

DECLARATION OF PROTECTIVE COVENANTS AND EASEMENTS FOR
UNIVERSITY EAST PROFESSIONAL CENTER

THIS DECLARATION OF PROTECTIVE COVENANTS AND EASEMENTS (the "Declaration") is made this 18th day of March, 1999, by UNIVERSITY EAST, LLC, a North Carolina limited liability company (the "Declarant");

WITNESSETH:

THAT WHEREAS, Declarant is the owner of fee simple title to one parcel of real property consisting of approximately 3.850 acres at the southeast corner of the intersection of East W.T. Harris Boulevard and Old Concord Road in Mecklenburg County, North Carolina which real property is more particularly described in Exhibit A, attached hereto and incorporated herein for all purposes; and

WHEREAS, Declarant desires to create, as permitted under local zoning ordinances, a professional office center development thereon to be known as University East Professional Center; and

WHEREAS, Declarant desires to ensure the attractiveness of the development, to provide for ingress and egress and for parking on the Common Areas (as such term is hereinafter defined) within University East Professional Center by all owners of any portion of the aforesaid property; to provide for easements for utilities over the Common Areas to serve the lots within the aforesaid property; to provide for a method for the maintenance, repair, replacement and operation of certain parking areas, driveways, sidewalks, landscaping, lighting, irrigational sprinkler systems, entrances and other common areas, facilities and improvements located within the Common Areas; and, to this end, Declarant desires to subject the Property (as such term is hereinafter defined) to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said lots and each Owner thereof; and

WHEREAS, Declarant has incorporated or will incorporate under North Carolina law, UNIVERSITY EAST PROFESSIONAL CENTER ASSOCIATION, INC., as a non-profit membership corporation for the purpose of exercising and performing the aforesaid functions;

NOW, THEREFORE, Declarant, by this Declaration of Protective Covenants and Easements, does hereby declare that the Property is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration which shall run with the Property and be binding on all parties owning any right, title or interest in said Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner of a portion thereof.

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ARTICLE I

DEFINITIONS

Section 1. "Professional Center Association" shall mean and refer to the University East Professional Center Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 2. "Common Area" or "Common Areas" shall mean all portions of the Property excluding the Lots.

Section 3. "Declarant" shall mean University East, LLC, a North Carolina limited liability company, its successors and assigns in ownership of any Lots, if any, to whom the rights of Declarant hereunder are specifically transferred by written instrument, subject to such terms and conditions as the Declarant may impose.

Section 4. "Designated Maintenance Items" shall mean those improvements or items located within the Common Areas which require periodic maintenance. Designated Maintenance Items may include, but shall not be limited to, plants (including, but not limited to, trees, shrubs, flowers, ground cover and grass); light poles, fixtures, bulbs, wiring and all equipment related to the use thereof; sprinkler and irrigation systems; security systems, if any; fencing; decorative walls, retaining walls; sidewalks and entryways; poles, flag poles, flags, banners and seasonal decorations; fountains, medians, pavers, sculpture, works of art, and decorative plaza areas; public storm water and drainage easements; signage relating to the operation and identification of the entire project; signs relating only to particular buildings; sleeves and conduits under sidewalks and parking areas that are used in conjunction with Designated Maintenance Items; and such other items as approved by the Declarant.

Section 5. "Institutional Lender" shall mean any life insurance company, bank, savings and loan association, trust, real estate investment trust, pension fund or other organization or entity which regularly makes loans secured by real estate.

Section 6. "Lot" or "Lots" shall mean and refer to any one of the pad sites within the areas shown on the map recorded in Map Book 30, Page 613 and re-recorded in Map Book 30, Page 729 of the Mecklenburg County Public Registry (the "Map"), and all other maps recorded in the future, but shall not include the Common Area.

Section 7. "Master Declaration" shall mean and refer to that one certain Declaration of Covenants, Conditions and Restrictions for University East Business Park recorded in Book 9241, Page 180, Mecklenburg County Public Registry and amended in Book 9271, Page 673, Mecklenburg County Public Registry and "Master Association" shall mean University East Business Park Association, Inc.

Section 8. "Member" or "Members" shall mean and refer to any Owner of any Lot (unless condominium ownership has been established for a Lot, in which case the Member shall be the condominium association established for such Lot pursuant to Article VII, Section 6), which person or entity shall automatically be deemed a member of the Professional Center Association.

