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by her as its Assistant Secretary.

WITNESS my hand and official seal this the 7th day of October, 1986.

Deans R. Cree
Notary Public



My Commission Expires:

7-16-90

Drawn by and mail to:

UNDERWOOD, KINSEY & WARREN, P.A.
2020 Charlotte Plaza
Charlotte, NC 28244

SUBORDINATION OF CONSTRUCTION LENDER

UNITED CAROLINA BANK, owner and holder of the Note secured by that certain Deed of Trust dated June 5, 1986, and recorded in Book 5240 at Page 265 in the Mecklenburg County Public Registry, and Duane K. Fournier, Trustee under said Deed of Trust, hereby consent to and join in this Supplementary Declaration of Covenants, Conditions, and Restrictions of SARDIS GLEN TOWNHOUSES, PHASE II and hereby subordinate the lien of said Deed of Trust to the provisions of this Supplementary Declaration of Covenants, Conditions, and Restrictions.

IN WITNESS WHEREOF, the parties hereto have caused this Subordination to be executed as by law provided, this 7th day of October, 1986.



Dorinda H. Carlett
Secretary

UNITED CAROLINA BANK

By: Duane K. Fournier
VICE President

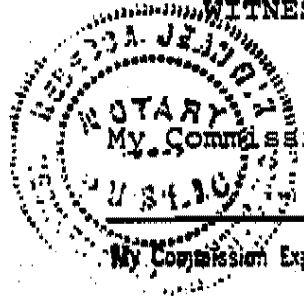
Duane K. Fournier (SEAL)
Duane K. Fournier, Trustee

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

On this 7 day of October, 1986, before me, the undersigned Notary Public in and for th. County and State aforesaid, personally appeared Duane K. Fournier who, being by me first duly sworn, said that he is Vice President of UNITED CAROLINA BANK, that the seal affixed to the foregoing instrument in writing is the corporate seal of said Bank, and that he signed and sealed said instrument in behalf of said Bank by its authority duly given. And the said Vice President acknowledged said instrument to be the act and deed of said Bank.

WITNESS my hand and notarial seal.



Rebecca Jan My
Notary Public

My Commission Expires:

My Commission Expires November 25, 1990

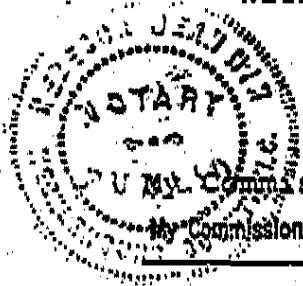
5334-457

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

On this 7th day of October, 1986, before me, the undersigned Notary Public in and for the County and State aforesaid, personally appeared DUANE K. FOURNIER, Trustee under Deed of Trust recorded in Book 5240 at Page 265 of the Mecklenburg County Public Registry, and acknowledged the due execution thereof for the purposes therein expressed.

WITNESS my hand and notarial seal.



Rebecca Jean Nix
Notary Public

Commission Expires:
My Commission Expires November 25, 1990

State of North Carolina, County of Mecklenburg
The foregoing certificate(s) of Deans R. Cree and
Rebecca Jean Nix
Notary(ies) Public of said County and State
is/are certified to be correct. This 8 day of October 19 86
Charles E. Crowder, Register of Deeds, By: Mary R. P. P. P.
DEPUTY

5739 0715
7/15

212

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

SUPPLEMENTARY
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF
SARDIS GLEN TOWNHOUSES PHASE III
AND SUBORDINATION OF CONSTRUCTION LENDER

THIS SUPPLEMENTARY DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF SARDIS GLEN TOWNHOUSES PHASE III AND SUBORDINATION OF CONSTRUCTION LENDER, is made this the 5TH day of April, 1988, by Firstmark Development Corporation, a South Carolina corporation authorized to transact business in North Carolina ("Declarant"), and United Carolina Bank, owner and holder of a Note secured by a Deed of Trust encumbering the property described below.

WITNESSETH:

WHEREAS, Declarant is the owner of additional property which it wishes to subject to the Declaration of Covenants, Conditions and Restrictions of Sardis Glen Townhouses ("Declaration") dated June 25, 1986 and recorded in Book 5255 at Page 50 of the Mecklenburg Public Registry, pursuant to Article II, Section 2 of the Declaration;

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

The additional property which is and shall be held, transferred, sold, conveyed and occupied subject to the Declaration is located in Charlotte, Mecklenburg County, North Carolina, and is as all of the property shown on the map of Sardis Glen Townhouses Phase III, recorded in Map Book 22 at Page 326 in the Mecklenburg Public Registry.

