

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

SECOND SUPPLEMENT TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR SMITH CORNERS

THIS SECOND SUPPLEMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Second Supplement") made this 1st day of July, 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".

WITNESSETH:

WHEREAS, the Declarant has subjected the Submitted Property, said term being defined in the Declaration, which Declaration is hereinafter defined, to that Declaration of Covenants, Conditions and Restrictions for Smith Corners, dated March 18, 1999 and recorded in Book 10330 at Page 893 in the Mecklenburg County Public Registry, as amended by First Supplement to Declaration of Covenants, Conditions and Restrictions for Smith Corners (the "First Supplement") recorded in Book 10562 at Page 40 in the Mecklenburg County Public Registry (the original Declaration as amended by the First Supplement shall hereinafter be referred to as the "Declaration"); and

WHEREAS, Declarant desires to further amend the Declaration and has entered into this Second Supplement for such purposes;

WHEREAS, Article X, Section 3 of the Declaration allows the Declaration to be amended by an instrument signed by the Owners, as said term is defined in the Declaration, with at least fifty-one percent (51%) of the total votes and with the written approval of Declarant, so long as it owns any portion of the Property, said term defined in the Declaration; and

WHEREAS, the Declarant is an Owner and has more than fifty-one percent (51%) of the total votes.

NOW, THEREFORE, Declarant, by this Second Supplement, does hereby declare that all of the Submitted Property, such additions thereto as may be made pursuant to Article II of the Declaration, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions and restrictions set forth in this Second Supplement which shall run with the real property and be binding on all parties owning any right, title or interest in

HTPL: 87972

DRAWN BY AND MAIL TO:
HORACE TALLEY, FARRAR & COMPANY, P.A.
(BOX 74) CDS
2000 ONE FIRST UNION CENTER
301 S. COLLEGE STREET
CHARLOTTE, N.C. 28202-6038

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said real property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof, as follows:

1. The following Article is added to the Declaration:

ARTICLE XI
PRIVATE WATER LINE

Section 1. Private Water Line. Declarant has installed a private water line and common back flow regulator within that area designated "60' Wide Access, Utilities & Permanent Storm Drainage Easement" shown on Panos/Smith Hotel Group Map 2 recorded in Map Book 30 at Page 427 in the Mecklenburg County Public Registry (hereinafter collectively referred to as the "Private Water Line"). This Private Water Line has not yet been accepted for maintenance by the Charlotte Mecklenburg Utility Department (hereinafter referred to as "CMUD"). Until such time as CMUD accepts the Private Water Line for maintenance, the Association shall be responsible for the maintenance, repair and replacement of the Private Water Line. The Association shall maintain the Private Water Line and the quality of water transported in the Private Water Line to CMUD standards.

Section 2. Private Water Line Expense. The Owner of any Lot which uses the Private Water Line shall pay the Association their proportionate share of all costs and expenses for the maintenance, repair and replacement of the Private Water Line. The Owner of a Lot which uses the Private Water Line shall pay the Association the portion of the costs and expenses for the maintenance, repair and replacement of the Private Water Line based on the percentage that the respective acreage of each Owner's Lot bears to the total acreage of all Owners' Lots which use the Private Water Line. The Association shall have the same rights referenced in Article V for the collection of the amounts due from each Owner of a Lot which uses the Private Water Line.

Section 3. CMUD Acceptance. In the event CMUD accepts the maintenance responsibility for the Private Water Line, this Article XI shall become null and void.

Section 4. Separate Submeter. The Owner of any Lot which uses the Private Water Line shall be separately submetered for water usage and shall promptly upon receipt of an invoice pay to the Association the Lot Owner's share of water usage. The Association shall hold all receipts from the Owners of any Lot which uses the Private Water Line in trust for payment to CMUD and shall promptly pay to CMUD the charges for water furnished to the Private Water Line upon receipt of an invoice therefor.

Section 5. Special Assessments. Special Assessments for purposes of maintenance, repair or replacement of the Private Water Line shall not be subject to the approval of 75%

of the Owners of each class of Lots as otherwise provided in Article V, Section 4 of the Declaration.

Section 6. Interruption of Service. The Association shall take prompt and immediate action to restore water service to any Lot which uses the Private Water Line in the event of any interruption of service. In the event of an interruption in service, and upon the Association's failure to take immediate action to restore service, and Lot Owner which uses the Private Water Line affected shall have the right immediately to take all reasonable means necessary to restore water service and the Association shall pay to the Lot Owner all reasonable and necessary expenses incurred in restoring such service. The Owner of any Lot shall also have the right, through the easements provided in Article IX, to connect a water line directly to the nearest CMUD water line and shall thereafter be exempt from participating in the maintenance, repair and replacement costs of the Private Water Line and exempt from payment to the Association for such Lot Owner's water usage.

2. Except as amended, modified, supplemented and changed herein, the Declaration shall remain in full force and effect as written.

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

DECLARANT:

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

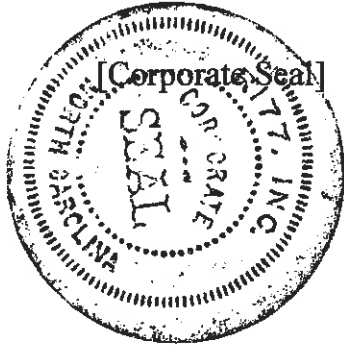
By: [Signature] (SEAL)
Manager

ATTEST:

[Signature]
Secretary

RI77, Inc., a North Carolina corporation

By: [Signature]
President



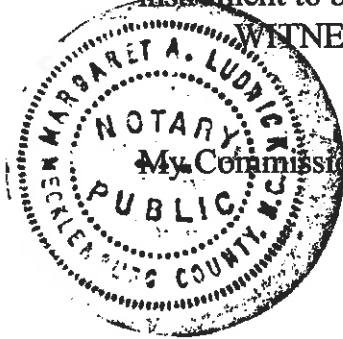
Speedway Boulevard, LLC, a North Carolina
limited liability company (SEAL)

By: [Signature] (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 1st day of July, 1999, Breg 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.



My Commission Expires: 3/28/2002

Margaret A. Ludwick
Notary Public

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

This 1st day of July, 1999, before me, the undersigned Notary Public in and for the County and State aforesaid, personally came Trey P. Knoch, 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 Assistant Secretary acknowledged said instrument to be the act and deed of said corporation.

WITNESS my hand and seal this 1st day of July, 1999.



Margaret A. Ludwick
Notary Public

My Commission Expires: 3/28/2002

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 1st day of July, 1999, George John Plunited, manager of a limited liability company, personally appeared before me and, being by me duly sworn, said that she/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



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

Filed For Registration: 07/06/1999 10:49 AM
Book: RE 10595 Page: 824-829
Document No.: 1999119305
RESTR 6 PGS

Recorder: REBECCA MCGOWAN

State of North Carolina, County of Mecklenburg

The foregoing certificate of MARGARET A. LUDWICK Notary is certified to be correct. This 6TH of July 1999

JUDITH A. GIBSON, REGISTER OF DEEDS By: Valerie J. White
Deputy/Assistant Register of Deeds



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