

Prepared by and return to: Charles E. Melvin, Jr., Smith Helms Mulliss & Moore, Post Office Box 21927, Greensboro, North Carolina 27420

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SWING ROAD OFFICE PARK

THIS DECLARATION is made on the date hereinafter set forth by PIERCE ROIF CORP., a North Carolina corporation having an office in Guilford County, North Carolina, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Guilford, State of North Carolina, which is more particularly described as follows:

ALL of that certain parcel of land shown on the plat entitled "Phase I, Building A, Swing Road Office Park" which appears of record in the Office of the Register of Deeds of Guilford County, North Carolina, in Plat Book 99, Page 18.

WHEREAS, it is the intent of the Declarant hereby to cause Phase I, Building A, Swing Road Office Park, to be subjected to this Declaration of Covenants, Conditions and Restrictions.

NOW, THEREFORE, Declarant hereby declares that all of the property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, such 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.

North Carolina - Guilford County The certificate (s) of Margaret S. Ingle

Notary Public Seal and Signature

Table with 3 columns: Date (08/10/90), Description (1 MISC DOCUMENT, 16 MISC DOC ADDN PGS, 1 PROBATE FEE), and Amount (5.00, 32.00, 1.00)

A Notary (Notaries) Public is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time shown herein.

ARTICLE I

DEFINITIONS

SECTION 1. "Association" shall mean and refer to Swing Road Office Park Association, Inc., 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 Property, as hereinafter defined, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 3. "Property" shall mean and refer to that certain real property hereinabove 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 now and hereafter 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 follows:

All of that land designated "Common Area" as shown on the plat entitled "Phase I, Building A, Swing Road Office Park" which appears of record in the Office of the Register of Deeds of Guilford County, North Carolina, in Plat Book 99, Page 18.

SECTION 5. "Member" shall mean and refer to every person or entity who holds membership with voting rights in the Association.

SECTION 6. "Declarant" shall mean and refer to Pierce Roif Corp., as well as its successors and assigns, if Declarant shall make an express conveyance of its rights as developer hereunder to such successor or assign.

SECTION 7. "Lot" shall mean and refer to any separately numbered plot of land shown upon any recorded subdivision map of the Property and shall include the Unit constructed thereon.

SECTION 8. "Unit" shall mean the office or other commercial improvement constructed upon any Lot.

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 provisions:

(a) the right of the Association to suspend the voting rights of 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;

(b) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility by recording an instrument signed by the Members entitled to cast at least two-thirds (2/3) of all the votes of each class consenting to such dedication or transfer;

(c) the right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area;

(d) the right of the Association, in accordance with its Articles and By-Laws, to mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred for the purpose of improving the Common Area and improvements thereon, however, any encumbrance hereunder must be approved by the Members entitled to cast at least two-thirds (2/3) of all the votes of each class;

(e) the right of the Association to exchange portions of Common Area with the Declarant for substantially equal areas of the Property for the purpose of eliminating unintentional encroachments of improvements onto portions of the Common Areas; and

(f) easements, including, but not limited to, the right of ingress and egress through and over the Common Area, as may be required by Declarant for completion, marketing and sale of all contemplated improvements, which easements Declarant hereby reserves until such time as all improvements shown on the preliminary site plan for Swing Road Office Park approved by the City of Greensboro, as amended from time to time, are complete and Declarant ceases to own any Lot or Unit for the purpose of sale to third parties.

SECTION 2. DELEGATION OF USE. Any Owner may delegate, in accordance with the By-Laws, his rights of use and enjoyment of

the Common Area and facilities to his tenants or contract purchasers who occupy the Owner's Unit, subject to reasonable regulation by the Board of Directors. An Owner who has made such a delegation of rights shall not be entitled to the use or enjoyment of the Common Area so long as such delegation remains in effect.