Section 9. "Occupant" or "Occupants" shall mean and refer to any person or persons in possession of a Lot, including Owners, lessees, employees, guests and invitees of such person or persons.

Section 11. "Owner" or "Owners" shall mean any record owner, whether one or more persons or entities, of fee simple title to any Lot, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.

Section 12. "Person" shall mean and refer to a natural person, corporation, partnership, trust or other legal or commercial entity, or any combination thereof.

Section 13. "Property" shall mean the real estate described in Exhibit A attached hereto.

Section 14. "Temporary Construction Staging Area" shall mean and refer to that portion of the Common Area designated as the "Temporary Construction Staging Area" from time to time by the Declarant.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF UNIVERSITY EAST PROFESSIONAL CENTER ASSOCIATION AND ADDITIONS THERETO

Section 1. Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to the terms and provisions of this Declaration and within the jurisdiction of the Professional Center Association is the property described in Exhibit A, attached hereto.

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

a. Additional land which is (a) within the margins of public streets or rights-of-way within the boundaries of the Property existing on the date this Declaration is recorded or (b) contiguous to the Property and within one-half mile of the boundary of the Property may be annexed to the Property by Declarant, in future stages of development, with the consent of a majority of the Total Votes (as hereinafter defined).

b. The additions authorized under subsection (a), above, shall be made by filing of record Supplementary Declarations of Protective Covenants and Easements with respect to the

additional properties which specifically extend the scheme of this Declaration and the jurisdiction of the Professional Center Association to such properties and the properties shall thereby be subject to the benefits, agreements, restrictions and obligations set forth herein, including, but not limited to, assessments as herein determined, to pay for the Professional Center Association's expenses. The Supplementary Declaration of Protective Covenants and Easements may also contain such complementary additions and modifications of this Declaration pertaining to such additional properties as may be necessary or convenient, in the reasonable judgment of Declarant, to reflect the different character of the annexed property.

Section 3. Function of Professional Center Association. Within a reasonable time after the incorporation of the Professional Center Association, Declarant shall convey its interest in the Common Areas to the Professional Center Association. The Professional Center Association shall thereafter own fee simple title to the Common Areas described herein and every Owner of a Lot shall be a Member of the Professional Center Association pursuant to the provisions of this Declaration. Maintenance and repair of the Common Areas shall be performed in accordance with the provisions of this Declaration and the Professional Center Association shall have the obligations expressly set forth herein to perform such maintenance and repair. In addition, as Owner of the Common Areas and the representative of the Members of the Professional Center Association, the Professional Center Association shall be a Member of the Master Association and entitled to vote pursuant to the provisions of the Master Declaration.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Members. Every Owner of a Lot which is subject to payment of Dues (as such term is deferred in Article V hereof) shall be a Member of the Professional Center Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to Dues (as hereinafter defined).

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

a. Class A Lots. Class A Lots shall be all Lots except Class B Lots as the same are hereinafter defined. Each Class A Lot shall entitle the Owner(s) of said Lot to one (1) vote for each building square foot owned in the Property. When more than one person owns an interest (other than a leasehold or a security interest) in any Lot all such persons shall be Members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine by majority vote based on ownership interest, but in no event shall the vote or votes be cast separately with respect to any jointly owned Lot.

b. Class B Lots. Class B Lots shall be all Lots, owned by Declarant (as "Declarant" is defined in Article I, above) which have not been converted to Class A Lots as provided in (i) or (ii), below. The Declarant shall be entitled to five (5) votes for each building

square foot of the Property owned by it. The Class B Lots shall cease to exist and shall be converted to Class A Lots upon the latter of the following:

(i) When the total number of votes appurtenant to the Class A Lots equal the total number of votes appurtenant to the Class B Lots, provided that all Lots owned by Declarant shall revert to Class B Lots and thereby shall be reinstated with all rights, privileges and responsibilities of such Class, if, after the above provided conversion of Class B Lots to Class A Lots, additional lands are annexed to the Property (with or without the assent of Class A members), thus making the Declarant the Owner, by virtue of newly created Lots and of other Lots owned by Declarant, of a sufficient square footage within Class B Lots to cast a majority of votes (it being hereby stipulated that the conversion or reconversion shall occur automatically as often as the foregoing facts shall occur); or

(ii) On January 1, 2018.

c. The Owner(s) of each Lot shall be entitled to exercise the voting rights related to such Lot on the date that the building located on such Lot is deemed substantially complete by the Declarant, and the Declarant notifies the Owner of the same.