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

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

FIRSTMARK DEVELOPMENT CORPORATION

By: Steven D Caldwell
Vice President

ATTEST:

M. Kinsey
Secretary



--- 12.00
> 12.00
DASH 12.00

2:59 #7479 000
04/15/88

DRAWN BY
UNDERWOOD, KINSEY & WARREN, P.A.
P/O BOX 43

PRESENTED FOR REGISTRATION
APR 14 3 10 PM '88
MECKLENBURG COUNTY

REAL ESTATE
BOOK PAGE
5739 0716

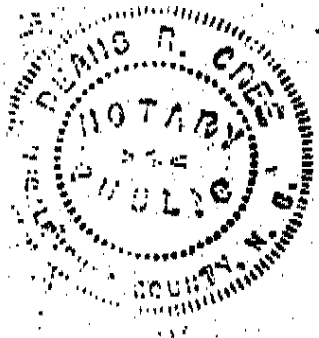
STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

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

WITNESS my hand and official seal this the 14th day of
April, 1988.

Deans R. Crec
Notary Public

My Commission Expires:
7-16-90



Drawn by and mail to:
UNDERWOOD, KINSEY & WARREN, P.A.
2020 Charlotte Plaza
Charlotte, NC 28244.

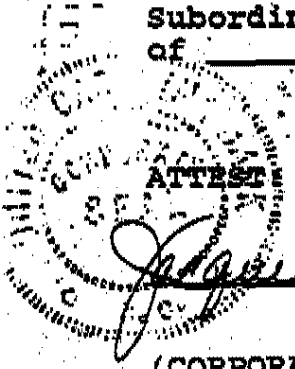
REAL ESTATE
BOOK PAGE

5739 0717

SUBORDINATION OF CONSTRUCTION LENDER

UNITED CAROLINA BANK, owner and holder of the Note secured by that certain Deed of Trust dated June 5, 1986, and recorded in Book 5240 at Page 265 in the Mecklenburg County Public Registry, and Duane K. Fournier, Trustee under said Deed of Trust, hereby consent to and join in this Supplementary Declaration of Covenants, Conditions, and Restrictions of SARDIS GLEN TOWNHOUSES, PHASE III and hereby subordinate the lien of said Deed of Trust to the provisions of this Supplementary Declaration of Covenants, Conditions, and Restrictions.

IN WITNESS WHEREOF, the parties hereto have caused this Subordination to be executed as by law provided, this 8th day of April, 1988.



ATTEST
James A. Bacon
Assistant Secretary

(CORPORATE SEAL)

UNITED CAROLINA BANK

By: *Duane K. Fournier*
Vice President

Duane K. Fournier (SEAL)
Duane K. Fournier, Trustee

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

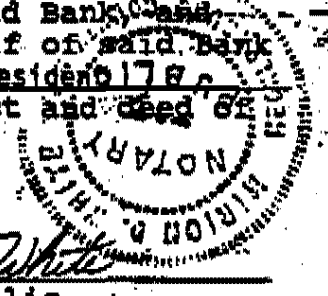
On this 8th day of April, 1988, before me, the undersigned Notary Public in and for the County and State aforesaid, personally appeared Duane K. Fournier, who, being by me first duly sworn, says that he is Vice President of UNITED CAROLINA BANK, that the seal affixed to the foregoing instrument in writing is the corporate seal of said Bank, and that he signed and sealed said instrument in behalf of said Bank by its authority duly given. And the said Vice President acknowledged said instrument to be the act and deed of said Bank.

WITNESS my hand and notarial seal.

Miriam D. White
Notary Public

My Commission Expires: |

09-08-90

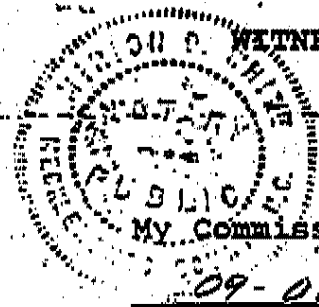


REAL ESTATE
BOOK PAGE
5739 0718

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

On this 8th day of April, 1988,
before me, the undersigned Notary Public in and for the County
and State aforesaid, personally appeared DUANE K. FOURNIER,
Trustee under Deed of Trust recorded in Book 5240 at Page 265 of
the Mecklenburg County Public Registry, and acknowledged the due
execution thereof for the purposes therein expressed.