SECTION 3. LEASES OF LOTS. Any Lease Agreement between an Owner and a lessee for the lease of such Owner's Lot or Unit shall provide that the terms of the Lease shall be subject in all respects to the provisions of this Declaration of Covenants, Conditions and Restrictions, the Articles of Incorporation and By-Laws of the Association and that any failure by the lessee to comply with the terms of such document shall be a default under the terms of the lease. All leases of Lots or Units shall be in writing. Other than the foregoing there is no restriction on the right of any Owner to lease his Lot or Unit.

SECTION 4. PARKING. Appurtenant to each Lot shall be the right to use, for automobile parking only, the parking spaces contained within the Common Area. The Board of Directors of the Association may from time to time, should they determine there be a need, designate or assign specific parking space or spaces for all Lots, which allocation shall be made on whatever reasonable basis as may be determined by the Board of Directors, which allocation or assignment of spaces shall not be recorded. The Association shall also have the flexibility of not having assigned parking spaces. If not assigned, or until assigned, all spaces shall be for general use. The Association, acting through the Board of Directors, shall have the right to establish reasonable rules and regulations governing the use of the driveways and parking areas in the Properties. The Association shall have full power to enforce any parking rules and regulations, including the right to call the local police to issue citations or tow the vehicles which are violating the parking rules of the Association or the laws or ordinances of the City of Greensboro.

ARTICLE III

MEMBERSHIP; VOTING RIGHTS; AND THE BOARD OF DIRECTORS

SECTION 1. The voting Members of the Association shall be the Class A Members and the Class B Members defined below.

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

Class A. Class A Members shall be every person or entity who or which is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, except Declarant during the period Declarant

is a Class B Member as defined below. The foregoing is not intended to include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation. Such Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. Class A Members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote or votes for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant and shall be entitled to four (4) votes for each lot it owns shown on the Preliminary Site Plan for "Swing Road Office Park" approved by the City of Greensboro as that Plan is from time to time amended and approved (whether or not such lot is also shown on a recorded subdivision map of the Property). 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) the date on which the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; or

(b) on December 31, 1998.

Section 3. Notwithstanding anything to the contrary herein, for so long as the Association has a Class B membership Declarant shall have the right to remove any person or persons elected to act and serve on the Board of Directors of the Association and to replace such person or persons with another person or other persons to act and serve in the place of any Director or Directors so removed for the remainder of the unexpired term of any Director or Directors so removed. The members of the Board of Directors need not be Owners of a Lot. Any representative of Declarant serving on the Board of Directors of the Association shall not be required to disqualify himself from any vote upon any contract or matter between Declarant and the Association where Declarant may have a pecuniary or other interest.— Similarly, Declarant, as a member of the Association, shall not be required to disqualify itself from any vote upon any contract or matter between Declarant and the Association where Declarant may have a pecuniary or other interest.

ARTICLE IV

COVENANT FOR ASSESSMENTS

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner for 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: (a) to the Association: (i) annual assessments or charges; (ii) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided; and (b) to the appropriate governmental taxing authority: (i) a pro rata share of ad valorem taxes levied against the Common Area; and (ii) a pro rata share of assessments for public improvements to or for the benefit of the Common Area if the Association shall default in the payment of either or both for a period of six (6) months. 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 Owner of such property at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to an Owner's successors in title unless expressly assumed by them.

SECTION 2. PURPOSE OF ASSESSMENTS.

(a) The assessments levied by the Association shall be used exclusively for the acquisition, improvement and maintenance of properties, services and facilities related to the use of the Common Area or the exterior maintenance of the Units, including but not limited to, the costs of painting, maintaining and repairing the exterior of the Units; the cost of labor, equipment, materials, management and supervision; the payment of taxes assessed against the Common Area; the maintenance of water and sewer mains in and upon the Common Area; the maintenance of open spaces and streets which have not been accepted for dedication by a public authority, roadway medians and islands (including medians and islands located in dedicated rights-of-way), drives and parking areas within the Common Area; the procurement and maintenance of insurance in accordance with the By-Laws; the maintenance of entranceways, landscaping and lighting of Common Area; the employment of attorneys and other agents to represent the Association when necessary; the provision of adequate reserves for the replacement of capital improvements including, without limiting the generality of the foregoing, paving, and any other major expense for which the Association is responsible; and such other needs as may arise.

