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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
COXBOROUGH PROFESSIONAL PREMISES, LIMITED

THIS DECLARATION, made on the date hereinafter set forth
by Trollinger Investment Corporation, a North Carolina
corporation, hereinafter referred to as "Declarant";

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in
the City of Asheboro, Asheboro Township, Randolph County,
North Carolina, which is more particularly described as shown
on "Exhibit A."

NOW, THEREFORE, Declarant hereby declares that all of the
properties described above shall be held, sold and conveyed
subject to the foregoing easements restrictions, covenants,
and conditions subject to Article VIII, Section 2, which are
for the purpose of protecting the value and desirability of,
and which shall run with, the real property and be binding on
all parties having any right, title or interest in the
described properties or any part thereof, their heirs,
successors and assigns, and shall inure to the benefit of each
owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to
Coxborough Professional Premises, Limited, its successors and
assigns.

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

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as shown on "Exhibit B."

Section 5. "Lot" shall mean and refer to any plot of land upon which buildings may be constructed shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6: "Declarant" shall mean and refer to Trollinger Investment Company, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 7: "Member" shall mean and refer to every person or entity who holds membership in Association.

Section 8: "Section" shall mean a unit of the property on "Exhibit A" as shown on a recorded map of a survey showing common areas and lots. Section I is described on "Exhibit B". Sections II and III will be portions of "Exhibit A" not included in Section I. The division of the remainder of "Exhibit A" into Sections II and III shall be in the sole discretion of declarant.

ARTICLE II

PROPERTY RIGHTS

Section 1: Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following properties:

- (a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- (b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- (c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed by the members. No such dedication or transfer shall be effective unless an instrument signed by sixty-seven percent (67%) of each class of members agreeing to such dedication or transfer has been recorded.
- (d) the right of the Association to limit the number of guests of members;
- (e) the right of the Association, in accordance with its

Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, and the rights of such mortgagee in said properties shall be subordinate to the rights of the homeowners hereunder;

- (f) the right of the individual members to the exclusive use of parking spaces as provided in this Article.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to his tenants or contract purchasers who occupy the property.

Section 3. Title to the Common Area. The Declarant hereby covenants for itself, its successors or assigns, that it will convey fee simple title to the Common Area to the Association, free and clear of all encumbrances and liens, prior to the conveyance of the first lot, except utility easements and restrictions.

Section 4. Parking Rights. Ownership of each lot shall entitle the owner or owners thereof to the use of one automobile parking space for every 300 square feet of gross floor area, which shall be as near and convenient to said Lot as reasonably possible, together with the right of ingress and egress in and upon said parking areas. It is the intention of this declaration that no specified parking area be assigned to any unit; provided, however, if this does not sufficiently satisfy the parking needs of the occupants, the Association, upon a request of a minimum of 60 percent of the owners of all lots requests assigned parking areas, the Association may do

so in line with the first sentence of this section. No boats or trailers shall be parked within the right of way of any public street in or adjacent to Coxborough Professional Premises, Limited, nor in any of the Common Area. All vehicles parked in any common area shall at all times be operative and licensed.

Section 5. TV Antennas and Piped-In Music. The Association may provide one or more central television antennas for the convenience of the members and may supply piped-in music and the cost of these may be included in annual or special assessments. The Association may regulate or prohibit the erection of television antennas on individual lots.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessments shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership, but provided that the Class B membership shall be reinstated if thereafter and before the time stated in Sub-paragraph (b) below, such additional lands are annexed to the Properties without the assent additional lands by the Declarant, all as provided for in Article VII, Section 2, below, or
- (b) on July 1, 1992.

ARTICLE IV

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided, and (3) to the appropriate governmental taxing authority a pro rata share of ad valorem taxes levied against the Common Area and a pro rata share of assessments for public improvements to the Common Area if the Association shall default in the payment thereof for a period of six (6) months, all as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien

upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the exterior maintenance of the buildings situated upon the Properties or for the use and enjoyment of the Common Area, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Thirteen Hundred Twenty Dollars (\$1,320.00) payable in equal

monthly installments prorated for the number of months remaining in the year of purchase during the year of the conveyance of the first lot to an owner.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C.), for the preceding month of July.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above that established by the Consumer Price Index (or such Index as may succeed the Consumer Price Index) formula by a vote of the members for the next succeeding five (5) years or less and at the end of each such period for each succeeding period of five (5) years or less provided that any such charge shall have the assent of sixty-seven percent (67%) of the votes of all who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.
- (c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements.

