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WAKE COUNTY, NC 422
LAURA M RIDDICK
REGISTER OF DEEDS
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DECLARATION OF

THE VILLAS OF WAKE FOREST, A CONDOMINIUM

Filed for Record February 26, 2007, and
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In the Office of the Register of Deeds for
Wake County, North Carolina

Consisting of 71 Numbered Pages including
Attached Exhibits A, A-1, B, C, D, and E

Prepared by and after recording mail to:

Robert H. Sheppard
JAMES, McELROY & DIEHL, P.A.
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Charlotte, North Carolina 28202

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DECLARATION OF

THE VILLAS OF WAKE FOREST, A CONDOMINIUM

THIS DECLARATION, made this ______ day of ______________, 2007, by WF Villas, LLC, a Virginia limited liability company (hereinafter referred to as the "Declarant"), for itself, its successors and assigns, pursuant to the provisions of Chapter 47C of the North Carolina General Statutes, entitled the North Carolina Condominium Act ("Act").

W I T N E S S E T H:

THAT WHEREAS, Declarant is the owner in fee simple of certain real property situated in the Town of Wake Forest, County of Wake, and State of North Carolina, more particularly described on Exhibits A and A-1 attached hereto and made a part hereof, together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real property; and

WHEREAS, Declarant desires and intends, by the filing of this Declaration, to submit the above-described property, the buildings located thereon and all other improvements constructed thereon, together with all appurtenances thereto, to the provisions of the Act;

NOW, THEREFORE, Declarant does hereby submit the property described in Exhibit A to the provisions of the Act, and does hereby publish and declare that all of the subsequently-defined Property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved, subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into condominium units, and shall be deemed to run with the land, and shall be a burden and benefit to the Declarant, its successors and assigns, and any parties acquiring and owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

ARTICLE I

DEFINITIONS

Certain terms, as used in this Declaration and the exhibits attached hereto and made a part hereof, shall be defined as follows, unless the context clearly indicates a different meaning therefor:

1.1. "Act" or "Condominium Act" shall mean the North Carolina Condominium Act, Chapter 47C of the North Carolina General Statutes, as in effect as of the date of the filing of this Declaration.

1.2 "Additional Development Property" shall mean the real property described on Exhibit A-1, together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements, and appurtenances belonging to or in any way pertaining to said real property.

1.3. "Allocated Interests" shall mean the undivided interests in the Common Elements, the common expense liability, and the votes in the Association allocated to each Unit.

1.4. "Association" shall mean The Villas of Wake Forest Condominium Owners Association, Inc., a nonprofit corporation organized under Section 47C-3-101 of the Act.

1.5. "Assessment" shall mean a share of the funds required for the payment of Common Expenses which from time to time is assessed against the Unit Owners, and such additional sums which may be assessed directly against one or more Unit Owners alone.

1.6. "Board" shall mean the Executive Board of the Association.

1.7. "Building" shall mean a structure erected upon the Property.

1.8. "Bylaws" shall mean the Bylaws of the Association, which are hereby incorporated herein and made a part hereof by this reference, and attached as Exhibit E.

1.9. "Common Elements" shall mean all portions of the Condominium except the Units. All "Limited Common Elements" shall be part of the Common Elements.

1.10. "Common Expense(s)" shall mean expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

1.11. "Common Expense Liability" shall mean the liability for common expenses allocated to each Unit pursuant to Section 47C-2-107 of the Act.

1.12. "Condominium" shall mean the condominium created by this Declaration.

1.13. "Condominium Documents" shall mean this Declaration and all of the exhibits hereto and the Articles of Incorporation for the Association, as the same shall from time to time be amended.

1.14. "Declarant" shall mean WF Villas, LLC, a Virginia limited liability company and (i) any other person who has executed this Declaration, or who hereafter executes an amendment to this Declaration to add Additional Development Property, except Institutional Lenders and except persons whose interests in the Property will not be conveyed to Unit Owners, and (ii) any person who succeeds to any Special Declarant Rights.

1.15. "Declarant Control Period" shall mean the period commencing on the date hereof and continuing until the earlier of the following five dates: (i) the date two years after all Declarants have ceased to offer Units for sale in the ordinary course of business, or (ii) the date upon which

Declarant surrenders control of the Condominium, or (iii) the date 120 days after the Declarant has conveyed 75% of the Units to Unit Owners other than a Declarant, (iv) the date two years after any development right to add new Units was last exercised by Declarant, or (v) three years after the first Unit was conveyed.

1.16. "Declaration" shall mean this document and any amendments thereto.

