

REAL ESTATE
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DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

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MECKLENBURG COUNTY CLERK
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THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS made this 16th day of April, 1986, by SARDIS NORTH ASSOCIATES, a North Carolina limited partnership, hereinafter referred to as "Declarant";

W I T N E S S E T H:

WHEREAS, Declarant is the owner of the real property described in deeds recorded in Book 4861 at Page 525 in the Mecklenburg Public Registry; and

WHEREAS, Declarant desires to create thereon a business community composed of commercial, retail, office and warehouse buildings to be named CROWN POINT; and

WHEREAS, Declarant desires to insure the attractiveness of the community and to prevent any future impairment thereof; to prevent nuisances; to preserve, protect and enhance the values and amenities of all properties within the community; to insure the proper use, appropriate development and improvement of such property; to protect against the construction of improvements and structures built of improper or unsuitable materials; to provide for a method for the maintenance and continued improvement of certain common areas and facilities appurtenant to such property; to otherwise provide for the construction and development of first quality improvements on such property; and, to this end desires to subject all or a portion of the real property shown on recorded maps of portions of Crown Point or described in deeds from Declarant of portions of Crown Point, together with such additions as may hereafter be made thereto, to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Declarant, through modifications to this Declaration made by it from time to time in deeds of portions of the property to third parties and in supplemental declarations, desires to allow for limited variations within the general scheme of development in order to accomodate differences among commercial, retail, office and warehouse types of development and to accomodate variations in topography and location; and

WHEREAS, Declarant has deemed it desirable, for the efficient preservation, protection and enhancement of the values and amenities in said community and to provide for the maintenance and upkeep of the common areas and facilities appurtenant to such property and for certain areas identified hereinafter as Landscape Easement Areas, to create an organization to which will be delegated and assigned the powers of owning, maintaining and administering the common area and to administer and enforce the covenants and restrictions and collect and disburse the assessments and charges hereinafter created; and

WHEREAS, Declarant has incorporated under North Carolina law, CROWN POINT PROPERTY OWNERS ASSOCIATION, INC., as a non-profit corporation for the purpose of exercising and performing the aforesaid functions;

NOW THEREFORE, Declarant, by this Declaration of Covenants, Conditions and Restrictions, does declare that all of the property described in deed from Declarant to DBP Development Group, dated April 16, 1986, which deed is being recorded contemporaneously

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

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Crown Point Property Owners Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

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

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

Section 4. "Common Area" shall mean all the real property owned by the Association for the common use and enjoyment of the Owners. Common Areas shall be those areas designated as such on plats of portions of Crown Point or designated as such in deeds of portions of Crown Point which are recorded in the Mecklenburg Public Registry.

Section 5. "Lot" shall mean and refer to any plot of land, with delineated boundary lines, appearing on any recorded subdivision map of the Properties or subdivided out of the Properties by Declarant and conveyed to another person or entity by deed recorded in the Mecklenburg Public Registry, but excluding any Common Area. Lots may not be subdivided except with consent of Declarant; provided, however, subdivision of areas zoned for retail development may be made for major tenants within shopping centers which desire to own their own parcels and for owners of outparcels which are made pursuant to a site plan approved as hereinafter provided. In the event of such subdivision, each such parcel shall also be considered a "Lot", and further provided that areas zoned 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 6. "Landscape Easement Areas" shall be those areas designated in deeds of portions of the Properties or on plats of portions of the Properties as such, the landscaping of which is to be maintained and replaced by the Association.

Section 7. "Driveway and Roadway Easement Areas" shall be those areas designated in deeds of portions of the Properties, or on plats of portions of the Properties, as such, or such easements and rights-of-way over portions of the Properties which are assigned to the Association by Declarant for repair, maintenance and reconstruction by the Association and for use by all members of

the Association and their invitees for the purpose of ingress, egress and regress from portions of the Properties to public streets by vehicle or otherwise. All driveways and roadways which are to be transferred to the Association for repair, maintenance and reconstruction as aforesaid shall be initially constructed and installed by Declarant in accordance with all applicable governmental requirements and in accordance with the construction standards normally followed in similar first-class, mixed-use developments of the type contemplated by this Declaration.

Section 8. "Declarant" shall mean and refer only to Sardis North Associates, Ltd.

Section 9. "Member" shall mean and refer to the Declarant and every person or entity who holds membership in the Association.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF CROWN POINT PROPERTY 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 located in Charlotte Township, Mecklenburg County, North Carolina, and is described in the deed of a portion of the property from Declarant to DBP Development Group recorded contemporaneously herewith.