Section 3. Majority. Notwithstanding the above provisions, the Declarant shall be entitled to fifty-one percent (51%) of the total votes (the "Total Votes") of the Professional Center Association Members until December 31, 2008.

Section 4. Amendment. Notwithstanding any provisions to the contrary contained herein, so long as Declarant owns any portion of the Property, this Declaration and the Bylaws of the Professional Center Association may not be amended without its written consent.

Section 5. Board of Directors. The Professional Center Association shall be governed by a Board of Directors (the "Board of Directors") in accordance with the Bylaws. Notwithstanding any provisions to the contrary contained in this Declaration or in the Bylaws, the Declarant shall have the right to appoint or remove by written notice to the Board of Directors any member or members of the Board of Directors or any officer or officers of the Professional Center Association until such time as the first of the following events occurs:

a. Declarant no longer owns any portion of the Property;

b. Declarant surrenders the authority to appoint and remove members of the Board of Directors and officers of the Professional Center Association by an express amendment to this Declaration executed and recorded by the Declarant; or

c. December 31, 2008.

ARTICLE IV

EASEMENT RIGHTS

Section 1. Access Easement. Each Owner of all or any portion of the Property and such Owner's heirs, successors and assigns and any person, firm or corporation hereafter acquiring title to all or any portion of the Property (whether by deed, foreclosure or deed in lieu of foreclosure or otherwise), and subject to the provisions of the Master Declaration, shall have the non-exclusive right, privilege and easement for pedestrian and vehicular traffic and for parking in locations designated by Declarant upon, over and across, the "Access Easement" described herein. "Access Easement" shall be defined as the driveways, parking areas and those curb cuts and entrance and exit areas adjoining said driveways and drive lanes as are constructed and maintained from time to time on the Property.

The rights and privileges to the Access Easement as set forth herein shall be for the non-exclusive benefit and use of any Owner, lessee, invitee and licensee of present and future owners of any portion of the Property for the purpose of affording such present and future owners, their lessees, invitees and licensees and each of their invitees and customers, the privilege of using in common with other Owners, lessees, invitees and licensees and their invitees and customers, the driveways located within the Property for pedestrian and vehicular (including truck) ingress, egress and regress to and from portions of the Property and adjacent roadways and for parking in areas designated by Declarant; provided that such driveways may be reconfigured by Declarant.

Section 2. Common Area Easement. Each Owner of all or any portion of the Property and such Owner's heirs, successors and assigns and any person, firm or corporation hereafter acquiring title to all or any portion of the Property (whether by deed, foreclosure, deed in lieu of foreclosure or otherwise), and subject to the provisions of the Master Declaration, shall have the non-exclusive right, privilege and easement for pedestrian and recreational purposes, over and across the Common Area.

The rights and privileges to the Common Area as set forth herein shall be for the non-exclusive benefit and use of any Owner, lessee, invitee and licensee of present and future Owners of any portion of the Property for the purpose of affording such present and future Owners, their lessees, invitees and licensees and each of their invitees and customers, the privilege of using in common with other Owners, lessee, invitees and licensees and their invitees and customers, the Common Area for pedestrian and recreational purposes.

Section 3. Use by Tenants or Contract Purchasers. The right and easement of enjoyment granted to every Owner in Sections 1 and 2 of this Article may be delegated by the Owner to his tenants or contract purchasers and their agents, tenants, contractors and invitees.

