NORTH CAROLINA
ALAMANCE COUNTY

DECLARATION OF RESTRICTIVE COVENANTS AND DECLARATION OF PLANNED COMMUNITY FOR HERITAGE GLEN

KNOW ALL MEN by these presents that CORNERSTONE PROPERTIES OF ALAMANCE, LLC, a North Carolina Limited Liability Company, ("Declarant"), hereby covenants and agrees to and with all persons, firms, and corporations now owning or hereafter acquiring any one or more of those lots designated as Phase I of that subdivision known as Heritage Glen (the "Property"), a plat of which is recorded in the office of the Register of Deeds of Alamance County, North Carolina, in Plat Book 64 at Pages 126 through 137 ("the Plat"), and that said property is hereby subjected to the following restrictions as to the use thereof and that said restrictions are to run with the said property and every part thereof by whomsoever owned, to wit:

1. PREAMBLE.

These Restrictive Covenants ("Declaration") are declared for the purpose of ensuring the best use and most appropriate development of the Property and each building site therein; to protect the owners of building sites against such improper use of surrounding building sites as will depreciate the value of their property; to preserve, so far as practicable, the natural beauty of the Property; to guard against the erection thereon of poorly designed or proportioned structures, and structures built of improper or unsuitable materials; to obtain harmonious color schemes; to ensure the highest and best development of the Property; to encourage and secure erection of attractive homes thereon, with appropriate locations thereof on building sites; to prevent haphazard and inharmonious improvement of building sites; to secure and maintain proper set-backs from streets, and adequate free spaces between structures, and in general to provide adequately for a high type and quality of improvement in the Property, and thereby enhance the values of investments made by purchasers of building sites therein.

2. RESIDENTIAL USE:

The Property shall be used for single-family owner-occupied residential purposes only and no lot shall be put to a use which is not residential. No trade, business or commercial activity of any kind shall be conducted upon any part of the Property. No group home, residential treatment center, halfway house, foster home or any other similar facility designed to provide transient or temporary living quarters for those other than the Owner's immediate family shall be allowed on any part of the Property.

3. DECLARATION OF PLANNED COMMUNITY.

A. The Property is hereby subjected to the North Carolina Planned Community Act, N.C.G.S. Chapter 47F-1-141 et seq., ("the Act") and unless otherwise specified in this Declaration, the Bylaws, the Articles of Incorporation of Heritage Glen Property Owners' Association, Inc. or in the Rules and Regulations as promulgated by the Board of Directors of the Association from time to time, the provisions of such Act shall apply.

B. For purposes of completing the development of the Property and carrying out the development plan, the Declarant hereby reserves all Special Declarant Rights and all Development Rights including but not limited to the following rights:

(1) To complete improvements indicated on plats and plans;
(2) To add or subtract real estate from the Property;
(3) To create lots, units, common elements and/or limited common elements;
(4) To subdivide or redraw lots and units;
(5) To withdraw real estate from the Property;
(6) To maintain sales offices, management offices, signs advertising the community and model homes and units;
(7) To use easements through the common elements for the purpose of making improvements within the Property or within real estate which may be added to the Property;
(8) To make the Property part of a larger planned community or group of planned communities;
(10) To make the Property subject to a master association; and
(11) To appoint or remove any officer or executive board member of the Association or of any master association during any period of Declarant control.

C. For purposes of completing the development of the Property and carrying out the development plan, Declarant hereby reserves a period of Declarant control during which time Declarant shall exercise special rights over the property, the common areas and commons elements, any limited common areas or commons elements, and over the Board of Directors and the officers of the Homeowners' Association. Such period of Declarant control shall be from the date this Declaration is executed until the earlier of:

Sixty-seven percent (67%) lots in the Property are conveyed to owners other than Declarant, or prior to the conveyance of 67% of the lots to owners other than Declarant, Declarant gives official notice to the Board of Directors of the Homeowners' Association terminating the period of Declarant control at its sole and exclusive election.