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

(a) Additional land within the area described in the metes and bounds description attached hereto as SCHEDULE A and incorporated herein by reference may be annexed to the existing property by Declarant, in future stages of development, without the consent of the Association or its Members, provided that said annexations must occur within ten years after the date of this instrument. In the event the Declarant acquires additional land which is contiguous to the land described in Schedule A and within one-half mile of the boundary of such Schedule A land, it may also be annexed to the existing property by the Declarant as aforesaid. Declarant may remove all or any portion of the property from the Schedule A description prior to its annexation by filing a written declaration of removal in the Mecklenburg Public Registry.

(b) The additions authorized under Subsection (a) above shall be made by filing of record Supplementary Declarations of Covenants, Conditions and Restrictions with respect to the additional properties or deeds of portions of the above property 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, restrictions 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 and deeds of portions of the above property 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.

(c) In the event that at least ten (10) additional acres of land located within 1,000 feet of Independence Boulevard have not been brought within the scheme of this Declaration and the jurisdiction of the Association within five (5) years from the date hereof, then this Declaration shall terminate and be of no further force or effect, except that easements created hereby shall survive such termination as set forth in Section 4 of Article XI hereof.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. 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.

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

(a) Class A Lots. Class A Lots shall be all Lots except Class B Lots as the same are hereinafter defined. Each Class A Lot shall entitle the Owner(s) of said Lot 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 (1) or (2) below. The Declarant shall be entitled to four (4) 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:

(1) When the total number of votes appurtenant to the Class A Lots equal the total number of votes appurtenant to the Class B Lots, 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 (with or without the assent of Class A members), 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 and reconversion shall occur automatically as often as the foregoing facts shall occur); or

(2) On January 1, 1995.

Section 3. Notwithstanding the above provisions, the Declarant shall be entitled to fifty-one (51%) percent of the total votes of the Association members until January 1, 1990.

Section 4. During the period of time that Declarant controls the Association, Declarant shall cause the Association to maintain the Common Areas, Landscape Easement Areas and Driveway and Roadway Easement Areas in good repair and condition.

ARTICLE IV

PROPERTY RIGHTS

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

(a) The right of the Association to dedicate or transfer all or any part of the Common Area or Driveway and Roadway Easement Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless the Members entitled to at least fifty (50%) percent of the votes appurtenant to each Class of Lots (Class A and Class B) agree to such dedication or transfer and signify their agreement by a signed and recorded written instrument, provided that this subsection shall not preclude the Board of Directors of the Association from granting easements or rights-of-way to public authorities or others for the installation and maintenance of roads, sewerage, utilities and drainage facilities upon, over, under and across the Common Area and easement areas without the assent of the membership when, in the sole opinion of such Board, such easements do not interfere with the use and enjoyment of the Properties or are necessary for the convenient use and enjoyment of the Properties; provided, further, however, the Board of Directors may transfer the Association's interest in Driveway and Roadway Easement Areas and title to portions of the Common Area to public authorities for use as public roads without the consent of the membership.

(b) The right of the Association, with the written assent of Members entitled to at least seventy-five (75%) percent of the votes appurtenant to each Class of Lots (Class A and Class B), to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; provided, however, the Association may not mortgage, pledge, encumber, deed in trust or hypothecate any street or roadway serving any Lot, but all easements and rights-of-way hereby created shall be superior encumbrances to all such future mortgages, pledges, deeds in trust or hypothecations.

Section 2. 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, contractors and invitees.

Section 3. Rules and Regulations Regarding Parking Rights. The Board of Directors of the Association may make such reasonable rules and regulations as it may elect with respect to the parking of vehicles on the Common Areas and the use of Driveway and Roadway Easement Areas provided all such rules and regulations are applied uniformly to all Owners and their employees, agents and invitees.

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, 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 Association: (1) annual assessments or charges and (2) special assessments for capital improvements, such assessments to be es-

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. Purposes of Assessments. The annual assessments levied by the Association shall be used exclusively for the maintenance and operation of the Common Area, Landscape Easement Areas and Driveway and Roadway Easement Areas, including, but not limited to, the payment of taxes and insurance thereon, payment for maintenance of landscaping, paving and maintenance of streets, driveways, roads, roadways, sidewalks, entrances and exits, including signs, the payment of utilities bills relating thereto (including water for sprinkler systems), and the repair, replacement and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof. In addition, expenditures by the Association for the landscaping, planting and maintenance of areas within Lots, as reasonably determined necessary or desirable by the Board of Directors, but lying outside of buildings constructed on Lots or in areas designated on Lots or in deeds of portions of the Property as Landscape Easement Areas and Driveway and Roadway Easement Areas shall be deemed expenditures for the recreation, health, safety and welfare of occupants of the Properties and are hereby authorized. The Association shall make reasonable efforts to attempt to maintain the Landscape Easement Areas in general conformity with the original plans therefor. The Association shall not expend its funds for the initial construction of improvements or utilities located on the Common Areas, or for the initial installation of landscape improvements within the Landscape Easement Areas or the Common Areas or for the initial construction of roads and driveways, but only for the maintenance, repair and restoration thereof caused as a result of normal usage or casualty.