1.17. "Eligible Insurer" shall mean an insurer or guarantor of a first mortgage on a Unit which has notified the Association in writing of the Eligible Insurer's name and address and that it has insured or guaranteed a first Mortgage on a Unit. Such notice will be deemed to include a request that the Eligible Insurer be given the notices and other rights described in Article XI.

1.18. "Eligible Mortgagee" shall mean an Institutional Lender which has notified the Association in writing of the Eligible Mortgagee's name and address and that it holds a first Mortgage on a Unit. Such notice will be deemed to include a request that the Eligible Mortgagee be given the notices and other rights described in Article XI.

1.19. "Identifying Number" shall mean the address which identifies each Unit in the Condominium.

1.20. "Institutional Lender" shall mean a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension fund, an agency of the United States government, mortgage banker, or any other lender generally recognized as an institutional type lender, or the Declarant, holding a first Mortgage on a Unit or on Units. Notwithstanding the foregoing, a lender shall be deemed an Institutional Lender if, with respect to the particular mortgage in question, the loan is eligible for purchase, securitization or sharing by the Federal National Mortgage Association.

1.21 "Lessee" shall mean the party entitled to present possession of a leased Unit whether lessee, sublessee, or assignee, together with their employees, agents, and invitees.

1.22. "Limited Common Elements" shall mean those portions of the Common Elements allocated by this Declaration, the Plans or by operation of Section 47C-2-102(2) or (4) of the Act for the exclusive use of one, but fewer than all, of the Units including, but not limited to, any deck, porch, or patio appurtenant to a unit. An area 18 feet by 18 feet located immediately in front of the garage for each Unit shall also be Limited Common Elements for the exclusive use of such Unit.

1.23. "Mortgage" shall mean a deed of trust as well as a mortgage.

1.24. "Mortgagee" shall mean a beneficiary under or a holder of a deed of trust, as well as a mortgage.

1.25 "Occupant" shall mean any person or persons in possession of a Unit, including Unit Owners, Lessees, employees, agents, and invitees of such person or persons.

1.26. "Person" shall mean a natural person, corporation, business trust, estate, trust, partnership, association, joint venture, limited liability company, government, governmental subdivision or agency or other legal or commercial entity.

1.27. "Plans" shall mean the plans of the Condominium recorded with, and by the Act made a part of, this Declaration, as the same may hereafter be amended, and described on Exhibit C.

1.28. "Plat" shall mean the survey plat depicting the Condominium and the location of the buildings on the Property recorded with, and by the Act made a part of, this Declaration, as the same may hereafter be amended, and described on Exhibit C.

1.29. "Property" shall mean the real property described on Exhibit A, together with the buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining thereto, and all articles of personal property intended for common use in connection therewith.

1.30. "Residential Purposes" means use for dwelling purposes.

1.31. "Rules and Regulations" shall mean the rules and regulations of the Condominium as promulgated by the Board from time to time.

1.32. "Special Declarant Rights" shall mean rights reserved for the benefit of the Declarant herein pursuant to the provisions of Section 47C-2-105(a)(8) of the Act: to maintain, pursuant to Section 47C-2-115 of the Act, sales offices, management's offices, signs advertising the Condominium, and models; to use, pursuant to Section 47C-2-116 of the Act, easements through the Common Elements for the purpose of making improvements within the Condominium; to make, pursuant to Section 47C-2-121 of the Act, the Condominium a part of a larger condominium; or to appoint or remove pursuant to Section 47C-3-1-3(d) of the Act, any officer or director of the Association or any Executive Board Member during any period of Declarant control.

1.33. "Unit" shall mean a portion of the Condominium designated for separate ownership or occupancy, whether or not contained solely or partially within a building, together with its percentage of undivided interest in the Common Elements as set forth on Exhibit D. Each Unit is designated and delineated on the Plans.

1.34. "Unit Owner" or "Owner" shall mean the Person or Persons, including the Declarant, owning a Unit in fee simple. A Person having an interest in a Unit solely as security for an obligation shall not be considered a Unit Owner.

ARTICLE II

PROVISIONS RELATING TO THE
SUBMISSION BY DECLARANT OF THE PROPERTY TO THE ACT

2.1. Name of Condominium. The Property shall hereafter be known as .The Villas of Wake Forest, a Condominium.

2.2. Name of Association. The name of the association of unit Owners shall be known as "The Villas of Wake Forest Condominium Owners Association, Inc."

2.3. County. The Condominium shall be situated entirely in Wake County, North Carolina.

2.4. General Description of the Real Estate. The real estate included in the Condominium is described and identified on Exhibit A, attached hereto and made a part hereof.

