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GRANVILLE COUNTY
12/20/2002 9:31 AM
KATHRYN CREWS AVERETT
Register Of Deeds

This instrument prepared by: CURRIN & DUTRA, LLP 118 Main Street, Oxford, NC
Deliver to: Currin & Dutra, LLP
STATE OF NORTH CAROLINA

COUNTY OF GRANVILLE

MONTAGUE INDUSTRIAL PARK: DECLARATION OF PROTECTIVE COVENANTS

THIS DECLARATION OF PROTECTIVE COVENANTS ("Declaration" or "Declaration of Protective Covenants") is made as of the 18th day of December, 2002 by WILLIAM L. MONTAGUE, JR., an individual, JAMES B. MONTAGUE, an individual, JOSEPH B. MONTAGUE, an individual, SUSAN M. PARKINSON, an individual, JUANITA M. MYERS, an individual, and AMELIA M. POYTHRESS, an individual (collectively, "Declarant").

WITNESSETH:

Declarant owns certain tract(s) of real property located in Granville County, North Carolina as more particularly described in Exhibit "A" attached hereto and hereby made a part hereof; and

Declarant intends to develop all or portions of MONTAGUE INDUSTRIAL PARK as an integrated industrial-commercial park.

NOW, THEREFORE, the Declarant, intending to be legally bound hereby, declares that the following protective covenants, conditions, restrictions, reservations and easements are hereby adopted.

ARTICLE I
DEFINITIONS

Delivered to Margiute Jirics for Currin & Dutra 12-30-2002

The following terms when used in this Declaration shall have the following meanings:

1.01 **"Approval"** or **"Approved"** shall mean the written consent or approval by the party required or permitted to give such approval, which consent and approval shall not be unreasonably withheld, delayed or conditioned.

1.02 **"Assessments"** shall have the meaning set forth in Section 5.07.

1.03 **"Budget"** shall have the meaning set forth in Section 5.07.

1.04 **"Buffer Areas"** shall mean the buffer areas established pursuant to Section 3.02.

1.05 **"Building Site"** shall mean any separate lot or parcel within MONTAGUE INDUSTRIAL PARK, whether subdivided at the time of these declarations or thereafter.

1.06 **"Common Facilities"** shall mean such facilities located within MONTAGUE INDUSTRIAL PARK, but not within a Building Site after conveyance thereof from Declarant to Owner unless the written recorded prior consent of such Owner is obtained, which are for the general use of, or service to, two (2) or more Building Sites, and which Declarant shall hereafter designate as "Common Facilities" in a Document. Without in any manner limiting the generality of the foregoing, "Common Facilities" shall include the following: streets (unless and until accepted for maintenance by NCDOT); drainage easements and canals; directional and informational signs; public area lighting; and entrance ways and landscape medians. "Common Facilities" may include any of the following items if hereafter so designated by Declarant in a Document: lakes; detention ponds; sidewalks; utility lines; and any other improvements relating to the enhancement of the overall quality of MONTAGUE INDUSTRIAL PARK. Declarant may, at its option, add Common Facilities from time to time. Declarant may, at any time, remove any facility or item as a Common Facility pursuant to a Document in which such removal is designated by Declarant, but only with the consent of 100% of the Owners of lots in MONTAGUE INDUSTRIAL PARK.

1.07 **"Developed Building Site"** shall mean any Building Site upon which the construction, installation, or erection of improvements, other than utilities, Common Facilities, or Streets, has commenced.

1.08 **"Declarant"** shall initially mean Montague Developers, LLC.

1.09 **"Document"** shall mean a written, signed and acknowledged instrument which has been recorded in the land records of Granville County, North Carolina.

1.10 **"Employee"** shall mean any officer, director, employee or agent of any Tenant.

1.11 **"Front Property Line"** shall mean the line of any Building Site which abuts a Street within MONTAGUE INDUSTRIAL PARK. Building Sites which are located on the corner of two Streets within MONTAGUE INDUSTRIAL PARK shall be considered to have one Front Property Line, with the Declarant having the right to Approve the line considered the Front Property Line.

1.12 **"Front Wall"** shall mean any building wall which faces a Street within MONTAGUE INDUSTRIAL PARK. Buildings constructed on corner Building Sites shall be considered to have two Front Walls.

1.13 **"Front-Yard"** shall mean the area in any Building Site between the Front Wall of any building and that Building Site's Front Property Line.

1.14 **"Laws"** shall mean all present and future applicable laws, ordinances, rules, regulations and orders of the United States Government, the State of North Carolina, the County of Granville, and any other applicable political sub-division, and any applicable administrative agency of any of the foregoing, subject to such variances and waivers which may lawfully have been obtained.

1.15 **"Member"** shall mean each Owner in its capacity as a member of the Successor Corporation.

1.16 **"MONTAGUE INDUSTRIAL PARK"** shall mean the parcels of land shown on **Exhibit "A"** hereto, and shall further include any additional land which may hereafter be added to the coverage of the Protective Covenants pursuant to the provisions of Article VIII.

1.17 **"Owner"** shall mean, with respect to any particular period of time, the person, persons, entity or entities holding title to a Building Site, and as used in the context of the Protective Covenants, if there be more than one Owner of any Building Site all of said Owners are herein collectively called "Owner." Owner shall not mean or refer to the holder of a mortgage (nor to the Trustee under a Deed of Trust) on such Building Site unless and until such mortgagee or Trustee has acquired title to such Building Site pursuant to foreclosure or any proceeding or transfer in lieu of foreclosure.

