

AIRLIE BUSINESS PARK AT INGLESIDE
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS

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EXHIBIT "A" - Description of Property

EXHIBIT "B" - Initial Architectural and Site Guidelines

STATE OF NORTH CAROLINA

COUNTY OF LINCOLN

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS made this the day of _____, 2011 by:

LINCOLN ECONOMIC DEVELOPMENT ASSOCIATION, a 501(c)(3) North Carolina non-profit corporation; and

INGLESIDE REAL ESTATE INVESTMENT PARTNERS, LLC;

who collectively are seised of the fee simple estate in that real property located in Lincoln County, North Carolina described in Exhibit "A", attached hereto and incorporated herein,

WITNESSETH THAT

In order to: (1) create a restricted, structured and high quality Business Park environment providing for a variety of uses; (2) provide for appropriate design of buildings, site arrangements, and amenities; (3) assure a satisfactory integration of the Business Park into the surrounding area; (4) enhance general development within the Business Park; (5) enhance the value, marketability, and quality of all property within the Business Park; (6) prevent construction of inappropriate Improvements; (7) provide for compliance with Applicable Laws concerning zoning, construction, safety, the public welfare and environment; (8) provide for an association of property owners within the Business Park; (9) create and maintain common areas with a high level of appearance and utility; (10) create reasonable and efficient review procedures to assist owners in the development of their Lots; and (11) provide the owners of Lots with the best possible value for their investment and to protect that investment; the undersigned Declarant and the other Owners do hereby, for the use and benefit of themselves and their successors and assigns, **DECLARE, RESERVE AND IMPOSE** upon the property described in attached Exhibit "A" the following conditions, covenants, reservations, easements and restrictions:

ARTICLE I
Definitions

Words or phrases defined in this Article I shall be interpreted in accordance with that defined meaning whenever those words or phrases are used in this Declaration.

(a) **Applicable Laws** - All enforceable laws, regulations and ordinances validly promulgated and placed into effect by the County of Lincoln, the State of North Carolina, or the United States of America, including all zoning regulations of those governmental entities having jurisdiction as well as sign, street, tree and floodway ordinances, state and federal regulation of land use, environmental resources, hazardous materials and such general laws of all appropriate jurisdictions as may effect the Business Park.

(b) **Architectural and Site Guidelines** - Those rules, regulations and guidelines attached hereto as Exhibit "B" and those additional rules, regulations and guidelines promulgated by the Architectural Review Committee pursuant to the power set forth in Article VIII, Section 3. All Architectural and Site Guidelines, whenever promulgated, shall have the same force and effect as if they were originally set forth in this Declaration as restrictions.

(c) **Accessory Use** - The use of a Structure which is not one of the principal businesses carried on in that Structure.

(d) **Association** - Airlie Business Park Owners Association, Inc., a North Carolina not-for-profit corporation which will be formed by Declarant.

(e) **Buffers** - Berming or vegetative screening erected to obscure the line of vision, or the flow of sound or wind.

(f) **Business Park** - All property described in attached Exhibit "A", any additional property added and made subject to this Declaration as provided below in Article II, Section 3, and such businesses and improvements as shall come to be conducted or erected thereon and the amenities and infrastructure to be erected thereon.

(g) **Commencement of Construction** - Occurs when the Owner has obtained approval from the Committee for its final plans; obtained building, grading, driveway and other required permits from the appropriate governmental authorities authorizing construction according to those plans approved by the Committee; entered into a construction contract with a contractor holding the appropriate North Carolina license; and expended at least the sum of Fifty Thousand Dollars (\$50,000.00) pursuant to such construction contract for on-site construction work.

(h) **Committee** - The Architectural Review Committee established pursuant to Article VIII.

(i) **Common Property** - All property specifically and expressly declared to be such by Declarant, including such property as may, from time to time, be owned in fee simple by the Association for the common use and benefit of all Owners, including all related fixtures, improvements, apparatus and amenities. The appearance of amenities, streets, plantings, improvements or facilities upon maps, drawings or other illustrations and descriptions of the Business Park which hypothetically project its appearance at a future stage of development does not constitute the declaration or dedication of such amenities, streets, plantings, improvements or facilities as Common Property.

- (j) Declarant - Lincoln Economic Development Association; or any bulk sale successor in title to all or substantially all the Property controlled as of the date hereof by Lincoln Economic Development Association to whom the powers of the Declarant are expressly assigned (and accepted by said successor) in writing.
- (k) Declaration - This Declaration of Covenants, Conditions and Restrictions as executed by the Declarant and Filed.
- (l) File - The recording and proper indexing of record in the Office of the Register of Deeds for Lincoln County, North Carolina.
- (m) Improvements - All buildings, out buildings, underground installations, roads, driveways, parking areas, fences, screens, retaining walls, stairs, decks, windbreaks, plantings, poles, signs, loading areas, cuts and fills, and all other structures or landscaping improvements of every variety and nature.
- (n) LEDA - the Lincoln Economic Development Association, a not-for-profit organization established for the purpose of promoting development to create employment opportunities, economic growth and an increased tax base to benefit the citizens of Lincoln County, North Carolina.
- (o) Lessee - Any person or entity granted a leasehold interest to any portion of a Lot.
- (p) Lot - Any parcel of land within the Business Park having ownership distinct from that of its adjoining parcels or subdivided as a distinctly separate parcel.
- (q) Mortgage - Any deed of trust or security interest granted to an institutional lender to secure a loan of money to an Owner or other party in interest, which attaches to any Lot and is perfected or Filed.
- (r) Occupant - Any party, whether or not an Owner, who is regularly present upon a Lot pursuant to either express or implied license or right.
- (s) Open Space - Those areas of a Lot which are not improved other than by fills, cuts or the presence of underground utility lines. Open space shall include landscaping, natural areas, lawns, screening or buffer areas but it does not include any parking, loading, outdoor storage, trash handling, utility or service areas.
- (t) Outdoor Storage - Any areas outside of a Structure, used for the temporary accumulation of inventory, materials, or other personalty. Outdoor storage does not include the stockpiling of materials which are to be incorporated into a Structure or Improvement by an Owners' contractor or subcontractor, so long as such materials are incorporated or removed within one hundred twenty (120) days.
- (u) Owner - The person or entity holding the fee simple title to any Lot. The Declarant and the Exempt Owners are all "Owners".
- (v) Principal Improvements - The primary Structures which, according to the final plans approved by the Committee, are to be built upon a Lot. Principal Improvements do not include such minor Structures as out-buildings or storage areas.
- (w) Property - All that real estate described in attached Exhibit "A" plus such other real estate which may be additionally made subject to this Declaration as provided below in Article II, Section 3.

(x) Rear Setback - The Setback Distance from a rear boundary line of a Lot.

(y) Setback Distance - The distance between either a Lot boundary line or the edge of a street right of way, to a line within the Lot and parallel to the boundary line or the right of way, and within which distance specified Improvements or other features are prohibited. Setback distances are identified in the Initial Architectural and Site Guidelines – See Exhibit B.

(z) Side Setback - The Setback Distance from a side boundary line of a Lot.

(aa) Sign - Any structure, component, fabric, device or display which bears lettered, pictorial or sculptured material designed to convey information or images and which is exposed to public view.

(bb) Street Setback - The Setback Distance from the edge of a street right of way.

(cc) Structure - A building, primarily designed and used for a business use as is permitted by this Declaration and/or the approval of the Committee.

(dd) Substantial Completion - The date upon which a temporary certificate of occupancy has been issued by the applicable governmental authority.

(ee) Temporary Structures - Any Structure not shown on the final site plan approved by the Committee, excepting such storage and operating trailers as may be necessary for those contractors and subcontractors in the employ of an Owner for the purpose of constructing those Improvements and Structures indicated on final plans approved by the Committee.

(ff) Utilities - Those lines and services in the nature of electric, telephone, catv, water, sewer, storm water management, natural gas, and the like which may be laid or distributed throughout the Business Park.

ARTICLE II

Property

Section 1. Description. The real property initially subjected to this Declaration is described in the Exhibit "A" attached hereto and incorporated herein.

Section 2. Business Name. The Property, the business conducted thereon and the amenities and infrastructure of the Property shall henceforth, collectively, be known as "Airlie Business Park At Ingleside".

Section 3. Additions. At any time prior to the termination of the Founding Class Membership (see Article V, Section 2(b)), land adjoining the Property may be subjected to this Declaration by the filing of amended or supplementary declarations identifying the land and executed by all necessary parties to evidence:

the consent of Lincoln Economic Development Association (or after the termination of the Founding Class Membership, the consent of Owners holding 60% of the votes in the Association) to the addition to the Property;

the intent of the owner holding fee simple title to the addition that it be subjected to this Declaration, and shall thereafter be a portion of the Property; and

the consent and subordination of any lender holding a Mortgage upon the addition subordinating its security interest to the Declaration.

Upon the filing of such amended or supplementary declaration, the real estate added to the Property shall be subject to and entitled to the benefit of this Declaration and all terms of the subsequent supplementary or amended declarations.