D. Declarant hereby reserves the right to appoint one member of the Board of Directors of the Homeowners' Association during the period of Declarant control, and to appoint or remove any officer of the Homeowners' Association during the period of Declarant control.

In any event, Declarant shall at all times appoint a minimum of one member to the Board of Directors of the Homeowners' Association during the period of Declarant control.

E. For purposes of completing the development of the Property and carrying out the development plan, Declarant hereby retains the right to amend the Declaration unilaterally and at its sole election as necessary during the period of Declarant control to exercise any Special Declarant Right or any Development Right reserved herein.

F. The Heritage Glen Property Owners' Association, Inc. ("Association") shall have all powers specified in N.C.G.S. § 47F-3-102 as well as all powers reasonably necessary to carry out its powers and obligations under the Articles, the Bylaws, this Declaration and under the Rules andRegulations promulgated by the Board of Directors

of the Association from time to time.

G. Pursuant to N.C.G.S. § 47F-3-115(a), the Homeowners' Association shall pay all common expenses during the period of Declarant control and prior to the first common expense assessment, but such obligation of the Homeowners' Association shall not start until the common area or element associated with such expense or expenses is conveyed or transferred to the Association by Declarant. Until such time, Declarant shall pay such expenses.

H. As set forth elsewhere in this Declaration and as otherwise determined from time to time by the Board of Directors of the Homeowners' Association, each lot owner, expressly excepting Declarant, shall be obligated to pay common expense assessments in an amount which shall be the same for each lot owner regardless of lot size, location or use of any service provided by the Homeowners' Association; except, however, each lot owner which enjoys the use of a limited common area or limited common element or which enjoys a benefit paid for by the Association which benefits fewer than all the lots of the subdivision shall be assessed exclusively against those lot owners benefitted pursuant to N.C.G.S. § 47F-3-1 15(c)(lXii).

The Association shall be empowered and authorized to collect reasonable attorney's fees in any action to enforce the provisions of this Declaration, the Articles of Incorporation, the Bylaws or the duly adopted Rules and Regulations of the Association pursuant to N.C.G.S. § 47F-3-120.

J. The Declarant shall have the right, at all times prior to the last lot being conveyed to an owner other than Declarant, to veto any action by the Association which would have the effect of significantly altering the development plan of the property or which would impair the ability of the Declarant to exercise its rights under this Declaration or under the Act.

K. If any portion of the common elements is to be disposed of or the Association dissolved, all common property shall first be offered to be deeded to the Village of Alamance in fee simple absolute at no cost to the Village pursuant to the Village of Alamance Zoning Ordinance § 590-0I-08(e); provided, however, that this provision shall only apply to the extent that such Ordinance is in effect and applicable at the time of such disposal or dissolution.

4. RE-SUBDIVISION.
The lay of the lots as shown on the Plat shall be adhered to, and no lot or group of lots may be re-subdivided so as to produce a greater number of smaller lots. More than one lot may be used for the erection of a single residential structure, provided the location of such structure and its external design are approved in writing by the Architectural Committee as hereinafter provided.

5. PUBLIC UTILITIES.
No lot shall be used except for residential purposes; however, neither this provision nor any other provision hereof shall be construed to prevent the granting of easements for the relocation of existing public utility lines or cable television lines for the service of any lot or lots in the subdivision, provided that such easements are executed by the owners of the land over which they are to pass. Easements are reserved for public utilities and for cable

television lines within ten (10) feet of all lot lines as may be necessary for the service of the subdivision by such utilities. All utilities except drainage must be below ground. Drainage easements are reserved as shown on the recorded plat.

6. TYPE OF STRUCTURE.

A. No structure shall be erected, altered, placed, or permitted to remain on any lot, other than One Dwelling and One Garage. The garage shall be attached to the dwelling unless approved by the Architectural Committee. No duplex or multi-family dwelling shall be permitted. No modular or mobile homes shall be permitted. Structures must be stick built only and must be built on site. No dwelling shall be permitted to be moved onto any lot. All houses in The Meadows and The Cornerstone sections shall be built on a crawl space or a basement with the exception of split level or bi-level houses.

