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STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SMITH CORNERS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS made this 18th day of March, 1999, by Panos/Smith Hotel Group - Reames Road, LLC, a North Carolina limited liability company (hereinafter referred to as "Panos/Smith"), RI77, Inc., a North Carolina corporation (hereinafter referred to as "RI77") and Speedway Boulevard, LLC, a North Carolina limited liability company (hereinafter referred to as "Speedway"). These three entities are hereinafter collectively referred to as "Declarant".

W I T N E S S E T H :

WHEREAS, Panos/Smith is the owner of certain real property (hereinafter referred as the "Panos/Smith Property") located on W.T. Harris Blvd in Mecklenburg County, North Carolina and being more particularly described on Exhibit A attached hereto; and

WHEREAS, RI77 is the owner of certain real property adjacent to the Panos/Smith Property and more particularly described on Exhibit B attached hereto and incorporated herein by reference (hereinafter referred to as the "RI77 Property"); and

WHEREAS, Speedway is the owner of Lots 3 and 5 of Panos/Smith Hotel Group - Map 1 as shown on map recorded in Map Book 29 at Page 693 in the Mecklenburg County Public Registry (hereinafter referred to as the "Speedway Property");

WHEREAS, Smith Corners, LLC, a North Carolina limited liability company is the owner of certain real property adjacent to the RI77 Property and more particularly described on Exhibit C attached hereto and incorporated herein by reference (hereinafter referred to as the "Smith Corners Property"); and

WHEREAS, the Panos/Smith Property, the Speedway Property and the RI77 Property are now shown as Lots 2, 3, 4, and 5 of Panos/Smith Hotel Group - Map 1 as shown on map recorded in Map Book 29 at Page 693 and Lots 1, 6, 7, 8, and 9 of revised Panos/Smith Group - Map 1 as shown on map recorded in Map Book 30 at Page 427 in the Mecklenburg County Public Registry (hereinafter collectively referred to as the "Submitted Property");

WHEREAS, the Submitted Property, the Smith Corners Property and any additional property added pursuant to Article II, will be developed as permitted under local zoning ordinances as a mixed-use development composed of retail centers, business park developments, hotel complexes, restaurants, convenience stores and a residential community

DRAWN BY AND MAIL TO:
Clayton S. Curry, Jr., Esquire
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or other uses as Declarant shall elect in its sole discretion to be known collectively as Smith Corners (hereinafter referred to as "Smith Corners"); and

WHEREAS, Declarant desires to insure the attractiveness of the development to preserve, protect and enhance the values, appearance and amenities thereof; to provide for a method for the maintenance, repair, replacement and operation of certain landscaping, private drives, lighting, entrances and other common areas, facilities and improvements located within Smith Corners; and, to this end desires to subject the Properties (as such term is hereinafter defined and used herein) to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said Properties and each owner thereof; and

WHEREAS, Declarant, in order to further the objectives set forth herein, has deemed it desirable to create an organization to which will be delegated and assigned the power of maintaining, repairing, replacing, operating and administering certain landscaping, private drives, lighting, entrances and other common areas, facilities and improvements located within Smith Corners, and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has incorporated or will incorporate under North Carolina law, Smith Corners Owners Association, Inc., as a non-profit membership corporation for the purpose of exercising and performing the aforesaid functions;

NOW, THEREFORE, Declarant, by this Declaration of Covenants, Conditions and Restrictions, does hereby declare that all of the Submitted Property and such additions thereto as may be 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. "Association" shall mean and refer to Smith Corners Owners Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 2. "Owner" shall mean any record owner (including the Declarant), whether one or more persons or entities, of fee simple title to any part of the Properties or to a Lot derived from a subdivision of the Properties, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation, except that if any part

of the Properties or a Lot is part of a sale-leaseback transaction, the "Owner" shall be the prime lessee instead of the sale-leaseback purchaser.

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 Association under the provisions of Article II hereof.

Section 4. "Lot" shall mean and refer to any plot of land, with delineated boundary lines, other than property located within public streets which are reserved as established for the use of all Owners (a) appearing on any recorded subdivision map of the Properties, (b) subdivided out of the Properties by Declarant or Smith Corners, LLC and conveyed to another person or entity by deed recorded in the Mecklenburg County Public Registry, (c) all portions of the Properties owned by Declarant. In the event of a subdivision of any Lot, each such parcel shall also be considered a "Lot", and further provided that areas zoned now or in the future for retail development may be subdivided into additional parcels for the purpose of granting different lending institutions deeds of trust on portions of such areas to secure loans and upon foreclosure, diverse ownership shall not constitute a violation hereof and each such parcel shall after such foreclosure be deemed a "Lot".

Section 5. "Association Easement Areas" shall be (a) all private drives, roads and streets within the Properties; (b) areas within ten feet (10) of the margin of the private drives, roads and street or public rights of way, if any, within the Properties; (c) areas within four (4) feet of the Properties perimeter boundaries which front on Statesville Road, W.T. Harris Blvd. or Interstate 77; (d) those areas designated Association Easement Areas on maps of portions of the Properties, presently or hereinafter recorded; (e) medians located within the private drives, roads and streets within the Properties; (f) any detention ponds or storm water drainage areas within the Properties; and (g) all areas for entrance signs.

Section 6. "Declarant" shall collectively mean and refer to Panos/Smith, RI77, Speedway, and to Smith Corners, LLC if the Smith Corners Property is annexed as provided in Article II and their successors and assigns, if any, to whom the rights of Declarant hereunder are specifically transferred by written instrument, subject to such terms and conditions as the Declarant may impose. Upon any transfer of any or all of its Declarant rights and obligations hereunder, the transferor shall be relieved of any and all obligations and liabilities with respect to the rights and obligations so transferred. Any right of Declarant herein, can be exercised independently by Panos/Smith, RI77, Speedway or Smith Corners, LLC, if the Smith Corners Property is annexed, without the consent or joinder of the others.

Section 7. "Member" shall mean and refer to the Declarant and to any Owner of any Lot, which person or entity shall automatically be deemed a member of the Association.

Section 8. "Designated Maintenance Items" shall mean those items located within the Association Easement Areas which are specifically designated in a written notice delivered to any Owner by the Association, which written notice shall set forth the extent of the maintenance obligations of the Association and the specific locations to which such obligations apply.

This Declaration imposes no obligation on Declarant to construct, install or maintain any of the Designated Maintenance Items, except as expressly set forth in Article VIII hereof.

Section 9. "Institutional Lender" shall mean any life insurance company, bank, savings and loan association, trust, real estate investment trust, pension fund or other organization or entity which regularly makes loans secured by real estate.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF SMITH CORNERS OWNERS' ASSOCIATION, INC. AND ADDITIONS THERETO

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 Association is the Submitted Property.

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

a. Additional land which is (a) described on Exhibits C and D or (b) contiguous to the Existing Property and within one-half mile of the boundary of the Existing Property may be annexed to the Existing Property without further assent or permit.