2.5. Division of Property into Separately Owned Units. Declarant, pursuant to the Act, and to establish a plan of condominium ownership for the Condominium, does hereby divide the Property into Units and does hereby designate all such Units for separate ownership, subject however, to the provisions of Section 2.6 relating to alteration of Units. Declarant shall create no more than 160 units within the Condominium. A Unit may never be altered pursuant to the provisions of Section 47C-2-113 of the Act so as to subdivide Units. Declarant reserves the right to create on the Property and the Additional Development Property a maximum of 144 Units.

2.6. Alterations of Units. Subject to the provisions of the Bylaws, a Unit may be altered pursuant to the provisions of Sections 47C-2-111 and 47C-2-112 of the Act.

2.7. Description of Units. The Plat showing the location of the Buildings on the Property and the Plans, describing the particular details of the Buildings, are attached hereto and made a part hereof as Exhibit C, which Plat and Plans depict all the relevant particulars of the Condominium, including the layout, the number of Units, the location of each Unit and its Identifying Number, dimensions, ceiling and floor elevations and the locations of the Limited and general Common Elements appurtenant to and affording access to each Unit.

(a) The Identifying Number of each Condominium Unit and other data concerning its proper identification are set forth in Exhibit D, attached hereto and made a part hereof. Access to the Common Elements from each Unit is direct as is fully shown on the drawings described in Exhibit C.

(b) Each Unit shall constitute a single freehold estate. The upper boundary of each Unit is the unfinished interior surface of the ceiling. The lower boundary of each Unit is the unfinished surface of the floors. The vertical or parametric boundaries are the vertical planes of the undecorated interior surface of the perimeter walls which bound the Unit extended to intersections with each other and with the upper and lower boundaries. The planes formed by such boundaries shall be projected, if necessary, by reason of structural divisions such as interior walls and partitions, to constitute complete enclosures of space and all improvements within that space.

(c) Without limiting the foregoing, each Unit shall include the following:

(i) the decorated surfaces, including paint, varnish, wall covering, tile and other finishing materials, applied to floors, ceilings and interior and perimeter walls, carpeting, if any, and also the floors and ceiling themselves and the drywall, paneling and other finishing wall materials;

(ii) entrance doors (including garage doors), windows (including frames, sashes, jambs and hardware), and screens;

(iii) all fixtures and appliances installed for the exclusive use of that Unit, commencing at the point of disconnection from the structural body of the building and from utility pipes, lines or systems serving the entire building or more than one Unit thereof, including, without limitation, built-in cabinets, dishwashers, garbage disposal units, refrigerators, stoves and ovens, television antennas and cabinets, furnaces, hot water heaters, heat pumps, air conditioning units (even if located outside the boundaries of a Unit), vents (including portions located outside the boundaries of a Unit) and components of the foregoing, if any;

(iv) any portion of any electrical, plumbing (including, without limitation, faucets), heating, has or other utility system (not owned by the utility provider), which serves only that Unit, and is located under that Unit or attached to the exterior of that Unit;

(v) all control knobs, switches, thermostats and electrical outlets and connections affixed to or projecting from the walls, floors and ceilings which service either the Unit or the fixtures located therein;

(vi) the portion of fireplaces actually within the interior of a Unit, and fireplace vents or chases;

(vii) the space in the attached garage;

(viii) in the case of Unit with a screened or glassed in porch, the space in that screened or glassed in porch; and

(ix) the attic space or storage space above a Unit, to which the Unit has direct and exclusive access.

(d) A Unit shall not include the following items, whether or not located within the boundaries of that Unit:

(i) any supporting element of the building contained within the interior walls;

(ii) all plumbing, electric, heating, cooling and other utility or service lines, pipes, sump pumps and accessories thereto, wires, ducts and conduits which service the Unit and any other Units; and

(iii) fireplace brick chimneys.

2.8. Use of Common Elements. Each Unit Owner shall have the right to use the Common Elements in accordance with the purposes for which they are intended, and for all purposes incident to the use and occupancy of the Unit Owner's Unit, including unrestricted ingress and egress to and from the Owner's Unit, and such right shall be appurtenant to and run with the Unit Owner's Unit; provided, however, that no person shall use the Common Elements or any part thereof in such a manner as to interfere with or restrict or impede their use by others entitled to their use, or in any manner contrary to or not in accordance with this Declaration, Bylaws, and the Rules and Regulations.

2.9. Description of Limited Common Elements. Except to the extent that an item which would otherwise be a Limited Common Element is defined as a part of a Unit pursuant to Section 2.7, the Limited Common Elements are as defined above in Article I, and in Sections 47C-2-102(2) and 47C-2-102(4) of the Act, and include those portions of the heating and air conditioning systems for any Unit which are located upon any of the Common Elements, but do not include individual heating or air conditioning units located within a Unit which exclusively serve such a Unit and constitute a part thereof. References herein to Common Elements shall include Limited Common Elements, unless the context clearly indicates otherwise. Each Unit Owner is hereby granted an exclusive and irrevocable license to use and occupy the Limited Common Elements associated with and/or assigned to such Unit Owner's Unit.