B. The Architectural Committee shall be authorized to approve house plans and, if development harmony will not be violated, to permit the construction of summer houses, pagodas, greenhouses, houses for storage of lawn and garden tools and supplies, and other outbuildings and fences. Nothing herein contained shall be construed to prevent uses of a part of a dwelling or garage for the purposes above set forth without the consent of the Architectural Committee.

7. SIZE OF DWELLING.
No dwelling shall be erected or allowed to remain on each section of the Property having a heated living area less than the following:

A. The Meadows section:

(1) For a one story house, 1,500 square feet;
(2) For a one and one-half or two story house, 1,100 square feet on the ground floor, with a total living area of 1,700 square feet;
(3) For a split level house, 1,300 square feet for the two lower levels with a total living area of 1,700 square feet; and
(4) For a bi-level house, 1,100 square feet of living area on the second level, with the lower level having a total area, including heated living area, garage, and storage area, not less than that of the second level, with totalliving area not less than 1,700 square feet.
(5) At least a single car garage is required.

B. The Cornerstone section:

(1) For a one story house, 1,700 square feet;
(2) For a one and one-half or two story house, 1,300 square feet on the ground floor, with a total living area of 1,900 square feet;
(3) For a split level house, 1,500 square feet for the two lower levels with a total living area of 1,900 square feet; and
(4) For a bi-level house, 1,300 square feet of living area on the second level, with the lower level having a total area, including heated living area, garage, and storage area, not less than that of the second level, with totalliving area not less than 1,900 square feet.
(5) At least a two car garage is required.

For the purposes of this Paragraph 7, "living area" shall be deemed to exclude porches, garages, carports, and any other areas (on whatever story or level) wherein the walls, ceiling, floor, plumbing, wiring, and heating are not completely finished and suitable for living. Finished bonus rooms are to be included in heated square footage.

8. SIZE OF LOTS AND SET-BACK REQUIREMENTS.

A. No dwelling shall be erected on any lot having an area of less than the required amount of square footage for the zoning as determined by the Village of Alamance ordinances (with or without "clustering" or other such increased density options as are available under the ordinances as the same may change from time to time).

B. No building shall be located on any lot nearer than 35 feet to any front line nor nearer than 20 feet to a side street line. No building shall be located nearer to an interior lot line 10 feet for The Meadows section or 12 feet for the Cornerstone section, nor within 25 feet of a rear lot line. Those lots which are "Pond Lots" as defined in the paragraph of this Declaration entitled "Pond" shall have a minimum front set back of 25 feet from the front lot line, notwithstanding any other provisions of this paragraph or this Declaration.

9. SEWER AND WATER SERVICES.
No dwelling shall be erected, maintained or used on the Property that is not connected with a municipal sanitary sewer system and water system.

10. ELECTRIC SYSTEM.
No dwelling shall be erected, maintained or used on the Property that is not connected to the main electric power line by an underground power line.

11. TEMPORARY STRUCTURES.
No residence or other structure of a temporary character shall be erected or allowed to remain on the Property, and no trailer, mobile home, basement, tent, shack, garage or other building shall be used as a residence, either temporarily or permanently.

12. DETACHED STRUCTURES.
No detached carport, garage, accessory or other building shall be erected on the Property without express written approval of the Architectural Committee. Unless otherwise approved, all such structures shall be a part of the main dwelling and built in accordance with the general architectural plan thereof; provided however, that attached garages and adjacent storage areas are permitted if the same are covered by a roof constructed with the same roofing material as the roof of the dwelling and are attached to the dwelling, are neat in appearance, and are of appropriate architectural design consistent with the design of the dwelling and approved by the Architectural Committee.

13. LOT DRAINAGE.
Each lot owner shall grade and maintain his lot in such a manner that all water drainage from his lot will drain to the front curb and gutter, the rear drainage easement, or a side street and shall provide a swell along the side property lines if necessary to prevent drainage water from his lot from flowing onto adjoining lots.