Section 4. Form of Amendment. Each amendment or supplementary declaration as referred to immediately above, shall contain the following provisions:

1. Reference to this Declaration and the date, book and page of its Filing in Lincoln County, North Carolina;
2. A precise legal description of the additional real estate (if any);
3. Language subjecting the additional real estate (if any) to this Declaration and its subsequent amendments or supplementary declarations; and
4. Such other covenants, restrictions or easements as Declarant (or 60% of the Owners as applicable) shall, in its discretion, additionally impose upon the subject real estate.

Section 5. Adjacent Property Not Specifically Described. From time to time an Owner may hold title or other interests in real estate adjacent to the Property. Unless such adjacent property is specifically described or included in the attached Exhibit "A" or the legal description of future supplementary or amended Declarations, such adjacent real estate shall not be deemed a part of the Property or the Business Park.

ARTICLE III Declaration

The Property shall hereafter be held, sold, leased, transferred, conveyed and encumbered subject to the herein contained covenants, conditions, restrictions, reservations, and easements which: (1) are made for the direct, mutual and reciprocal benefit of each and every portion of the Property and shall create mutual, equitable servitudes upon each part of the Property in favor of every other part of the Property; (2) create reciprocal rights and obligations between the respective Owners and privity of estate between all grantees of portions of the Property, their successors and assigns; (3) shall operate as covenants running with the land; and (4) shall inure to the benefit of the Declarant and each Owner. By acceptance of any deed conveying title to a portion of the Property, acceptance of a lease or license concerning any portion of the Property or by taking possession of any portion of the Property, whether from Declarant or any other Owner or lessee, any future owner, lessee, licensee or occupant shall accept such deed, lease, license or possession upon and subject to each and all of the covenants, conditions, restrictions, reservations and easements set forth herein. Each person or entity who hereafter owns or acquires any right, title or interest in or to any portion of the Property shall be conclusively deemed to have consented and agreed to the covenants, conditions, restrictions, reservations and easements set forth herein, and in all rightfully Filed future supplements of or amendments to this Declaration, whether or not any reference thereto is contained in the instrument by which such person or entity acquires an interest in the Property.

ARTICLE IV
Common Property

Section 1. Description. The Common Property may include any area expressly and specifically designated as such in unambiguous terms by the Declarant or any area or facility owned by the Association. By way of example, Common Property may include non-publicly maintained streets, drainage and sewage facilities, recreational areas, pathways, streets, medians, entrances, planting areas, and the like. Neither Declarant nor the Exempt Owners have any duty to construct Common Property.

Section 2. Common Rights. Every Owner shall have a non-exclusive, perpetual right and easement of benefit and enjoyment in and to the Common Property which easement shall be appurtenant to the Lot of said Owner, subject to this Declaration and the by-laws, rules and regulations adopted from time to time by the Association.

ARTICLE V
Property Owner's Association

Section 1. Membership. Every Owner must be a Member of the Association. Membership is only available to Owners and such membership shall be extinguished upon the complete transfer of all Property held by any Member (except that Lincoln Economic Development Association shall remain a Member so long as any Property is held by Ingleside Real Estate Investment Partners, LLC).

Section 2. Classes of Membership.

- (a) Owners Class Membership. Prior to the termination of the Founders Class Membership, the Owners Class Membership shall consist of all Owners. After termination of the Founders Class Membership, the Owners Class Membership shall include all Owners and shall specifically include Ingleside Real Estate Investment Partners, LLC should they own one or more Lots.
- (b) Founders Class Membership. Lincoln Economic Development Association (or a successor by way of bulk transfer) only, shall be the sole Founders Class Member. The Founders Class Membership shall terminate upon the first to occur of:
 - 1. December 31, 2030,
 - 2. Such time as Lincoln Economic Development Association and Ingleside Real Estate Investment Partners, LLC shall have conveyed all of their interests in the Property (including any additions), or
 - 3. At the discretion of Lincoln Economic Development Association as evidenced by a Filed writing.

Section 3. Duties. To the extent that the following duties are not performed by Lincoln Economic Development Association, they shall be the duty of the Association:

- 1. Provide for the upkeep and maintenance for any Common Property to such standards as the Association may deem appropriate;
- 2. Charge assessments as may be necessary for the purposes described herein;
- 3. Keep records of all assessments charged and the payments made thereon by the Owners; and
- 4. Collect assessments, maintain a bank account, and apply assessments to appropriate expenses.

VI Voting

Section 1. Owners Class. Except for matters concerning special assessments, Owners Class Members shall not be entitled to vote until the termination of the Founders Class Membership, at which time Owners Class Members shall be entitled to one vote for each acre owned in the Property plus a fractional (hundredths) vote for each fractional (hundredths) acre thereof. Lincoln Economic Development Association shall, at all times, have the right to exercise all votes allocated to the acreage of any Property owned by Ingleside Real Estate Investment Partners, LLC at the time of any vote; this right is in the nature of a proxy combined with an interest. The vote for any one Lot owned by more than one person or entity shall be exercised as they among themselves shall determine, but in no event shall the vote or votes with respect to any jointly owned Lot be split or cast separately.

Section 2. Founders Class. Except for special assessments, the Founders Class Member shall be the only Member entitled to vote in the Association until such time as the Founders Class Membership terminates.

Section 3. Special Assessments. On all matters concerning special assessments the voting shall be as follows:

- (a) Owners Class. The Owners Class membership shall have one vote for each acre owned of the Property plus a fractional vote for each fractional acre.
- (b) Founders Class. Any Founders Class Member shall have one vote for each acre owned of the Property, plus a fractional vote for each fractional acre.

Special Assessments may only be assessed upon receiving 51% of a vote of the combined Founders Class and the Owners Class Members.

Section 4. Exclusion of Designated Common Property. Designated Common Property shall be excluded for purposes of computation of voting rights.

ARTICLE VII Assessments

Section 1. Creation of Lien and Personal Obligation of Assessments. Except as exempted in Section 8 of this Article VII, Owners shall be liable for, and shall pay, annual and special assessments. Each Owner of any Lot shall, by acceptance of a conveyance thereof, whether or not it is so expressed in any conveyance, be deemed to covenant and agree to all the terms and provisions of this Declaration and promises to pay to the Association both annual and special assessments and charges, such as are established and to be collected from time to time as hereinafter provided. The annual and special assessments and charges, together with such interest thereon and costs of collection as are hereinafter provided, shall be a charge and continuing lien upon the Lot against which such assessment is made as of the effective date of said assessment. Each such assessment, together with interest thereon and any costs of collection as are hereinafter provided, shall also be the personal obligation of the person or entity who was Owner of such Lot at the time when the assessment became due. In the case of co-ownership of a Lot, all of such co-owners shall be jointly and severally liable for the entire amount of any assessment.

Section 2. Purpose of Annual Assessments. The Association may determine and assess annual assessments which shall be used for the improvement, maintenance, operation, repair, replacement of and additions to

the Common Property, including, but not limited to, the payment of taxes and insurance thereon, the payment of utility charges related thereto, maintaining, operating and improving streets, roads, drives and rights-of-way and other Common Property facilities and amenities, collection and disposal of garbage, rubbish and the like, employing security service, maintenance personnel, and for the cost of labor, equipment, materials, and the management and supervision thereof. Notwithstanding anything to the contrary, nothing herein shall obligate Declarant or the Association to build all or any portion of the facilities and amenities listed above as possible Common Property facilities and amenities. In addition, the Association may use annual assessments for the purpose of doing any other things necessary or desirable, in the discretion of the Association, to keep Common Property facilities and amenities in neat and good order, to provide for the health, welfare and safety of the Owners and Occupants of the Property, to advance or maintain the general appearance and function of the Business Park, and to carry out the eleven goals described in the preliminary statement of this Declaration.

By acceptance of any conveyance of any Lot, each Owner acknowledges that neither the precise acreage and dimensions of the Common Property, nor the type of amenities, improvements and structures to be located within the Common Property have been (and may not be) specifically defined until the sale of the last Lot within the Property. Notwithstanding the lack of specificity relating to the size and development of the Common Property, each Owner acknowledges that it is a knowledgeable business person familiar with developments such as the one established under this Declaration and hereby agrees to accept and pay annual and special assessments levied by the Association pursuant to this Declaration. Each Owner agrees to accept such Common Property as may be designated and/or conveyed by the Declarant, provided that said Common Property must be located within the bounds of the Property.

Declarant may have formulated a general plan of development and use for the Property which may have previously been submitted to and reviewed by some or all of the Owners in the form of maps or other design information. Notwithstanding anything to the contrary, said maps or design information will not necessarily conform to the ultimate development of the Property.