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 specifically extend the scheme of this Declaration and the jurisdiction of the Association to such properties and the properties shall thereby be subject to the benefits, agreements, restriction and obligations set forth herein, including, but not limited to, assessments as herein determined, to pay for the Association's expenses. The Supplementary Declaration of Covenants, Conditions and Restrictions may also contain such complementary additions and modifications of this Declaration pertaining to such additional properties as may be necessary or convenient, in the reasonable judgment of Declarant, to reflect the different character of the annexed property, but such additions and modifications of the Declaration shall only apply to such additional properties being added by the Supplementary Declaration of Covenants, Conditions and Restrictions.

c. As a condition to the above annexation, the Supplementary Declarations will grant all necessary easements over the property to be annexed for: (1) access over private drives, streets or roads and parking lots and areas (2) utilities and (3) storm drainage for the benefit of the Existing Property which is subject to this Declaration.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Members. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment, except in the case of a prime lessee in a sale-leaseback transaction, in which case the prime lessee shall be the "Member" instead of the sale-leaseback purchaser.

Section 2. Voting. 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 to One (1) vote for each acre owned in the Properties, plus a fractional (hundredths) vote for each fractional (hundredths) acre owned. 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 by majority vote based on ownership interest, but in no event shall the vote or votes be cast separately with respect to any jointly owned Lot.

b. Class B Lots. Class B Lots shall be all Lots owned by Declarant (as "Declarant" is defined in Article I, above) which have not been converted to Class A Lots as provided in (i) or (ii), below. The Declarant shall be entitled to five (5) votes for each acre of the Properties owned by it, plus fractional (hundredths) votes for each fractional (hundredths) acre owned. The Class B Lots shall cease to exist and shall be converted to Class A Lots upon the latter of the following:

(i) When the total number of votes appurtenant to the Class A Lots equal the total number of votes appurtenant to the Class B Lots, provided, that all Lots owned by Declarant shall revert to Class B Lots and thereby shall be reinstated with all rights, privileges and responsibilities of such Class, if, after the above provided conversion of Class B Lots to Class A Lots, additional lands are annexed to the Properties, thus making the Declarant the owner, by virtue of newly created Lots and of other Lots owned by Declarant, of a sufficient number of acres within Class B Lots to cast a majority of votes (it being

hereby stipulated that the conversion or reconversion shall occur automatically as often as the foregoing facts shall occur); or

(ii) On December 31, 2013.

Section 3. Majority. Notwithstanding the above provisions, the Declarant shall be entitled to fifty-one percent (51%) of the total votes (the "Total Votes") of the Association Members until December 31, 2008.

Section 4. Amendment. Notwithstanding any provisions to the contrary contained herein, so long as Declarant owns any portion of the Properties, this Declaration and the Bylaws of the Association may not be amended without its written consent.

Section 5. Board of Directors. The Association shall be governed by a Board of Directors (the "Board of Directors") in accordance with the Bylaws. Notwithstanding any provisions to the contrary contained in this Declaration or in the Bylaws, the Declarant shall have the right to appoint or remove by written notice to the Board of Directors any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following events occurs:

a. Declarant no longer owns any portion of the Properties;

b. Declarant surrenders the authority to appoint and remove members of the Board of Directors and officers of the Association by an express amendment to this Declaration executed and recorded by the Declarant; or

c. December 31, 2008.

ARTICLE IV
EASEMENT RIGHTS AND ASSOCIATION EASEMENT AREA EASEMENTS

Section 1. Owner's Easements of Enjoyment. Every Owner, through ownership of a Lot, shall have, subject to rules and regulations established by the Board of Directors of the Association, a non-exclusive right and easement of use and enjoyment in and to the Association Easement Area which shall be appurtenant to and pass with the title to every portion of the Properties. All rules and regulations established by the Board of Directors of the Association shall be reasonable and non-discriminatory.

Section 2. Association Easements. The Association, its successors and assigns, shall have and Declarant hereby reserves an Association Easement Area Easement over those portions

of the Properties defined as Association Easement Areas in Article I, Section 5 hereof. This easement shall be for the purpose of installing, maintaining, repairing, replacing, operating and administering Designated Maintenance Items located within Association Easement Areas, including but not limited to landscaping (including, but not limited to trees, shrubbery, grass and flowers), lighting, sidewalks and private drives, streets and roads and storm water drainage and detention areas. The Association shall at all times have and reserves the right of ingress and egress for its employees, agents and subcontractors over any Lot for the purpose of accessing the Association Easement Areas for the further purpose of performing such maintenance as it expressly undertakes within the Association Easement Area Easements. The Association shall also have the right but not the obligation to maintain the Designated Maintenance Items in the medians, islands and entrance ways located within the private drives, streets and roads within the Properties.

Section 3. Use by Tenants or Contract Purchasers. The right and easement of enjoyment granted to every Owner in Section 1 of this Article may be delegated by the Owner to his tenants or contract purchasers and their agents, tenants, contractors and invitees.

Section 4. Maintenance During Period Association is Controlled by Declarant. During the period of time that Declarant controls the Association, Declarant shall have the right but not the obligation to cause the Association to maintain the Association Easement Areas in good repair and condition.

Section 5. Utility and Drainage Easements. An easement is reserved by Declarant for itself and its successors and assigns along over, under, and upon a strip of land 10 feet in width, parallel and contiguous to the Properties boundaries. The purpose of this easement shall be to provide, install, maintain, construct and operate drainage facilities now or in the future and utility service lines to, from or for the Lots. Declarant reserves the right to modify or extinguish the herein reserved easements when in its sole discretion adequate easements are otherwise available for the installation of drainage facilities, and/or utility service lines.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation to Pay Assessments. The Declarant, for each Lot owned within the Properties, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, are deemed to covenant and agree to pay to the Association: (1) Annual Assessments or charges for the creation and continuation of a maintenance fund in the amount hereinafter set forth; and (2) Special Assessments, such assessments to be established and collected as hereinafter provided. 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. In the case of co-ownership of a Lot, all of the co-owners shall be jointly and severally liable for the entire amount of the assessment.

Section 2. Purpose of Assessments. Except as hereinafter provided, the Assessments levied by the Association shall be used to pay the ongoing cost of and shall be used exclusively for such obligations expressly undertaken by the Association to provide for the maintenance, repair, replacement, reconstruction, replenishment, restoration, cleaning and operation of the Designated Maintenance Items, the Association Easement Areas, and the cost of labor, equipment, materials, management and supervision for the security services in protection of the same. These costs will include, but will not be limited to, legal expenses, administrative costs, accounting costs, insurance premiums, the payment of utility bills relating thereto (including water and electric power for the irrigation and lighting systems), and management fees. During the time the Declarant controls the Association, the Association shall not expend its funds for the initial installation of Designated Maintenance Items, but only for the maintenance, repair, operation, restoration and reconstruction thereof caused as a result of normal usage or casualty.