14. FENCES.

No fence shall be erected on a lot that violates the municipal ordinance governing fences. All fences shall be neat in appearance, of permanent nature and properly maintained. Fences shall require written Architectural Committee approval. Fences shall extend no further forward than the forwardmost plane of the main structure of house. No fence shall be maintained in such a manner as to obstruct or block the normal flow of drainage water along the drainage easements.

15. MAIL BOXES.

All mail boxes shall comply with United States Postal Service regulations and shall be consistent with the architectural design of the house and the surrounding neighborhood, as well as with the spirit of this Declaration and of the entire Heritage Glen subdivision. Any mail boxes which are of non-standard design, which shall include but not be limited to those employing the use of bricks, concrete, cement, mortar and like materials and any structure employing or incorporating any object which was not in its original state intended to be used as a mail box, shall be approved by the Architectural Committee before being built or erected.

16. DRIVEWAYS.

Any dwelling erected on the Property shall be served by a private driveway to be connected to the public street, extending from the pavement thereof as permitted by the Village of Alamance, to a garage erected in compliance with the provisions hereof. All driveways shall be at least 10 feet wide, shall be no nearer than 2 feet to an interior lot line, and shall be paved with asphalt, concrete, or brick, or other material if first approved by the Architectural Committee. At all times during any construction on any lot, the owner of said lot shall require that a temporary gravel driveway be in place to be used during construction to minimize mud, soil, dirt, sand, gravel, construction debris or any material that could be tracked on or through the streets or common areas of the subdivision. If the owner fails to comply with this Paragraph 16 and such debris does enter the streets or common areas of the Property, Declarant or the Homeowner's Association may, without notice, cause such debris to be cleared from the streets or common areas, charging the owner the reasonable cost thereof plus a maintenance fee of $150, which charges shall be a lien on the property as specified in Paragraph 17 below.

17. MAINTENANCE OF LOT.

Prior to erection and completion of a residence upon a lot, the owner shall keep such lot cleared of fallen trees, limbs, trash, junk, garbage and refuse (whether deposited thereon by the owner, by unauthorized and unknown parties or otherwise), and shall trim within four inches of the ground all grass, weeds and other like growth at least twice each year, the first such trimming to be undertaken not later than May 15th and the second not later than September 15th of each year. Should the owner fail to so maintain said lot, the undersigned may without notice cause such work to be performed on said lot and charge the owner the reasonable cost thereof plus a special $150 maintenance fee over and above such value, such charges to be payable forthwith, and such shall entitle the Declarant or its successor to a lien arising out of the improvement of said real property together with all statutory rights relating thereto, including but not limited to the filing of a claim of a lien and action to enforce same.

18. ANIMALS. FOWL. PETS.
No animals, fowl or pets shall be kept or allowed to remain on the Property for commercial purposes, and no animals other than household pets shall be kept or allowed to remain on the Property for any purpose, nor shall anything be done thereon which is a nuisance or an annoyance to the community or neighborhood, and specifically, barking dogs shall not be allowed to cause an annoyance in the community or neighborhood. All household pets shall be confined to the owner's lot or leashed to their owner at all times. No dog houses and/or dog runs shall be constructed without proper written approval by the Architectural Committee. No pet owner shall allow the refuse of his pet to soil any other lot, and no pet owner shall allow his pet to become a nuisance or annoyance to any lot owner in any manner.

19. GARBAGE CANS AND CLOTHES LINES.

A. No garbage cans may be kept upon any lot unless inside a structure or placed in an enclosed or latticed area. Garbage for municipal pickup shall be placed at the street in garbage cans and such cans shall be promptly removed from the street after being emptied.

B. All clothes lines must be screened from the view of persons using the street.

20. SATELLITE DISHES. ANTENNAS.
No satellite dishes or antennas on poles shall be permitted to be erected either permanently or temporarily on a lot. Satellite dishes no larger than 18" in diameter are allowed provided that they are mounted upon the side or rear of the house itself, but not on the front of the house or upon any other structure, pole, tree or yard.