Section 3. Maximum Annual Assessment. The maximum annual assessment shall be Three Hundred Dollars (\$300.00) for each acre, with fractions of acres and fractions of the calendar year to be computed and prorated equitably. For each calendar year beginning with 2014 and ending upon termination of the Founding Class Membership, the Association may annually increase the maximum annual assessment per acre over the assessment amount of the immediately preceding year by not more than the greater of: (i) five percent (5%), or (ii) the "applicable CPI increase". After termination of the Founding Class Membership, the maximum annual assessments shall be determined solely by the Association.

For purposes of this Article VII, Section 3, the term "applicable CPI increase" shall mean that amount by which the "CPI" for the month of October immediately preceding the calendar year of the proposed Assessment exceeds the CPI for the month of October one year earlier. "CPI" refers to the "Consumer Price Index" published by the Bureau of Labor Statistics of the U.S. Department of Labor (all Items, U.S. City Average, for urban wage earners and clerical workers, or a successor or substitute index appropriately adjusted).

The Declarant, Association, or other party who shall then maintain the books and records pertaining to assessments shall, upon written request by any Owner, issue within fifteen (15) days an estoppel certificate detailing the status of that Owner's assessment account and such letter will estop the Association and Declarant from later collecting any previously billed amount not listed thereon.

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 construction or reconstruction, repair or replacement of the Common Property, including the necessary fixtures and personal property related thereto. Special assessments shall be assessed uniformly against all Owners on the basis of the acreage of each Owner's Lot, except that special assessments may be directly assessed against one or more individual Lot Owners if those Owners or their agents have damaged Common Property and created the need for the repair or reconstruction by their intentional or grossly negligent acts.

Section 5. Commencement. Assessments shall commence on the date fixed by the Association, but not prior to January 1, 2012.

Section 6. Due Date. Unless otherwise provided herein, assessments shall be due and payable in full within 30 days after they are billed to an Owner.

Section 7. Effect of Non-Payment of Assessment. If any assessment is not paid on the date when due, then such assessment shall be delinquent and shall accrue interest thereon at the "prime rate" published by the Wall Street Journal (or if such rate shall cease to be published, another national publication or national lender) plus two percent (2%) per annum (such rate to change from time to time as the prime rate changes) unless a lesser rate is required under Applicable Law in which event interest will accrue at the maximum required lesser rate. If such assessment is not paid within ten (10) days after the due date, then the Association may bring an action at law against the Owner directly and/or foreclose the lien against the Lot, and there shall be added to the amount of such assessments all reasonable attorneys' fees and costs incurred by the Association in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessments as indicated above.

Section 8. Exemption. All property owned by Lincoln Economic Development Association and Ingleside Real Estate Investment Partners, LLC (collectively the "Exempt Owners") shall be exempt from all assessments and special assessments and the liens therefore of every type, except as hereinafter expressly provided. Property currently owned by the Exempt Owners shall no longer be exempt upon transfer to any party other than another Exempt Owner or upon an Exempt Owner developing property within the Business Park.

Section 9. Contribution by Lincoln Economic Development Association. Lincoln Economic Development Association agrees that until the end of the Founders Class Membership it will contribute such funds to the Association as may be required to maintain any Common Property to a minimum standard to the extent that the maximum annual assessments are insufficient to pay such costs.

ARTICLE VIII

Architectural Review Committee

Section 1. Membership. There is hereby established an Architectural Review Committee which will consist of not less than five (5) and not more than seven (7) members.

One of the members selected by the LEDA must be selected from the following groups: licensed architects, engineers, landscape architects or persons with building construction experience. The other members need not have any specific professional certification.

Three (3) of the members shall be appointed by the LEDA and such appointees may be members or employees of the LEDA and two (2) of the members shall be appointed by Ingleside Real Estate Investment Partners, LLC and such appointees may be members or employees of Ingleside Real Estate Investment

Partners, LLC.

The Association shall select, and if necessary appoint successors for, the remaining membership of the Committee other than those members appointed by the LEDA and the Ingleside Real Estate Investment Partners, LLC. By written notice to the Association, LEDA and the Ingleside Real Estate Investment Partners, LLC may delegate its right to appoint members of the Committee to the Association. In the event that LEDA should dissolve or otherwise end its operations, the appointment right of LEDA shall pass to the Association.

Section 2. Duties and Powers. The Committee shall: (1) review and act upon proposals and plans submitted to it by Owners pursuant to the terms of this Declaration, (2) adopt Architectural and Site Guidelines, and (3) perform all other duties delegated to and imposed upon it by this Declaration.

Section 3. Architectural and Site Guidelines. The Declarant has promulgated certain rules, guidelines and statements of policy which will be known as the initial "Architectural and Site Guidelines." Hereafter, from time to time the Committee may, by majority vote, adopt, amend and repeal such rules, guidelines and statements of policy and thus modify the Architectural and Site Guidelines. At all times the Committee shall maintain copies of the most recently adopted Architectural and Site Guidelines in writing so that copies are available, upon request, to all Owners. Said Guidelines will interpret and implement the provisions of this Declaration by detailing the standards and procedures for review, guidelines for building and site design, placement of buildings and other improvements, landscaping, color schemes, lighting, parking, exterior furnishings, materials, signage and maintenance which may be used, or required, within the Business Park. Such guidelines may be interpretations and expansions of, but not in contradiction to, the terms of this Declaration.

The initial Architectural and Site Guidelines as well as all such rules, guidelines and statements of policy as may be approved and adopted, from time to time, by the Committee as Architectural and Site Guidelines shall be deemed incorporated as a part of this Declaration. The initial Architectural and Site Guidelines are attached hereto as Exhibit "B" and incorporated herein. Notwithstanding the powers granted to the Committee by this Section 3, no future Architectural and Site Guidelines or amendments thereto shall diminish the required development standards for the Property.

Section 4. Right of Inspection. Members and agents of the Architectural Review Committee may, at any reasonable and safe time enter upon a Lot (but only upon reasonable written notice to any Occupants if there are completed Structures upon the Lot) for the purpose of inspecting Improvements and site development and their compliance with the Architectural and Site Guidelines.

Section 5. Variances. The Committee is hereby authorized and empowered to grant reasonable variances from the provisions of this Declaration or the Architectural and Site Guidelines in order to overcome specific development problems or hardship caused by strict application of the provisions of either this Declaration or the Architectural and Site Guidelines. Such variances, however, must not materially injure any of the Property, amenities or Improvements in the Business Park and must be made in furtherance of the spirit and purpose of this Declaration. The Committee is specifically empowered to, at its sole discretion, grant variances of setback requirements up to ten percent (10%) of the total Setback Distance required. The Committee will not, however, grant any variance for setbacks less than those required by applicable zoning ordinances unless the Owner also obtains a variance from the appropriate governmental authority empowered to grant such variances.

Section 6. Limitation of Scope of Approval. Approval by the Committee of any Improvement or use for a

designated Lot shall not be a waiver of the Committee's right to reject a similar or identical Improvement or use upon another Lot (or the same Lot at another time) if such Improvement or use is of a nature that it may be rejected under the terms of this Declaration or the Architectural and Site Guidelines. Similarly, in light of the purpose of this Declaration, approval by the Committee of any specific set of plans does not bind the Committee to approve an identical set of plans submitted at another time.

ARTICLE IX Review Procedures

Section 1. Meeting. The Committee may meet informally, by meeting, telephone, written communication, facsimile transmissions, online or such other means as the members may agree upon and as may be sufficient to conscientiously, and fully, perform its duties.

Section 2. Materials to be Submitted for Site Plan Approval. Before initiating any construction, material alteration of existing Improvements (including awnings, satellite dish, antenna or other attachment to roof or exterior), grading or any site or structural work upon any Lot, the Owner must first submit construction, site and landscape plans as described in the Architectural and Site Guidelines (see Exhibit "B").

Section 3. Filing Fee. In order to defray the expense of the Committee, the Committee may require a reasonable fee for review of plans. The filing fee may only be charged to defray reasonable actual out-of-pocket costs such as attendance fees or travel reimbursements to the Committee Members.

Section 4. Approval Criteria. The Committee shall specifically have the right to disapprove plans, specifications or details submitted to it for any of the following reasons:

1. The submission fails to comply with the terms of this Declaration or the Architectural and Site Guidelines;
2. Insufficient information or failure to provide detail reasonably requested by the Committee;
3. The submission fails to comply with the appropriate zoning, tree or signage ordinances or other Applicable Laws that may be in effect from time to time;
4. Perceived incompatibility with other proposed or existing Improvements or use;
5. Reasonable objection to the grading plan for any portion of the Lot;
6. Reasonable objection to design or location of loading or storage areas;
7. Reasonable objection to the finish, proportions, style, height, bulk or appropriateness of any Structures;
8. An insufficient number of parking spaces;
9. The plans are not prepared by licensed architects, engineers or landscape architects;
10. The plans do not adequately provide for surface water control, required screening or other planning matters which affect other Lots in the Business Park; and
11. Such other matters which, in the sole discretion of the Committee, would be inappropriate or inharmonious with the general plan of development within the Business Park.