1.18 **"Owners Committee"** shall mean, a committee of Owners as set forth in Section 5.01. Each Owner shall be entitled to be a member of the Owner's Committee. All decisions by the Owners Committee shall be made by a majority of Owners, with each Owner having a vote equal to the total acreage of such Owner's building site(s) within MONTAGUE INDUSTRIAL PARK (as measured in hundredths of an acre).

1.19 **"Prime Rate"** shall mean the prime rate of interest published in The Wall Street Journal or any publication(s) designated by Declarant, as changed from time to time.

1.20 **"Prior Mortgage"** shall have the meaning set forth in Section 5.07.

1.21 **"Protective Covenants"** shall mean the protective covenants, conditions, restrictions, reservations, terms and easements set forth in this Declaration.

1.22 **"Screening"** shall mean materials which have been Approved by Declarant or evergreen plantings or existing vegetation of comparable density and quality which prevent the visual sighting of the buildings and improvements situated on a Building Site from any other Building Site or from any Street, and "Screen" shall mean, with respect to any building, facilities and activities, the installation of Screening with respect thereto. The following is a list of materials which Declarant will consider for Approval as Screening:

(a) Declarant and/or Company evergreen plantings or existing vegetation of comparable density and quality.

(b) Decorative block, brick, or concrete. Material shall be compatible or match those of the building on the applicable Building Site. Height and location shall be presented in plan and elevation format, dimensioned, and materials labeled with samples for the Declarant's review and Approval, prior to installation.

(c) Wood screen fences. Wood screen fences of high quality materials and installed with high quality workmanship. No pre-fab wood fence shall be considered. Height and location shall be presented in plan and elevation format, dimensioned, and materials labeled with samples for the Declarant's review.

(d) No metal slat fencing shall be used unless approved by Declarant.

(e) Landscaped earthen berms.

1.23 **"Street"** shall mean any highway, street or road for vehicular and/or pedestrian traffic (whether or not dedicated to a governmental authority) which is for the common and nonexclusive use of the Owners or Tenants of two or more Building Sites and/or others.

1.24 **"Successor Corporation"** shall have the meaning stated in Section 5.02.

1.25 **"Tenant"** shall mean any occupant of a building located within a Building Site, including Owner-occupants, lessees, licensees, and mortgagees in possession.

1.26 **"Visitor"** shall mean any contractor, subcontractor, patron, customer, visitor or invitee of any Tenant or Employee.

ARTICLE II
GOAL OF DEVELOPMENT

The goal in the development of MONTAGUE INDUSTRIAL PARK is the creation of a harmonious development which will preserve and enhance long term property values and which will provide a pleasant and productive environment for warehousing, distribution, manufacturing, office operations and commercial uses. To achieve this goal, it is intended by Declarant that MONTAGUE INDUSTRIAL PARK shall be improved with attractive, well spaced buildings as set forth in this Declaration. The Protective Covenants are established and promulgated in the interest of promoting this goal in a manner that encourages planning and design consistent with this goal.

ARTICLE III
GENERAL COVENANTS

3.01 **Governmental Regulations.** Each Building Site is subject to all applicable Laws. Nothing in the Protective Covenants shall be construed as permitting any action or condition prohibited by applicable Laws. In the event of any conflict between any applicable Laws and the Protective Covenants, the most restrictive provision shall govern and control.

3.02 **Building Lines.** No building or other structure shall be erected on any Building Site:

- (a) With respect to all Building Sites, nearer than fifty (50) feet from its front property line;
- (b) With respect to all Building Sites, nearer than thirty (30) feet from any side property line;
- (c) With respect to all Building Sites, nearer than thirty (30) feet from any rear property line.

3.03 **Building Lot Restrictions.**

- (a) **Lot Size.** No lot shall be less than ten (10) acres.
- (b) **Structures.** No more than fifty percent (50%) of the area of any Building Site may be covered with buildings or other structures.
- (c) **Site Coverage.** No more than seventy percent (70%) of the area of any Building Site may be covered with buildings, structures, Street paved areas, off street loading areas, driveways, walkways, parking areas, outside storage areas, paved areas, or other areas not covered with vegetation; and the remaining area shall be devoted to open spaces.

3.04 Construction.

(a) Architectural Design and Materials.

(i) The standards for building design, appearance, siting, materials and signage are intended to contribute to the development of distinctive buildings while enhancing the overall environment of MONTAGUE INDUSTRIAL PARK.

(ii) The following construction guidelines shall apply to all buildings constructed on any Building Site:

(A) All materials shall be durable, high-quality, permanent and easily maintained.

(B) All-metal buildings are allowed. Metal may also be used in combination with brick or decorative block or concrete panels or other decorative materials as Approved by the Declarant.

(C) Wood frame buildings are not permitted.

(D) Unfinished exterior block will be allowed only as a back expansion wall and should not be visible from Streets within MONTAGUE INDUSTRIAL PARK. All block must be painted.

(E) Accessory buildings and enclosures of any structures that are in front of the appurtenant to any building shall be of similar or compatible material, design and construction to the primary building.

(b) Exterior Equipment.

(i) Except for air-conditioning equipment, air handling equipment and transformers, all exterior mechanical and electrical equipment (including, without in any manner limiting the generality of the foregoing pump houses, antennas, communication towers, and cooling towers), where mounted on the ground, shall be discretely placed and/or Screened.