21. MOTOR VEHICLES.
No immobile, junked or unlicenced automobiles, trucks, tractors, trailers or any other vehicle shall be permitted to remain on any lot or street in the subdivision. Any automobile, boat, motorcycle or other vehicle not regularly used by the lot owner shall be parked inside a garage or otherwise screened from view.

22. MAINTENANCE ASSESSMENTS.
A. Personal Obligation of Assessments. The Declarant, for each lot owned within the subdivision, 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 Declarant or to the Association: (1) annual assessments or charges; and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorneys fees, shall be a charge on the land and shall be a continuing lien upon the property against which such assessment is made. Each such assessment, together with interests, costs and reasonable attorneys fees, shall also be the personal obligation of the person who was the owner of such property at the timewhen the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successor in title unless expressly assumed by them.

B. Purpose of Assessments. The assessments herein specified shall be used to maintain, repair and preserve the subdivision entrances and common areas and for any utility charges incurred in connection therewith.

C. Special Assessments for Capital Improvements. In addition to annual assessments authorized herein, the Declarant or the Association, upon affirmative vote or written agreement signed by the lot owners to which at least 67% of the votes in the Association are allocated, may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or inpart, the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the common areas, including fixtures and personal property related thereto.

D. Amount of Assessments. Initial assessments are set at $100.00 per year, payable in advance on the 1" day of January of each year (this amount shall be prorated on the number of months left in the year of purchase). No assessment shall be payable on a lot prior to its sale or lease to a party other than Declarant. Assessments shall be collected at closing by Declarant and thereafter the Association may perform the maintenance and collection of funds. All lot owners shall be members of such Association.

E. Effect of Nonpayment of Assessments - Remedies of the Declarant. Any assessment (or charge) not paid within thirty (30) days after the due date shall bear interest from said date at the rate of eighteen percent (18%) per annum or the maximum interest rate permitted to be legally charged under the laws of the State of North Carolina at the time of such delinquency, whichever is greater.

23. ARCHITECTURAL COMMITTEE.

A. No structure, fence, wall or screen planting or non-standard mailbox shall be erected, placed or altered on any lot until the building plans, specifications, and plot plans showing the location of such structures, fence, wall or screen planting have been approved in writing as to conformity and harmony of external design, and external materials, with existing structures in the areas, and approved as to location with respect to topography and finished ground elevation, by the Architectural Committee. "Structure" includes dwellings, garages, fences and all other enclosures of space.

B. During the period of Declarant control, the Architectural Committee shall consist of the members of Cornerstone Properties of Alamance, LLC or such other person or persons as Declarant shall appoint in writing. After the period of Declarant control, the Board of the Association shall appoint the members of the Architectural Committee.

C. Unless the Architectural Committee, within thirty (30) days after it receives from a lot owner a copy in writing of all pertinent plans and specifications, shall reject in writing any proposal put to it under this paragraph, such proposal shall be deemed irrevocably to have Committee approval. Provided, the Architectural committee shall be authorized, with the written consent of the lot owner, to extend said thirty (30) day period for such time as mutually agreed upon.

24. LONGEVITY OF COVENANTS AND RESTRICTIONS.
These protective covenants and restrictions are appurtenant to and shall run with the land and shall be binding onall parties and all persons claiming under them in perpetuity, unless after a period of thirty (30) years from the date this Declaration is executed the then lot owners choose to terminate this Declaration by affirmative vote or written

agreement signed by the lot owners to which at least 67% of the votes in the Association are allocated.

25. ENFORCEABILITY.

Enforcement shall be by proceeding at law or in equity against any person or persons violating or attempting to violate said covenants, either to restrain violation, or to recover damages, or both, and may be enforced by Declarant, the Homeowner's Association, or any one or more of the lot owners. Invalidation of any one of theses covenants by judgment or court order shall in no wise effect any of the other provisions which shall be and remain in full force and effect.