Section 4. Declarant's Easements and Temporary Construction Staging Area. Declarant shall have a temporary, non-exclusive right and easement of use over and under the Common Area for all purposes related to the development, leasing and sale of Lots including the construction of

improvements on Lots and in the Common Area. This easement shall include, without limitation, the right of vehicular and pedestrian ingress, egress and regress, the right to park motor vehicles and to engage in construction and marketing activities for portions of the Property, including the movement and storage of all building materials and equipment, the conduct of sales activities, the maintenance of models and sales offices, and the erection and maintenance of directional, marketing and promotional signs. Notwithstanding the above, storage and placement of building materials, equipment, construction trailers and other items necessary for the construction of improvements on a Lot owned by Declarant or any other Owner shall be restricted to the confines of the Lot on which such construction of improvements is located and to the confines of the Temporary Construction Staging Area. An Owner may use a portion of Common Area immediately adjacent to a Lot for construction activity and limited storage of materials with Declarant's approval; provided that such use does not unreasonably interfere with or adversely affect the business activities of adjacent Owners or the use of the driveways and parking areas by persons entitled to their use. The Declarant and any Owner using the Temporary Construction Staging Area or any such portion of the Common Area shall be responsible for any damages caused to such areas through, or arising out of, its construction activities and shall at all times keep such areas and adjacent areas free from any dirt, mud, garbage, trash or other debris occasioned by the construction of improvements or storage of materials and equipment.

Section 5. Use of Easements and Property Rights. The use of the easements and other property rights for Owners created in this Article IV shall be subject in all respects to the provisions of this Declaration and the Rules and Regulations established, from time to time, by the Professional Center Association. In addition, the members of any Condominium Association established pursuant to Article VII, Section 6 hereof shall, through their membership in said Association, itself a member of the Professional Center Association, have the rights and privileges afforded to all Owners in Section 1 and 2 of this Article IV so long as said members and the Condominium Association comply with the provisions of this Declaration.

Section 6. Easements Appurtenant. All easements and other property rights for Owners created in this Article IV shall be appurtenant to each Owner's Lot and shall run and pass with the title to such Lots.

ARTICLE V

COVENANT FOR ASSOCIATION DUES

Section 1. Creation of the Lien and Personal Obligation to Pay Dues. The Declarant, for each Lot owned within the Property, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, are deemed to covenant and agree to pay to the Professional Center Association all dues ("Dues") to be established and collected as hereinafter provided. Any Dues assessed, 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 such Dues are

assessed. In the case of co-ownership of a Lot, all of the co-owners shall be jointly and severally liable for the entire amount of the Dues.

Section 2. Purposes of Dues. The Professional Center Association shall use the Dues to pay for (i) the cost of maintaining, repairing and replacing the Common Area, the Designated Maintenance Items and improvements located within the Common Area, sewer, water and drainage lines servicing the Property including those shown specifically on the Map, and those portions of the parking areas, driveways and sidewalks located on portions of Lots as shown on the Map; (ii) Dues payable to the Master Association, except, however, each owner of a condominium unit created pursuant to Article VII, Section 6 hereof, shall be liable for the portion of Dues for the lot on which the Condominium building is situated attributable to such unit, to the extent the dues for such unit, out of which the Dues are paid, were not paid to the collecting Condominium Association and such amount, together with interest, costs and reasonable attorney's fees shall be a continuing lien upon such unit owner's fee interest in the unit and common elements appurtenant thereto; (iii) all real estate taxes and special assessments due and assessed against the Common Area; (iv) all insurance premiums applicable to the Common Area, improvements located therein and Designated Maintenance Items; (v) all costs associated with security, if any, within the Common Area; (vi) the management fee described in Section 3 of this Article V; and (vii) any other costs deemed necessary by the Professional Center Association.

Section 3. Management Firm. The Professional Center Association shall designate a management firm (the "Management Firm") on or before the first day of each calendar year to perform the maintenance and repair of Designated Maintenance Items and improvements located within the Common Area and other areas required to be maintained, repaired and replaced under the terms hereof. Each Owner authorizes the Professional Center Association to execute a contract with the Management Firm. The Management Firm as so designated shall cause to be performed such maintenance and repairs and the amounts billed for its services by such Management Firm to the Professional Center Association shall be included in the calculation of Dues described in Section 2 of this Article V. Notwithstanding the above, Declarant shall designate the Management Firm until December 31, 2003, and such Management Firm shall be Crosland Commercial, LLC.

Section 4. Dues. The Dues payable by each Member for each calendar year shall be the product of (i) the costs described in Section 2 of this Article V and (ii) a fraction, the numerator of which is the actual square footage contained within the building(s) located on said Owner's Lot or Lots and the denominator of which is the total building square footage contained within University East Professional Center. For each Lot, the obligation to pay Dues shall begin on the date that the building located on such Lot is deemed substantially complete by Declarant and Declarant notifies the Owner of the same.