2.10. Allocated Interests. The allocations to each Unit of a percentage of undivided interest in the Common Elements and of a percentage of Common Expenses are stated on Exhibit D. The allocation of the undivided interests in the Common Elements and of the Common Expenses has been made based upon the relative par values determined by the Declarant and Assigned to the Units within the Condominium as set forth on Exhibit D. The votes in the Association are equally allocated to all Units with each Unit Owner having one vote for each Unit owned.

2.11. Title Exceptions. The liens, defects and encumbrances affecting the Property to which the rights of Unit Owners and Occupants are hereby made subject are set out on Exhibit B.

2.12. Nature of Interest in Units. Every Condominium Unit, together with its undivided Allocated Interest in the Common Elements, shall for all purposes be, and it is hereby declared to be and to constitute, a separate parcel of real property, and the Unit Owner shall be entitled to the exclusive ownership in fee simple and possession of the Unit Owner's Unit, subject only to the covenants, restrictions, easements, Bylaws, resolutions and decisions adopted pursuant hereto, and as may be contained herein and in the accompanying Bylaws and in the minutes of the Board of the Association as such may hereafter be amended, and the Rules and Regulations. The percentage of undivided interest in the Common Elements of each Unit shall not be separated from the Unit to which it appertains, and shall be deemed to be transferred with the Unit, even though such interest is not expressly mentioned or described in the conveyance, encumbrance, release or other instrument transferring such Unit. Any conveyance, encumbrance, judicial sale, or other transfer (voluntary or involuntary) of an Owner's percentage interest in the Common Elements shall be void unless the Unit to which that interest is allocated is also transferred.

2.13. Separate Tax Listings. Every Unit, together with its undivided interest in the Common Elements, shall be separately assessed and taxed by each assessing unit for all types of taxes authorized by law. Each Unit Owner shall be liable solely for the amount of taxes against his individual Unit.

2.14. Unit Owner's Rights and Duties. Each Unit Owner shall be subject to all the rights and duties assigned to Unit Owners under the terms of this Declaration and the Bylaws. When there are unsold units in the Condominium, the Declarant also enjoys the same rights and assumes the same duties as they relate to each individual unsold Unit.

ARTICLE III

RESERVATION OF DEVELOPMENT AND
SPECIAL DECLARANT RIGHTS

3.1. Reservation of Special Declarant Rights. Declarant hereby reserves all Special Declarant Rights. Each of such rights may be exercised by Declarant within the ten-year period immediately following the date of recording of this Declaration, unless a shorter period of time is required by the Act.

3.2. Transfer of Special Declarant Rights.

(a) All Special Declarant Rights provided in the Condominium Documents are transferable upon the terms and conditions set forth herein.

(b) No Special Declarant Rights created or reserved under the Act or as provided for in the Condominium Documents may be transferred except by an instrument evidencing the transfer recorded in the Wake County Registry. The instrument is not effective unless executed by the transferor and transferee.

(c) Upon transfer of any Special Declarant Right, the liability of a transferor Declarant is as follows:

(i) A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for warranty obligations imposed upon him by law. Lack of privity does not deprive any Unit Owner of standing to bring an action to enforce any obligation of the transferor.

(ii) If a transferor retains any Special Declarant Rights, or if a successor to any Special Declarant Rights is an affiliate of a Declarant, the transferor is subject to liability for all obligations and liabilities imposed on a Declarant by law or by the Condominium Documents arising after the transfer and is jointly liable with the successor for the liabilities and obligations of the successor which relate to the Condominium.

(iii) A transferor who retains no Special Declarant Right has no liability for any act or omission, or any breach of contractual or warranty obligation arising from the exercise of a Special Declarant Right by a successor Declarant who is not an affiliate of the transferor.

(d) Unless otherwise provided in the Mortgage, in case of foreclosure of the Mortgage, sale by a trustee under a deed of trust, or sale under Bankruptcy Act or receivership proceedings, of any Units owned by a Declarant in the Condominium, a Person acquiring all the Units being foreclosed or sold, but only upon his request, succeeds to all Special Declarant Rights, or only to any rights reserved in the Condominium Documents to maintain models, sales offices and signs. The judgment or instrument conveying title shall provide for transfer of only the Special Declarant Rights requested.

(e) Upon foreclosure, sale by a trustee under a deed of trust, or sale under Bankruptcy Code or receivership proceedings, of all Units in the Condominium owned by Declarant:

(i) The Declarant ceases to have any Special Declarant Rights; and

(ii) The Declarant Control Period terminates unless the judgment or instrument conveying title provides for transfer of all Special Declarant Rights to a successor Declarant.