Section 5. Time for Review. Upon submission of all detail reasonably requested by the Committee, the submitting Owner shall receive, in writing, the decision of the Committee within thirty (30) days. Failure of the Committee to render a written decision within thirty (30) days shall be deemed approval of the submission.

Section 6. Certification of Approval. Upon the request of Owner, the Committee shall confirm its approval of the Owner's plans by issuing a written letter describing the specific Lot and plans which have been

approved.

Section 7. Approval is not a Warranty. Approval of the plans submitted by any Owner or other party to the Committee shall not be construed as a certification or warranty, by the Committee, that (1) the plans meet with any minimum standards of suitability for use, (2) are acceptable under any Applicable Laws, (3) conform to any other standards of quality or safety or (4) describe Structures or development which would be safe, prudent or feasible. Neither Declarant, the Committee, nor any member thereof shall be liable for any damage, loss or prejudice suffered or claimed by any person on account of the approval or disapproval of any preliminary plans, plans, drawings or specifications, construction or performance of any work or the development of any Property within the Business Park.

Section 8. Commencement of Work. Beginning with the approval of the Committee as described in this Article IX, the Owner or other parties submitting plans shall, as soon as practical, satisfy all conditions of the Committee and proceed with all approved work described in the plans and such other work as may be necessary for improvement of the Lot in accordance with this Declaration. Commencement of Construction must begin within one hundred twenty (120) days from the date of such approval or, the approval of the Committee shall lapse. The Committee may, at its discretion and upon the request of Owner, extend the one hundred twenty (120) day period for Commencement of Construction in the event that good cause is shown for such extension.

ARTICLE X Improvements and Uses

Section 1. Prohibited Uses. Any use which is not compatible with a high quality, controlled Business Park development and all of the following uses are prohibited:

1. Labor camps,
2. Refining of petroleum or any of its products,
3. Cemeteries and Crematoriums,
4. Commercial or private raising or slaughtering of poultry, livestock or swine,
5. Feeder lots for any poultry, livestock or swine, rearing of any other birds, fish, insects, mammals, reptiles,
6. Animal kennels,
7. Junkyards or Salvage,
8. Quarries,
9. Raceways,
10. Dry-cleaning,
11. Landfills,
12. Fuel oil dealers,
13. Sale of motor vehicle fuel,
14. Vehicle repair, maintenance or storage,
15. Storage or transportation of hazardous waste materials other than de minimus amounts incidental to some other business use,
16. Building material sales and lumberyards,
17. Self-Storage facility or "Mini-warehouses", or
18. Businesses which may produce or emit substantial gases, smoke, odors or noises that would be unsuitable for a high quality, controlled Business Park development.

Section 2. Landscaping. All landscaping must conform to those requirements set forth in the Architectural

and Site Guidelines. If any Owner fails to undertake and complete the landscaping required within such time limits as are adopted from time to time as part of the Architectural and Site Guidelines, the Association may, at its option, after giving the Owner ten (10) days written notice, begin and thereafter pursue with diligence the completion of landscaping in accordance with the Owner's plans. If the Association shall undertake such landscaping, the costs shall be assessed against the Owner and if not paid within thirty (30) days after written notice of assessment from the Association, said assessment shall constitute a lien upon the Lot and may be enforced as set forth herein. The Architectural and Site Guidelines shall contain specific maintenance standards for the landscaping and Open Space of Lots. All Owners are required to maintain the terrain and landscaping of their Lot to a standard of quality equal, at a minimum, to the standard maintained by the Association in the landscaping and upkeep of the Common Property. If, in the reasonable discretion of the Association, any Owner fails to observe the required maintenance standards for the terrain and landscaping of that Owner's Lot, the Association will provide written notice to the Owner of such failure. Thereafter, the Owner will have a period of thirty (30) days within which to reasonably and expeditiously commence corrective procedures for the landscaping of its Lot. If the Owner has not commenced reasonable and expeditious procedures within thirty (30) days, or if after a reasonable period of time Owner has failed to complete such corrections, the Association may enter upon the Lot and improve the landscaping to a grade equal to that of the Common Property. All costs of such corrective action will then be assessed against the Owner. The Owner will pay all such costs assessed within fifteen (15) days. If the assessment is not paid when due, then such assessment shall be delinquent and shall accrue interest at the rate set forth previously in Article VII, Section 7. The assessment shall be a lien against the Lot and the Association shall retain all remedies as described in Article VII, Section 7.

Section 3. Reservation of Maintenance Option. There is reserved, for the benefit of the Association, an option of exclusive maintenance upon and over the frontage of any Lot, of up to twenty (20) feet in width. This option shall run along and with the margin of the right of way of all public or private streets within, or adjoining, the Business Park. The Association may exercise its option of exclusive maintenance either on a continuing basis or from time to time at its sole discretion. This option may be exercised with respect to all Lots or only to selected areas, all in the sole discretion of the Association. All expenses of this maintenance option shall be assessed by the Association as annual or special assessments.

Section 4. Street Parking. On street parking is prohibited within the Business Park.

Section 5. Temporary Structures. Temporary Structures are prohibited within the Business Park, with the exception of such trailers or storage facilities as may be employed by a contractor, subcontractor or agent of an Owner engaged in construction upon a Lot pursuant to plans approved by the Committee.

Section 6. Discharges. All uses of any Lot which will emit dust, dirt, cinders, sweepings, noxious or odoriferous gases or hazardous materials into the atmosphere or which discharge wastes of any nature or other harmful matter into the soil, ground water, any stream, river, pond, lake or other body of water, which in the sole discretion of the Committee may adversely effect the safety, health, comfort or intended property use by persons within the Business Park, are strictly prohibited.

Section 7. Violations. In the event that any Lot is developed or improved other than in strict conformity with this Declaration and the approval of the Committee, any such Improvement or development must be removed or altered so as to be in compliance and any unauthorized use of the Lot must be ended so as to extinguish any violations of this Declaration or the approval granted by the Committee. At any time a violation of this Declaration or the approval granted by the Committee may be found to exist, regardless of the length of time of such violation, the Declarant or the Committee may deliver written notice of such violation to the Owner of the Lot in violation and any other responsible parties. If reasonable measures have

not been taken by the Owner or other responsible parties to terminate the violation within ten (10) business days, the Declarant or Committee may, through agents or employees, enter onto the Lot and take such measures as may reasonably be necessary to abate the violation. Such entry shall not be deemed a trespass and those parties entering on behalf of Declarant or the Committee shall have no liability to the Owner or other parties having an interest in the Lot for any entry taken in connection with the abatement of a violation. All costs and expenses, including legal fees, permits, mobilization costs and insurance plus fifteen percent (15%) of such cumulative costs and expenses for general overhead and intangible costs, shall be a binding obligation of the Owner of the Lot in violation. In addition, all costs shall be a lien upon the Lot, enforceable in the same manner as an assessment made upon the Lot.

Section 8. Construction. Construction of all Improvements and other development upon the Lot shall be the responsibility of the Owner. Neither Declarant nor the Committee shall have any responsibility whatsoever for monitoring or control of construction.

Section 9. General Repair and Maintenance. It shall be the duty of Owner to keep and maintain all of the Lot, except as expressly stated otherwise herein, including those areas within Setback Distances, easements and Open Space. The Owner shall keep the entire Lot safe, neat, free of hazards and shall comply with all fire, zoning, health, environmental and other requirements as may legally apply to the Lot. Owner shall keep the Lot clear, clean and free of all unsightly scrap, rubbish or other materials at all times, including the construction period.

Section 10. Utility Lines. No above ground utility service lines shall be constructed within the Business Park. Only distribution lines supplying service to the entire site of the Business Park may be located above ground.

ARTICLE XI Waste Management and Environmental Hygiene

Section 1. General Waste Management. Because releases of hazardous or toxic materials upon any Lot within the Business Park could have enormous adverse impact upon any or all of the other Lots and other Property within the Business Park, each and every Owner hereby covenants and warrants that it will observe all requirements of the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the Resource Conservation and Recovery Act ("RCRA"), Clean Air Act, Clean Water Act, the Refuse Act, Toxic Substances Control Act, Safe Drinking Water Act, the North Carolina Oil Pollution and Hazardous Substances Control Act ("OPHSCHA") and all other federal, state and local statutes, laws, regulations and ordinances concerning the creation, storage, transportation or release of substances injurious to life forms or the environment, including but not limited to, "hazardous substances" as defined under CERCLA and "oil or other hazardous substances" as described in OPHSCHA.

Section 2. Underground Storage Tanks. Before installation of any underground storage tank ("UST"), the Owner shall deliver to the Association a site plan or survey showing the exact proposed location of the UST. Copies of all permits issued in connection with all UST's shall be delivered to the Association upon their receipt by Owner. Unless other means of inspection are more appropriate, the Owner shall make periodic soil borings (or test with a geoprobe or any other effective technology then available), at each end of the UST, according to the following schedule, shall submit the boring sample to professional and qualified technicians for analysis and shall report the findings generated after sampling analysis to the Association. The borings will be required at the following intervals: five years following installation, ten years following installation, twelve years following installation and every two years thereafter. In the event that leakage or soil contamination is indicated at any time, the Owner shall immediately, at its sole expense, take all

remediation measures required by Applicable Laws.