Section 5. Due Date. Unless otherwise provided herein, Dues shall be due and payable in advance, annually, upon receipt of an invoice therefor from the Professional Center Association; provided, however, the Board of Directors may require the payment of the same at different intervals. Late billing for all or any portion of the Dues shall not affect a Member's obligation to pay the same.

Section 6. Records of Dues. The Professional Center Association shall cause to be maintained in the office of the Professional Center Association a record of all designated portions of the Property subject to Dues and the amount of Dues applicable thereto which shall be open to inspection by any Member upon reasonable notice. Written notice of each assessment shall be mailed to each Owner of a Lot subject to assessment.

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

Section 7. Effect of Nonpayment of Dues and Other Assessments; Remedies of the Professional Center Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum or the maximum interest rate permitted to be legally charged under the laws of the State of North Carolina at the time of such delinquency, whichever is less. In addition to such interest charge, any delinquent Member shall also pay a late charge of the greater of (i) five percent (5%) of the delinquent account and (ii) Two Hundred and Fifty and No/100 Dollars (\$250.00) or such other amount as may have been theretofore established by the Board of Directors of the Professional Center Association to defray the costs of late payment. The Professional Center Association, its agent or representative, may bring an action at law or equity against any Member personally obligated to pay the same or foreclose the lien against the Property and obtain any other judicial remedy, including injunctive relief and other judicial remedies, and interest, late payment fees, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No Member may waive or otherwise escape liability for the Dues provided for herein by abandonment of his or its portion of the Property.

Section 8. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust on a Lot or any portion of the Property, to other mortgages or deeds of trust if the mortgagee or beneficiary in such deed of trust is an Institutional Lender and to any liens filed pursuant to the provisions of the Master Declaration. Sale or transfer of a Lot or any portion of the Property shall not affect any assessment lien, but the sale or transfer of a Lot or any portion of the Property which is subject to a mortgage or deed of trust to which the lien of the assessment is subordinate, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such Dues as to any installment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot or portion of the Property from liability for any assessment thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of those mortgages and deeds of trust identified in the first sentence of this Section 8.

Section 9. Exempt Property. All property dedicated to, and accepted by, a local public authority for operation and maintenance shall be exempt from any provision of this Declaration.

Section 10. Annual Accounting. The Professional Center Association shall keep books and accounting records in accordance with generally accepted accounting principles and shall furnish each member with an annual report each year.

ARTICLE VI

PERMITTED USES

Section 1. Permitted Uses. Except as may be otherwise expressly provided in this Declaration, each Lot shall be used for general office uses and other uses approved in writing by the Professional Center Association, in its sole discretion (except for specific uses prohibited by the zoning plan approved for the Property or by any governmental authority) and for no other purposes.

Section 2. Maintenance and Repair. Each Owner shall maintain or cause to be maintained in a safe, clean and attractive condition its Lot and shall maintain and repair at its expense all improvements thereon which shall need repair in order to keep the same in good condition and repair in compliance with then current zoning laws, building codes and other governmental regulations and in a condition substantially similar to that existing upon the initial completion of the improvements. Such maintenance obligation shall include, without limitation, the following: keeping all lawns and landscaping mowed and trimmed and in good condition; prompt removal of all litter, trash, refuse, and waste; keeping improvements, exterior lighting, and maintenance facilities in good repair and working order; and maintenance and repair of the exterior of improvements in accordance with the maintenance practices of first-class office park developments in Charlotte, North Carolina.

Upon an Owner's failure to maintain its Lot or the improvements thereon, the Professional Center Association shall have the right to enter upon the Lot and perform such work after ten (10) days written notice to such Owner and the cost and expense incurred by the Professional Center Association in performing such work, including all attorney's, architect's or engineering fees associated with such work, shall be immediately due and payable by such Owner to the Professional Center Association and shall be deemed additional Dues owing to the Professional Center Association by such Owner. If the need for maintenance, repair, or replacement of any portion of the Common Area is caused through the willful or negligent act of an Owner, its agents, employees, guests, lessees, invitees, or designee and is not covered or paid for by insurance, in whole or in part, then the Professional Center Association shall have the right to perform such maintenance, repair or replacement, including the right to enter upon the Owner's Lot and perform the maintenance, repair or replacement and the cost and expense incurred by the Professional Center Association in performing such work, including all attorney's, architect's or engineering fees associated with such work, shall be immediately due and payable by such Owner to the Professional Center Association and shall be deemed additional Dues owing to the Professional Center Association by such Owner.