(f) The liabilities and obligations of Persons who succeed to Special Declarant Rights are as follows:

(i) A successor to any Special Declarant Right who is an affiliate of a Declarant is subject to all obligations and liabilities imposed on any Declarant by the Act or by the Condominium Documents.

(ii) A successor to any Special Declarant Right, other than a successor described in Subparagraphs (f) (iii) or (f) (iv), who is not an affiliate of the Declarant, is subject to all obligations and liabilities imposed upon a Declarant by law or the Condominium Documents, but he is not subject to liability for misrepresentations or warranty obligations on improvements made by a previous Declarant or made before the Condominium was created, or for a breach of fiduciary obligation by a previous Declarant.

(iii) A successor to only the right reserved in the Condominium Documents to maintain models, sales offices, and signs, if he is not an affiliate of a

Declarant, may not exercise any other Special Declarant Right, and is not subject to any liability or obligation as Declarant.

(iv) A successor to all Special Declarant Rights who is not an affiliate of a Declarant and who succeeded to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to Units under Subparagraph (d) of this section, may declare his intention in a recorded instrument to hold those rights solely for transfer to another person. Thereafter, until transferring all Special Declarant Rights to any person acquiring title to any Unit owned by the successor, or until recording any instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than the right to control the Board in accordance with the provisions of the Act and the Condominium Documents during the Declarant Control Period and any attempted exercise of those rights is void. So long as a successor Declarant may not exercise Special Declarant Rights under this subparagraph, he is not subject to any liability or obligation as a Declarant other than liability for the successor's acts and omissions.

(g) Nothing in this Article subjects any successor to a Special Declarant Right to any claims against or other obligations of a transferor Declarant, other than claims and obligations arising under the Condominium Documents.

(h) Nothing contained in the Condominium Documents shall be deemed to impose upon the Declarant or its successors or assigns any obligation of any nature to build, construct, or provide any buildings except to the extent required by law.

ARTICLE IV

GRANT AND RESERVATION OF EASEMENTS

4.1. Encroachments. To the extent that any Unit or Common Element encroaches on any other Unit or Common Element, whether as the result of construction, reconstruction, repair, shifting, settlement, or other movement of any portion of the improvements, or otherwise, a valid easement for the encroachment exists, which easement shall continue for so long as each such encroachment exists. The easement does not relieve a Unit Owner of liability in case of the Unit Owner's willful misconduct. No such easement shall arise if the encroachment materially interferes with the reasonable use and enjoyment of the servient Unit or Common Element.

4.2. Easements Through Walls. Easements are hereby declared and granted to the Association and to such Persons as are authorized by the Association, to install, lay, maintain, repair, and replace any chutes, flues, ducts, vents, pipes, wires, conduits and other utility installations, and structural components running through the walls of the Units, whether or not such walls lie in whole or in part within the boundaries of any Unit.

4.3. Easements to Repair, Maintain, Restore and Reconstruct. Wherever in, and whenever by, this Declaration, the Bylaws or the Act, a Unit Owner, the Association, the Board, or any other Person, is authorized to enter upon a Unit or the Common Elements to inspect, repair, maintain, restore, or reconstruct all or any part of a Unit or the Common Elements, such easements as are necessary for such entry and such repair, maintenance, restoration or reconstruction are hereby declared and granted.

4.4. Easements for Utilities. The Units and Common Elements shall be, and are hereby made, subject to easements in favor of the Declarant (until Declarant shall have satisfied all of its obligations under the Declaration and Bylaws and all commitments in favor of any Unit Owner and the Association), the Association, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements so provided for shall include, without limitation, rights of Declarant, the Association, any providing utility, any service company, and any governmental agency or authority and any of them to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electrical wires, conduits and equipment and ducts and vents and any other appropriate equipment and facilities over, under, through, along and on the Units and Common Elements. Notwithstanding the foregoing provisions, unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant to a grantee other than the Declarant or so as not to materially interfere with the use or occupancy of the Unit by its Occupants. The Association shall have the authority to grant permits, licenses and easement over the Common Elements for the purposes recited above.

4.5. Declarant's Easement. Declarant hereby reserves such easements through the Common Elements as may be reasonably necessary for the purposes of discharging its obligations or exercising Special Declarant Rights and completing the development and construction of the Condominium, which easements shall exist as long as reasonably necessary for such purpose. In addition to the easement in the foregoing sentence and the easements reserved elsewhere in this Article V, Declarant hereby reserves an easement for vehicular and pedestrian ingress, egress, and regress, and for utility purposes, for the benefit of the Additional Development Property. The use of these easement rights shall be limited to the development of such adjoining tracts, the construction of improvements thereon, and the sale of such property as improved. Such rights shall expire after the accomplishment of such purposes and, in all events, after five years from the filing of this Declaration.

