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THIS INSTRUMENT WAS PREPARED BY:

Henry P. Van Hoy, II
Ten Court Square
Mocksville, NC 27028

01603

**DECLARATION OF COVENANTS AND DEVELOPMENT STANDARDS
FOR SOUTHPOINT BUSINESS PARK**

This Declaration of Covenants and Development Standards ("Declaration") is made as of the 14th day of MAY, 1999, by JOE A. HOLLINGSWORTH, JR. ("Declarant"), being the sole owner of the hereinafter defined SOUTHPOINT BUSINESS PARK.

* aka Joseph A. Hollingsworth, Jr.

WITNESSETH:

WHEREAS, Declarant is the present owner of certain real property located in Mocksville, Davie County, North Carolina, which real property is more specifically described in Deed Book 198, Page 492 of the Davie County Registry which deed is incorporated herein by reference, and which real property constitutes what is known as SOUTHPOINT BUSINESS PARK and is hereinafter referred to as the "Park", and

WHEREAS, Declarant desires that certain covenants and development standards be declared and recorded such that the same shall be binding upon all future and subsequent owners, lessees, and any other individuals or entities utilizing or owning any real property located within the Park (hereinafter referred to as "Lessee/Owner", each lot or parcel in the Park shall herein be referred to as "lot" or "parcel").

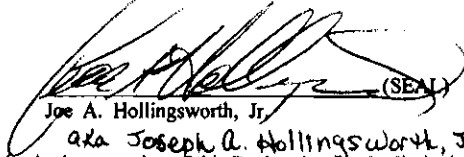
NOW, THEREFORE, in consideration of the foregoing recitals, and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, Declarant hereby declares that all of the Park shall be held subject to, and shall be bound by, the restrictions, covenants and conditions specified in Exhibit A attached hereto and incorporated herein by reference, upon the following terms and conditions:

1. Term of Restrictions and Covenants. The restrictions and covenants created and imposed herein shall be effective upon the date hereof and shall create mutual and perpetual restrictions, benefits and servitudes running with the land and shall be construed to run with the land. The restrictions and covenants hereunder are for the benefit of, and shall at all times bind, all present and future owner(s) of any interest in the Park. Unless otherwise canceled, terminated, amended or modified in accordance with the terms hereof, all other rights and obligations hereof shall automatically terminate and be of no further force and effect after ninety-nine years from the date hereof. All provisions hereof shall inure to the benefit of, and be binding upon, the

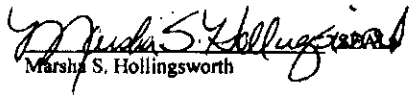
Lessee/Owner, their heirs, executors, administrators, successors, successors-in-title, assigns and tenants, including ground lessee under a ground lease and the customers, employees, and invitees of such Lessee/Owners. Said restrictions and covenants shall be unaffected by any change in the ownership of any property in the Park or by any change of use, demolition, reconstruction, expansion or other circumstances.

2. **Enforcement.** Each of the rights created hereunder may be enforceable in a court of equity by the Lessee/Owner of any property in the Park.
3. **Modification.** This Declaration may be modified, amended, terminated, or canceled only upon the mutual written agreement of all Lessee/Owners of any interest of record in the Parcels that may be affected by such modification, amendment, termination, or cancellation, together with the consent of the beneficiary or beneficiaries of any and all deeds of trust or mortgages encumbering any portion of the parcels that is owned by such Owners.
4. **Access Easement.** All Lessee/Owners of any interest in any Property in the Park shall have a non-exclusive easement and right of way for purposes of ingress, egress and regress over "Quality Drive" to US Highway 601. No other driveway cuts or direct access to US Highway 601 shall be permitted unless approved by the Declarant, the Town of Mocksville, and the North Carolina Department of Transportation.
5. **Governing Law.** This Declaration shall be governed by and construed and enforced in accordance with the laws of the State of North Carolina.

IN WITNESS WHEREOF, this Declaration has been executed and sealed as of the day, month, and year first above written.