26. COMMON AREAS.

The Declarant shall be responsible for the maintenance and upkeep of each lot designated on the Plat as "open space" or "common area" until the earlier of the following: (1) the end of the period of Declarant control, (2) each particular such lot is conveyed to the Association, or (3) such responsibility is otherwise turned over to the Association. When responsibility has been turned over, the Homeowner's Association shall be responsible for maintenance and upkeep of the such lots. The Association shall not refuse to accept the conveyance of any such lots. The Association shall have the authority to make maintenance assessments against each lot for the limited purpose of providing for the maintenance and upkeep of the common areas, as provided in Paragraph 22 herein. Under no circumstances shall the Association have any votes for any lots controlled by it, whether such lots are common areas, Pond Lots or any other lot in the subdivision.

27. POND.

A. Those lots referred to as "Pond Lots" in this Declaration shall be lot numbers 94, 95, 96, 97, 100 101, 102, 103, 104, 105 and 106 as well as those two lots denoted "Future Lot 98" and "Future Lot 99" as shown on the plat entitled "Final Plat, Phase I, The Meadows at Heritage Glen" drawn by the John R. McAdams Company, Inc. and dated August 13, 1999 and recorded in Plat Book 64, Page 126 through 137 of the Alamance County Registry.

B. Each owner of a Pond Lot hereby and by ownership of such Pond Lot grants and conveys an easement to each other Pond Lot owner for the use of the pond itself up to the mean high water mark only. This easement shall not grant any Pond Lot owner the right to go upon the land of any other Pond Lot owner above the mean high water mark of the water itself. This easement shall be appurtenant to each Pond Lot and shall run with the land, whether or not the deed to such Pond Lot specifies or includes such easement.

C. The pond is hereby designated a limited common area benefitting exclusively those Pond Lots specified above in sub-paragraph A.

D. The Pond Lot owners are subject to special assessments for the maintenance of the pond, dam and spillway.

E. Responsibility for normal, routine and necessary maintenance of the dam and spillway area up to a maximum total expenditure of $300.00 per year is hereby delegated to the owners of the lots encompassing the dam and spillway, which are lots

100 and "Future Lot 99" and "Future 98" as shown on the above-referenced plat. Such costs may be incurred as such lot owners reasonably decide among themselves, such costs to be reimbursed, upon proper notice and documentation, by the Association within sixty (60) days of presentment of such notice and documentation by the lot owners.

F. In the event that maintenance exceeding $300.00 per year is required or anticipated upon the dam or spillway, the owner of any Pond Lot shall have the right to call a meeting of all the Pond Lot owners upon reasonable and adequate notice to each Pond Lot owner. A quorum for such meetings shall be constituted by the presence of at least seven (7) Pond Lot owners in person or by proxy at the beginning of the meeting. A majority vote of all Pond Lot owners shall be required to take action on a Pond Lot owner's request to expend funds over and above the $300.00 yearly amount on pond, dam or spillway maintenance. Upon an affirmative vote of the majority of Pond Lot owners in favor of such expenditure, the Association shall be obligated to provide such maintenance on behalf of the Pond Lot owners at a cost not to exceed that approved by the vote of the Pond Lot owners, with such charges to be assessed pro rata as a special assessment upon the Pond Lot owners as specified in N.C.G.S. § 47F-3-110(e).

G. This section shall not apply to the Declarant and shall not in any circumstances require the Declarant to pay any charge or assessment in relation to the pond, dam or spillway. Only Pond Lot owners other than the Declarant shall have a vote in any meeting of Pond Lot owners and shall be subject to assessments under this Paragraph 27.

H. Declarant hereby reserves the right to declare the dam and spillway lots specified on the aforementioned plat as "Future Lot 98" and Future Lot 99" as common areas or limited common areas, and if so this paragraph shall apply to the Association when it becomes the owner of such lots as common areas, but this sub-paragraph H shall not come into force and effect unless and until such lots arein fact conveyed to the Association. Under no circumstances shall the Association have any votes for any lots controlled by it, whether such lots are common areas, Pond Lots or any other lot in the subdivision.