4.6. Easements to Run With Land. All easements and rights described in this Article IV are appurtenant easements running with the land, and except as otherwise expressly provided in this Article IV shall be perpetually in full force and effect, and shall inure to the benefit of and be binding upon Declarant, the Association, Unit Owners, Occupants, Institutional Lenders and any other person having any interest in the Condominium or any part thereof. The Condominium and every part thereof shall be conveyed and encumbered subject to and together with all easements and rights described in this Article IV, whether or not specifically mentioned in any such conveyance or encumbrance.

ARTICLE V

RESTRICTIONS, CONDITIONS AND COVENANTS REGULATING USE, OCCUPANCY AND ALIENATION OF THE CONDOMINIUM

5.1. Compliance with Declaration, Bylaws and Rules and Regulations. Each Unit Owner and Occupant shall comply with all applicable provisions of the Act, this Declaration, the Bylaws, the Articles of Incorporation of the Association, and the Rules and Regulations, as amended. Failure to comply shall be grounds for an action by the Association, an aggrieved Unit Owner, or any person adversely affected, for recovery of damages, injunction or other relief. All Unit Owners shall have a similar right of action against the Association for such failure to comply. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the Bylaws and the Rules and Regulations are accepted and ratified by such Unit Owner or Occupant.

5.2. Administration of Condominium. The Condominium shall be administered in accordance with the provisions of the Act, this Declaration and the Bylaws.

5.3. Restrictions on Use, Occupancy and Alienation. The Units, Common Elements and Limited Common Elements shall be occupied and used as follows:

(a) Use. Units shall not be used for other than as a residence for individuals living together as a single housekeeping unit, and uses customarily incidental thereto; provided that no Unit may be used as a rooming house, group home, commercial foster home, fraternity or sorority house, or any similar type of lodging, care or treatment facility.

(b) Leasing. No Unit shall be rented for transient or hotel purposes or for any period less than six (6) months, without the prior written approval of the Board of Directors. Furthermore, no portion of a Unit less than the entire Unit shall be rented. No Unit Owner shall lease a Unit other than on a written form of lease: (i) requiring the lessee to comply with the Condominium Instruments and such rules and regulations as are promulgated by the Board of Directors from time to time; (ii) providing that failure to so comply constitutes a default under the lease; and (iii) providing that the Board of Directors shall have the power to terminate the lease or bring summary proceedings to evict the lessee in the name of the Unit Owner/lessor upon any such default which is not cured by either the lessee or the Unit Owner/lessor within thirty (30) days after the delivery of written notice of such default to each of them. The Board of Directors may require a standard form of lease for use by Unit Owners. Each Unit Owner shall, promptly following the execution of a lease of a Unit, forward a copy thereof to the Board of Directors certified by the Unit Owner as true, correct and complete. The provisions of this Section shall not apply to the Declarant or to any Mortgagee who comes into possession of the Unit by reason of any remedies provided by law or in any Mortgage, or as a result of foreclosure or judicial sale, or as a result of any proceeding, arrangement, or deed in lieu of foreclosure.

(c) Personal Property Items Prohibited. Swing sets, basketball goals, sand boxes and outdoor play equipment, playing fields or other facilities associated with children's activities shall be prohibited in the Common Elements.

(d) No Boats, Trailers, etc. No boats, trailers, motor homes and commercial vehicles may be parked on any street or driveway in the Condominium except on an overnight basis (no more than 24 hours) for loading, unloading or providing service.

(e) Swimming Pool. The swimming pool and clubhouse are for the exclusive use of Unit Owners and their guests. No one under the age of eighteen (18) years shall be allowed to use the swimming pool or the clubhouse unless accompanied by a resident parent or guardian.

(f) Insurance Violations. Nothing shall be done or kept in or upon any Unit, Limited Common Element or the Common Elements which will increase the rate of insurance for the Condominium without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in his Unit or upon the Common Elements or Limited Common Elements which will result in the cancellation of insurance on the Condominium or any part thereof or which would be in violation of any law, regulation or administrative ruling.

(g) Unlawful Uses. No unlawful use shall be made of the Condominium or any part thereof, and all laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency requiring any repair or alternation to any portion of the Condominium shall be complied with, by and at the sole expenses of the Unit Owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Condominium. If the latter, then the cost of such compliance shall be a Common Expense, unless at least two-thirds (2/3) of the Board of Directors determine that an alteration is required to satisfy the need of the particular Unit Owner, in which event the cost of the alteration may be charged to the Unit Owner.