(ii) All air-conditioning equipment, air handling equipment and transformers installed in any Building Site shall be painted a color to blend with the predominant colors of the building on or near which they are installed, and such color is subject to Approval by the Declarant; otherwise, air-conditioning equipment, air handling equipment and transformers shall be discretely placed and/or Screened. The height of the required Screening shall be at least equal to the height of the equipment to be discretely placed and/or Screened. Screening shall be installed so that the final height shall provide the screening.

3.05 **Objectionable Uses.** No Building Site shall be used for any use which is incompatible with the goals of development of MONTAGUE INDUSTRIAL PARK as set forth in Article I, including without limitation any use which might normally produce offensive or unusual odors; fumes; dust; smoke; noise; or pollution; or which might produce an unusual danger of fire, explosion or other casualty.

3.06 **Parking.**

(a) **Parking Areas.** All streets and parking areas within MONTAGUE INDUSTRIAL PARK must be paved except for fire access roads. Each Building Site shall contain all required parking facilities entirely within the Building Site; there shall be no parking on any Street (and the Owners and Tenants of each Building Site shall be responsible for enforcement of this provision regarding their respective Employees and Visitors). Unless Approved by Declarant, there shall be a minimum fifteen (15) foot buffer separating any parking area from the building. Parking striping shall be white striping.

(b) **Access Driveways.** Paved access driveways shall be extended to the existing or proposed paving within the Streets within MONTAGUE INDUSTRIAL PARK even though part of such construction may be within the Streets; and all access driveways shall be of a minimum width of twenty-two (22) feet with a minimum turning radius of twenty-five (25) feet. Access driveways shall not be nearer than fifteen (15) feet from side and rear property lines. All such drives shall have minimum six (6) inch base, a one (1) inch binder, and a one (1) inch topping.

(c) **Trailer Parking.** No storage or overnight parking of trucks or truck trailers shall be permitted except in off-street loading areas.

(d) **Required Parking Spaces.** The number of parking spaces on each Building Site shall meet the requirements of Granville County and the City of Oxford, but in no event shall be less than one (1) space for every one and one-half (1.5) Employees at the Building Site at maximum operation plus one space for each truck or van stored at the Building Site.

3.07 **Off-Street Loading Areas.** Provision for handling all truck service shall be totally within each Building Site; no loading areas or loading docks shall be located on or along the Front Wall of any building, within the Front-Yard of any Building Site or nearer than fifteen (15) feet from any side or rear property line; and off street loading areas or loading docks located on or along the side all of any building shall in no event be nearer than fifty (50) feet from the Front Wall of the building.

3.08 **Outside Storage and Displays.** There shall be no outside display of materials or merchandise for advertising or merchandising purposes. Outdoor storage shall not be along the front wall of the building nor in the front yard. All equipment and facilities for the bulk storage of liquids, petroleum products, fuels, refuse, water and similar materials

shall be deemed to be outside storage. All outdoor storage shall be screened from view from any street or property line by screening walls, decorative fencing, earth berms or plant material.

3.09 Landscaping.

(a) **Generally.** All disturbed open areas on each Building Site not occupied by buildings, structures, outside storage areas, parking areas, Streets, paved areas, driveways, walkways and off-street loading areas shall be suitably graded and drained and shall be landscaped with lawns, trees and shrubs. Undisturbed areas can be left natural; however, any open grassed areas must be kept mowed and neat.

(b) **Preservation of Trees.** All reasonable efforts should be made to preserve the existing trees on each Building Site subject to the provisions contained within Article IV.

(c) Landscape Buffer.

(i) **Side.** Each Building Site shall provide fifteen (15) foot wide landscape buffer areas within the Building Site and adjacent and parallel to the side property lines; the surface of the side buffer areas shall be reserved for existing vegetation or the planting of lawns, trees and shrubs (and the Owner of each Building Site shall plant and maintain such items) and no structures or equipment of any nature (except underground utility equipment) shall be located within the structures or equipment of any nature (except underground utility equipment) shall be located within the side buffer areas. Decorative lighting, directional signs, and irrigation systems shall be permitted within this side buffer area.

(ii) **Rear.** Each Building Site shall provide a fifteen (15) foot wide landscape buffer area within the Building Site and adjacent and parallel to the rear property line; and the surface of the rear buffer area shall be reserved for existing vegetation or the planting of lawns, trees or shrubs (and the Owner of each Building Site shall plant and maintain such items) and no structures or equipment of any nature (except underground utility equipment), decorative lighting, directional signs, and irrigation systems shall be located within the rear buffer area.

(iii) **Front.** Each Building Site shall provide a fifteen (15) foot wide landscape buffer area outside of but adjacent and parallel to any abutting Street right-of-way property line within MONTAGUE INDUSTRIAL PARK; and except for access driveways perpendicular to the buffer, the surface of the front buffer area shall be reserved for the planting of lawns, trees or shrubs (and the Owner of each Building Site shall plant and maintain such items) and no structures or equipment of any nature (except underground Utility equipment) shall be located within the front buffer area. Decorative lighting, directional signs, and irrigation systems shall be permitted within this front buffer area.

(d) **Time.** All landscaping on each Building Site shall be completed within six (6) months after completion of any building thereon or within sixty (60) days after occupancy of any building thereon, whichever first occurs; and such time for completion may be extended if there are delays caused by adverse weather conditions.

3.10 **Utilities.** No pipe, conduit, cable, line or appurtenant facility or equipment for the transmission of electricity shall be installed or maintained within any Building Site and outside of any building above the surface of the ground except when contained within a pipe rack.

3.11 **Fencing.** Fencing may be installed on a Building Site only to secure loading areas and outside storage or in connection with design Screening. No perimeter fencing shall be allowed, unless approved by Declarant in Declarant's sole discretion. All fencing to be constructed or installed on any building Site shall require the prior Approval of Declarant.