Section 3. Annual Assessment. The annual assessment shall be for each acre of land contained within a Lot, 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 per acre shall not commence until the calendar year 1987 and the assessment for that year shall be set by the Declarant based on projected expenditures for that calendar year for the purposes herein set forth, and written notice thereof shall be given to each Lot Owner prior to January 1, 1987. Declarant agrees to act reasonably in determining the amount of such assessments. For each calendar year thereafter, the maximum amount of the increase in annual assessment per acre shall be ten (10%) percent of the preceding calendar year's assessment. However, after calendar year 1990, the maximum annual assessment per acre may be increased by more than the above set forth percentage by vote or agreement of fifty-one (51%) percent of the votes eligible to be cast.

Section 4. Special Assessments. In addition to the annual assessments hereinabove authorized, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any reconstruction, unexpected repair or replacement of improvements on the Common Area or driveways and roads located within Driveway and Roadway Easement Areas, including the necessary fixtures and personal property related thereto; provided, however, that any such special assessment shall have the approval of seventy-five (75%) percent 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 (75%) percent 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 and 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 shall be sent to all Members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty (60%) percent of the votes appurtenant to each Class of Lots (Class A and Class B) shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Commencement. Assessments shall commence on the date fixed by the Association, but not prior to January 1, 1987, or upon purchase of a Lot from Declarant, whichever later occurs. Assessments on Lots that first become subject to assessments during a calendar year shall be prorated on a calendar year basis for the remainder of such calendar year.

Section 7. Due Date. Unless otherwise provided herein, assessments shall be due and payable in full within thirty (30) days after billed to an Owner by the Association; provided, however, the Board of Directors may require the payment of the same monthly or quarterly.

Section 8. Records of Assessments. The Association shall cause to be maintained in the office of the Association a record of all Lots and assessments applicable thereto which shall be open to inspection by any Owner. Written notice of each assessment shall be mailed to every Owner of the Lot subject to assessment.

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

Section 9. 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 eight (8%) percent 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. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the Board of Directors of the Association to defray the costs of late payment. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, late payment fee, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any mortgage or deed of trust on a Lot. Sale or transfer of any Lot shall not affect any assessment lien, but the sale or transfer of any Lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to 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 any mortgage, mortgages, deed of trust or deeds of trust.

Section 11. 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 12. 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 by an independent Certified Public Accountant selected by the Association's Board of Directors.

Section 13. Dealings Between Association and Any Member. In the event that services, materials or work are provided to the Association by any Member, 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.

ARTICLE VI

DECLARANT'S ASSESSMENTS AND MAINTENANCE

Section 1. Exemption. Notwithstanding anything to the contrary herein set forth, Declarant and all property owned by Declarant shall be exempt from all assessments and the liens therefor of every type, except as hereinafter provided; provided further, however, Declarant shall pay assessments as herein set forth with respect to portions of the Properties owned by it which have completed buildings located thereon.

Section 2. Contribution by Declarant. Declarant agrees to contribute to the Association such funds as may be required to maintain the Common Area, to the extent that the maximum annual assessments are insufficient to pay the cost thereof, through the year 1990. Upon the termination of the Class B membership, which may be terminated voluntarily by Declarant by filing notice of termination in the Mecklenburg Public Registry with consent of a majority of Owners of a majority of the acreage then contained in the Properties, Declarant shall pay assessments, only if, and to the extent to which, it is a Class A Member of the Association.

ARTICLE VII

CONSTRUCTION OF IMPROVEMENTS AND USES

Section 1. Permitted Uses. Lots may only be used for offices, retail stores, light manufacturing and shopping centers and other uses normally associated with first-class shopping centers, warehouses (other than "mini-warehouses"), wholesale and retail distribution facilities and other uses not inconsistent with the operation of a first-class, mixed-use development of the type described above approved by Declarant or the Association. Lots may also include within their boundaries Landscape Easement Areas and Driveway and Roadway Easement Areas.

Lots may be further restricted by the Declarant upon sale by Declarant to Owners and the Declarant and Association shall have the full right and authority to enforce restrictions applicable to undivided Lots or groups of Lots.