WITNESS my hand and notarial seal.



Mirion D. White
Notary Public

My Commission Expires:
09-08-90

State of North Carolina, County of Mecklenburg
The foregoing certificate(s) of Deans R. Cree
and Mirion D. White

a Notar(y) (ies) Public (is) (are) certified to be correct.
This 14th day of April 19 88

Charles E. Crowder, Register of Deeds
By: Wanda B. Allen Deputy

REAL ESTATE
BOOK PAGE PRESENTED
FOR
5079 0650 REGISTRATION

STATE OF NORTH CAROLINA SUPPLEMENTARY
COUNTY OF MECKLENBURG 29 MAR -6 PM 1:45 DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF
SARDIS GLEN TOWNHOUSES PHASE IV

W. H. POWERS
REGISTER OF DEEDS
MECKLENBURG CO. N.C.

THIS SUPPLEMENTARY DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS of Sardis Glen Townhouses Phase IV, is made this the 11th day of February, 1989, by Firstmark Development Corporation, a South Carolina corporation authorized to transact business in North Carolina ("Declarant"), and Ryan Operations, G.P., a Virginia general partnership ("Ryan").

W I T N E S S E T H:

WHEREAS, Declarant and Ryan are the owners of additional property which they wish to subject to the Declaration of Covenants, Conditions and Restrictions of Sardis Glen Townhouses ("Declaration"), dated June 25, 1986 and recorded in Book 5255 at Page 501 in the Mecklenburg Public Registry, pursuant to Article II, Section 2 of the Declaration. 03/05/89

10.00
10.00
10.00

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

The additional property which is and shall be held, transferred, sold, conveyed and occupied subject to the Declaration is located in Charlotte, Mecklenburg County, North Carolina, and is as all of the property shown on the map of Sardis Glen Townhouses Phase IV, recorded in Map Book 22 at Page 581 as revised and rerecorded in Map Book 22 at Page 909 in the Mecklenburg Public Registry.

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

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

FIRSTMARK DEVELOPMENT CORPORATION

ATTEST:

Angela H. Short
Assistant Secretary
(CORPORATE SEA)

By: [Signature]
Ruben E. Trevino, Vice President

Corporate
SEA

DRAWN BY & MAIL TO:
UNDERWOOD, KINSEY & WARREN, P.A.
R/D BOX 43

REAL ESTATE
BOOK PAGE

5979 0651

RYAN OPERATIONS, G.P.
By: RYAN HOMES, INC., General Partner

ATTEST:

Rubén E. Trevino
Assistant Secretary

By: Michael S. Goodwin
Vice President

(CORPORATE SEAL)

NORTH CAROLINA

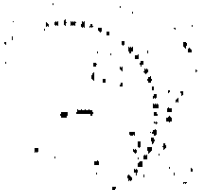
MECKLENBURG COUNTY

I, a Notary Public of the County and State aforesaid, certify that Rubén E. Trevino personally came before me this day and acknowledged that (s)he is Assistant Secretary of FIRSTMARK DEVELOPMENT CORPORATION, a South Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by Ruben E. Trevino, its Vice President, sealed with its corporate seal and attested by him/her as its Assistant Secretary.

WITNESS my hand and official stamp or seal, this 16 day of September, 1999.

Renee Baum
Notary Public

My Commission expires:
April 11, 2001



REAL ESTATE
BOOK PAGE

5979 0652

NORTH CAROLINA

MECKLENBURG COUNTY

I, a Notary Public of the County and State aforesaid, certify that Dwight H. Welch personally came before me this day and acknowledged that (s)he is Assistant Secretary of RYAN HOMES, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by him/her as its Assistant Secretary.

WITNESS my hand and official stamp or seal, this 16 day of February, 1989.

Rene Baum
Notary Public

My Commission expires:

April 11, 1991

State of North Carolina, County of Mecklenburg

The foregoing certificate(s) of Rene Baum

a Notar(y) (ies) Public (is) (are) certified to be correct.

This 6th day of March 19 89.

Anne A. Powers, Register of Deeds

By: Charita W. Petzel Deputy