ARTICLE XII
Duration, Modification and Termination

The restrictions contained in this Declaration shall be appurtenant to and run with the land and shall be binding upon and inure to the benefit of Declarant, the Owners, Lessees, Licensees, Occupants, their heirs, successors and assigns, and all other parties hereinafter having an interest in any of the Property and all parties claiming under them. This Declaration shall be effective for a period ending on December 31, 2030, after which time it shall be automatically extended for up to four (4) successive periods of 10 years each (for a total including the initial term of 60 years) unless subsequent to December 31, 2030, the Owners holding at least 60 percent of the votes in the Association vote to not continue this Declaration at the end of the next expiring 10 year period and File appropriate evidence of the non-renewal. At any time during the effective period of this Declaration, but not sooner than fifty years after this Declaration is originally Filed, the Owners may vote to extend the maximum effective period to a specific date beyond a 61 year term and such vote will be binding and effective on all Owners in the Business Park if approved by a seventy five percent (75%) vote.

Prior to the termination of the Founders Class Membership (see Article V, Section 2(a), this Declaration may be modified or amended by Filed supplementary or amended declarations signed by Declarant Lincoln Economic Development Association without the vote or joinder of any other Owner. See Article II, Sections 3 and 4 for specific requirements to add additional lands to the Property.

After the termination of the Founders Class Membership, the restrictions contained herein may be modified by the Filing of an instrument in good legal form setting forth any modifications, deletions or changes which instrument is executed by Owners holding at least sixty percent (60%) of the votes in the Association.

No material amendment or modification of this Declaration or the Architectural and Site Guidelines shall be enforceable against any Owner with respect to such Owner's Lot unless the Owner of the affected Lot consents in writing to such amendment or modification. Notwithstanding anything to the contrary set forth herein, an amendment or modification shall be deemed material if such amendment or modification (i) requires the Owner of the affected Lot to make material modifications to existing Improvements, (ii) burdens the affected Lot in any material manner, (iii) restricts in any material manner the uses permitted on the affected Lot or (iv) encumbers the affected Lot with additional building or other restrictions. Additions to the Property shall at no time be deemed a material amendment or modification of this Declaration. Neither increases in Assessments as authorized under Article VII nor the authorized assessment of Special Assessments are, for purposes of this paragraph, amendments or modifications of this Declaration.

ARTICLE XIII
Enforcement

Any violation of this Declaration, whether in whole or in part, is hereby declared to be a nuisance and, without limitation, any party empowered to enforce this Declaration may avail itself of all remedies available under Applicable Laws for the abatement of a nuisance in addition to all other rights and remedies set forth hereunder or otherwise available at law. This Declaration may be enforced by any Owner or the Association by proceedings at law or in equity against the person or entity violating or attempting to violate any covenant or restriction, either to restrain the violation thereof, abate or remediate damage caused by the violation, or to recover damages, all together with reasonable attorney's fees and court costs. In addition to

the remedy of enforcement as provided above, the Association and the Committee shall have the right, through their agents and employees, to enter upon the Lot and summarily abate, remove and extinguish any thing or condition that may exist thereon contrary to the provisions hereof and said parties shall not thereby be deemed to have trespassed upon such Lot and shall be subject to no liability to the Owner or Occupant of such Lot for such entry, abatement or removal. The cost of any abatement or removal of violations authorized under this Declaration shall be a binding, personal obligation of the Owner of the Lot upon which such violation has occurred as well as a lien, enforceable in the same manner as an assessment against a Lot, upon such Lot. No failure to exercise its enforcement powers shall be deemed a waiver thereof by the Declarant or the Committee.

In addition to all other rights and remedies available for the enforcement of this Declaration, the Association may, beginning 30 days after delivery of written notice to the Owner of a Lot on which a violation is occurring, impose a fine against such Owner for each day the violation continues following delivery of the notice. The fine imposed hereunder shall not exceed \$50 (increasing by 5% per calendar year with the first such increase effective January 1, 2011) per day. The fine shall constitute a lien against the Lot on which the violation occurs, which may be enforced in the same manner as the lien for an assessment. Any such notice to an Owner shall describe the Lot, the specific violation, a reference to the provisions of the Declaration, or Architectural and Site Guidelines which are being violated, and a notice that a fine will be levied if the violation is not cured within a 30-day period. The notice shall be deemed delivered if sent by certified mail, return receipt requested, posted in a prominent location upon the Lot, or sent to the Owner via national overnight courier service.

ARTICLE XIV

Easements, Exoneration of Declarant and Option to Acquired Unimproved Lots

Section 1. Option on Unimproved Lots. In the event that Commencement of Construction has not occurred upon a Lot within two hundred forty (240) days following the conveyance from an Exempted Owner to any other Owner (the "Building Period"), the Declarant shall, so long as Commencement of Construction has not occurred, have the right to purchase that Lot at any time within twenty four (24) months after the expiration of the Building Period (the "Notice Period"). In order to exercise this Option, the Declarant must give written notice to Owner within the Notice Period and tender the purchase price within 60 days following the delivery of notice. The repurchase price shall be that price paid by the non-building Owner at the time of original acquisition, reduced by ten (10) percent and any unpaid balance of any mortgage or mortgages or any other liens against the Lot. Upon tender of the purchase price, Owner shall convey the Lot to the Declarant by Special Warranty Deed. Owners expressly agree that the Declarant is entitled to specific performance of all duties imposed upon Owners by this Section. Further, the non-building Owner shall not sell and convey a Lot in unimproved condition without having first offered in writing to re-sell and convey the same back to the Declarant under the repurchase conditions stated in this section.

Section 2. Easements. There is reserved permanent non-exclusive easements and rights-of-way over, through, upon, in, across, under, along and within those twenty foot (20') strips of land located contiguous to and within the front, side and rear boundary lines of each and every Lot or future Lot subdivided with the Business Park for the installation, use, operation, repair, replacement, relocation, removal and maintenance of such utility lines, conduits, pipes and other equipment necessary for furnishing electric, natural gas, telephone service, internet service, water, sanitary sewage service and other like services to any other Lot. Also reserved is a temporary general right of access as is necessary from time to time to do installation or maintenance work within such twenty foot (20') easements. This reservation of easements does not prohibit construction of driveways or parking areas at locations approved by the Committee.

Section 3. Exoneration of Declarant. It is agreed by all Owners and by any other party having an interest in any Lot that neither Declarant nor the Exempt Owners have any duty to enforce any of the covenants and restrictions contained herein.

ARTICLE XV Partial Taking

In the event that any portion of the Business Park is taken or purchased in any manner in the nature of a condemnation or other governmental taking, such taking will not render invalid any provision contained in this Declaration.

ARTICLE XVI General

Section 1. Mortgagees' Protection. Violation of this Declaration shall not defeat the lien of any Mortgage made in good faith and for value upon any portion of the Property. Any lien created hereunder shall be subordinate to any such Mortgage unless a lis pendens or notice of the lien shall have been filed prior to the recordation of such Mortgage; provided, however, that any Mortgagee in actual possession or any purchaser at any trustee's, mortgagee's or foreclosure sale shall be bound by and be subject to this Declaration as fully as any other Owner.

Section 2. Chain of Title. Each grantee, lessee or other person in interest or occupancy accepting a conveyance of a fee or lessor interest, the demise of a leasehold interest, or a license, in any Lot, whether or not the instrument of conveyance refers to this Declaration, covenants for himself, his heirs, successors and assigns to observe and perform and be bound by this Declaration and to incorporate this Declaration by reference in any conveyance, demise of a leasehold estate, or the grant of a license, of all or any portion of his interest in any real property subject hereto.

Section 3. Ambiguities. If any discrepancy, conflict or ambiguity is found to exist with respect to any matters set forth in this Declaration, such ambiguity, conflict or discrepancy shall be resolved and determined by Declarant in its sole discretion. Declarant shall have the right to interpret the provisions of this Declaration and, in the absence of an adjudication by a court of competent jurisdiction to the contrary, their construction or interpretation shall be final and binding as to all parties or property benefited or bound by the provisions hereof. Any conflict between any construction or interpretation of Declarant and that of any other person or entity entitled to enforce any of the provisions hereof shall be resolved in favor of the construction or interpretation of Declarant.

Section 4. No Reversionary Interest. This Declaration shall not be construed as creating conditions subsequent, or as creating a possibility of reverter. Nothing herein contained, however, shall be deemed a waiver of the rights to repurchase set forth in Article XIV, Section 1 above. Except as provided above, all reversionary rights are hereby expressly waived by Declarant.

Section 5. Zoning Requirements. This Declaration shall not be interpreted as permitting any action or thing prohibited by applicable zoning laws, or any other Applicable Laws, or by specific restrictions imposed by any deed or other conveyance. In the event of any conflicts, the most restrictive provision among the conflicting terms shall be taken to govern and control.