The Properties shall be continually maintained by the Owners at all times, including during the process of construction of

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improvements to the extent reasonably possible, in an attractively clean manner, free of trash, rubbish and debris.

Section 2. Approval of Development. Before commencing the construction, reconstruction, relocation or alteration of any buildings, additions, enclosures, fences, loading docks, entranceways, exitways, curb cuts, parking facilities, storage yards or any other structures or permanent improvements on any Lot, the Owner shall first submit its building plans, specifications, site and landscape plans, irrigation plans, and an elevation sketch (collectively the "Plans") of all improvements, including landscaping and planting, to be placed thereon to the Architectural Committee as hereinafter described for its written approval. Approval shall not be required of plans for interior construction or for mechanical, plumbing or electrical systems located completely inside the improvements. In the event the Architectural Committee shall fail to approve or disapprove in writing the Plans within sixty (60) days after they have been received by the Architectural Committee, such approval will not be required and this covenant shall be deemed to have been complied with. The Plans shall be delivered to the Architectural 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; adequacy of structural design; conformity and harmony of external design with neighboring structures; affect of location and use of improvements on neighboring sites, operations, improvements and uses; relation to topography, grade and finished ground elevation of the site being 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 and general plan and intent of this Declaration. The Architectural Committee shall not arbitrarily or unreasonably withhold or delay its approval of such plans and specifications.

If the Architectural Committee approves the Plans, the actual construction in accordance with the Plans shall be the responsibility of the Owner; provided, however, upon the substantial completion of the improvements, and prior to occupancy, the Owner shall notify Declarant, who shall have ten (10) days thereafter in which to have the improvements inspected by the Architectural Committee to insure that the Plans were completed in accordance with those approved by the Architectural Committee prior to construction. In the event that the Architectural Committee shall fail to approve or disapprove in writing the completed improvements within ten (10) 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 Plans approved by the Architectural Committee and such changes were not previously approved by the Architectural Committee, the occupancy shall be delayed until the necessary corrections have been made.

No permission or approval granted by the Architectural Committee with respect to construction pursuant to these restrictions shall constitute or be construed as an approval by them of the structural stability, design of any building, structure or other improvement and no liability shall accrue to the Architectural Committee in the event that any such construction shall subsequently prove to be defective. 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.

The Architectural Committee shall consist of three (3) persons appointed by Declarant. The Declarant shall be empowered to appoint their successors should a vacancy occur, and their names shall be maintained at Declarant's offices. By Supplemental Declaration the Declarant may delegate to the Association the authority and duty to appoint the Architectural Committee, and upon termination of the Class B membership, the authority to appoint the Architectural Committee shall automatically be vested in the Association.

In addition to the approval of Plans and other matters herein set forth, the Architectural 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 any Owner and are not materially harmful to the Properties. If such waiver is granted in writing, then thereafter such matters so waived shall no longer be deemed a violation of these restrictions.

Upon approval of plans as set forth above, the Architectural Committee shall issue a certificate in recordable form stating that the plans have been approved, and if the improvements are constructed in substantial accordance with such plans, a final certificate of compliance will be issued as set forth in the next sentence. Upon final approval of any construction by the Architectural Committee, it shall, upon request of the Owner completing such construction, issue a certificate of compliance signed by the Association and in recordable form stating that the construction was constructed in accordance with requirements of this Declaration.

Section 3. Building Exteriors. All buildings on the Properties shall be of masonry, pre-stress concrete or such other equally acceptable materials as shall be approved by the Architectural Committee. All buildings and improvements constructed or erected upon the Properties shall also 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.

Section 4. Utility Services. All on-site utility services on any Lot or within the Common Areas shall be located underground, including telephone and electrical service. Communication towers shall be permitted provided the same are approved by the Architectural Committee.

Section 5. Parking. All parking areas, loading areas, driveways and walks are to be surfaced with concrete, bituminous concrete, brick, or approved equal material using standard curb and gutter sections. On-street parking, or parking in setback areas along Sardis Road North and Independence Boulevard, shall be prohibited.