(h) Parking. Vehicular parking upon the Common Elements if provided and available may be regulated or assigned by the Board.

(i) Common Elements. Nothing shall be done in any Unit or in or on the Common Elements which might impair the structural integrity, or change the structure or external appearance, of any part of any Unit or Limited Common Element without the prior written consent of the Board of Directors. Nothing shall be altered or constructed in or removed from the Common Elements without the prior written consent of the Board of Directors. No waste will be committed by any Unit Owner in the Common Elements. No part of the Common Elements may be subject to a lease between one or more Unit Owners (or the Association) and another party.

(j) Rules and Regulations. The Board is hereby authorized to adopt, modify and rescind from time to time rules and regulations that it determines are (a) reasonably necessary to protect the health, safety and welfare of the Unit Owners or (b) otherwise generally in the best interest of the Unit Owners. Such Rules and Regulations may be enforced by the Association, but not by individual Unit Owners (notwithstanding the provisions of Section 5.5) in the same fashion as other restrictions, conditions, and covenants contained in this Article V.

(k) Nuisances. No noxious or offensive trade or activity shall be carried on within the Condominium or within any Unit, nor shall anything be done thereon or therein which may be or become an annoyance or nuisance to the neighborhood or the other Unit Owners. The Common Elements and Limited Common Elements shall be used only for the furnishing or the services and facilities for which the same are reasonable suited and which are incident to the use and occupancy of the Units.

5.4. Use by Declarant.

(a) The provisions of this Article or any other provision of this Declaration or the Bylaws notwithstanding, Declarant shall have an easement to maintain sales offices and models for sales of Units throughout the Condominium. Declarant shall have the right to relocate, from time to time, and to discontinue and reestablish, from time to time, within the Condominium, until all of the Units have been conveyed to a Unit Owner other than a Declarant, any one or more of such offices or models. Declarant also shall have the right to change the use or combination of uses of such offices or models, provided that such offices or models shall be used only for sales offices or models. The total number of such offices or models maintained at any time by a Declarant shall not exceed one, and the size of any such relocated or reestablished office or model shall not exceed the size of the largest Unit in the Condominium.

(b) Declarant shall also have an easement to maintain signs on the Common Elements advertising the Condominium until all of the Units have been conveyed to Unit Owners other than a Declarant. Declarant shall remove all such signs not later than 30 days after all of the Units have been conveyed to Unit Owners other than Declarant and shall repair or pay for the repair of all damage done by removal of such signs.

5.5. Restrictions, Conditions and Covenants to Run With Land. Each Unit Owner and Occupant shall be subject to all restrictions, conditions, and covenants of this Declaration, and all such restrictions, conditions, and covenants shall be deemed to be covenants running with the land, and shall bind every person having any interest in the Property, and shall inure to the benefit of every Unit Owner.

5.6. Enforcement. Each Unit Owner shall comply strictly with the provisions of this Declaration, the Bylaws and the Rules and Regulations, and decisions issued pursuant thereto, and as the same may be lawfully amended from time to time. Failure to do so shall be grounds for establishment and enforcement of liens on an individual Unit, an action to recover sums due for damages, injunctive relief, foreclosure of lien, or a combination of remedies, maintainable by the Board or managing agent on behalf of the Association, or, in a proper case, by an aggrieved Unit Owner, all as more particularly described in the Bylaws.

5.7. Liens. While the Property remains subject to this Declaration and the provisions of the Act, no liens of any nature shall arise or be created against the Common Elements, except with the unanimous consent in writing of all of the Owners and Institutional Lenders, except for (i) such liens as may arise or be created against the several Units and their respective Common Interests under the provisions of the Act, and, (ii) with respect to Units and their respective Common Interests, title to which has not been conveyed, or which have not been leased by Declarant, the lien of any mortgage given by Declarant to secure financing for the Buildings and other improvements on the Property.

5.8 Utilization of Clubhouse.

(a) The Clubhouse and related parking area shall remain under the exclusive control and occupancy of the Declarant for use as a sales office until thirty (30) days after the later of (i) the end of the Declarant Control Period or (ii) the date that all units are submitted to the Condominium Instruments and transferred to owners other than Declarant. If residents or the Association desire to use the Clubhouse during this period, arrangements must be made in writing directly with the Declarant.

(b) When the Declarant's right to occupy and control the Clubhouse expires, the Clubhouse shall be under the control of the Association and the Clubhouse will be for the private use of the residents and the Association. It will be available for rental to residents only for non-profit parties or meetings, and otherwise pursuant to the Rules and Regulations.