Joe A. Hollingsworth, Jr.
aka Joseph A. Hollingsworth, Jr.

Marsha S. Hollingsworth joins in the execution of this Declaration for the limited purpose only of releasing her marital property rights to the extent of this Declaration.


Marsha S. Hollingsworth

State of TENNESSEE
County of ANDERSON

I, BRENDA K. BICE, a Notary Public of the aforesaid county, do hereby certify that Joe A. Hollingworth, Jr. personally appeared before me this day and acknowledged the execution and sealing of the foregoing instrument. Witness my hand and official stamp or seal, this 19 day of MAY, 1999. * aka Joseph a Hollingworth Jr.

My commission expires:
9-24-02

Brenda K. Bice
Notary Public



State of TENNESSEE
County of ANDERSON

I, BRENDA K. BICE, a Notary Public of the aforesaid county, do hereby certify that Marsha S. Hollingworth personally appeared before me this day and acknowledged the execution and sealing of the foregoing instrument. Witness my hand and official stamp or seal, this 19 day of MAY, 1999.

My commission expires:
9-24-02

Brenda K. Bice
Notary Public



STATE OF NORTH CAROLINA, DAVIE COUNTY

The foregoing certificates of Brenda K. Bice Notary Public of Anderson County, TN are certified to be correct. This instrument was presented for registration on June 7, 1999 at 11:07 A.M. and recorded in Deed Book 212 page 779.

This the 7th day of June, 1999.

HENRY L. SHORE REGISTER OF DEEDS

BY: Ann C Williams
Assistant

EXHIBIT "A"

Section 1 Introduction

Purpose of These Covenants

A primary purpose of these standards is to protect interested parties (existing and potential property developments) by maintaining quality developments within the Park. These standards also protect investments and assure the economic goals of the community are met.

Section 2 Parking, Loading and Unloading Areas

A. PARKING

1. No parking will be permitted on any street or drive, or any place other than paved parking spaces. Each Lessee/Owner shall be responsible for compliance by its employees and visitors. Parking setbacks shall not be less than that required by applicable zoning resolutions or ordinances.
2. Parking in the front of any building shall not cover more than half of the total area which comprises the minimum front setback.

B. LOADING AND UNLOADING AREAS

1. Loading areas will not infringe in the setback area.
2. All loading docks will be located at the side or rear of any building.
3. Loading docks shall be set back and permanently screened, either by landscaping with evergreen trees, berming or architectural screens, from neighboring properties and public view to minimize the effect of their appearance from neighboring building sites. Declarant must approve the screening as a necessary component of any loading facility construction.

C. ENTRANCE ZONES TO BUILDINGS, CURBS AND SIDEWALKS

All entrance roads will be curbed. All parking areas and internal roadways shall be paved and curbed. Paving should also be certified to standards sufficient to support anticipated loads on the respective parcels.

Section 3 Architectural

A. GENERAL

A major emphasis within SouthPoint Business Park is to create an architecturally integrated complex where buildings compliment both their neighbors and the surrounding environment. This can be achieved by structures that are low in profile, extensions of the natural setting, and of materials that harmonize with the site and adjacent structures.

B. PERMITTED USES

1. These include clean, industrial activities, warehousing, fabrication, and assembly operations that are compatible with the activities and other uses permitted in the Park. Businesses specifically permitted include:
 - a) Any manufacturing process or warehousing / logistics operation that is compatible with the overall objectives of the Park. Compatibility will be assessed and reviewed in terms of:

- Truck and automobile traffic generated;
 - Proposed storage of raw materials and manufactured products;
 - Potential for safety hazards to neighboring industries/ community;
 - Capability of pre-treatment, treatment, and/or disposal of domestic industrial wastes;
 - Aesthetic compatibility with Park objectives and existing development;
 - Size and scale
- b) Laboratories and testing facilities.
 - c) Computer hardware installations and directly related employee operator and maintenance functions, including the manufacture or assembly of computers in whole or part.
 - d) Consumer testing and product rating laboratories.
 - e) Research foundations, institutes, or other similar types of organizations.
 - f) Businesses or activities whose research or development staff or equipment would be housed as an integral part of their other activities on the parcel.
 - g) Any business or activity that, in the sole opinion of Declarant, would be compatible with the activities of other businesses on parcels of the same designations.
 - h) Corporate or other business headquarters or regional offices containing manufacturing or warehousing functions.