Section 3. Owner's Insurance. Each Owner covenants and agrees that it shall insure all improvements owned by it on any Lot in an amount equal to the full replacement cost thereof and if any such improvements are destroyed or damaged by fire or other casualty, the Owner whose property is damaged or destroyed by fire or other casualty shall proceed with due diligence to repair

and restore the same to as good a condition as existed before such damage or destruction; provided that the holder of the first mortgage loan on the property damaged or destroyed permits the application of such proceeds to repair or replacement. In the event of a taking by condemnation or otherwise by governmental authority which damages any part of said improvements, the Owner of such portion of the improvements shall immediately repair and restore the same to an integrated and architecturally complete building or structure, if the remaining portion of the improvements is capable of being so repaired and restored. In the event insurance proceeds are not made available for application to the repair or replacement of the improvements, or in the event of a condemnation such that the remaining portion of the improvements is not capable of being repaired and restored, then in either event the Owner of such improvements shall thereafter remove all damaged improvements, rubble and debris from the Lot, shall evenly grade and reseed the Lot and thereafter shall maintain the Lot in accordance with the provisions of Section 2 of this Article. Each Owner at all times shall maintain comprehensive public liability insurance with a combined single limit of at least \$1,000,000.00 with respect to bodily injury or death to any one person, at least \$2,000,000.00 with respect to bodily injury or death arising out of any one accident and at least \$1,000,000.00 with respect to property damage arising out of one occurrence, covering its Lot and interest in the Common Area, which minimum may be increased by a majority of the Total Votes. During the period of construction of improvements of any Lot, the Owner of said Lot shall maintain Builder's Risk, Workers' Compensation and such other insurance policies as are required by sound construction practices. The Owners, by a majority of the Total Votes, may separately provide for separate insurance policies for the Common Area, or for one comprehensive policy for the Common Area, naming all Owners as insureds.

Section 4. Master Declaration Requirements. Construction of improvements on any Lot shall be in accordance with the provisions of the Master Declaration and all approvals by the Architectural Review Committee described therein required pursuant to such provisions shall apply to each Owner.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Enforcement. The Professional Center Association, or any Owner, shall have the right (but not the obligation) 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 Professional Center Association or by any Owner to enforce, whether in whole or in part, 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 manner 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 thirty-five (35) years from the date this Declaration is recorded after which time they shall be automatically extended for successive periods of ten (10) years each for a total, including the initial term, of sixty-five (65) years, unless Owners with at least seventy-five (75%) percent of the Total Votes elect not to continue the same in existence. This Declaration may be amended by an instrument signed by the Owners with at least fifty-one percent (51%) of the Total Votes and the prior written approval of the Declarant, so long as it owns any portion of the Property. Any Amendment must be properly recorded.

Section 4. Rezoning. A rezoning from the zoning classification in effect on the date this Declaration is recorded in the Mecklenburg County Public Registry or a subdivision of all or any portion of the Property not then owned by Declarant, by ground lease or otherwise, undertaken by any Owner prior to December 31, 2008 shall require the prior written consent of Declarant.

Section 5. Fines. In addition to any other rights and remedies available for the enforcement of the provisions of this Declaration, the Declarant or the Professional Center Association may, after delivery of notice meeting the requirements set out herein to the Owner of the Lot on which the violation is occurring, impose a fine against such Owner for each day the violation continues. The fine shall not exceed Two Hundred and No/100 Dollars (\$200.00) per day. Such fine shall constitute a lien against such Lot in the same manner as an assessment under Article V. The notice to the Lot Owner shall state the Owner's name, the Lot number or address of the property that is the subject of the violation, the specific violation which is occurring, a reasonable time period for correction of such violation before the imposition of a fine (which shall be determined based upon the nature of the violation, but shall be no less than three (3) days), the amount of the fine and the fact that it will be imposed daily until the violation is cured. Delivery of notice shall be sufficient if either mailed by registered or certified mail, return receipt requested or posted in a prominent location on the Lot.