Section 3. Annual Assessment. The Annual Assessment for each Member for each calendar year shall be the product of (a) the actual acreage of land contained within said Member's Lot times (b) the annual assessment per acre as established by the Association based on projected expenditures for the calendar year for which such computation is made, with fractions of acres and fractions of calendar years to be computed and prorated equitably, at the same uniform rate for each calendar year. The annual assessment shall not commence until the calendar year 1999. The assessment for the calendar year 1999 as established by the Declarant, acting reasonably and in good faith and based on projected expenditures for said calendar year, shall be $350.00 per acre. The annual assessment per acre for the calendar year 2000 shall be $500.00 per acre.

Beginning in 2001 and each year thereafter, the Association, acting through its Board of Directors, shall estimate the costs of performing its responsibilities hereunder, or so many of such responsibilities as it shall have expressly undertaken, for the next succeeding year and advise each Member of the amount of its assessment determined as above provided for such next succeeding calendar year prior to January 15 of each such year. These Annual Assessments may include a contingency reserve for replacement and repair. If, for any given calendar year, excess funds remain after payment of expenditures in succeeding calendar years or to the contingency reserve in the discretion of the Association. There will be an Association budget with reasonable detail.

Section 4. Special Assessments. In addition to the Annual Assessment hereinabove authorized, the Association may levy Special Assessments only for the purpose of defraying, in whole or in part, or for the purpose of setting aside for future expenditure, the cost of any

unexpected items, capital items, or the cost of any reserves required in excess of the amounts that may be included in the Annual Assessment; provided, however, that any such special assessment shall have the approval of seventy five percent (75%) of the Owners of each class of Lots present and voting in person or by proxy at an annual or special meeting of the membership at which a quorum is present with such seventy five percent (75%) being measured by the number of votes eligible to be cast by the aforesaid Members of each class. Special Assessments shall be due and payable on the date(s) which are fixed by the resolution authorizing such assessment.

Section 5. Notice of Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 hereof shall be sent to all Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of in person or of proxies of Members entitled to cast sixty (60%) percent of the Total Votes 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 (½) 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 6. Due Dates. Unless otherwise provided herein, annual assessments shall be due and payable in advance, quarterly, semi-annually or yearly as determined by the Board of Directors, thirty (30) days after being billed to any Member by the Association based on the Association's or Declarant's estimate as set forth above; provided, however, the Board of Directors may require the payment of the same at different intervals. Late billing for a portion of any assessment shall not affect a Member's obligation to pay the same.

Section 7. Records of Assessments. The Association shall cause to be maintained in the office of the Association a record of all designated portions of the Properties subject to assessment and assessments applicable thereto which shall be open to inspection by any Member upon reasonable notice. Written notice of each assessment shall be mailed to each Owner of a Lot subject to assessment.

The Association shall upon request and payment of a reasonable charge therefor furnish to any Owner a certificate in writing signed by an officer of the Association setting forth whether the assessments have been paid, and if not, the amount due and owing. Such certificate shall be conclusive as evidence for third parties as to the status of assessments against such Lot.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 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 less. In addition to such interest charge, any delinquent Member shall also pay a late charge of Two Hundred and no/100 Dollars ($200.00) or such other amount as may have been theretofore established by the Board of Directors of the Association to defray the costs of late payment. The Association, its agent or representative, may bring an action at law against any Member personally obligated to pay the same or foreclose the lien against the Lot, and interest, late payment fees, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No Member may waive or otherwise escape liability for the assessments provided for herein by abandonment of his or its portion of the Properties.

Section 9. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust on a Lot or any portion of the Properties and to other mortgages or deeds of trust if the mortgagee or beneficiary in such deed of trust is an Institutional Lender. Sale or transfer of a Lot or any portion of the Properties shall not affect any assessment lien, but the sale or transfer of a Lot or any portion of the Properties which is subject to a mortgage or deed of trust to which the lien of the assessment is subordinate, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to any installment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot or thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of those mortgages and deeds of trust identified in the first sentence of this Section 9.

Section 10. Exempt Property. All property dedicated to, and accepted by, a local public authority for operation and maintenance shall be exempt from any provision of this Declaration.

Section 11. Annual Accounting. The Association shall keep books and accounting records in accordance with generally accepted accounting principles and shall furnish each Member with an annual report each year prepared by and certified to be true and correct by an officer of the Association or, at the election of the Association, an independent Certified Public Accountant selected by the Association Board of Directors.

Section 12. Dealings Between Association and Any Member. In the event that services, materials or work are provided to the Association by any Member, including the Declarant, then all such services, materials or work shall be furnished at a price which is not more than would be charged by non-members for performing such work or services or providing such materials. Any payment made to the Declarant or any Member or representative of any of the foregoing for service as an officer or director of the Association or member of the Architectural Review Committee shall be paid out of or reduce the management fee.

ARTICLE VI
MAINTENANCE BY OWNER AND EXTERIOR APPEARANCE

Section 1. Maintenance and Repair. Each Owner shall maintain and repair at its expense all improvements (both interior and exterior) and landscaping on its Lot which shall need repair in order to keep the same in good condition and repair and in a condition substantially similar to that existing upon the initial completion of the improvements in accordance with the Final Plans. Upon Owner's failure to do so, the Association shall have all rights and remedies as by law provided to enforce this covenant. In addition, with respect to an Owner's failure to keep the exterior of a Lot in good condition and repair, the Association may, at its option, after approval by a majority vote of the Board of Directors and after giving the Owner ten (10) days' written notice sent to its last known address, or to the address of the Lot, have the grass, weeds, shrubs and vegetation cut when and as often as the same is necessary in the judgment of the Board of Directors, and have dead trees, shrubs and plants removed from such Lot, and replaced, and may have any portion of the Lot resodded or landscaped, and all expenses of the Association pursuant to this Section shall be a lien and charge against the Lot on which the work was done and shall be the obligation of the then Owner of such Lot and subject to collection pursuant to the same methods hereunder for assessments. Upon on Owner's failure to maintain the exterior of any structure, including the roof, in good repair and appearance, the Association, in addition to all other rights and remedies it might have at law to enforce this covenant, may, at its option, after approval by a majority vote of the Board of Directors and after giving the Owner thirty (30) days' written notice sent to its last know address, or to the address of the Lot, make repairs and improve the appearance in a reasonable and workmanlike manner. The cost of any of the work performed by the Association upon the Owner's failure to do shall be immediately due and owing from the Owner of the Lot and shall constitute an assessment against the Lot on which the work was performed, collectible in a lump sum and secured by the lien against the Lot as herein provided.

The liens provided for the immediately preceding paragraph shall be subordinate to the lien of any first mortgage or first deed of trust on a Lot and to other mortgages or deeds of trust if the mortgagee or beneficiary in such deed of trust is an Institutional Lender. Sale or transfer of any Lot shall not affect any assessment lien, but the sale or transfer of any Lot which is subject to a mortgage or deed of trust to which the lien of the assessment is subordinate, pursuant to a foreclosure thereof, shall extinguish the lien of such assessments as to any installment 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 those mortgages and deeds of trust identified in the first sentence of this paragraph.