In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement

upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of sixty-seven percent (67%) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Date of Commencement of Annual Assessments; Due Dates. The annual assessment provided for herein shall commence as to all lots on the first day of the month following the date of the certificate of occupancy for each lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual

assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. Provided, however, all Lots shall be subject to the annual assessment commencing two years from the date of recording of the plat showing said lot or lots. During this two year period Declarant shall be responsible for paying such charges as are necessary for routine maintenance in excess of the assessments collected. The liability of Declarant hereunder shall not exceed the liability which Declarant would have had if paying the full amount assessed during the two year period.

Section 7. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 8. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or tax foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer to the extent of deficiency of sale proceeds to satisfy the mortgage, taxes and foreclosure costs. Any excess proceeds shall be applied on the delinquent assessment if the Association shall notify the foreclosing authority by certified mail at least ten days prior to the date of confirmation of foreclosure of the delinquency and request for payment out of any excess proceeds. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 9. Exempt Property. All properties dedicated to, and accepted by, a local public authority shall be exempt from the assessments created herein. However, no land or improvements devoted to office or business use shall be exempt from said assessments.

ARTICLE V

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the

buildings upon the Properties and placed on the dividing line between the Lots and all reconstruction or extensions of such walls shall constitute party walls, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls, lateral support in below-ground construction and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. The owner of any Lot may construct, reconstruct or extend a party wall in any direction (subject to and within the limitations of architectural control and other limitations of these Covenants) with the right to go upon the adjoining Lot to the extent reasonably necessary to

perform such construction. Such construction shall be done expeditiously. Upon completion of such construction, such owner shall restore the adjoining Lot to as near the same condition which prevailed on it before the commencement of such construction as is reasonably practicable.

Section 5. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 6. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7. Certification by Adjoining Property Owner That No Contribution is Due. If any Owner desires to sell his property, he may, in order to assure a prospective purchaser that no adjoining property owner has a right of contribution as provided in this Article V, request of the adjoining property owner or property owners a certificate that no contribution exists, whereupon it shall be the duty of each adjoining property owner to make such certification immediately upon request and without charge; provided, however that where the adjoining property owner claims a right of contribution, the certification shall contain a recital of the amount claimed.

Section 8. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VI

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VII

ENCROACHMENTS

Section 1. Encroachments of any roof overhang and appendages shall be permitted into the Common Areas not to exceed two (2) feet.

Section 2. The declarant shall have the right to encroach on any Common Area for the construction of any handicapped ramps including stoops necessary to comply with any governmental requirement of both the State and Local Governments. This encroachment may exceed two (2) feet but shall be limited only to such additional area as is reasonably necessary to properly construct the ramp or stoop with the least interference with the Common Areas.

Section 3: The declarant may encroach on any building lot with a building from an adjoining lot and may also encroach with any building (other than overhangs and appendages) onto the common areas not to exceed six (6) inches, and such encroachment shall not be in violation of this declaration. The purchaser or subsequent owner of any lot wherein such an encroachment lies, whether by a building on said lot encroaching onto an adjoining lot or common area, or whether a building from an adjoining lot encroaches onto such owner's lot, such shall not be deemed a violation of these covenants and shall not require a waiver from any other owners or the declarant.

ARTICLE VIII

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1: Annexation of additional property other than phases II and III shall require the assent of sixty-seven percent (67%) of the Class A membership and sixty-seven percent (67%) of the Class B membership, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The presence of members or of proxies entitled to cast sixty (60) percent (60%) of the votes of each class of membership shall constitute a quorum. In the event that sixty-seven percent (67%) of the Class A membership or sixty-seven percent (67%) of the Class B membership are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

Section 2: Declarant shall have the right to add Sections (or phases) II and III to the project without the consent of any owners members. Section I shall be used only for office and business purposes; however, declarant reserves the right to subject Section II and/or III or any portions thereof to office, business or residential use. Declarant reserves the right to either subject such portion of Sections II and III to these covenants or amended covenants applicable only to the portion used for residential use or to prepare a new Declaration of Covenant, Conditions or Restrictions and

convey the common areas of Sections II and III to an association of owners created to control same. Provided, however, any streets, roads, or driveways connecting to public streets in Sections I, II and III shall be available for use by the owners, clients, customers or guests of any lot in Sections I, II or III for convenient access to public streets.

ARTICLE IX

EXTERIOR MAINTENANCE

In addition to maintenance of the Common Area, the Association shall provide exterior maintenance upon each lot which is subject to assessment hereunder, as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces.