Section 6. Condominium Regime. Declarant expressly reserves the right to establish one or more office condominiums within the Property. Such condominium buildings shall be compatible with the other buildings and University East Professional Center in terms of architectural style, quality of construction and principal materials employed in construction. In the event Declarant, in its sole discretion, elects to establish condominium ownership for one or more of the Lots within the Property, the Condominium Association established therefor shall be a Member of the Professional Center Association based on the ratio of the total square feet within the condominium building to total building square feet within the Property and such Condominium Association, as a Member, shall pay Dues pursuant to this Declaration based on its pro rata portion of the total building square feet in the Property. Such establishment of office condominiums shall not be considered a subdivision or partition of the Lots.

Section 7. Master Declaration. No Owner of a Lot, by virtue of its ownership in such Lot, shall be a Member of the Master Association, notwithstanding that the Property described in this Declaration is included in the definition of Property encumbered by the Master Declaration. With respect to ownership of the Lots described in this Declaration, Members in the Professional Center Association shall be represented in the Master Association through the Professional Center

Association only and the Professional Center Association shall cast its votes in the Master Association in such a manner as is determined by a majority of the Total Votes of the Professional Center Association. The undersigned Declarant, being the Owner of at least fifty-one percent (51%) of the Property described in the Master Declaration, does hereby amend the Master Declaration to the extent that the above provision conflicts with the provisions of the Master Declaration. Except as expressly set forth in this Section 7 of Article VII, the provisions of this Declaration shall be subject in all respects to the provisions of the Master Declaration.

IN WITNESS WHEREOF, the undersigned has caused these presents to be duly executed under seal by authority duly given, the day and year first above written.

UNIVERSITY EAST, LLC

(SEAL)

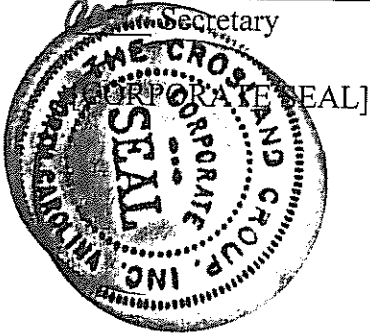
By: The Crosland Group, Inc., Manager

By: James E. McField
Vice President

ATTEST:

Melanie Mataski

Secretary



STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

This 16th day of March, 1999, personally came before me, JAMES E. METCALFE, who being by me duly sworn, says that he is VICE President of The Crosland Group, Inc., Manager of UNIVERSITY EAST, LLC, a North Carolina limited liability company; that the seal affixed to the foregoing instrument in writing is the corporate seal of The Crosland Group, Inc.; and that said writing was signed and sealed by him on behalf of said corporation, acting as Manager of UNIVERSITY EAST, LLC, by authority duly given. And the said VICE President acknowledged the said writing to be the act and deed of said corporation, acting as Manager of UNIVERSITY EAST, LLC.

Kathryn L. Harris
NOTARY PUBLIC

My Commission Expires: 11-21-2001

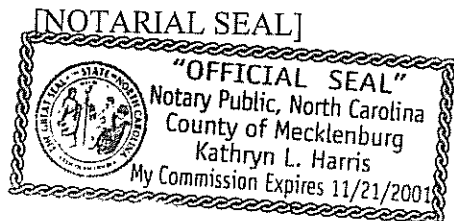


Exhibit A
Legal Description

Being all of Lot A of Final Plat University East Business Park - Phase 1 - Map 5 as same is shown on map thereof recorded in Map Book 30 at Page 613 and recorded in Map Book 30 at Page 729 in the Mecklenburg County Public Registry and consisting of 3.850 acres, reference to which map is hereby made for a more particular description of the property.



JUDITH A. GIBSON
REGISTER OF DEEDS , MECKLENBURG COUNTY
COUNTY & COURTS OFFICE BUILDING
720 EAST FOURTH STREET
CHARLOTTE NC 28202

Filed For Registration: 03/18/1999 10:46 AM
Book: RE 10329 Page: 489-504
Document No.: 1999048172
DECL 16 PGS \$36.00

Recorder: LYNETTE FEELY

State of North Carolina, County of Mecklenburg

The foregoing certificate of KATHRYN L. HARRIS, Notary is certified to be correct. This 18TH of March 1999

JUDITH A. GIBSON, REGISTER OF DEEDS By: Lynette Feely
Deputy/Assistant Register of Deeds



1999048172