(b) The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Area and those other portions of the Property which the Association may be obligated to maintain. Such reserve fund is to be established out of regular assessments for common expense.

(c) All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Property, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the By-Laws of the Association. As monies for any assessment are paid to the Association by any Owner, the same may be commingled with monies paid to the Association by the other Owners. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Lot. When any Owner shall cease to be a member of the Association by reason of his divestment of ownership of his Lot, by whatever means, the Association shall not be required to account to such Owner for any share of the fund or assets of the Association, or which may have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Property.

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 for each Lot shall be an amount equal to \$0.0595 multiplied by the total number of square feet of floor space contained in the Unit constructed on that Lot and rounded off to the nearest dollar.

(a) The maximum annual assessment for the calendar year immediately following the year in which conveyance of the first Lot to an Owner is made and for each calendar year thereafter shall be established by the Board of Directors and may be increased by the Board of Directors by an amount not to exceed fifteen percent (15%) of the maximum annual assessment of the previous year without the approval of the membership.

(b) The maximum annual assessment for the calendar year immediately following the year in which conveyance of the first Lot to an Owner is made and for each calendar year thereafter may be increased without limit by a vote of the Members entitled to cast at least two-thirds ($2/3$) of the votes of each class of Members who are voting, in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum, subject to the provisions of Section 6 of this Article.

SECTION 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS.

In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area or the costs of repairs to the exterior of the Units, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of the Members entitled to cast at least two-thirds (2/3) of the votes of each class of Members who are voting, in person or by proxy, at a meeting duly called for this purpose. All special assessments may be collected on a monthly basis and shall be fixed at a rate for each Lot which reflects the proportion determined by comparing the number of square feet of floor space contained in the Unit constructed on that Lot with the total number of square feet of floor space contained in all Units.

SECTION 5. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 3 AND 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 of this Article IV shall be sent to all Members not less than fifteen (15) 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. RATE OF ANNUAL ASSESSMENT. Both annual and special assessments must be fixed at a rate for each Lot which reflects the proportion determined by comparing the number of square feet of floor space contained in the Unit constructed on that Lot with the total number of square feet of floor space contained in all Units.

SECTION 7. DATE AND COMMENCEMENT OF ANNUAL ASSESSMENTS: DUE DATES. The annual assessments provided for herein may be collected on a monthly, quarterly or annual basis, as the Board of Directors shall determine, and shall commence as to each Lot on the earlier of (a) the first day of the fourth full month following the conveyance of that Lot by Declarant or (b) the first day of the first full month after the issuance of a certificate of occupancy for the Unit located on that Lot which has been conveyed by Declarant. Notwithstanding the foregoing, assessments as to Lot 6 of Swing Road Office Park as shown on the plat recorded in Plat Book 99, Page 18, in the Office of the Register of Deeds, Guilford County, North Carolina, shall commence on the first day of the first full month following the

recording of this Declaration. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each annual assessment period, the Board of Directors shall establish an annual budget and fix the amount of the annual assessments in advance for the following year. In the event the Board of Directors shall fail to fix the amount of annual assessments described above, the assessment fixed for the immediately preceding year shall continue in effect until a new assessment amount is fixed. Upon adoption by the Board of the budget and annual assessments amount, the Board shall deliver copies of same to every Owner subject thereto; provided, however, that failure to deliver a copy of the budget and annual assessments amount shall not affect the liability of Owners for assessments. 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.

SECTION 8. 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 twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien created herein against the property in the same manner as prescribed by the laws of the State of North Carolina for the foreclosures of Deeds of Trust, and interest, costs and reasonable attorney's fees for representation of the Association in such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of his Lot nor shall damage to or destruction of any improvements on any Lot by fire or other casualty result in any abatement or diminution of the assessments provided for herein.