Section 6. Effect of Invalidation. If any provision of this Declaration is held to be invalid by any court or other body of competent jurisdiction, the invalidity of such provision shall not affect the validity of the remaining provisions of this Declaration and all remaining restrictions, covenants, reservations, easements and agreements contained herein shall continue in full force and effect.

Section 7. Gender. All pronouns used herein shall be deemed to be singular, plural, masculine, feminine or neuter as application to specific circumstances may require.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above mentioned.

GRANTORS:

**INGLESIDE REAL ESTATE INVESTMENT PARTNERS,
LLC**

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

STATE OF NORTH CAROLINA

COUNTY OF _____

I, _____, a Notary Public of the aforesaid County and State, do hereby certify that _____ and _____ of INGLESIDE REAL ESTATE INVESTMENT PARTNERS, LLC, personally appeared before me this day and acknowledged the execution of the foregoing instrument on behalf of Ingleside Real Estate Investment Partners, LLC.

Witness my hand and notarial seal this ____ day of _____, 2011.

Notary Public

My Commission Expires:

[NOTARIAL SEAL]

LINCOLN ECONOMIC DEVELOPMENT ASSOCIATION

By: _____

Name: _____

Title: _____

STATE OF NORTH CAROLINA

COUNTY OF _____

I, _____, a Notary Public of the aforesaid County and State, do hereby certify that _____ of LINCOLN ECONOMIC DEVELOPMENT ASSOCIATION, personally appeared before me this day and acknowledged the execution of the foregoing instrument on behalf of Lincoln Economic Development Association.

Witness my hand and notarial seal this ____ day of _____, 2011.

Notary Public

My Commission Expires:

[NOTARIAL SEAL]

EXHIBIT A

PROPERTY DESCRIPTION

All of that 225 acres (more or less) granted herein shall apply to the following eight (8) properties and portions thereof. Listed as tracts 1 through 8 for internal mapping purposes.

Tract 1 - 15.57 acres (All of Lincoln County Tax Parcel ID #51879):

BEING all that certain parcel of land in Catawba Springs Township, Lincoln County, North Carolina, and being more particularly described in accordance with an actual survey prepared by Ronnie Dedmon, Registered Surveyor, dated November 21, 1989, entitled "PHYSICAL SURVEY FOR DAVE CLARK" as follows:

BEGINNING at a point where the centerline of the Seaboard Coastline Railroad intersects the centerline of State Road No. 1380, and runs from said BEGINNING point eight lines with the center of State Road No. 1380 as follows: South 70 deg. 35 min. 32 sec. East 162.89 feet; South 75 deg. 04 min. 01 sec. East 100.42 feet; South 82 deg. 39 min. 58 sec. East 68.18 feet; South 86 deg. 29 min. 05 sec. East 119.58 feet; North 70 deg. 43 min. 37 sec. East 300 feet; North 72 deg. 43 min. 06 sec. East 215.54 feet; North 73 deg. 56 min. 12 sec. East 145.27 feet; and North 77 deg. 10 min. 01 sec. East 91.73 feet to another point in the center of State Road No. 1380; thence leaving the Road South 11 deg. 26 min. 11 sec. West 227.21 feet to an iron; thence South 41 deg. 14 min. 20 sec. East 504.19 feet to a new iron pin in the line of East Lincoln Optimist property; thence South 37 deg. 37 min. 47 sec. West 1150.33 feet to an iron pin in the line of Duke Power Company; thence two lines with Duke Power Company as follows: North 51 deg. 35 min. 58 sec. West 537.17 feet to an iron; thence North 48 deg. 43 min. 36 sec. West 697.73 feet to an iron pin in the center of the Seaboard Coastline Railroad; thence five lines with the center of the railroad as follows: North 20 deg. 11 min. 49 sec. East 274.33 feet to a point; thence North 19 deg. 55 min. 57 sec. East 87.86 feet to a point; thence North 19 deg. 16 min. 28 sec. East 98.74 feet to a point; thence North 17 deg. 22 min. 29 sec. East 93.67 feet to a point; and North 15 deg. 50 min. 26 sec. East 71.41 feet to the point of BEGINNING, containing 32.78 ACRES, more or less.

The foregoing is specifically SUBJECT to that portion of the right of way of the Seaboard Coastline Railroad and State Road No. 1380 that may lie within the above-described property.

Deed Reference: Book 836, Page 795 Lincoln County Public Registry.

Barring and excepting, however, a portion of said property conveyed to Clontz by deed recorded Book 1131, Page 534, and a portion conveyed to Lincoln County by deed recorded Book 847, Page 592, to which deeds reference is made for a description of the excepted portions.

Tract 2 - 7.94 acres (Part of Lincoln County Tax Parcel ID #51874):

That portion of tax parcel 51874 which is located east of new Hwy. 16 and west of Rufus Road, being the eastern portion of tract seven conveyed to East Lincoln Land Company Inc., Deed recorded Book 711 Page 505, as follows:

Beginning at a point on the west side of Rufus Road, the old Nancy Nixon corner and runs thence North 72-00 West 16 poles to a stone; thence South 39-00 West 4 poles to a stone; thence North 74-30 West by estimation 250 feet more or less to the east margin of Hwy 16; thence with Hwy 16, in a southerly direction by estimation approximately 700 feet more or less to the old Nixon line; thence North 84-30 East by estimation approximately 350 feet more or less to Rufus Road; thence along the road North 14-00 East 36 poles to the Beginning.

Being all of the property described in deed recorded Book 711, Page 505 which is located East of new Highway 16 and West of Rufus Road.

Tract 3 - 52.78 acres (All of Lincoln County Tax Parcel ID #50096):

BEGINNING at an iron pin, corner with Mrs. J.E. Nixon property (now or formerly) in line of J.W. Nixon property (now or formerly) and running thence a line with J.W. Nixon property South 02 deg. 40 min. East 410.89 feet to an iron; thence continuing a line with said Nixon property South 33 deg. 18 min. East 339.59 feet to a stone; thence a line with Clark Corp. property (now or formerly) (Book 503, Page 759) South 59 deg. 20 min. West 528.2 feet to an iron; thence continuing with said Clark South 78 deg. 20 min. West 234.54 feet to an iron; thence continuing with said Clark South 47 deg. 13 min. West 1665.21 feet to an iron, common corner with said Clark and with David Clark property (now or formerly) (Book 401, Page 24); thence a line with said David Clark property North 75 deg. 46 min. West 181.50 feet to an iron, corner with Alexander C. Sherrill Estate property (now or formerly); thence a line with said Sherrill and others North 14 deg. 48 min. East 1717.41 feet to an iron in the westerly edge of the right-of-way of S.R. 1387; thence North 14 deg. 00 min. East 757.59 feet to an iron west of said S.R. 1387; thence South 69 deg. 17 min. East 769.99 feet to a stone; thence South 87 deg. 15 min. East 535.28 feet to the point and place of BEGINNING, containing approximately 53.97 ACRES.

Deed Reference: Book 828, Page 691 Lincoln County Public Registry.

Tract 4 – 68.24 acres (All of Lincoln County Tax Parcel ID #56205):

Beginning at a point in the centerline of Rufus Road, said point being the northeastern corner of property of East Lincoln Land Co. Inc. (now or formerly) (Book 711 Page 505) and running thence three (3) courses and distances with property of East Lincoln Land Co. Inc. as follows: (1) North 70 deg. 47 min. 33 sec. West 288.82 feet to a #4 rebar set; (2) South 40 deg. 15 min. 53 sec. West 65.93 feet to an axle near rock pile and (3) North 73 deg. 16 min. 15 sec. West 313.47 feet to a #4 rebar set in the line of property of NC Dept of Transportation (Book 1273 Page 501); thence eight (8) courses and distances with other property of NC Dept of Transportation (Book 1430 Page 975) as follows: (1) with the arc of a curve to the left having a radius of 5905.50 feet and having an arc distance of 118.61 feet (having a chord bearing and distance of North 05 deg. 11 min. 48 sec. West 118.61 feet) to a NC DOT R/W disk; (2) with the arc of a curve to the left having a radius of 5905.50 feet and having an arc distance of 768.01 (having a chord bearing and distance of North 09 deg. 29 min. 49 sec. West 767.47 feet to a computed point; (3) North 14 deg. 06 min. 13 sec. West 269.54 feet to a computed point; (4) North 14 deg. 32 min. 55 sec. West 437.70 feet to a computed point; (5) North 10 deg. 21 min. 21 sec. East 101.28 feet to a computed point; (6) North 15 deg. 33 min. 14 sec. West 187.04 feet to a computed point; (7) North 30 deg. 29 min. 39 sec. West 95.54 feet to a computed point; and (8) North 14 deg. 32 min. 55 sec. West 329.74 feet to a computed point; thence running a common line with the eastern edge of the right of way of C.S. X. Railroad property North 19 deg. 27 min. 49 sec. East 1043.17 feet to an axle; thence running a common line with property of East Lincoln Land Co. Inc. (now or formerly) (Book 711 Page 505) and Shelley Clontz (now or formerly) (Book 1311 Page 534) and Lincoln County (now or formerly) (Book 731 Page 822) as follows: South 49 deg. 26 min. 30 sec. East 574.33 feet to an axle and South 52 deg. 17 min. 47 sec. East 671.21 feet to a 1.5 inch pipe near maple tree; thence running a common line with property of North W. Jones (now or formerly) (Book 364 Page 267) South 01 deg. 01 min. 33 sec. West 1822.58 feet to a #5 rebar in the northern edge of right of way of Rufus Road; thence continuing with property of North W. Jones South 01 deg. 01 min. 49 sec. West 59.72 feet to a ¾ inch pipe in the southern edge of the right of way of Rufus Road; thence three (3) courses and distances in the right of way of Rufus Road as follows: (1) South 72 deg. 03 min. 52 sec. West 105.35 feet to a point; (2) South 12 deg. 13 min. 02 sec. West 331.70 feet to a point and (3) South 03 deg. 13 min. 02 sec. West 337.99 feet to the point and place of BEGINNING.