Section 6. Setback and Screening Requirements. No structure, building or any part thereof shall be located on any Lot nearer to the front boundary line thereof than fifty (50) feet from the right-of-way margin of the main entrance road known as Sardis Road North nor nearer than fifty (50) feet from the margin of the right-of-way of Independence Boulevard, nor nearer to any interior side boundary line or rear boundary line (which does not abut a street) than twenty-five (25) feet unless the deed of such portion of the Properties from Declarant shall specifically state that the same is not required. Separate parcels created within retail zoned areas which are an integral part of the retail development shall not be required to have interior, rear, side or front boundary setbacks

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from lot lines. Neither parking areas nor driveways shall be located nearer than fifteen (15) feet from the front or sides of buildings or structures (except in areas zoned for construction of shopping centers wherein it shall be ten feet); provided, however, no parking area or driveway (except for the main entrance/exit driveway(s) and one additional driveway no wider than fourteen (14) feet and connecting the automobile parking area and truck loading area in locations approved by the Architectural Committee) shall be located nearer than forty (40) feet from the right-of-way margin of either Sardis Road North or of Independence Boulevard. Except with prior written approval of the Architectural Committee, which approval shall not be unreasonably withheld or delayed, no fence, masonry wall, hedge or mass planting shall be permitted within the front building setback areas established under this Section and no trees located in the setback areas shall be removed. Truck parking and truck loading shall only be permitted in the side yards and only those rear yards which do not directly abutt the right-of-way of Sardis Road North or of Independence Boulevard; however, all truck parking and loading areas shall be separated from car parking areas and shall be screened from Sardis Road North, from Independence Boulevard and from all adjacent properties or Lots by a seven-foot high masonry fence or by landscaping screening which when planted will be at least five (5) feet in height and at maturity at least eight (8) feet in height unless such areas are adjacent to similar areas on adjacent parcels. All plantings shall be staggered to maximize density and the centers of all plants shall be located no more than five (5) feet apart in length and no more than three (3) feet apart in depth. The foregoing screening requirements shall not apply to common service areas between the rear of buildings. The Architectural Committee, in the exercise of its reasonable discretion, may from time to time grant waivers of any of the foregoing screening and parking requirements in order to permit the development of any portion of the Properties in the manner it deems in the best interest of the Development.

Section 7. Outside Storage and Appurtenances. No articles, goods, materials, incinerators, storage tanks, refuse containers 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 view 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 Committee before construction or erection of said structures or equipment; provided, however, the mechanical systems to be located on the roof of the buildings located in the areas zoned for construction of shopping centers shall be screened from direct view of Independence Boulevard. Notwithstanding the above, sidewalk sales may be held in areas zoned for the construction of shopping centers.

Section 8. Preservation of Planting Strips. No building or other structure above ground shall be constructed or erected in the building setback areas (i.e., the areas between the margins of the street rights-of-way on which any Lot abutts and the minimum building setback lines established by these restrictions). This area shall be used solely as a planting strip ("the planting strip") and shall be the responsibility of each Owner at its sole expense to landscape this area and plan and maintain the same with lawn, trees, flowers and shrubbery according to plans approved in writing by the Architectural Committee. Upon approval of the Architectural Committee, driveways, signs and other similar improvements may be located within the planting strip. Each owner

shall install and maintain an underground sprinkler or underground watering system within the planting strip; provided, however, the Owner shall not be required to plant or maintain the planting strip or construct or maintain the underground watering system prior to the time the improvements are constructed on its Lot.

Section 9. Signage. The size, shape, design and location of all signs shall be shown on the Plans submitted to the Architectural Committee for approval and such approval shall not be arbitrarily or unreasonably withheld or delayed.

All street identification signs within the Properties shall be uniform in design and appearance and shall be installed at the expense of Declarant but thereafter treated and maintained as Common Property unless the same are installed and maintained by public authorities.

Section 10. Storm Drainage Systems. All Owners shall provide details of proposed storm drainage systems to the Architectural Committee for approval and shall include detailed drawings and specifications concerning all applicable underground piping from each Lot to any applicable main drainage retention area within the Properties. All such drainage plans and facilities shall likewise comply with all rules, regulations and requirements of the Charlotte-Mecklenburg Engineering Department and/or other governmental authority(ies) having jurisdiction thereof. The Architectural Committee may elect to require that the Owners provide any on-site drainage facilities on any Lot or provide connections to off-site drainage facilities in the Common Property or otherwise.

Section 11. Resubdivision of Lots. Lots may be combined, but after being deeded to an Owner by Declarant, subject to the provisions of Article I, Section 5, Lots shall not be resubdivided so as to create a smaller area than originally deeded out and filed in the Mecklenburg County Public Registry unless the subdivision shall be approved by Declarant. Subdivision as a result of the foreclosure of a property or a deed in lieu of foreclosure in a bona fide transaction as the result of a secured loan from an unaffiliated third party to an Owner, shall not be restricted by this Agreement so long as the same is in conformity with all governmental rules and regulations.