SECTION 9. EFFECT OF DEFAULT IN PAYMENT OF AD VALOREM TAXES OR ASSESSMENTS FOR PUBLIC IMPROVEMENTS BY ASSOCIATION. Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or assessments for public improvements to the Common Area, which default shall continue for a period of six (6) months, the Owner of each Lot shall become personally obligated to pay to the taxing or assessing governmental authority that portion of such unpaid taxes or assessments which reflects the proportion determined by comparing the number of square feet of floor space contained in the Unit constructed on that Lot with the total number of square feet of floor space contained in all Units. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the such Owner,

binding upon such Owner's heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of such Owner.

SECTION 10. SUBORDINATION OF THE LIEN TO MORTGAGES. The liens provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien or liens provided for in the preceding section. However, the sale or transfer of any Lot which is subject to any such first mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which become due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or deed of trust.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure or planting or landscaping shall be commenced, erected or maintained upon any Lot nor shall any exterior addition to or change or alteration therein, including, without limitation, any plantings or landscaping, 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 Units and topography by the Board of Directors of the Association, or by an architectural control committee composed of three (3) or more representatives appointed by the Board (the "Architectural Control Committee"). In addition, the plans and specifications for any initial upfitting of the interior of a Unit not performed by Declarant must be approved in writing by the Board of Directors of the Association or its designated Architectural Control Committee. In the event the Board of Directors, or its designated Architectural Control Committee, fails to approve or disapprove plans and specifications within thirty (30) days after said plans and specifications have been submitted to it, approval will be deemed to have been granted. Notwithstanding the foregoing, nothing herein contained shall be construed to permit interference with the development of the Property by the Declarant.

As a condition to the granting of approval of any request made under this Article, the Architectural Control Committee may require that the Owner requesting a change or alteration be liable for any cost incurred by the Association in maintaining or repairing the approved project. If such condition is imposed,

the Owner shall evidence his consent thereto by a written document in recordable form satisfactory to the Architectural Control Committee. Thereafter, the Owner, and any subsequent Owner of the Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree that notwithstanding any other provisions of this Declaration to the contrary any cost incurred by the Association for the maintenance and repair of such improvement shall be a part of the annual assessment or charge set forth in Article IV, Section 1, and subject to the lien rights described in said Article IV.

ARTICLE VI

EXTERIOR MAINTENANCE; INSURANCE

In addition to maintenance and repair of the Common Area, the Association shall be responsible for the exterior maintenance of the Units, including, without limitation, exterior maintenance of all walls, sidewalks, ramps, railings, or steps located on the Lots. Notwithstanding the foregoing, each Owner will be responsible for maintaining and keeping all exterior window panes and storm windows and doors in proper repair. In order to enable the Association to accomplish the foregoing, it is hereby reserved to the Association the right to unobstructed access over and upon each Lot at reasonable times to perform such repair and maintenance.

In the event the need for maintenance, repair or replacement of a Unit is caused by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles and smoke, as the foregoing are defined and explained in North Carolina Standard Fire and Extended Coverage insurance policies, the Owner of that Unit shall be obligated to maintain, repair or replace the Unit within a reasonable time at the Owner's sole cost and expense. In the event the need for maintenance, repair or replacement of any Unit or any portion of the Common Area is caused through the willful or negligent act of an Owner or the agents, employees, guests or invitees of an Owner, the Owner shall be obligated to perform all such maintenance repair and replacement within a reasonable time at the Owner's sole cost and expense. Upon the failure of an Owner to maintain, repair or replace any Unit or any portion of the Common Area as herein obligated, the Association shall have the right, but not the obligation, to enter the Property and perform all necessary maintenance, repairs and replacement. The cost of such maintenance, repairs and replacement performed by the Association shall be added to and become a part of the assessment to which such Owner's Lot is subject.