3.12 **Exterior Lighting.**

(a) **Plan.** The Owner of such Building Site shall submit to Declarant (for Declarant's Approval) an exterior lighting plan (which plan shall include poles and fixtures).

(b) **Underground Wiring.** All outside wiring for exterior lighting shall be installed underground.

3.13 **Signs and Graphics.**

(a) **Approval.** A plan showing all entrance/identification signs for each Building Site shall be submitted by the Owner of the Building Site to Declarant for Approval by Declarant prior to installation. Specific site location and adaptation shall be the responsibility of, the Owner of the Building Site and shall be subject to review and Approval by Declarant. Signage will comply with the Sign Ordinance of Granville County and the City of Oxford.

(b) **Temporary Signs.**

(i) During the period of development and prior to the completion of the primary building on each Building Site, the Building Site shall have only one (1) temporary construction sign, not to exceed a 8' x 12' format. The sign shall be mounted no more than 12" off the ground.

(ii) After completion of the primary building on each Building Site, the availability for sale or lease of all or any part of the primary building shall be advertised by only one (1) temporary marketing sign; each temporary sign shall be no more than four (4) feet high and eight (8) feet wide shall be permitted.

(iii) No traveling, flashing or intermittent illumination of any kind shall be permitted.

(c) **Building Identification Signs.**

(i) An elevation showing location of the sign on the building shall be submitted by the Owner of the Building Site to the Declarant for Approval prior to installation.

(ii) The sign shall be constructed of permanent material and shall be consistent with the general architectural design of the building.

3.14 **Mailboxes.** No mailboxes shall be permitted within MONTAGUE INDUSTRIAL PARK.

3.15 **Animals.** No livestock, poultry, dogs, cats or other animals shall be kept on any Building Site, except as required for research activities, services for individuals with disabilities, and security.

3.16 **Condition of Premises.** Each Building Site and all structures, buildings, appurtenances, Screening, fences, parking areas, driveways, outside storage areas, off-street loading areas, walks, drainage channels, signs, landscaping and other improvements of whatever nature located thereon shall be maintained at all times by the Owner of such building Site in a safe, neat, clean and wholesome manner and in good condition and repair. Owners shall be responsible for the maintenance of the visual appearance of the portion of rights-of-way fronting its property, excluding that maintained by Declarant, Corporation, or NCDOT.

3.17 **Additional Restrictions on Use.** Without limiting the generality of restrictions contained herein, no Building Site shall be used for:

- (a) any residential purpose;
- (b) smelting of ore;
- (c) the refining of petroleum products;
- (d) shooting clubs;
- (e) fortune telling or similar forms of entertainment;
- (f) dry cleaning facilities;
- (g) sales lots for pre-fabricated housing construction;

- (h) tire re-capping or recycling plants;
- (i) truck terminal or truck stop;
- (j) lumber mill or saw mill;
- (k) pulpwood yards;
- (l) vehicle storage or junk yard;
- (m) taxidermy;
- (n) drive-in movie theater;
- (o) cemetery (other than existing as of the date hereof);
- (p) commercial poultry, livestock, swine or similar animal science slaughterhouse or production;
- (q) cattle feeder lots or animal rearing or breeding production;
- (r) animal hospital, veterinary clinic, or animal kennel with outdoor pens;
- (s) the bailing, storage or processing of scrap metal, glass, paper or rags, except as a minor and incidental production related directly to the principal business;
- (t) quarry or mine;
- (u) race track, raceway, dragstrip;
- (v) utility and recreational trailer sales;
- (w) landfill or other garbage collection or sorting area;
- (x) mobile home park;
- (y) day care center;
- (z) massage parlor;
- (aa) adult video store or bookstore;
- (bb) bar or lounge;
- (cc) asphalt, concrete or cement manufacturing or recycling plant; or

(dd) uses which produce extraordinary levels (in Declarant's reasonable discretion) of traffic, gases, smoke, odors, soot, fumes, dust, or noise.

3.18 **Maintenance of Common Facilities.** Declarant or Successors Corporation shall maintain the Common Facilities in a safe, neat, clean and wholesome manner and in first class condition and repair.

3.19 **Utility Responsibility.** Each Owner of a Building Site is responsible for its own utility installation, including the installation of necessary sewer services to their building.

3.20 **Utility Easements.** Declarant reserve a perpetual, nonexclusive easement and rights-of-way over, under, along and within strips of land which are located contiguous to and within the front, side and rear boundary lines of each Building Site whether now existing or hereafter subdivided for the installation, use repair and maintenance of lines, conduits, pipes and other equipment necessary for furnishing electric power, gas, telephone service and other utility services, including, without limitation, water, sanitary sewage and drainage facilities, which strips of land shall be twenty (20) feet in width except with regard to side and rear boundary lines that are common with boundary lines of other Building Sites, in which case the side and rear utility easements shall be ten (10) feet in width along such common side and rear boundary lines. The reservation of easements in this Section 3.21 shall not prevent the construction of driveways at locations approved by Declarant over the portions of the Building Site upon which the aforesaid easements are reserved, provided that applicable setback requirements are at all time satisfied.