(As a matter of information to future members of this Association, the declarants wish to make it known that it is a part of the original plan of development to construct a variety of buildings with a variety of exteriors for the good of the entire complex. Some buildings will require far more maintenance than others because of the types of exterior exposures. Nevertheless, in order to avoid monotony and in order to achieve a harmony of design and textures, all of those connected with the conception, design, construction and financing of this complex as originally planned, are in accord in their belief that all members of the Association will be

benefited by the variety of exteriors and, therefore, the Association should provide exterior maintenance and make a uniform rate of charge without regard to the actual cost of maintenance of each building.

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, owner's clients or customers, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such lot is subject.

ARTICLE X

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each lot and the Common Areas.

Section 2. Use of Properties. No portion of Section I of the Properties shall be used except for office and business purposes. Sections II and III, or portions thereof, may be used for residential and/or office and business purposes as provided in Article VIII, Section 2.

Section 3. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood.

Section 4. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or any building.

Section 5. Building Specifications. No building shall be constructed or permitted to remain on any lot having an area of the main structure, exclusive of open porches and decks, of less than 1000 square feet of heated space on the main floor.

ARTICLE XI

EASEMENTS

All of the Properties, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power line and other public utilities as shall be established by the Declarant or by its predecessors in title, prior to the subjecting of the Properties to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under and across the Common Areas conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Properties.

All Lots shall be subject to easements for the encroachment of initial improvements constructed on adjacent Lots by the Declarant to the extent that such initial improvements actually encroach including, but not limited to,

such items as overhanging eaves, gutters and downspouts and walls.

ARTICLE XII

REBUILDING

In the event of destruction of one or more units by fire or other catastrophe, the exterior of such unit shall be rebuilt in keeping with the original buildings and such rebuilding shall be commenced within sixty days of the loss. The architectural committee, for good reason, may extend the time period within which an owner must start rebuilding for a period of sixty days. Any additional extensions shall be granted only by the Owners Association. Such owner shall have the option as to whether or not to reconstruct the interior of the unit but shall not have such discretion as to the exterior and that portion of the building which is visible from outside the premises. Such rebuilding shall be in keeping with the original buildings or shall be rebuilt according to plans approved in writing by the architectural committee as provided for in this declaration prior to such rebuilding. The Owners Association or any owner may institute suit to require the enforcement by specific performance of this provision and in addition to specific performance and/or any other damages which may, by law, be available to such owner and/or the Owners Association for loss, such owner and/or the Owners Association shall be entitled to reasonable attorney fees to be set by the Court.

ARTICLE XIII

INSURANCE

It shall be the obligation of each lot owner to insure the building located on the owner's lot. For the purpose of assuring the reconstruction of at least the exterior shell of the building as provided in Article XII, the owner shall maintain, in force, an insurance policy providing sufficient coverage to at least reconstruct the exterior portion of said building.

ARTICLE XIV

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall, in no event, be deemed a waiver of the right to do so thereafter.

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is

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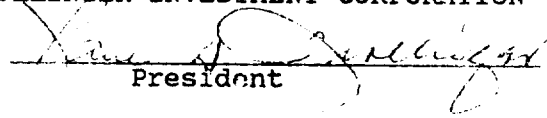
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recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

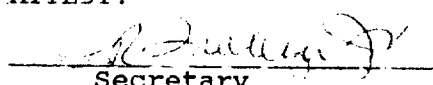
IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this Declaration to be executed this the 12th day of August, 1987.

TROLLINGER INVESTMENT CORPORATION

BY


President

ATTEST:


Secretary

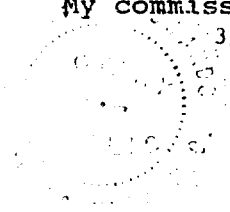
NORTH CAROLINA
RANDOLPH COUNTY

I, a Notary Public of the County and State aforesaid,
certify that H. R. Trollinger, Jr. personally came before me
this day and acknowledged that he is Secretary of Trollinger
Investment Corporation, a North Carolina corporation, and that
by authority duly given and as the act of the corporation, the
foregoing instrument was signed in its name by its President,
sealed with its corporate seal and attested by H. R. Trollinger, Jr. as
its Secretary.

Witness my hand and official stamp or seal, this 12th day
of August, 1987.

Mary H. Edwards
Notary Public

My commission expires:
3/24/90



NORTH CAROLINA -- Randolph County

The foregoing certificate(s) of Mary H. Edwards
Notary Public of

Randolph Co., NC

is (are) certified to be correct. This instrument was presented for registration and recorded in this office at Book 1205

Page 1896, This 12 day of August, 1987 at 1:49 o'clock P.M.

Ann Shaw, Register of Deeds

M. Debbie Egan, Deputy Register of Deeds