The Owner of each Lot shall maintain in full force and effect at all times, sufficient fire and casualty insurance, so

as to replace the Unit located on the Lot should the Unit be damaged or destroyed by fire or other disaster. The Owner of each Lot shall at all times provide to the Association proof of the existence of the above-described insurance. Should the Owner of a Lot fail to maintain insurance in accordance with the provisions of this Article VI, or should the Owner of a Lot fail to provide proof of said insurance to the Association, the Association shall have the right (but shall be under no obligation whatsoever therefor) immediately to insure said Lot in accordance with the provisions of this Article and the cost of said insurance shall be added to and become a part of the assessment to which such Owner's Lot is subject.

ARTICLE VII

PARTY WALLS

SECTION 1. GENERAL RULES OF LAW TO APPLY. Each wall which is built as a part of the original construction of the Units upon the Lots and placed on the dividing line between Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party walls and 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 and is not replaced or repaired in accordance with the provisions of Article VI of this Declaration, any Owner who has used the wall may restore it, and if the other Owner(s) 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 Owner 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. 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 and of repairing any damage which results from such exposure.

SECTION 5. 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 6. 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. The resulting fees or other expenses associated with any such arbitration shall be paid equally by the parties to the arbitration.

ARTICLE VIII

USE RESTRICTIONS

SECTION 1. LAND USE AND BUILDING TYPE. Each Lot is restricted to use as a business or professional office. The foregoing notwithstanding, Declarant shall have the right to maintain a sales office, a management office, and no more than two (2) Unit models, for so long as Declarant owns any lot shown on the Preliminary Site Plan for "Swing Road Office Park" approved by the City of Greensboro as that Plan is from time to time amended and approved (whether or not such lot is also shown on a recorded subdivision map of the Property) for the purpose of sale to the general public.

Section 2. NUISANCE. No noxious or offense activities shall be conducted upon any Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance.

Section 3. OUTSIDE ANTENNAS. No outside television, radio or other antennae or devise of any type shall be erected, constructed, placed or permitted to remain on any Lot or Unit unless and until permission for the same has been granted by the Board of Directors or its designated Architectural Control Committee.

Section 4. SIGNS. Except as may be required by law, no signs shall be erected or maintained within the Property by anyone including but not limited to the owner, occupant or tenant of a Lot or Unit, a real estate agent, a contractor or a subcontractor, unless and until permission for the same has been granted by the Board of Directors or its designated Architectural Control Committee. The Board of Directors or its designated Architectural Control Committee shall have the right, whenever there shall have been placed or constructed on any portion of the Property any sign or antenna which is in violation of these restrictions to immediately and summarily remove the same at the expense of the Owner. Notwithstanding the foregoing, for so long as Declarant owns any lot shown on the Preliminary Site Plan for "Swing Road Office Park" approved by the City of Greensboro as that Plan is from time to time amended and approved (whether or not such lot is also shown on a recorded subdivision map of the Property), Declarant shall have the right to erect within the

Common Area and to display on the exterior of any Unit owned by Declarant signs advertising and promoting the sale of Lots.

Section 5. DELIVERY RECEPTACLES AND PROPERTY IDENTIFICATION MARKERS. The Architectural Control Committee shall have the right to approve the location, color, size, design, lettering and all other particulars or receptacles for the receipt of mail, newspapers or similarly delivered materials, and of name signs for such receptacles, as well as property identification markers.

ARTICLE IX

EASEMENTS

Section 1. Utilities. Easements for installation and maintenance of utilities (including cable television service) and drainage facilities are reserved as indicated on recorded plats. Within these easements no structures, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the drainage easements, or which may obstruct or retard the flow of water through drainage channels in the easements. An easement is hereby established for the benefit of the City of Greensboro and Guilford County (and any other person or firm providing services to the properties under agreement with or at the direction of the Association) over all Common Area as may be reasonably necessary for the setting, removal and reading of water meters, and the maintenance and replacement of water, sewer and drainage facilities and for the fighting of fires and collection of garbage. The Association shall have the power and authority to grant and establish upon, over and across the Common Area such additional easements as are necessary or desirable for the providing of service or utilities to the Common Area or Lots.