ARTICLE IV **SUBMITTAL PROCEDURES**

4.01 **Required Procedures.** Prior to construction, the Owner of each Building Site (or its designated representatives) shall present its development proposal to Owners Committee in two (2) submissions:

(a) **Preliminary Submission.** There shall be a preliminary submission at which time the Owner (or its designated representatives) shall submit to Owners Committee, for Owners Committee review and comment, a full set of preliminary plans and specifications showing or stating at least the following:

(i) location of all structures, easements, Streets, and set-back lines;

(ii) location of all walks, parking areas, off-street loading areas, driveways and outside storage areas, landscaping and screening;

(iii) architectural building elevation drawings of each building face, including without limitation materials to be used in their proper locations.

(iv) building material and color information;

(v) site coverage data and calculations;

(vi) parking data and calculations, including base data for projected needs; and

(vii) site and drainage plans, data and calculations.

(viii) utility plans, including water and sewer, showing location of any such utility or the building site.

(b) **Final Submission.** There shall be a final submission at which time the Owner (or its designated representatives) shall submit to Owners Committee detailed information regarding the proposed use of the Building Site, three (3) full sets of final construction drawings and specifications showing or stating all aspects of the proposed development, including without limitation the following:

(i) location of all structures, easements, Streets, and set-back lines on site boundary map with graphic scale of 1" = 200' or larger;

(ii) location of all walks, driveways and curblines;

(iii) layout and location of all parking areas, including location and dimensions of all spaces, circulation aisles, curbs and bumpers;

(iv) layout and location of all off-street loading areas;

(v) layout and location of all exterior storage areas, including identification and size of the material to be stored and location, dimensions and type of all fencing and Screening;

(vi) all landscaping and Screening including location, height, spread, type and number of trees and shrubs and location and type of all ground cover and lawn material;

(vii) location, size and type of all exterior pipes, lines, conduits and appurtenant equipment and facilities for the transmission of sanitary sewage, storm water, water, steam and other utility services;

(viii) building elevation, wall sections and details of each building.

- (ix) permanent sign design;
- (x) site coverage data and calculations;
- (xi) parking data and calculations, including base data for projected needs; and
- (xii) site drainage data and calculations, including finished contour lines and spot elevations.

4.03 **Scale and Detail.** All architectural plans and construction drawings submitted pursuant to this Article IV shall be to a scale of not less than one (1) inch equal to sixteen (16) feet. All site plans submitted shall be to a scale of not less than one (1) inch equal to fifty (50) feet.

4.04 **Presumption of Compliance.** Upon Approval of the final construction drawings and specifications for the development of any Building Site pursuant to this Article IV, subject only to any express reservations or conditions contained in such Approval, all development in accordance with such final construction drawings and specifications shall be presumptively deemed to comply with the requirements of Protective Covenants.

4.05 **Changes.** Changes shall be reflected on the as built drawings and submitted to Declarant for information. Substantial changes affecting site layout, buffer areas or required screening shall be submitted to the Owners Committee for Approval.

4.06 **Approval and Disapproval.**

(a) **Standards.** Owners Committee shall have the right to disapprove any drawing and specifications or use that fail to comply with any requirement of the Protective Covenants. The Approval or failure to Approve of Owners Committee pursuant to the general provisions of the Protective Covenants shall not be deemed to be limited by reason of any specific illustrations or requirements set forth herein.

(b) **Statement of Reasons for Disapproval.** In any case where Owners Committee shall disapprove any final construction drawings or specifications submitted hereunder, or shall Approve the same only as modified or upon specified conditions, notice of such disapproval or qualified Approval shall be accompanied by a statement of the reasons therefor. In any such case, Owners Committee, if requested, shall make reasonable efforts to assist and advise the applicant in the preparation of acceptable final construction drawings and specifications.

(c) **Time for Approval.** In the event Owners Committee fails to Approve or disapprove any preliminary and final construction drawings and specifications or changes thereto within ten (10) days after such final construction drawing and specifications are submitted, such final construction drawings and specifications shall be deemed to have been

Approved.

(d) **Copies.** Upon Approval by Owners Committee of any final construction drawings and specifications submitted hereunder, three (3) copies of such final construction drawings and specifications, as Approved, shall be promptly deposited with Owners Committee by the Owner.

ARTICLE V **ADMINISTRATION**

5.01 **Control.** Except as set forth in this Declaration, Protective Covenants shall be administered by Declarant, if the Declarant (at Declarant's sole discretion) so elects (such election to be expressly stated in a Document), the administration of the Protective Covenants shall be transferred to a Successor Corporation (to be established by Declarant in accordance with the provisions of Section 5.02).

5.02 **Successor Corporation.**

(a) **Establishment.** At such time as Owner's Committee so requests or Declarant is required or elects to establish a Successor Corporation to assume Declarant's role in the administration of the Protective Covenants or to take title to the Common Facilities, Declarant shall cause to be formed under the laws of the State of North Carolina (or under the laws of any other state for so long as the limited liability company is able to be qualified to do business in the State of North Carolina) a limited liability company (such limited liability company being herein called the "Successor Corporation").

(b) **Membership.** Every Owner shall be a voting member of the Successor Corporation with one vote (regardless of the number of acres owned by any Owner), which membership shall be appurtenant to the Owner's Building Site, and each purchaser of any Building Site by acceptance of a deed therefor covenants and agrees to be a member of the Successor Corporation whether or not it shall be so expressed in any such deed or other conveyance; provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

5.03 **Ownership of Common Facilities.** Upon the request by Owner's Committee or the sale of all property in all phases of MONTAGUE INDUSTRIAL PARK, the Declarant shall convey all rights, privileges, title and interest in the Common Facilities to the Successor Corporation which Corporation shall then be responsible for all property so conveyed and the maintenance thereof.