C. PROHIBITED USES

These include any business or activity that shall, in the sole opinion of Declarant, be incompatible with the goals, objectives, and design/operating criteria established for the Park. No business or industry shall automatically be denied occupancy in the Park until it has been provided the opportunity to demonstrate that it can meet and maintain the standards set for the Park. Any business that cannot meet environmental standards of the Environmental Protection Agency may not locate within the Park.

D. FENCING

Any fencing materials, locations, and heights shall be as approved by Declarant prior to installation.

E. MAINTENANCE/SURVIVAL

All landscaping material shall be properly maintained through watering, mulching and fertilizing in such a way as to ensure their survival. Any tree, shrub or ground cover plant which fails to survive shall be replaced with like kind within six (6) months of loss. This maintenance is the responsibility of the Lessee/Owner whose parcel this landscaping exists upon.

F. SIGNAGE

1. General

- a) All signs in the Park will comply with all applicable regulations and the plans and specifications ("Plans") therefor must be submitted to and approved by Declarant.
- b) Signs shall be designed, erected, altered, reconstructed, moved and maintained in accordance with the Plans.
- c) Signs advertising products or services or containing other direct sales information will not be permitted.

2. Types of Signs Permitted - Lessee/Owner Identification Signs

A free-standing sign can be located in the front yard of the building to identify its Lessee/Owner. One (1) logo emblem/graphic sign which is flush mounted to the building facade will also be allowed, contingent upon the approval of Declarant as to size, color and location.

3. Standards

a) Restrictions

No signs or other advertising devices shall be erected, posted, painted, displayed, or otherwise made visible on any part of a building or parcel without prior approval of Declarant. Said approval will be determined after submittal to Declarant, based on a color design layout of the proposed signage with all dimensions and shown on the building.

b) Advertising

Signs on any parcel shall be limited solely to those that identify the name and type of business, or are directional.

c) Ground Sign Size

No signs shall obstruct the vision of automobile traffic. The topmost point of any freestanding sign shall be no higher than 4.5 feet above the finished parcel grade on which it stands. It shall be no longer than sixteen (16) feet in length.

d) Other Media

No devices such as flashing or rotating devices are permitted. No portable signs are allowed.

e) Maintenance

All permitted signs and advertising devices shall be properly maintained for the life of the property. Declarant shall have the right to require the removal of any sign not maintained to standards herein required.

f) Mounting

No signs or advertising shall be mounted directly or painted on the exterior roof or face of any building, nor shall the topmost point of any sign be greater than twenty-four feet (24') above the average grade elevation of a parcel.

g) Corporate Logo

One Lessee/Owner's corporate logo sign may be placed on the front facade of the main tenant building. Such logo may not exceed seventy-two (72) square feet. No height dimension may exceed six (6) feet.

G. ADDITIONAL STANDARDS

1. Liquid or Solid Wastes

The discharge of untreated industrial wastes into a stream or open or closed drain is strictly prohibited. All methods of sewage and industrial waste treatment and disposal shall be approved by Davie County and the North Carolina Department of Health and Environment. Park businesses will be required to comply with Federal and State regulations regarding pre-treatment of industrial waste prior to its being discharged into the sanitary sewer system. The Town of Mocksville will administer the pre-treatment program and apply pre-treatment standards to all industrial users through the use of a permit application system and a sewer use ordinance.

2. Pollutants

No noxious or offensive trades, services or activities shall be conducted on the premises.

3. Noise

There shall be no operational industrial noise measured on the property line where the operation is located that exceeds the values given in the following table in any octave band of frequency.