Section 2. Unintentional Encroachments. In the event that any improvements on a Lot shall encroach upon any Common Area or upon any other Lot for any reason not caused by the purposeful or negligent act of the Owner or agents of such Owner, then an easement appurtenant to such Lot shall exist for the continuance of such encroachment upon the Common Area or other Lot for so long as such encroachment shall naturally exist; and, in the event that any portion of the Common Area shall encroach upon any Lot, then an easement shall exist for the continuance of such encroachment of the Common Area into any such Lot for so long as such encroachment shall naturally exist.

ARTICLE X

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 the Declaration, the Articles of Incorporation or By-Laws of the Association. 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. The Association shall have the right to request that law enforcement, public safety and animal control officers come on the Property to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.

SECTION 2. SEVERABILITY. Invalidation of any one of the covenants or restrictions by judgment or court order shall in no wise affect any other provision which shall remain in full force and effect.

SECTION 3. AMENDMENT. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless during the last year of such initial or then current renewal term the Owners of seventy-five percent of the Lots agree in writing to terminate this Declaration at the end of such term. This Declaration may be amended during the first twenty (20) year period by an instrument signed by the Owners of not less than ninety percent (90%) of the Lots, and thereafter by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots, provided that (i) no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements, as herein provided, or affect any lien for the payment thereof established herein and (ii) no amendment shall adversely affect any rights or interest of Declarant as provided herein, unless agreed to in writing by Declarant. Any amendment or termination must be properly recorded.

SECTION 4. ANNEXATION.

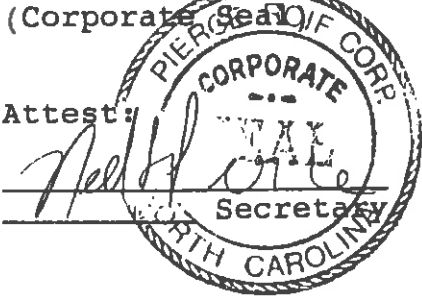
(a) Except as provided in Subsection (b) of this Section 4, Article X, additional commercial property and Common Area may be annexed to the Property only with the consent of the Members entitled to cast two-thirds (2/3) of the votes of each class.

(b) Additional land within the area described in the description attached hereto and incorporated herein by reference as Schedule "A", may be annexed by the Declarant

without the consent of Members within ten (10) years of the date of this instrument.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be executed in its name and its corporate seal hereto affixed as of the 7th day of August, 1990.

PIERCE ROIF CORP., a North Carolina corporation



Attest:

By:

Joseph Roif
President

NORTH CAROLINA

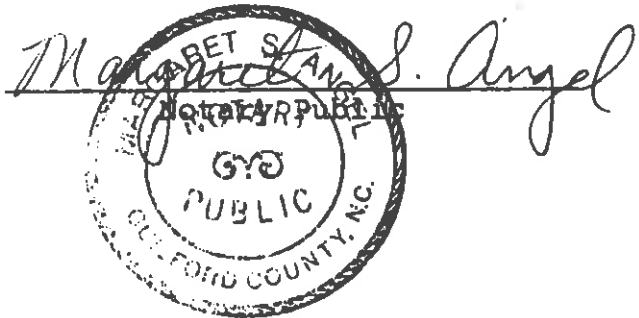
Guilford COUNTY

I, the undersigned Notary Public, do hereby certify that Ned L. Pierce personally appeared before me this day and acknowledged that he is the Secretary of Pierce Roif Corp., 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 him as its Secretary.

WITNESS my hand and official seal this 7th day of August, 1990.

My Commission Expires:

May 6, 1995



SCHEDULE "A"

BEING ALL of Lot 3 as shown on map recorded in Plat Book 79, Page 71, Guilford County Registry and entitled "Property of B.C. Alley and Others" drawn by Jerry C. Callicutt-Registered Land Surveyor and dated September, 1984.