5.04 **Right to Dedicate.** The Successor Corporation or the Declarant shall have the right to dedicate all or portions of the Common Facilities to any public body, agency, authority or utility for public use.

5.05 **Powers.** Declarant and Owner's Committee: (a) may provide for the enforcement of the Protective Covenants; (b) may provide for any improvements or for the maintenance of any improvements which it deems necessary or desirable in accordance with the Protective Covenants; (c) may make whatever arrangements it deems necessary or desirable for the security of the people and businesses in MONTAGUE INDUSTRIAL PARK; and (d) may otherwise establish reasonable policies and procedures which it deems necessary or desirable in accordance with the Protective Covenants, so long as these policies and procedures are not inconsistent with this Declaration.

5.06 **Levying of Assessment.**

(a) **Authority.** Owner's Committee shall have the right and power to levy assessments ("Assessments") upon and against the Owners for the purpose of carrying out the obligations, duties and powers set forth in the Protective Covenants, including any legal and other costs incurred in enforcing the Protective Covenants, and to pay all costs and expenses of owning, operating and maintaining the Common Facilities. Assessments will be applicable to all properties within the MONTAGUE INDUSTRIAL PARK in its entirety, until additional property is made subject to this Declaration, whereupon assessment will be applicable to any such additional property as well.

(b) **Procedures.** All assessments shall be made in the manner and shall be subject to the following procedure and limitations:

(i) On or about March 1 of each year Owner's Committee shall submit to all Owners a budget ("Budget") of the costs anticipated to be incurred pursuant to the powers specified in subsections 5.07(a) above and 5.07(c) below, with a notice of the date for a general meeting to discuss the Budget.

(ii) After such meeting the Owners Committee shall adopt the Budget for the calendar year and shall levy an Assessment against each Owner for a pro rata share of the costs set forth in the Budget. Such share shall be the product derived by multiplying all costs on the Budget by a fraction the numerator of which shall be the number of square feet of land area of the Building Site owned by that Owner and the denominator of which shall be the number of square feet of land area in MONTAGUE INDUSTRIAL PARK. The Assessments shall be due and payable in twelve (12) equal monthly installments. At the end of each year, the Owner's Committee shall account to the Owners for the expenditure of all Assessments received by Owner's Committee. In the event that expenses exceed the cost set forth in the Budget, the Owner's Committee shall levy an assessment against each owner for the difference. If expenses are less than the applicable *pro rata* share of the costs set forth in the Budget, the same shall be retained for application against the following year's Budget.

(c) **Use of Funds.** All Assessments received by the Owners Committee shall be used for the purposes specified in sub-section 5.07(a) above and, in addition, to:

- (i) maintain and operate the Common Facilities;
- (ii) provide for the security of the people and businesses in MONTAGUE INDUSTRIAL PARK;
- (iii) provide for the administration and enforcement of the Protective Covenants, including administrative staff requirements and expenses;
- (iv) provide for the payment of liability insurance premiums and for insurance against fire and other hazards on the Common Facilities and the payment of interest, the cost of maintenance, up-keep and repair of the Common Facilities;
- (v) maintain an entrance sign feature common to MONTAGUE INDUSTRIAL PARK;
- (vi) maintain the non-dedicated Streets serving MONTAGUE INDUSTRIAL PARK;

(d) **Notice of Assessment.** Notice of each Assessment shall be given by sending a written notice by postage prepaid certified mail addressed to the last known or usual post office address of the Owner of any Building Site or by posting a brief notice of the Assessment upon the Building Site itself.

(e) **Non-payment of Assessment.**

(i) If any Assessment is not paid on the date when due, then such delinquent Assessment shall, together with interest thereon and late charges as specified in Section 5.07(e)(ii), below, and the cost of collection thereof as are hereinafter provided, (hereupon become a lien on the Building Site of the delinquent Owner which shall bind such property in the hands of the then Owner, its heirs, devisees, personal representatives, successors and assigns. Sale or transfer of any Building Site shall not affect the continuing lien on such Building Site for the amount of any unpaid Assessment, plus interest thereon and costs as stated above.

(ii) If an Assessment is not paid within thirty (30) days after receipt by the delinquent Owner of written notice specifying the nature and amount of the unpaid delinquency, such delinquent Assessment shall be subject to a late charge equal to the lesser of \$5.00 or 4% of the past amount (not including any past due late charges) and shall bear interest from such due date at the rate per annum which is four percent (4%) in excess of the Prime Rate, and Declarant may bring any action at law against the Owner personally obligated to pay the same and/or to execute upon the lien against the delinquent Owner's Building Site, and there shall be added to the amount of such Assessment the costs of preparing and filing the complaint in such action and, in the event a judgment is obtained, such judgment shall include interest on the Assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action. No Owner may avoid liability for the Assessments provided for herein by non-use of the Common Facilities

or by abandonment of its Building Site. Any unpaid Assessment which cannot be promptly collected from an Owner of a Building Site may (but need not) be reassessed by the Owners Committee to be collected from all the Owners, including (by way of illustration and not limitation) a purchaser who acquires title to the Building Site owned by the defaulting Owner at a sheriff's sale of such Building Site pursuant to execution upon lien against such Building Site, its successors and assigns and any holder of a mortgage who comes into possession of a Building Site by deed in lieu of foreclosure or any transfer or assignment in lieu of foreclosure.

(iii) The lien of any Assessment shall be subject and subordinate to the lien of any bona fide mortgage or deed of trust ("Prior Mortgage") in favor of a financial institution now or hereafter placed by an Owner upon the Building Site subject to such past due Assessment prior to the time such past due Assessment is placed a public record in the Document.