Section 2. Awnings, Antenna and Exterior Projections. No Owner shall install any awning, satellite dish, antenna or other attachment to the roof or the outside wall of any building or other improvement constructed upon any Lot in such a way that the same can be seen from the centerline of any private drive, roads or streets or public street right-of-way, except when the Architectural Review Committee approves the same as not being aesthetically detrimental to the development. Approval shall be deemed given if, within thirty (30) days after submission, the Architectural Review Committee has not acted to approve or disapprove such request.

Section 3. Utilities. All on-site utility services on any Lot or within the Association Easement Areas shall be located underground, except for transformers, vaults, meters, control boxes or other items not generally designed to be placed underground, unless otherwise approved by the Architectural Review Committee; provided, however, this provision shall not be construed to prohibit the installation of temporary overhead power lines for the period during which improvements are constructed on any Lot and provided, further, that such temporary overhead power lines shall be dismantled upon completion of construction of such improvements.

ARTICLE VII
USES AND CONSTRUCTION OF IMPROVEMENTS

Section 1. Specific Prohibited Uses.

a. The following prohibited use only relates to the Panos/Smith Property and to Lot 3 of Panos/Smith Hotel Group - Map 1 shown on map recorded in Map Book 29 at Page 693 in the Mecklenburg County Public Registry and will not apply to the property described on Exhibit B, Exhibit C, and Exhibit D attached hereto. The prohibited use on the Panos/Smith Property and the aforesaid Lot 3 is that so long as an Arby's Restaurant is in operation on Lot 5 of Panos/Smith Hotel Group - Map 1, recorded in Map Book 29 at Page 693 in the Mecklenburg County Public Registry, the use of the remaining Panos/Smith Property and the aforesaid Lot 3 as a restaurant or other establishment which serves only fast food is prohibited; provided, however, there shall be a specific right for the use of the Panos/Smith Property and the aforesaid Lot 3 by any restaurant or other establishment which is a part of a national chain or franchise which serves fast food, including, but not limited to McDonalds, Hardees, Burger King and Jack-in-the Box.

b. Lot 2 of Panos/Smith Hotel Group - Map 1 as shown on map recorded in Map Book 29 at Page 693 in the Mecklenburg County Public Registry and Lot 6 of Revised Panos/Smith Hotel Group - Map 1 as shown on map recorded in Map Book 30 at Page 427 in the Mecklenburg County Public Registry shall not be used for the operation of any hamburger - oriented restaurant business, except as may be specifically approved in writing

by Foodmaker, Inc. or the current owner of Lot 4 of Panos/Smith Hotel Group - Map 1 as shown on map recorded in Map Book 29 at Page 693 in the Mecklenburg County Public Registry. Notwithstanding anything to the contrary, said restriction will automatically expire if the business operated on the aforesaid Lot 4 is not either (a) a Jack in the Box restaurant, or (b) used for the operation of a hamburger oriented restaurant business owned by Foodmaker, Inc. or its parent, subsidiary, affiliate or franchisee. It is further agreed that the failure of Foodmaker, Inc. to enforce the provisions hereof in the event of a breach of said restriction, shall not be waiver of the restriction with respect to said such breach or any subsequent or different breach.

Section 2. General Prohibited Uses For All Lots. Any Lot may also include within its boundaries Association Easement Areas. Any Lot's use may be further restricted by the Declarant, upon its sale to an Owner and Declarant and the Association shall have the full right and authority to enforce restrictions applicable to the Lots. No Lot or any portion of the Properties may be occupied or used, directly or indirectly, for the following uses: mini-warehouses; massage parlor; sexual apparatus sales; adult book store; adult only, "X" rated or unrated, films (if the rating system for films is changed or eliminated, films which would be considered "X" rated or not rated by the rating system in effect on the date hereof); bingo parlors; flea markets; uses which cause or permit noxious, disturbing or offensive odors, fumes or gases, or any smoke, dust, lint, steam, heat, vapors or glare, or any loud or disturbing noise or vibrations; uses which create or may create a danger to human health, safety or welfare; and uses not in compliance with all requirements of the terms of any state or federal statute or local ordinance or regulation applicable to the Properties or which constitute a nuisance. Typical and reasonable restaurant odors and loudspeakers customarily used in a restaurant drive-thru shall not be violations of this provision.

Section 3. Approval of Development. Before commencing the construction, redecorating, painting, reconstruction, additions, enclosures, fences, loading docks, entranceways, exitways, curb cuts, parking facilities, landscaping, planting, storage yards or any other structures or permanent or temporary improvements on any Lot, the Owner of such Lot shall first submit to the Architectural Review Committee as hereinafter described the schematic design plans (hereinafter referred to as the "Preliminary Plans") and a review fee of One Thousand Dollars ($1,000.00), or such other amount as shall be established by the Board of Directors of the Association. The Preliminary Plans shall include a general site plan for the Lot, which identifies or illustrates, setbacks, exterior elevations, and a general description of building structures or other building improvements.

After approval of the Preliminary Plans, final fully completed plans (hereinafter referred to as "Final Plans") shall be submitted to the Architectural Review Committee for approval. Final Plans shall include a site development plan of the Lot, including the nature of the proposed "cuts" to existing terrain and grading, together with an identification or

description of the structures and all improvements to be located upon the Lot, including the specific nature, kind, shape, and materials to be used in the construction of the structures and other improvements to the Lot. Final plans shall also depict all setback lines relative to the location to the structures and other improvements as well as landscape, irrigation, signage, and lighting plans and storm water retention plans. With respect to the structures and all improvements, the plans for the main floor for each structure shall identify and locate all entrances and exits to and from the structure as well as any truck loading areas, above ground utility equipment, roof top equipment, and screening material to obstruct roof top equipment from public review, garbage storage or dumpster site areas and the location of appendages to the exterior of buildings or structures. Elevations of each structure shall also be included together with the specification for exterior materials and colors, including color boards, color chips, dumpster screening and landscaping material.

Any revised Preliminary or Final Plans which are resubmitted are subject to the above referenced approval procedures. There will be a review fee of Two Hundred Fifty Dollars ($250.00), or such other amount as shall be established by the Board of Directors of the Association, for any revised or resubmitted Preliminary or Final Plans.

The Architectural Review Committee may establish from time to time and for any construction to be undertaken on Lots, uniform and standard requirements (the "Architectural Standards") with respect to grading and site work, service areas, signs, postal areas, exterior equipment, roofing, building exterior surfaces materials, glass, landscape plans, including types of plants, shrubbery and street trees and the required spacing thereof; decorative fencing; and street and parking area lighting. The Architectural Standards as established by the Architectural Review Committee may require as a condition for approval of an Owner's Final Plans the integration of the Architectural Standards within the improvements to be constructed on any Lot.

Approval shall not be required of plans for interior construction or for mechanical, plumbing or electrical systems located completely inside any improvements. In the event the Architectural Review Committee shall fail to approve or disapprove in writing the Preliminary Plans or Final Plans within fifteen (15) days after they have been received by the Architectural Review Committee, such approval will not be required and this covenant shall be deemed to have been complied with. The Architectural Review Committee may disapprove the Preliminary or Final Plans in the event a submission is incomplete. The Plans shall be delivered to the Architectural Review Committee in person or by certified mail at the address to be designated from time to time by Declarant or the Association.