Deed Reference: Book 1872, Page 686 Lincoln County Public Registry.

Tract 5 – 0.34 acres (Part of Lincoln County Tax Parcel ID #75904):

Being bounded on the North by property of East Lincoln Land Company, Inc. (Deed Book 711 Page 505 being Tax Parcel 51874), on the East by Rufus Road, on the West by Highway 16 and being the easternmost portion of tract one in Deed Book 1933 Page 780, as follows:

Beginning at a point in the west margin of Rufus Road (State Road #1387), a corner with East Lincoln Land Company, Inc. and runs with it South 85 deg. 17 min. 46 sec. West by estimation approximately 350 feet, more or less, to the east margin of Highway 16; thence with Highway 16 in a southerly direction by estimation approximately 50 feet more or less to the common boundary line between Tax Parcel 75904 and the adjoining property to the south; thence in an easterly direction by estimation approximately 350 feet, more or less, to Rufus Road; thence with Rufus Road North 17 deg. 46 min. 16 sec. East 49.11 feet to the Beginning.

Tract 6 – 54.33 acres (All of Lincoln County Tax Parcel ID #02337):

BEING bounded on the North by the lands of Madge S. Miller; On the East by the lands of J.W. Nixon; on the South by the lands of Nancy Williamson; and on the West by the lands Catawba Timber Company, and more fully described by metes and bounds, in accordance with an actual survey as made by Hoke S. Heavner, Registered Land Surveyor, dated December 28, 1972, as follows:

BEGINNING at an old control iron, a common corner of J.W. Nixon in the line of Nancy Williamson; thence, with the line of Nancy Williamson, South 73 deg. 30 min. West 1136 feet to an old iron, corner of Catawba Timber Company in the line of Nancy Williamson; thence, three (3) calls with Catawba Timber Company, as follows: North 10 deg. 50 min. West 440 feet to an iron pin; North 18 deg. 27 min. East 330 feet to an iron pin; and North 79 deg. 42 min. West 770.5 feet to an iron pin, corner with Madge S. Miller lands; thence, with the Madge S. Miller line, three (3) calls and distances, as follows: North 47 deg. 03 min. East 1672 feet to an iron pin; North 78 deg. 20 min. East 235.5 feet to an iron pin; and North 59 deg. 20 min. East 474.5 feet to an iron pin, corner with J.W. Nixon lands; thence, with the J.W. Nixon line, due South 2034.2 feet to the point of BEGINNING, containing 54.8 ACRES, more or less.

Deed Reference: Book 503, Page 759 Lincoln County Public Registry.

See also Book 497, Page 823 and Tract 5 in Plat Book D, Page 95.

Tract 7 – 19.15 acres (Part of Lincoln County Tax Parcel ID #02362):

Beginning at the point where the Jim Sifford line corners with Robert Nixon and runs thence with Nixon North 9 deg. West 440 feet to an iron pin; thence North 20 deg. 20 min. East 330 feet to a clump of sycamore trees, and North 77 deg. 05 min. West by estimation approximately 1000 feet more or less to the eastern margin of Hwy 16; thence with Hwy 16 in a southern direction by estimation approximately 1000 feet more or less to the old Sifford line; thence North 81 deg. East by estimation approximately 900 feet more or less to the beginning.

Deed reference: Being the eastern portion of property conveyed to Great Piedmont Corporation by deed recorded Book 401 Page 29, and being all of that property located East of Highway 16.

See also deed recorded Book 535, Page 900 and Book 657, Page 387, Lincoln County Registry.

Tract 8 – 7.96 acres (Part of Lincoln County Tax Parcel ID #02128):

BEGINNING at a point where the eastern edge of the Seaboard Railroad Property (described in Deed recorded Book 410, Page 149, Lincoln County Public Registry) intersects the northern edge of the right of way of N.C. Highway #73, (said beginning point being also located South 79 deg. 42 min. 02 sec. East 180.13 feet from the beginning point of tract A,) and runs thence from said beginning point so located, along the eastern edge of Seaboard Railroad Property, North 07 deg. 37 min. East 344.17 feet to a point, and North 06 deg. 51 min. East 153.50 feet to a point, thence following the arc of a circular curve to the left having a radius of 1,998.69 feet, an arc distance of 1,374.20 feet to a point, a corner of David Clark, Sr. property; thence with Clark, North 80 deg. 12 min. East 1,094.30 feet to a point; thence South 19 deg. 25 min. 22 sec. West 1,421.19 feet to a point, thence South 05 deg. 26 min. West 528.0 feet to a point, thence South 15 deg. 27 min. 47 sec. West 166.46 feet to a point; thence South 33 deg. 32 min. 11 sec. East 3.73 feet to a point on the Northern edge of the right of way of N.C. Highway #73; thence with Highway #73, North 79 deg. 42 min. 02 sec. West 247.87 feet to the point and place of BEGINNING, containing 21.368 acres.

Deed reference: Book 828, Page 687.

Less and except a portion thereof acquired by the Department of Transportation for New Highway #16. See plans for Project 34383.2.3 R-2206B in Department of Transportation Plat Book 1 at Page 27 in the Office of the Register of Deeds of Lincoln County.

Being all of Tax Parcel 02128 east of Highway 16.