5.07 **Enforcement.** These Protective Covenants shall operate as covenants running with the land, and all provisions thereof may be enforceable by the Owners Committee (subject to the provisions of Section 4.07) or any Owner by a proper proceeding, either in equity or at law. Further, the Owners Committee shall have the right to sue for and obtain an injunction, prohibitive or mandatory, to prevent the breach of or to enforce the observance of the Protective Covenants, but the failure of the Owners Committee to enforce any of the Covenants shall not be deemed to be a waiver of the right of the Owners Committee to do so as to any subsequent violation, In the event the Owners Committee deem it necessary to secure the services of an attorney to enforce any provisions of the Protective Covenants, the fee of such attorney and all other costs connected with any contemplated or actual legal proceedings shall be paid by the Owner of the Building Site which is the subject of the proceedings and/or may be included in a Budget.

ARTICLE VI RIGHT TO RESUBDIVIDE

6.01 Once a Building Site has been purchased from Declarant by a subsequent Owner, such Building Site shall be considered as a single unit and further subdivision of the Building Site is prohibited unless Approval to such subdivision is given by Declarant. For the purpose of this Article VI, the term "subdivision" shall include a sale, conveyance, lease or use of less than the entire Building Site.

6.02 No subdivision of any Building Site shall be approved if said subdivision results in a Building Site which is less than ten (10) acres or which is otherwise not in compliance with this Declaration.

ARTICLE VII
RE-ZONING, PERMITS AND SUBDIVISION PERMITS

7.01 Declarant reserves the right to obtain any necessary re-zoning, permits or subdivision approvals for development of any uses not prohibited by these Declarations.

7.02 Declarant reserves the right, at Declarant's sole expense to plan and develop future phases of MONTAGUE INDUSTRIAL PARK until all Building Sites have been subdivided and sold. This right includes the authority to plan and construct, or cause to be constructed, all roads, utilities and common facilities serving the additional phases of MONTAGUE INDUSTRIAL PARK subject to the terms of this Declaration.

ARTICLE VIII
ADDITION OF LAND

8.01 Declarant shall have the right to render other land that is adjoining or adjacent to MONTAGUE INDUSTRIAL PARK or to any Street adjacent to MONTAGUE INDUSTRIAL PARK subject to, governed by and within the purview of the Protective Covenants in all respects by executing and recording a Document (constituting a supplement to the Protective Covenants) containing: a description of the land to be added; a statement that Declarant is the record Owner in fee simple of such land, or in lieu thereof, a statement that all other persons, firms or corporations having an interest in such additional land have joined in such supplement; and a statement of the additional restrictions or burdens to which such additional land shall be subjected, if any. Following the execution, delivery and recording of such supplement, but subject to its terms, such land shall in all respects be fully subject to the Protective Covenants and all rights, privileges, obligations, duties, liabilities, responsibilities, burdens and restrictions contained herein, including but not limited to the obligation for payment of Assessments, as though such additional land had originally been included in and subject to these Protective Covenants. Declarant shall be responsible for all costs and expenses related to this Section 8.01.

ARTICLE IX
DURATION OF RESTRICTIONS

Each of the conditions, covenants, restrictions, reservations and easements contained in this Declaration of Protective Covenants shall continue in full force and effect and be binding upon each Section of MONTAGUE INDUSTRIAL PARK, and all Owners and their successors and assigns until the earlier to occur of (i) December 31, 2042; or (ii) such time as any of the conditions, covenants, restrictions, reservations and easements herein contained shall be terminated and/or shall be modified in any respect pursuant to the terms and provisions of a Document which has been duly executed and acknowledged by the Owners of one hundred percent (100%) or more of the land area with MONTAGUE INDUSTRIAL PARK.

ARTICLE X
MISCELLANEOUS

10.00 **Transfer of all Declarant's Interest.** In such event that the Declarant shall transfer all of its interest in and to the property subject to these covenants, Declarant may assign its rights and responsibilities hereunder to the new Owner.

10.01 **Estoppel Statement.** Any person or other entity who shall have entered into a written agreement to purchase a Building Site, and any person or entity who shall have entered into a written commitment for financing to be secured by a lien on a Building Site and/or improvements thereon, shall be entitled to obtain, upon request, a written statement from Declarant setting forth to the best of Declarant's reasonable knowledge, (i) the amount of any unpaid Assessment charged against the Building Site or the Owner thereof, and (ii) to the best of the knowledge, information and belief of Declarant, any violation of the covenants herein contained with respect to such Building Site.

10.02 **Partial Invalidity.** Invalidation of any of the Protective Covenants or any part thereof by judgment or court order shall in no way affect any of the other provisions, all of which shall remain in full force and effect.

10.03 **Interpretation.** Any discrepancy, conflict or ambiguity which may be found herein shall be resolved and determined by Declarant and, in the absence of an adjudication in a court of competent jurisdiction to the contrary, such resolution and determination shall be final.

10.04 **Captions.** The captions and organizational numbers and letters appearing in the Protective Covenants are inserted only as a matter of convenience and neither in any way define, limit, construe or describe the scope or intent of the Protective Covenants nor in way modify or affect the Protective Covenants.

10.05 **Governing Law.** The Protective Covenants and the rights of the Owners shall be governed by the laws of the State of North Carolina.