Approval shall be based, among other things, on adequacy of site dimensions; conformity and harmony of external design with neighboring structures; effect of location and use of improvements on neighboring sites, operations, improvements and uses; relation to

topography, grade and finished ground elevation of the site bing improved to that of neighboring sites; proper orientation of main elevations with respect to nearby streets; and conformity of the plans and specifications to the purpose of general plan and intent of this Declaration. The Architectural Review Committee shall not arbitrarily or unreasonably withhold or delay its approval of the Plans.

If the Architectural Review Committee approves an Owner's Final Plans, the actual construction substantially in accordance with the Final Plans shall be the responsibility of the Owner. Prior to the commencement of such construction, the Owner shall deposit with the Association the sum of Five Hundred and no/100 Dollars ($500.00) per acre of land within the Lot on which improvements shall be constructed by Owner, but in no event less than Two Thousand and no/100 Dollars ($2,000.00) to be held by the Association in an escrow account (the "Compliance Funds") to insure the completion of Owner's Final Plans. In the event an Owner shall desire to change the Final Plans, such change shall likewise be subject to approval by the Architectural Review Committee in accordance with the procedure hereinabove set forth and it shall be Owner's responsibility to request inspection and approval by the Architectural Review Committee of said change in Final Plans within a time frame adequate for and consistent with the nature and impact of said change. Upon the substantial completion of new improvements, and prior to occupancy thereof or upon completion of work involving previously approved and complete improvements, the Owner shall notify the Architectural Review Committee, which shall have thirty (30) days thereafter in which to have the improvements inspected by the Architectural Review Committee to insure that the improvements or changes and alterations were completed in accordance with the Final Plans approved by the Architectural Review Committee prior to construction. In the event that the Architectural Review Committee shall fail to approve or disapprove in writing the completed improvements within thirty (30) days after receipt of notice from the Owner that the improvements are completed, such approval shall not be required and the Owner will be deemed to have complied with these covenants. In the event an Owner has made material changes from the original Final Plan approved by the Architectural Review Committee and such changes were not previously approved by the Architectural Review Committee, the occupancy shall be delayed until the necessary corrections have been made.

If Owner's improvements have been completed in accordance with the Final Plans and the Architectural Review Committee shall have so certified, or shall have failed within thirty (30) days after written notice from owner to approve or disapprove the complete improvements, the Compliance Funds shall be refunded to Owner. If, however, upon prior written notice from the Architectural Review Committee, Owner shall fail to complete the improvements in accordance with the Final Plans and shall thereafter fail to make the necessary correction thereto or shall fail to repair damage caused by its construction activities to Association Easement Areas or adjoining Lots, then in either of such events the Association

shall have the right to utilize all or any portion of the Compliance Funds to correct such deficiencies or repair such damage.

All buildings and improvements constructed or erected upon the Properties shall conform to the minimum standards specified by the applicable governmental building codes in effect at the time of such construction as well as to all other rules, regulations, requirements, ordinances and laws of any local, state or federal governmental unit(s) or authority(ies) having jurisdiction thereof. No permission or approval granted by the Architectural Review Committee with respect to construction pursuant to this Declaration shall constitute or be construed as an approval by them of the structural stability or design of any building, structure or other improvement and no liability shall accrue to the Architectural Review Committee in the event that any such construction shall subsequently prove to be defective, nor shall any approval be considered evidence that the same comply with other restrictions applicable to the Lot. No structure of a temporary nature shall be allowed on any Lot at any time except that of an Owner's contractors and subcontractors during the period of construction of improvements, except which the approval of the Architectural Review Committee.

In addition to the approval of Preliminary Plans and Final Plans and other matters herein set forth, the Architectural Review Committee shall have the right to waive minor violations and allow minor variances where the same resulted unintentionally or without gross carelessness on the part of Owner and are not materially harmful to the Properties.

If requested by an Owner, upon approval of its Final Plans as set forth above, the Architectural Review Committee shall issue a letter stating that the Final Plans have been approved, and if the improvements are constructed in substantial accordance with such Final Plans, a final letter of compliance will be issued as set forth in the next sentence. Upon final approval of any construction by the Architectural Review Committee , it shall, upon request of the Owner completing such construction, issue a letter of compliance signed by the Association stating that the construction was completed in accordance with requirements of this Declaration.

Section 4. Special Provisions. The Architectural Review Committee shall consist of three (3) persons appointed by Declarant for so long as Declarant shall own any of the Properties. The Declarant shall be empowered to appoint their successors should a vacancy occur, and their names shall be maintained at Declarant's offices. By Supplementary Declaration the Declarant may delegate to the Association the authority and duty to appoint the Architectural Review Committee. Upon the establishment of the Architectural Review Committee as a result of the expiration of Declarant's right to perform the functions of the Committee, the Association's Board of Directors shall appoint not less than three (3) nor more than five (5) individuals to such Committee. One of the individuals so appointed shall be the Chairman of the Architectural Review Committee, and he or a majority of the members may call a meeting of

the Committee by giving two days prior written notice to each member. A quorum shall be a majority of the members of the Committee and all decisions shall be made by majority vote. A member of the Architectural Review Committee need not be a Member and can also be a member of the Board of Directors of the Association. In no event shall any member of the Architectural Review Committee be liable for damages or in any other respect to any Owner for wrongfully refusing to approve any submission by such Owner as hereinafter required. Such Owner's sole remedy shall be a suit to compel approval by the Architectural Review Committee.

Section 5. Setback Requirements. No structure, building or any part thereof shall be located on any Lot nearer to a boundary line than the setback requirement for such Lot as set forth in the zoning ordinances of Mecklenburg County, North Carolina.

Section 6. Outside Storage and Appurtenances. No articles, goods, materials, incinerators, storage tanks, refuse container or like equipment shall be kept in the open in front of any buildings or exposed to public view or view from any neighboring properties. Water towers, storage tanks, transformers, pump houses, processing equipment, stand fans, cooling towers, communication towers, vents, stacks, skylights, mechanical rooms and any other structures or equipment (whether freestanding or roofmounted) shall be architecturally compatible or effectively shielded from public review by an architecturally approved method organized in an aesthetically pleasing and architectural manner to provide a "roofscape" which shall be approved in writing by the Architectural Review Committee before construction or erection of said structures to the improvements constructed on any Lot is not permitted.

Section 7. Installation of Landscaping. It shall be the responsibility of each Owner at its sole expense to install landscaping according to the Final Plans approved in writing by the Architectural Review Committee. Each Owner shall install an underground sprinkler or underground watering system within the landscaped area on its Lot; provided, however, the Owner shall not be required to plant or maintain the said landscaping or construct or maintain the said landscaping or construct or maintain the underground watering system prior to the time the improvements are constructed on its Lot.

Section 8. Signage. The size, shape, design, location and materials of all signs shall be shown on the Final Plans submitted to the Architectural Review Committee for approval.