Section 12. Easements. Declarant reserves an easement and right-of-way over, under and along a twenty-foot strip of land adjacent to the front, side and rear boundary lines of each Lot and for the installation and maintenance of lines, conduits, pipes and other equipment necessary for furnishing electric power, gas, telephone service and/or other utilities including water, sanitary sewage and drainage facilities. No above ground equipment or conduits shall be installed or constructed within the Properties without the prior written approval of the Declarant or Association, which approval shall not be unreasonably withheld or delayed. This reservation for easements shall not prevent the construction of driveways at locations approved by the Architectural Committee, which approval shall not be unreasonably withheld or delayed, over such easements provided that applicable setback requirements are at all times met; furthermore, the location of such easements shall not unreasonably interfere with the construction of buildings and related facilities on any Lot. The Owner of any Lot shall have the right, at its sole cost and expense, to relocate any right-of-way or easement over its property to another location over its property provided that the point of exit of the right-of-way of easement is not changed and service to the servient property is not interrupted.

Section 13. Regulations. Reasonable regulations governing the use of the Common Area and external appearance of all buildings and improvements located on lots may be made and amended from time to time by the Board of Directors of the Association; provided, however, that all such regulations and amendments thereto shall be approved by a majority vote of the Owners before the same shall become effective. Copies of such regulations and amendments thereto shall be furnished to each Member by the Association upon request.

ARTICLE VIII
OPTION TO PURCHASE

Unless otherwise provided in a deed of a lot to an Owner, after the expiration of twenty-four (24) months from the date of registration of the deed to any Lot, or portion thereof, from Declarant to any Owner, the Owner shall not have begun in good faith the construction of improvements in accordance with the Plans approved by the Architectural Committee and thereafter diligently and continuously pursue (i.e. without a cessation of construction for two months in any six-month period) the completion of construction of such improvements in compliance with the approved Plans, Declarant may at any time within a period of ninety (90) days from the expiration of such twenty-four-month period or from notice of cessation of construction as the case may be, at the Declarant's option, repurchase such lot or portion thereof from the Owner and require the Owner to reconvey such property to Declarant or its designee, free and clear from all liens and encumbrances not otherwise imposed by these restrictions. If such option is exercised, Declarant shall refund to the Owner a purchase price equal to one hundred twenty (120%) percent of the original purchase price paid for the Lot and enter into possession of such Lot. The Owner shall be specifically liable to Declarant for all reasonable costs and expenses, including, without limitation, reasonable attorneys' fees incurred in retaking and restoring the Lot to its condition as of the date of recording the deed from Declarant to Owner, and such costs and expenses shall be deducted from the purchase price. In the event that the Owner shall have altered the Lot in any manner, by making partial improvements, or otherwise, from and after the date of the registration of its deed, Owner shall be liable to Declarant for the reasonable cost of restoration of the Lot to its condition as of the date of registration of such deed. The option herein granted shall be exercised by giving written notice to the Owner at its last known address and such notice shall be deemed to have been given at the time that it was deposited, properly addressed, certified mail, postage prepaid, in an official depository of the United States Postal Service. The Declarant agrees to subordinate its rights under this Article VIII to the rights of any institutional mortgage lender providing construction or interim financing to any Owner for the construction of improvements on any such Owner's Lot.

ARTICLE IX
MAINTENANCE BY OWNER

Each Owner shall maintain and repair at its expense all improvements (both interior and exterior) on his Lot which shall need repair in order to keep the same in good condition and repair.

ARTICLE X
LANDSCAPE EASEMENT AREAS
AND
DRIVEWAY AND ROADWAY EASEMENT AREAS

The Association shall be responsible for the maintenance and landscaping of all areas identified in deeds or upon plats of portions of the property as Landscape Easement Areas and Driveway

and Roadway Easement Areas 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 landscaping such areas and maintaining and improving the same in such manner as the Association reasonably deems in the best interest of the Crown Point development. No Owner shall have the right to place any improvements on or to destroy or otherwise interfere with such areas and shall not be permitted to cross Landscape Easement Areas without the consent of the Association.

ARTICLE XI
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 restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded after which time they shall be automatically extended for successive periods of ten (10) years unless Owners with at least seventy-five (75%) percent of the votes elect not to continue the same in existence. This Declaration may be amended during the first twenty (20) year period by an instrument signed by the Owners with not less than sixty (60%) percent of the votes appurtenant to each class of Lots (as set forth in Article III, Section 2) and by the Declarant, so long as the Declarant still owns any Lots, and thereafter by an instrument signed by the Owners with at least fifty-one (51%) percent of the votes. Any amendment must be properly recorded. For the purpose of this section additions to existing property as provided for in Article II, Section 2, hereof shall not be deemed an "Amendment" nor shall any change in annual assessment or the imposition of a special assessment.