28. GOVERNANCE OF THE ASSOCIATION.

A. Every person or entity who is a record owner of a lot subject to this Declaration, shall be a member of the Association, provided that any such person or entity who holds an interest merely as security for the performance of an obligation shall not be a member.

B. The votes of the membership of the Association shall be allocated as follows.

(1) The owner of each lot shall be entitled to one vote per lot owned.

(2) When more than one person or entity holds an interest in any lot, all such persons or entities shall be members of the Association, and the vote for such Lot shall be exercised as they among themselves determine, and such persons shall designate one (1) person to vote. In no event shall more than one (1) vote be cast with respect to any lot except as expressly provided as to the Declarant.

C. The Association shall be governed by a Board of Directors. In accordance withthe Bylaws, the Association shall elect a Board of Directors. So long as Declarant is a

member of the Association, Declarant shall be entitled to appoint at least one member of the Board of Directors.

D. Within ninety (90) days after the Declarant no longer holds title to all of the lots, or at any earlier time that Declarant in its sole discretion may determine, the members of the Association shall conduct a special meeting, hereinafter called the Turnover Meeting, for the purpose of assuming control of the Association. However, so long as the Declarant is a member of the Association, the Declarant shall be entitled to appoint at least one member to the Board of Directors. Declarant shall have the right to call a special meeting of the membership prior to such ninetieth (90th) day in order to effect Turnover of the Association to the members if in its sole discretion it determines to do so. Howsoever such meeting is called, the members shall at the time of the Turnover Meeting assume full control over the Association and shall have no right not to accept all the powers, duties and obligations of the Association.

E. The powers of the Association pursuant to this Declaration, the Articles of Incorporation, the Bylaws and the North Carolina Planned Community Act may be delegated to an entity ("Master Association") which exercises those powers on behalf of one or more planned communities, and N.C. Gen. Stat. § 47F-2-120 is hereby expressly adopted to allow delegation to such Master Associations. Should a Master Association encompassing the Association be created, all members of the Association shall also be members of the Master Association.

F. The portions of this Declaration which embody provisions of the Declaration of Planned Community as required or allowed by the North Carolina Planned Community Act, N.C. Gen. Stat. §§ 47F-1-101 et seq., wherever in this document such provisions may be located, may be amended only by affirmative vote or written agreement signed by owners to which at least 67% of the votes in the Association are allocated, except that:

(1) No amendment may disturb any of the rights allocated to Declarant by this Declaration or any other Declaration of Restrictive Covenants or Declaration of Planned Community recorded for the Property, including but not limited to rights incident to the period of Declarant control, rights included in the Special Declarant Rights and in the Development Rights of Declarant.

(2) No amendment may disturb any provision in this Declaration or any other Declaration of Restrictive Covenants or Declaration of Planned Community recorded for the Property which grants land use rights appurtenant to lots in the property, especially including but not limited to the easements granted herein for the Common Elements and the architectural restrictions. Such rights are interests in land granted through the provisions of this Declaration constituting the Declaration of Restrictive Covenants and as such are not subject to amendment except by deed executed by the affected lot owners.

G. Declarant specifically reserves the right, but not obligation, to add additional real property shown for "Future Development" (or words of like import) on plats and plans to the Property as additional phases of the development plan. Owners of lots on any such additional property added shall be members of the Association if no separate association is set up for such owners, and, if so, such owners shall enjoy the same rights to the Common Elements as do the lot owners of Phase 1.

IN TESTIMONY WHEREOF, the parties hereunto have set their hands and seals this the 9th day of September, 1999.

CORNERSTONE PROPERTIES OF
ALAMANCE, LLC,
a North Carolina Limited Liability Company

As recorded in Book 1327, page 798 in the office of the Register of Deeds of Alamance County, North Carolina