ARTICLE VIII
MAINTENANCE AND REPLACEMENT OF ASSOCIATION LANDSCAPE EASEMENT AREAS

Until such time as the Owner of a Lot receives written notice that the Association will undertake its obligation to maintain the Designated Maintenance Items, if any, located on such Owner's Lot, the maintenance, reconstruction, replacement, repair, replenishment and operation of all landscaping, vegetation, materials and improvements within the Association Easement Areas shall be at the Owner's cost and expense. The Association shall have the right but not the obligation to maintain, reconstruct, replace, repair, replenish and operate Designated Maintenance Items as designated by the Association located within all Association Easement Areas and pay the cost thereof and it and its agents and contractors shall have the full right and authority to go upon such property at any time and from time to time for the purpose of performing the Associations' obligations hereunder in such manner as the Association reasonably deems in the best interest of the development, should it elect in a written notice delivered to any Owner to undertake any or all of said obligations. The Association shall be permitted from time to time and at any time to relinquish any maintenance obligations it has expressly undertaken by delivery of written notice thereof to an Owner and Owner from and after its receipt of said written notice shall again be responsible for such maintenance. All maintenance, reconstruction, replacement, repair, replenishment and operation of Designated Maintenance Items located within all Association Easement Area, if performed by Declarant or the Association, shall be performed with minimum interference to the business of the Owner on whose Lot the work is being conducted and, except in the case of such Owner's negligence, recklessness or willful misconduct, in which case the Owner shall be responsible for the cost of maintenance and repairs necessitated by Owner's conduct, the Declarant or the Association, as the case may be, shall fully repair all damage to such Owner's Lot following any installation, maintenance or repair at the Declarant's or the Associations', as the case may be, sole cost and expense.

ARTICLE IX
CROSS EASEMENTS

Section 1. Grant and Reservation of Easement for Ingress, Egress and Delivery. Declarant declares, grants, reserves and establishes, for the benefit of each and every person, partnership, trust, corporation or other entity hereafter owning any portion of the Panos/Smith Property, the RI77 Property, the Speedway Property, or Smith Corners Property, or any additional property annexed pursuant to Article II, their licensees, invitees, agents, successors and assigns, a perpetual, mutual reciprocal and non-exclusive easement, license, right and privilege of passage and use, both pedestrian and vehicular, for the purpose of ingress, egress and delivery over and upon all private drives (other than drive-thru lanes), streets, roads, parking lots or areas and walkways located from time to time upon and within the Submitted Property. The

intent of the provisions of this Paragraph is to allow free pedestrian and vehicular access between and among the Properties and no barriers between the Properties shall be erected by any Owner which would impede free pedestrian and vehicular access between and among the Properties. The easement over parking lots or areas is for access only and no reciprocal parking easement between Lots is intended by this Paragraph.

Section 2. Grant and Reservation of Easement for the Installation and Maintenance of Utility Lines and Meters.

a. Declarant declares, grants and establishes for the benefit of the owner of any portion of the Panos/Smith Property, the RI77 Property, the Speedway Property or the Smith Corners Property, or any additional property annexed pursuant to Article II, their successors in title or assigns, a perpetual, nonexclusive subterranean easement, from the boundary of any Lot, under, across and through any portion of any other Lot necessary for access to utility services or utility easements granted to the appropriate utility companies, for the installation and maintenance of sanitary and storm sewers, water, electric power, natural gas, telephone, television, cable, and other communications lines (collectively the "Utility Lines") and for the installation, maintenance and reading of utility meters and submeters (jointly the "Meters") providing separate measures of consumption of such utilities for the Lots. In no event, however, shall such Utility Lines be located or constructed under existing drive-thru lanes, buildings or pads or under the proposed location for buildings to be constructed on Lots. The location and installation of such Utility Lines and Meters shall be done in a manner which will cause the least amount of interference with the operation of the businesses being conducted on the Lot affected. The Owner of any Lot affected by the installation of any Utility Lines may condition its consent to the location and installation of such Utility Lines and Meters on, by way of illustration and not limitation, the agreement to locate the Utility Lines and Meters in certain areas, the manner and method of installation of such Utility Lines and Meters and the time or times during which such Utility Lines and Meters are to be installed.

b. Any Owner of a Lot which installs Utility Lines or Meters pursuant to the provisions of this paragraph shall pay all costs and expenses with respect thereto and shall cause all work in connection therewith (including general clean-up and proper surface and subsurface restoration) to be completed as quickly as possible.

c. The initial location and width of any Utility Lines or Meters shall be subject to the prior written approval of the Owner of the Lot affected by such Utility Lines

or Meters. The easement area shall be no larger than necessary to reasonably satisfy the applicable utility company as to a public utility line, or five feet (5') on each side of the centerline with respect to a private line. Upon request, the Owner of the Lot benefitting from the installation of such Utility Lines or Meters shall provide to the Owner of the Lot burdened thereby a copy of an as-built survey showing the location of such Utility Lines or Meters. The Owner of the Lot burdened by such Utility Lines or Meters shall have the right at any time to relocate any Utility Lines or Meters affecting such Owner's Lot upon thirty (30) days' prior written notice to the Owner of the Lot benefitting therefrom, provided that such relocation:

(i) shall not substantially interfere with or substantially diminish the utility services to the Owner of the Lot benefitting therefrom; provided, however, that if a complete interruption in service to any Owner of any portion of the Declarant's Property is required by the nature of the relocation, notice of such interruption in service shall be provided to the Owner affected thereby at least five (5) days in advance of the interruption, all work shall be performed at a time of day when the effect of such interruption shall be least burdensome on such Owner or its tenants, and if a complete interruption in service is anticipated, the party causing such relocation shall at its expense provide to the party whose service is interrupted such back-up service as may be necessary to the party benefitting from such service and its tenants;

(ii) shall not reduce or unreasonably impair the usefulness or function of such Utility Lines or Meters;

(iii) shall be performed at the sole cost and expense of the Owner of the burdened Lot;

(iv) shall be completed using materials and design standards which equal or exceed those originally used; and

(v) shall have been approved by the utility company and the appropriate governmental or quasi-governmental agencies having jurisdiction thereover if the Utility Lines or Meters are public lines or meters.

d. The Owner of any Lot benefitting from any Utility Lines or Meters shall be solely responsible to repair and maintain in first-class condition all such Utility Lines and Meters except as follows:

(i) if the same are dedicated to and accepted by a public or quasi-public utility or authority and such utility or authority expressly assumes such repair and maintenance obligations, then the benefitting Owner shall have no further obligation with respect to the repair and maintenance of the portion of the Utility Lines and Meters so accepted for maintenance; and

(ii) if the Utility Lines or Meters commonly serve the properties of more than one Owner of any portion of the Properties, then such Owners shall share the cost of repair and maintenance thereof in the portion that the respective acreage of each Owner's Lot served by such Utility Lines or Meters bears to the total acreage served.