Section 4. Survival of Easements upon Termination. Upon termination of this Declaration, all easements set forth herein or on maps of Crown Point shall not be terminated but shall continue in perpetuity to benefit the property being served thereby.

IN WITNESS WHEREOF, the undersigned SARDIS NORTH ASSOCIATES, LTD., Declarant by virtue of the provisions of Article I, Section 6 of the aforesaid Declaration of Covenants, Conditions and Restrictions, has caused this instrument to be executed by its general partner, Crosland-Erwin Associates, Inc., and that corporation has caused the same to be executed by the signature of its President, attested by its Secretary and its corporate seal to be hereunto affixed, the day and year first above written.

SARDIS NORTH ASSOCIATES, LTD. (SEAL)

By: Crosland-Erwin Associates, Inc.
General Partner

By: [Signature]
President

ATTEST:

[Signature]
Secretary

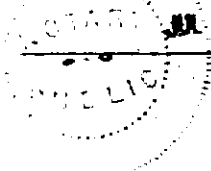
STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

This 11th day of April, 1986, personally appeared before me Y. Mark A. Crowder, who being by me duly sworn, says that he is the President of Crosland-Erwin Associates, Inc., general partner of Sardis North Associates, Ltd., a North Carolina limited partnership, that the seal affixed to the foregoing instrument in writing is the corporate seal of said corporation, and that said writing was signed and sealed by him on behalf of said corporation by its authority duly given. And the said President acknowledged the said writing to be the act and deed of said corporation for and on behalf of said Partnership.

Laura B. Houlbrook Smith
Notary Public

My Commission Expires:



State of North Carolina, County of Mecklenburg
The foregoing certificate(s) of Laura B. Houlbrook, (Smith)

a Notary Public of Mecklenburg County and State of North Carolina
is not certified to be correct. This 15 day of April, 1986
Charles E. Crowder, Register of Deeds. By: Mary A. P. P. P. DEPUTY

See Pages 908 - 910

BEGINNING at a nail, which is located in the center line of the Seaboard Coast Line Railroad right-of-way, which nail is also located at the northwesterly corner of the Martin-Marietta Corporation property (now or formerly) as described in that deed recorded in Book 2803 at Page 159 of the Mecklenburg Public Registry, which nail is further located at the terminus of the fourth call in the description of the property conveyed to E. I. du Pont de Nemours and Company by deed recorded in Book 3609 at Page 177 of the Mecklenburg Public Registry; thence, from said point of Beginning and running with the boundary of the aforesaid Martin-Marietta Corporation property the following ten (10) courses and distances: (1) N 72-55-54 E 119.30 feet to an old iron; (2) N 24-30-53 E 328.91 feet to a concrete monument; (3) N 00-54-44 E 203.10 feet to an iron in a dead stump; (4) N 22-00-09 W 756.21 feet to a concrete monument; (5) N 85-03-31 E 329.73 feet to a concrete monument; (6) S 17-37-30 E 140.40 feet to a concrete monument; (7) S 82-48-44 E 1,259.28 feet to a white oak; (8) S 83-17-24 E 755.26 feet to a concrete monument; (9) N 48-20-04 E 515.09 feet to a concrete monument; (10) S 85-00-47 E 520 feet to a point located in East Independence Boulevard (U.S. Highway No. 74); thence, N 25-07-28 W 53.45 feet to a point located in the center line of the right-of-way of East Independence Boulevard (200-ft. right-of-way); thence, continuing with said center line of East Independence Boulevard N 33-55-30 W 2,533.65 feet to a point; thence, N 62-23-14 W, passing an iron at 209.89 feet in the southerly or southwesterly margin of the right-of-way of East Independence Boulevard, a total distance of 494.86 feet to an old iron located on the southerly bank of Irvin's Creek; thence, N 52-18-26 W 45.88 feet to a point located in the approximate center-line of Irvin's Creek; thence, continuing with said approximate center line of Irvin's Creek and with the southerly boundary of the property of Donald W. Wilburn (now or formerly) as described in that deed recorded in Book 4267 at Page 366 in the Mecklenburg Public Registry the following thirteen (13) courses and distances: (1) S 84-15-40 W 105.23 feet to a point; (2) S 57-09-43 W 377.92 feet to a point; (3) S 89-36-33 W 92.69 feet to a point; (4) N 66-59-38 W 34.44 feet to a point; (5) S 50-26-40 W 131.13 feet to a point; (6) S 88-48-10 W 57.37 feet to a point; (7) S 58-40-20 W 115.58 feet to a point; (8) S 13-03-18 W 97.67 feet to a point; (9) S 62-33-07 W 211.18 feet to a point; (10) S 54-27-53 W 156.32 feet to a point; (11) S 13-48-21 W 109.7 feet to a point; (12) S 26-06-55 E 76.76 feet to a point; and (13) S 68-10-06 W 111.96 feet to a point located at the intersection of the approximate center line of Irvin's Creek with the approximate center line of Beard's Creek; thence, continuing with the approximate center line of Beard's Creek the following two (2) courses and distances: (1) N 63-08-56 W 164.85 feet to a point; and (2) N 54-45-41 W 22.79 feet to a point which is located in the easterly or southeasterly boundary of the property of Mrs. Juanita H. Jordan (now or formerly) as described in that deed recorded in Book 3867 at Page 299 of the Mecklenburg Public Registry and thence with said boundary of said Jordan land the following two (2) courses and distances: (1) S 43-21-30 W 241 feet to an old iron; and (2) S 85-58 W 997.92 feet to an old iron located in the easterly boundary of the property of W. B. Renfrow (now or formerly) as described in that deed recorded in Book 967 at Page 8 of the Mecklenburg Public