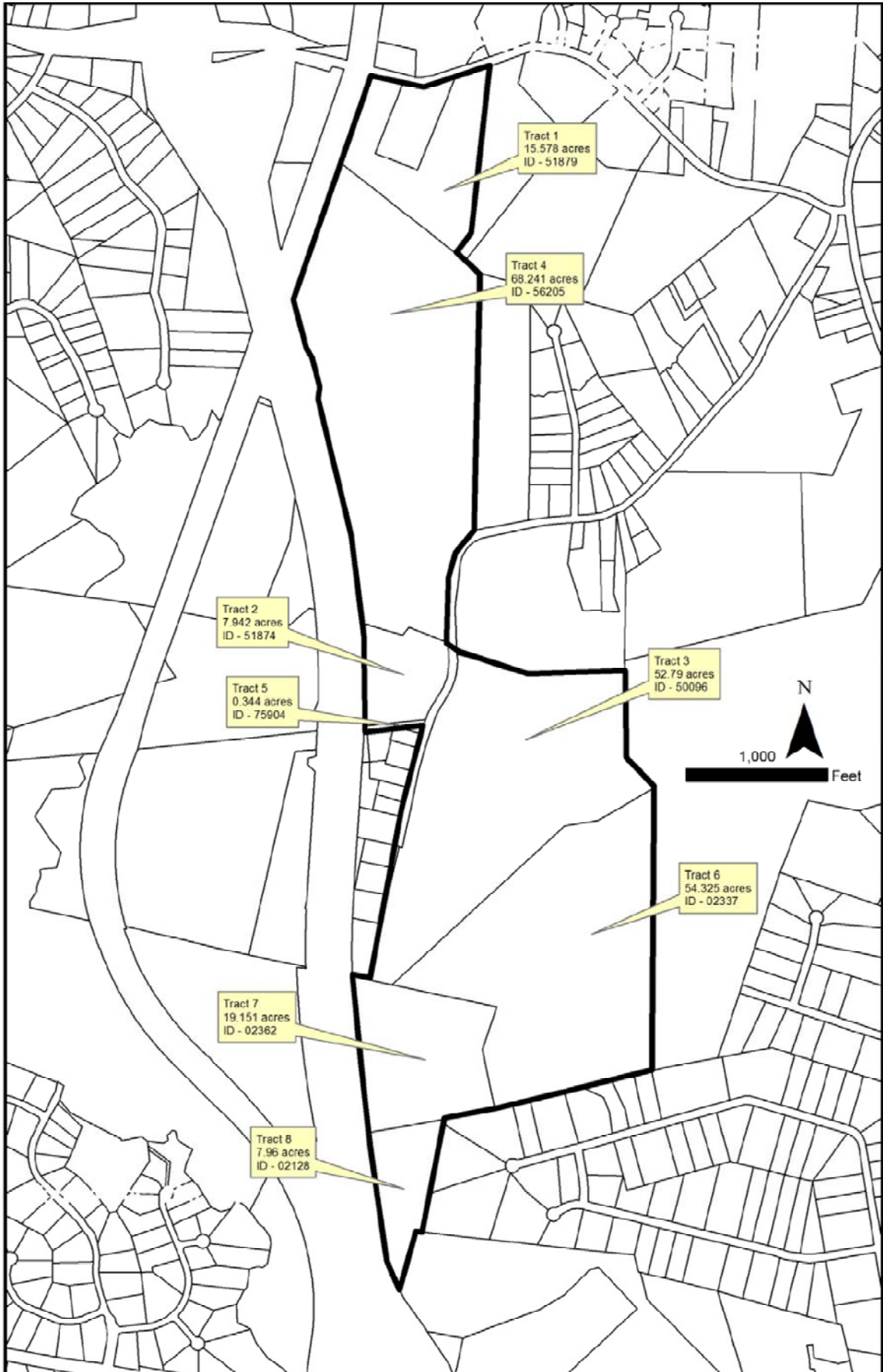


EXHIBIT B

INITIAL ARCHITECTURAL AND SITE GUIDELINES FOR AIRLIE BUSINESS PARK AT INGLESIDE

Pursuant to Article VIII, Section 3 of the Declaration of Covenants, Conditions and Restrictions for Airlie Business Park At Ingleside, the following rules and guidelines are adopted to (1) create specific standards and procedures for review of Owners' plans by the Committee and, (2) serve as a statement of policy for such review of proposed Improvements and other work upon Lots within the Business Park.

All terms which are specifically defined in Article I of the Declaration of Covenants, Conditions and Restrictions for Airlie Business Park shall be given the same definition herein.

All plans shall comply with the Lincoln County, North Carolina Unified Development Ordinance and any other related governmental policies and procedures.

PROCEDURES FOR REVIEW OF PLANS

Section A. Preliminary Plans. It is strongly recommended that, prior to the creation of final design plans, Owners first submit general design plans for preliminary review by the Committee. Materials submitted for preliminary review should include the following:

1. General site plan indicating building footprints, general grading, landscaping features, parking and service areas;
2. General description of building materials to be used, especially those materials used for the exterior of Structures; and
3. Exterior elevations with external building colors and signage.

Preliminary plans will be reviewed by the Committee and a written response returned to the Owner within ten (15) days of submission. No fee shall be charged for review of preliminary plans. An electronic set of the Preliminary Plans shall be submitted to the Committee; the Committee shall provide written comments and/or markings and notes on the plans to the Owner.

Section B. Review of Final Plans. Even though preliminary plans have been submitted to the Committee for comments, no Owner shall begin construction or grading upon any Lot until the Committee has approved final site and construction plans for that Lot. Final plans shall be submitted to the Committee in electronic form with one paper copy and the Committee shall provide written comments and/or markings and notes on the plans to the Owner. The Committee shall respond in writing to the submission of proposed final plans within thirty (30) days. Final plans submitted to the Committee shall include:

1. Detailed site development plan indicating the location and nature of all structures, improvements, lighting fixtures, landscaping, parking areas, irrigation systems stream and/or wetland areas, limits of construction and signage. The site plan should indicate all applicable Setback Distances and show all earthmoving, grading and cuts necessary for the

planned development;

2. Floor plans for all structures showing entrances and exits, docks, truck loading areas, dumpster and utility areas and outdoor storage areas;
3. Exterior elevations;
4. Color boards for the exterior of all structures; and
5. Detailed drawings and descriptions of all signage, outdoor lighting fixtures, screening (for ground level areas as well as any equipment located upon the structures), retaining walls and landscaping. The detailed description should indicate, at a minimum, the nature of the items, specific materials to be used, color, shape, size, and botanical variety of living landscape materials.

Fees for the review of final plans as described in Article IX, Section 3, of the Declaration, shall be due within thirty (30) days after they are assessed by the Committee.

Review and approval by the Committee shall not constitute approval by the Lincoln County Planning and Inspections Department for permitting.

FUNDAMENTAL DESIGN PHILOSOPHY

The Committee shall be charged with the duty to ensure that all structures erected and the surrounding property within the Business Park shall be of consistently high quality and, to the extent possible within a Business Park setting, harmonious design and style.

SITE DEVELOPMENT STANDARDS

Section A. Landscaping.

1. Landscaping must comply with the pertinent portions of the Lincoln County Unified Development Ordinance, specifically including those portions requiring the planting of trees.
2. Landscaping plans should address and propose solutions to the following landscape problems:
 - a. Erosion control,
 - b. Location of utility lines,
 - c. Surface water control and storm drainage, and
 - d. General clearing of the building site that retains as many mature trees as possible
3. Unpaved areas shall be landscaped utilizing ground cover and/or shrub and tree materials. Preservation, when possible, of existing mature trees is strongly encouraged.
4. Trees planted along street frontage should be limited in variety. Selections should be repeated to give continuity. Regular spacing is not required and irregular groupings may add interest. Care should be exercised to allow plants to grow and maintain their ultimate

size without restriction.

5. Earth berms, if used, must be rounded and stable.
6. Outdoor refuse collection areas, dumpsters, and recycling collection areas shall be located on the side or rear of the building and shall be effectively screened from residential properties or public rights-of-way. Screening enclosures shall be fully enclosed by opaque walls at least eight feet high with access doors and shall be constructed of the same materials as the primary building(s).
7. Loading docks and areas shall be screened from access streets and adjacent property as approved by the Architectural Review Committee.
8. Landscaping, as approved by the Committee, must be substantially installed within Ninety (90) days from Substantial Completion of the Principal Improvements upon a Lot. The Association may, in its reasonable discretion, extend this installation period for portions of the landscaping to better allow for planting in appropriate seasons.

Section B. Parking.

All parking areas shall be paved with asphalt or concrete or other like substance approved in writing by the Committee.

Section C. Signage. During the construction period one temporary Sign will be permitted on a Lot. The temporary Sign shall be replaced by a permanent identification Sign based on the Airlie Business Park sign standards and approved by the Committee no later than such time as any Structure on the Lot is certified as fit for occupancy.

Section D. Site Lighting. Any scheme of lighting primarily designed to highlight structural facades must be specifically approved by the Committee.

Parking lot lighting should be of a uniform nature. The light standards shall be of black or metallic finish with a full cutoff shoebox fixture or such other standards approved by the Committee. The recommended minimum average illumination level for parking areas is 0.5 foot-candles.

Section E. Maintenance. All Owners shall be responsible for keeping their Lots in a neat, well kept and attractive condition. This requirement also applies, to the extent feasible, to periods of construction or renovation.

Landscaping shall be maintained in a neat and orderly fashion. Planting areas are to be kept free of weeds and debris and Lawn and ground covers will be kept trimmed and/or mowed regularly. All plantings shall be kept in a healthy and growing condition. Irrigation of turf or planted areas may be required at the discretion of the Committee, especially along street rights of way or in areas visible from streets or other Lots.

The Association will monitor the maintenance of each Lot and in the event that said maintenance falls below the standard required hereby, the Association shall given written notice to the Owner. If the Owner has not taken reasonable measures to correct the below standard maintenance of the Lot, the Association may, at its option, enter upon the Lot for the purpose of removing unsightly debris or rubbish and otherwise upgrading

the maintenance to a standard compatible with the requirements of the Declaration and these guidelines. The costs of such entry and upgrading, plus fifteen percent (15%) of such charges for general overhead and intangible expenses shall be due and payable from the Owner. If the Owner fails to pay such expenses within fifteen (15) days after being billed for said expenses, the costs shall be a lien upon the Lot. Said lien shall be enforceable as is provided for assessments and other liens by the Declaration.

Section F. Minimum Setbacks.

For Structures:

See Lincoln County, North Carolina Unified Development Ordinance, and

For parking, paving and associated curbing:

Street Setbacks shall be twenty feet (10');

Side Setbacks shall be ten feet (10')

Rear Setbacks shall be ten feet (10'), and

Section G. Outdoor Storage. Outdoor Storage is permitted as an Accessory Use. Outdoor Storage which is not an Accessory Use is not permitted. Outside storage must be completely screened from view both from outside the Business Park and from other lots within the Business Park. Screening must be effective at the time of installation and the Committee shall have discretion to disapprove such screening as it may reasonably consider ineffective. All outdoor storage areas are deemed to be Structures for purposes of conforming to the setback requirements described herein.

Section H. Building Materials. Exterior walls of tilt-up or pre-cast concrete, brick or similar material are required. Exterior use of materials such as unfinished hollow core concrete block, galvanized steel corrugated panels, vinyl panels, smooth faced cinder blocks or other materials traditionally associated with low quality or temporary construction are prohibited.