Octave Band Center in Hz	Maximum dBA at Property Line
31.5	85
63	82
125	80
250	75
500	65
1,000	60
2,000	55
4,000	50
8,000	48

4. Site Drainage and Storm Water Retention

a) No driveways, walks, parking areas, etc., may be constructed across any drainage ditch, channel or swale without providing adequate culverts or waterway openings for natural drainage. No storm water run-off will be discharged into, or permitted to flow into, the sanitary sewage system. Additionally, no sewage will be discharged into, or permitted to flow into, the storm water sewage system.

b) Detention basins have been provided within the Park's development. Lessee/Owners are required to comply with the EPA's storm water run-off regulations in this regard.

5. Maintenance

Each Lessee/Owner in the Park shall be responsible for keeping its building site, buildings, and other improvements in a safe, clean, neat, and orderly condition and shall prevent rubbish from accumulating on its building site or surrounding common areas. Landscaping of each total area of a building site shall be maintained (including pruning, weeding, re-mulching, mowing, etc.) and each Lessee/Owner shall replace any dead plant material according to the approved landscape plans at his expense.

6. Outside Storage

No vehicles, equipment, materials, supplies, or products shall be stored or permitted to remain on any parcel outside a building unless such storage is suitably shielded from public view by appropriate landscaping, earthen berms, or other screening compatible with the design of the Park. In the case of a determination of adherence to this provision, the sole right of decision is retained by Declarant.

H. COMMON AREA MAINTENANCE CLAUSE

1. Purpose of this Clause

- a) Upon the Commencement Date hereafter specified, Lessee/Owner agrees to pay its pro rata share of Common Area Maintenance Expenses of the Park. Said Common Area Maintenance Expenses shall include, without limitation, all costs of maintaining, cleaning, managing, and for the upkeep of all Common Areas, specifically including (if any) common area landscaping and grounds keeping, maintenance of walking trails, maintenance and upkeep on front entry signage, and common area lighting.
- b) The Common areas include the planting beds and landscaped areas that are not within parcels which have been leased, sold, or are for sale. The Common areas include roads and streets, and their rights of way, which have not been taken over by the State or the Town of Mocksville from time to time. The Assessments are established and the method of their calculation is outlined below. These annual Assessments shall be a charge on each lot.

2. Annual Assessments or Charges

- a) Lessee/Owner's pro rata share of Common Area Maintenance Expenses shall be calculated and based upon the ratio which the square footage of the Lessee/Owner's parcel bears to the square footage of the net leasable/saleable premises in the Park.
- b) After the expiration of each calendar year, Declarant shall forward to the Lessee/Owner a statement showing the Lessee/Owner's share of Common Area Maintenance Expenses. Within thirty (30) days after the date of said statement, the Lessee/Owner shall remit to the Declarant any amount billed. Any Common Area Maintenance Expenses that are not paid within thirty (30) days shall bear a 2% per month charge from due date.

3. Repairs Caused by Negligence

In the event that the Common Area is in need of repair or maintenance, and this is the result of the willful or negligent act of Lessee/Owner, their employees, guests, clients, customers or others involved in the business of the Lessee/Owner, the cost of such repair shall be added to and become a part of the Assessment to which such Lessee/Owner's parcel is subject.

4. The Commencement Date shall be July 1, 1999.

I. HOLD HARMLESS AGREEMENT

Each Lessee/Owner agrees that it shall be held liable for all damages and injuries to any person or property resulting from the use or misuse of the Common Areas by its employees, agents or representatives. In the event of any failure to use the Common Areas in a safe and reasonable manner due to the acts or omissions of the Lessee/Owner or the Lessee/Owner's employees, agents or representatives, the Lessee/Owner agrees to and shall indemnify and hold harmless Declarant, his employees and assigns and the other Lessee/Owners from any liability, claims or expenses (including court costs and reasonable attorney's fees and mechanics and materialmen's liens) resulting therefrom.