Section 3. Grant and Reservation of Easement for Surface Drainage and Storm Water Drainage. Declarant declares, grants and establishes, for the benefit of the Owner of any portion of the Panos/Smith Property, the RI77 Property, the Speedway Property, the Smith Corners Property, and any additional property annexed pursuant to Article II, and their successors in title or assigns, perpetual, mutual, nonexclusive easements for natural surface and storm water drainage over and across the private drives, streets, roads, driveways, sidewalks, landscaped areas, parking areas and any other areas not otherwise improved with buildings, and through any and all catch basins and storm drainage systems constructed therewith on any portion of the Properties. Nothing in this paragraph shall be construed to permit any Owner of any portion of the Panos/Smith Property, the RI77 Property, the Speedway Property, the Smith Corners Property and any additional property annexed pursuant to Article II to purposely direct or divert any surface or storm water drainage to any other portion of the Properties except to the extent that open culverts, catch basins and storm drainage systems are specifically designed to accommodate such diversions.

ARTICLE X
GENERAL PROVISIONS

Section 1. Enforcement. The 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 Association or by any Owner to enforce any covenant or restrictions 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 manner 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 thirty five (35) years from the date this Declaration is recorded after which time they shall be automatically extended for successive periods of ten (10) years each for a total including the initial term of sixty five (65) years, unless Owners with a least seventy five (75%) percent of the votes elect not to continue the same in existence. This Declaration may be amended by an instrument signed by the Owners with at least fifty one percent (51%) of the total votes and the prior written approval of the Declarant, so long as it owns any portion of the Properties. Any amendment must be properly recorded. For purposes of this Section 3, additions to the Existing Property as permitted by Article II, Section 2 hereof, or changes in the annual assessment or the imposition of a special assessment shall not be deemed an "Amendment".

IN WITNESS WHEREOF, the undersigned have caused these presents to be duly executed under seal by authority duly given, the day and year first above written.

Panos/Smith Hotel Group - Reames Road, LLC,
a North Carolina limited liability company (SEAL)

By: _____ (SEAL)
Manager

STATE OF NORTH CAROLINA

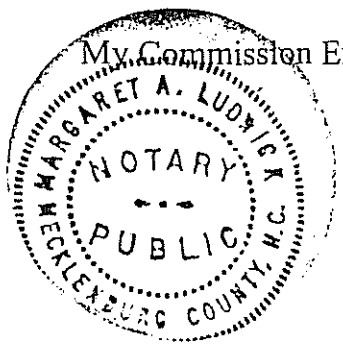
COUNTY OF MECKLENBURG

I, Margaret A. Ludwick, a Notary Public in and for the County and State aforesaid, do hereby certify that on this 18th day of March, 1999, _____, Greg P. Panos, manager of a limited liability company, personally appeared before me and, being by me duly sworn, said that he is a manager of PANOS/SMITH HOTEL GROUP - REAMES ROAD, LLC, a North Carolina limited liability company, that the statements contained in the foregoing instrument are true, and he acknowledged said instrument to be the duly authorized act and deed of said company.

WITNESS my hand and notarial seal.

Margaret A. Ludwick
Notary Public

My Commission Expires: 3/28/2002



ATTEST:

RI77, Inc., a North Carolina corporation

By: _____

_____ Secretary

_____ President

[Corporate Seal]

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

This 18th day of March, 1999, before me, the undersigned Notary Public in and for the County and State aforesaid, personally came _____ Greg P. Panos, who, being duly sworn, says that he is _____ President of RI77, Inc., a North Carolina corporation, and that the seal affixed to the foregoing instrument in writing is the corporate seal of said corporation, and that he signed and sealed said instrument on behalf of said corporation by its authority duly given. And the said ____ Greg P. Panos acknowledged said instrument to be the act and deed of said corporation.

WITNESS my hand and seal this 18th day of March, 1999.

Margaret A. Ludwick
Notary Public

My Commission Expires: 3/28/2002

Speedway Boulevard, LLC, a North Carolina limited liability company (SEAL)

By:_____(SEAL)
Manager

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, Margaret A. Ludwick, a Notary Public in and for the County and State aforesaid, do hereby certify that on this 18th day of March, 1999, George John Plumides, manager of a limited liability company, personally appeared before me and, being by me duly sworn, said that he is a manager of SPEEDWAY BOULEVARD, LLC, a North Carolina limited liability company, that the statements contained in the foregoing instrument are true, and he acknowledged said instrument to be the duly authorized act and deed of said company.

WITNESS my hand and notarial seal.

Margaret A. Ludwick
Notary Public

My Commission Expires: 3/28/2002

EXHIBIT A

Lying and being in Mecklenburg County, North Carolina, and being more particularly described as follows:

Tract I:

BEGINNING at a concrete monument in the northerly property line of the Panos/Smith Hotel Group - Reames Road, LLC property as described in Deed recorded in Book 9311 at Page 481 in the Mecklenburg County Public Registry, said concrete monument being located N 25-49-08 W 606.80 feet from NCGS "FINLEY" with coordinates of N = 586,351.2580 and E = 1,450,978.2400, and running thence from said Beginning Point with the northerly property line of the aforesaid Panos/Smith Hotel Group - Reames Road, LLC property the following three courses and distances: (1) N 82-52-55 W 273.87 feet to an iron; (2) N 82-56-19 W 492.63 feet to an iron; and (3) S 20-22-54 W 260.68 feet to a concrete monument in the northerly margin of the right of way of W.T. Harris Boulevard; thence with the northerly margin of the right of way of W.T. Harris Boulevard the following two courses and distances: (1) S 19-35-42 W 21.08 feet to an iron and (2) N 70-19-51 W 186.22 feet to an iron in the easterly margin of right of way of Interstate 77; thence with the easterly margin of the right of way of Interstate 77 the following three courses and distances: (1) N 00-30-36 E 232.20 feet to a concrete monument; (2) N 15-20-01 W 119.85 feet to a concrete monument; and (3) N 01-18-30 W 150.10 feet to an iron; thence a new line the following five courses and distances: (1) S 83-48-41 E 389.33 feet to an iron; (2) S 06-11-19 W 232.35 feet to an iron; (3) S 82-56-18 E 317.17 feet to an iron; (4) N 06-11-19 E 466.75 feet to an iron; and (5) S 83-48-41 E 220.00 feet to an iron in the westerly margin of the property of WRWR Properties (now or formerly) as described in Deed recorded in Book 4999 at Page 944 in the Mecklenburg County Public Registry; thence with the westerly property line of the aforesaid property of WRWR Properties, S 13-07-53 E 533.09 feet to the Point and Place of Beginning, and containing 7.27 acres and being designated "TRACT 3" on survey dated January 30, 1998 by Russell Courtney & Associates to which survey reference is hereby made for a more particularly description of the property.