Schedule A cont.

Registry; thence, running with said boundary of said Rentrow land the following three (3) courses and distances: (1) S 8-43-43 E 323.75 feet to an old iron; (2) S 38-28-45 E 657.5 feet to an old iron; and (3) S 61-00-33 W 218.68 feet to an old iron located in the center line of Seaboard Coast Line Railroad right-of-way; thence, continuing with said center line of said railroad right-of-way the following four (4) courses and distances: (1) S 36-24-56 E 964.70 feet to a nail; (2) thence in a southeasterly direction with the arc of a circular curve to the right having a radius of 3,025.41 feet, an arc distance of 690.76 feet to a nail; (3) S 16-52-30 E 123.86 feet to a nail; and (4) in a southeasterly direction with the arc of a circular curve to the left having a radius of 2,101.76 feet, an arc distance of 144.43 feet to the point and place of Beginning.

CONTAINING 175.817 acres, 5.83 acres of which is located within the right-of-way of East Independence Boulevard, all as shown on that survey dated October 1, 1982, as revised November 19, 1982, and prepared by P. A. Brotherton, R.L.S.

BEGINNING at a point which is located in the centerline of the right-of-way of Seaboard Coastline Railroad (200-foot right-of-way), said point also being located at a southerly corner of Parcel 21 as shown on a map of Proposed McAlpine Creek Greenway Section 2 recorded in Map Book 12 at Page 581 of the Mecklenburg Public Registry; thence, from said point of Beginning and continuing with southerly lines of said Lot 21 the following six courses and distances: (1) N 33-39-14 E 100.00 feet to an old iron which is located in the northerly margin of the right-of-way of Seaboard Coastline Railroad; (2) N 85-31-47 E 435.85 feet to an old iron; (3) S 52-09-09 E 155.37 feet to an old iron; (4) N 67-57-00 E 412.68 feet to an old iron; (5) N 85-00-35 E 561.49 feet to an old iron; and (6) S 30-22-30 E 449.83 feet to an old iron; thence, N 79-59-42 E 19.25 feet to an iron; thence, S 32-23-30 W 280.55 feet to an old iron; thence, running first with a westerly line of the land of Juanita N. Jordan (now or formerly) as described in deed recorded in Book 3867 at Page 299 of the Mecklenburg Public Registry and then with a westerly line of the property of Oatfield International N.V. (now or formerly) as described in deed recorded in Book 4626 at Page 448 of said Registry, S 8-43-43 E 690.92 feet to an old iron; thence, continuing with the boundary of said Oatfield International property the following two courses and distances: (1) S 38-28-45 E 657.50 feet to an old iron; and (2) S 61-00-33 W 218.68 feet to an old iron which is located in the centerline of the Seaboard Coastline Railroad right-of-way; thence, continuing with said centerline of said Railroad right-of-way the following three courses and distances: (1) N 36-24-56 W 436.04 feet to a nail; (2) thence, in a northwesterly direction with the arc of a circular curve to the left having a radius of 2,877.17 feet, an arc distance of 1,000.40 feet to a point; (3) thence, N 56-20-15 W 1,194.12 feet to the point and place of Beginning, containing 31.24 acres, more or less, all as shown on that survey dated March 31, 1983 and prepared by Carolina Surveyors, Inc.

TOGETHER with all right, title and interest of Grantor in and to that certain 30-foot right-of-way for ingress and egress reserved to Grantor in deed recorded in Book 2505 at Page 155 of the Mecklenburg Public Registry.