10.06 **Notices.** Any notice or other communication required to be sent to any Owner or First Mortgagee under the provisions of this instrument shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Owner or mortgagee on the records of Declarant at the time of such mailing. Notice to the Declarant shall be sent in the same manner addressed to Declarant at such address of which Declarant shall have notified the Owners in the aforesaid manner. The initial notice address for Declarant shall be as follows:

Declarant: AMELIA C. MONTAGUE HEIRS
 c/o CURRIN & DUTRA, LLP
 P. O. Box 1226
 Oxford, NC 27565

With a copy to: James Montague
 4711 Eno Woods Trail
 Durham, NC 27712

 William Montague
 4480 Grove Road
 Trappe, Maryland 21673

10.07 Successors and Assigns. The Protective Covenants shall be binding upon and shall inure to the benefit of, and shall be enforceable by the Owners and their respective heirs, executors, personal representatives, successors and assigns; and shall be binding upon (but shall not be for the benefit of or enforceable by) the Tenants.

IN WITNESS WHEREOF, the undersigned has executed this Declaration of Protective Covenants under seal the day and year first above written.

James B. Montague (SEAL)
James B. Montague

William L. Montague, Jr. (SEAL)
William L. Montague, Jr.

Amelia C. Montague Poythress (SEAL)
Amelia C. Montague Poythress


Joseph B. Montague (SEAL)
Joseph B. Montague

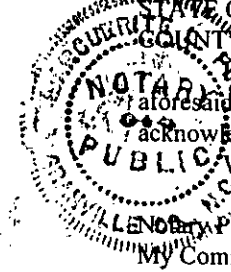
Juanita M. Myers (SEAL)
Juanita M. Myers

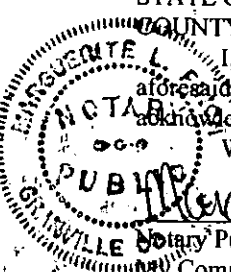
Susan M. Parkinson (SEAL)
Susan M. Parkinson

STATE OF NORTH CAROLINA
COUNTY OF Granville
Marquerite L. Finch a Notary Public in Granville County and for the State
do hereby certify that James B. Montague personally appeared before me this day and
acknowledged the due execution by him/her/them of the foregoing instrument.
Witness my hand and notarial seal, this the 15th day of December, 2002.
Marquerite L. Finch
Notary Public
My Commission Expires: 6-21-05

Maryland
STATE OF ~~NORTH CAROLINA~~
COUNTY OF Dorchester
Barbie J. MacDouch a Notary Public in Dorchester County and for the State of Maryland
do hereby certify that William L. Montague, Jr. personally appeared before me this
day and acknowledged the due execution by him/her/them of the foregoing instrument.
Witness my hand and notarial seal, this the 18th day of December, 2002.
Barbie J. MacDouch
Notary Public
My Commission Expires: 3-1-2006

STATE OF NORTH CAROLINA
 COUNTY OF Granville
 I, Marguerite L. Finch a Notary Public in Granville County and for the State
 of North Carolina do hereby certify that Amelia C. Montague Poythress personally appeared before me this
 day and acknowledged the due execution by him/her/them of the foregoing instrument.
 Witness my hand and notarial seal, this the 16th day of December, 2002.

Marguerite L. Finch
 Notary Public
 My Commission Expires: 6-21-05

STATE OF NORTH CAROLINA
 COUNTY OF Granville
 I, Marguerite L. Finch a Notary Public in Granville County and for the State
 of North Carolina do hereby certify that Joseph B. Montague personally appeared before me this day and
 acknowledged the due execution by him/her/them of the foregoing instrument.
 Witness my hand and notarial seal, this the 15th day of December, 2002.

Marguerite L. Finch
 Notary Public
 My Commission Expires: 6-21-05

STATE OF NORTH CAROLINA
 COUNTY OF Granville
 I, Marguerite L. Finch a Notary Public in Granville County and for the State
 of North Carolina do hereby certify that Juanita M. Myers personally appeared before me this day and
 acknowledged the due execution by him/her/them of the foregoing instrument.
 Witness my hand and notarial seal, this the 16th day of December, 2002.

Marguerite L. Finch
 Notary Public
 My Commission Expires: 6-21-05

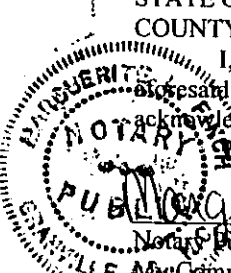
STATE OF NORTH CAROLINA
 COUNTY OF Granville
 I, Marguerite L. Finch a Notary Public in Granville County and for the State
 of North Carolina do hereby certify that Susan M. Parkinson personally appeared before me this day and
 acknowledged the due execution by him/her/them of the foregoing instrument.
 Witness my hand and notarial seal, this the 15th day of December, 2002.

Marguerite L. Finch
 Notary Public
 My Commission Expires: 6-21-05

EXHIBIT A

All those certain tracts or parcels of land lying and being situate in Fishing Creek Township, Granville County, North Carolina, consisting of Tract A containing 26.530 acres, more or less, and Tract B containing 134.409 acres, more or less as shown upon that certain plat and survey of Richard W. Harris, III, PLS, dated December 13, 2002, of record in Map Book 28, Page 12, Granville County Registry to which reference is made for a more particular description.

STATE OF NORTH CAROLINA, GRANVILLE COUNTY.

The foregoing certificate of Marquette L. Hench & Barbie J. MacRae Notaries, a Notary Public

is certified to be correct. This instrument was presented for registration and filed in this office in Book 938

Page 744 This 20th day of December 2002, at 9:31 o'clock A.M.

83° Matthew Crems Register of Deeds By Becky C. Looch Deputy/Assistant