Tract II:

Beginning at a point, a concrete monument located on the northerly sideline of the Gralock Associates property acquired in Deed Book 5213, Page 808 in the Mecklenburg County Public Registry, said concrete monument being the southeasterly corner of the Reames Road Associates property (now or formerly) acquired in Deed Book 5140, Page 724 in the Mecklenburg County Public Registry and the southwesterly corner of the property of WRWR Properties (now or formerly) acquired in Deed Book 4999, Page 944 in the Mecklenburg County Public Registry, thence from said concrete monument, the point of beginning S. 82-54-40 E. 171.27 feet to a point; thence, S. 82-

54-40 E. 74.50 feet to a point on the center line of the 150 foot public right-of-way of Statesville Road (U.S. Highway 21); thence, with the center line of the 150 foot public right-of-way of Statesville Road S. 06-11-55 W. 630.68 feet to a point; thence, N. 71-25-56 W. 164.85 feet to a point; thence, N. 28-39-02 E. 100.00 feet to a concrete monument; thence, with the arc of a circular curve to the left having a radius of 2,964.79 feet, an arc distance of 360.17 feet (chord bearing and distance of N. 64-52-17 W. 359.95 feet) to a concrete monument; thence, N. 69-34-33 W. 203.27 feet to a concrete monument; thence, N. 70-23-21 W. 427.32 feet to a concrete monument on a sideline of the Reames Road Associates property (now or formerly) acquired in Deed Book 5140, Page 724 in the Mecklenburg County Public Registry; thence, with the sidelines of the said Reames Road Associates (now or formerly) property three (3) calls and distances as follows: (1) N. 20-22-54 E. 260.68 feet to an existing iron pin, (2) S. 82-56-19 E. 492.63 feet to an existing iron, and (3) S. 82-52-55 E. 273.87 feet to a concrete monument, the point or place of beginning, being 8.38 acres outside of road right-of-ways and 1.24 acres within road right-of-ways, all as shown on a survey entitled Boundary Survey showing 9.62 acres being the Gralock Associates Property for Panos Hotel Group dated February 14, 1997 and prepared by Russell A. Courtney, Sr., NCRLS 3506.

LESS AND EXCEPT:

All of Lots 3 and 5 of Panos/Smith Hotel Group - Map 1 as shown on map recorded in Map Book 29 at page 693 in the Mecklenburg County Public Registry.

EXHIBIT B

Lying and being in Mecklenburg County, North Carolina, more particularly described as follows:

BEGINNING at an iron in the westerly margin of the right of way of Statesville Road (U.S. Hwy. 21), said iron marking the northeasterly corner of the property of WRWR Properties (now or formerly) described in Deed recorded in Book 4999 at Page 944 in the Mecklenburg County Public Registry, and running thence from said Beginning Point with the property lines of the aforesaid property of WRWR Properties following two courses and distances: (1) N 83-54-33 W 377.95 feet to an iron and (2) S 13-07-53 E 98.78 feet to an iron; thence a new line the following five courses and distances: (1) N 83-48-41 W 220.00 feet to an iron; (2) S 06-11-19 W 466.75 feet to an iron; (3) N 82-56-18 W 317.17 feet to an iron; (4) N 06-11-19 E 232.35 feet to an iron; and (5) N 83-48-41 W 389.33 feet to an iron in the easterly margin of the right of way of Interstate 77; thence with easterly margin of the right of way of Interstate 77 the following four courses and distances: (1) N 01-18-30 W 44.22 feet to a concrete monument; (2) N 03-54-47 E 573.17 feet to a concrete monument; (3) N 16-43-16 E 191.45 feet to a concrete monument; and (4) N 19-24-42 E 80.00 feet to an iron; thence a new line, S 83-37-02 E 1246.91 feet to an iron in the westerly margin of the aforesaid said right of way of Statesville Road (U.S. Hwy. 21); thence with the westerly margin of the right of way of Statesville Road (U.S. Hwy. 21) the following two courses and distances: (1) S 06-04-40 W 377.14 feet to a concrete monument and (2) S 06-24-21 W 177.86 feet to the Point and Place of Beginning, and containing 23.91 acres and being designated as "TRACT 2" on survey dated January 30, 1998 by Russell Courtney & Associates to which survey reference is hereby made for a more particular description of the property.

EXHIBIT C

Lying and being in Mecklenburg County, North Carolina, and being more particularly described as follows:

BEGINNING at an iron in the westerly margin of the right of way of Statesville Road (U.S. Hwy. 21), said iron being located the following two courses and distances from an iron marking the northeasterly corner of the property of WRWR Properties (now or formerly) as described in Deed recorded in Book 4999 at Page 944 in the Mecklenburg County Public Registry: (1) N 06-24-21 E 177.86 feet to a concrete monument and (2) N 06-04-40 E 377.14 feet to the Beginning Point, and running thence from said Beginning Point with a new line N 83-37-02 W 1246.91 feet to an iron in the easterly margin of the right of way of Interstate 77; thence with the easterly margin of the right of way of Interstate 77 the following five courses and distances: (1) N 19-24-42 E 363.78 feet to a concrete monument; (2) N 21-10-54 E 298.85 feet to a concrete monument; (3) N 21-22-05 E 330.39 feet to an iron; (4) N 21-21-50 E 457.76 feet to a concrete monument; and (5) N 21-32-58 E 1057.29 feet to a concrete monument in the southerly property line of the property of Marc H. Silverman (now or formerly) as described in Deed recorded in Book 3562 at Page 372 in the Mecklenburg County Public Registry; thence with southerly margin of the aforesaid property of Marc H. Silverman the following two courses and distances: (1) S 65-14-38 E 477.47 feet to a concrete monument and (2) S 76-39-13 E 144.10 feet to a concrete monument in the westerly margin of the right of way of Statesville Road (U.S. Hwy. 21); thence with the westerly margin of the right of way of Statesville Road (U.S. Hwy. 21) S 06-04-40 W 2257.23 feet to the Point and Place of Beginning, and containing 50.36 total acres and being designated "TRACT 1" on survey dated January 30, 1998 by Russell Courtney & Associates to which survey reference is hereby made for a more particular description of the property.

EXHIBIT D

LYING AND BEING in Mecklenburg County, North Carolina, and being more particularly described as follows:

BEGINNING at an existing concrete monument located on the easterly boundary of that tract conveyed to Richard T. Meek, Trustee by Deed recorded in Book 3646 at Page 404 in the Mecklenburg County Public Registry and at the northwesterly corner of that tract described in that Deed recorded in Book 4593 at Page 995 in said Registry (said tract being designated as the 60-foot wide right-of-way of an unnamed street on the below-described survey) and running thence from said beginning point with said easterly line of Richard T. Meek, Trustee (now or formerly), N 13-05-38 W 568.10 feet to a new iron pin; thence S 83-54-26 E 378.28 feet to a new iron pin in the westerly margin of the right-of-way of Statesville Road (U.S. Hwy. 21) (said right-of-way being 150 feet in width); thence with said margin of said right-of-way S 06-05-34 W 540.00 feet to a new iron pin in the northerly margin of the right-of-way of the above-referenced unnamed street (said right-of-way being 60-feet in width); thence with said northerly margin of said right-of-way of said unnamed street N 82-52-20 W 191.61 feet to the point or place of BEGINNING, and containing 3.517 acres as shown on a Boundary Survey of the Property of W. R. Englesmann, et al., dated February 13, 1985 and prepared by R. B. Pharr & Associates, Registered Surveyors, to which survey reference is hereby made for a more particular description of the property.