ARTICLE VI

ASSESSMENTS FOR COMMON EXPENSES

6.1. Assessment Liens. The Board has the power to levy Assessments against the Units for Common Expenses. Assessments will begin upon the filing of this Declaration in the Office of the Register of Deeds for Wake County. The Board may prescribe a reduced assessment for unsold Units which are unoccupied, but all such reduced assessments must cease no later than 60 days after the first Unit is conveyed. Such assessments, together with interest, costs, and reasonable attorney's fees, shall be a lien on the Units against which they are assessed, and if any payment thereof becomes delinquent, the lien may be foreclosed and the Unit sold, or a money judgment obtained against the persons liable therefor, all as set forth in the Bylaws. The lien will be subordinate to any first Mortgage on a Unit if such Mortgage was recorded prior to the docketing of such item in the Office of the Clerk of Superior Court. The lien will not be affected by the sale or transfer of a Unit unless a foreclosure of a first Mortgage is involved, in which case the foreclosure will extinguish the lien for any assessments that were payable before the foreclosure sale, but will not relieve any subsequent Unit Owner from paying further assessments.

6.2. Personal Liability of Transferees; Statement; Liability of Institutional Lender.

(a) The personal obligation for assessments which are delinquent at the time of transfer of a Unit shall not pass to the transferee of said Unit unless said delinquent assessments are expressly assumed by said transferee.

(b) Any transferee referred to in (a) above shall be entitled to a statement from the Board, pursuant to the Bylaws, and such transferee's Unit shall not be subject to a lien for any unpaid assessments against such Unit in excess of the amount therein set forth.

(c) Where an Institutional Lender, or other Person claiming through such Institutional Lender, pursuant to the remedies provided in a Mortgage, or by foreclosure or by deed, or assignment, in lieu of foreclosure, obtains title to a Unit, the liability of such Institutional Lender or such other person for assessments shall be only for the assessments, or installments thereof, that would become delinquent, if not paid, after acquisition of title. For purposes hereof, title to a Unit shall be deemed acquired by foreclosure upon expiration of the applicable period of redemption.

(d) Without releasing the transferor from any liability therefor, any unpaid portion of assessments which is not a lien under (b) above or, resulting, as provided in (c) above, from the exercise of remedies in a Mortgage, or by foreclosure thereof or by deed, or assignment, in lieu of such foreclosure, shall be a Common Expense collectible from all Unit Owners, including the transferee under (b) above and the Institutional Lender or such other person under (c) above who acquires ownership by foreclosure or by deed, or assignment, in lieu of foreclosure.

6.3. Prohibition of Exemption from Liability for Contribution Toward Common Expenses. No Unit Owner may exempt himself from liability for his share of the Common Expenses assessed by the Association by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit or otherwise.

6.4. Working Capital Fund. A working capital fund shall be established to meet unforeseen expenditures or to purchase any additional equipment or services. The Declarant shall establish the initial working capital fund in an amount that is equal to two months of estimated common charges for each Unit, to be funded by the Declarant at the time of the closing of the sale of each Unit, or the transfer of control of the Association from the Declarant to the Unit Owners, whichever is earlier. Such initial contributions shall not be considered as advance payments of regular assessments. The Declarant may not use any of the fund to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits while it is in control of the Association (except that the Declarant will reimburse itself for funds it paid for an unsold Unit's share of the working capital funds by using funds collected from the purchaser at closing when the Unit is sold). The working capital fund shall be transferred to the Association for deposit to a segregated fund when control of the Association is transferred to the Unit Owners.

ARTICLE VII

MANAGEMENT, MAINTENANCE, REPAIRS, REPLACEMENTS, ALTERATIONS AND IMPROVEMENTS TO THE CONDOMINIUM

7.1. Common Elements.

(a) By the Association. The management, replacement, maintenance, repair, alteration, and improvement of the Common Elements shall be the responsibility of the Association, and, subject to the provisions of Section 7.2 hereof, the cost thereof shall be a Common Expense to the extent not paid by Unit Owners pursuant to Section 7.1(b) hereof. All damage caused to a Unit by any work on or to the Common Elements done by or for the Association shall be repaired by the Association, and the cost thereof shall be a Common Expense.

(b) By Unit Owners. Each Unit Owner shall pay all costs to repair and replace all portions of the Common Elements that may become damaged or destroyed by reason of his intentional acts or the intentional acts of any Occupant of his Unit. Such payment shall be made upon demand made by the Association.

7.2. Common Expenses Associated with Limited Common Elements or Benefiting Less Than All Units.

(a) Any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed against the Unit, or in equal shares to the Units, to which such Limited Common Element was allocated at the time the expense was incurred.

(b) In addition, the Association may assess any Common Expense benefiting less than all of the Units against the Units benefited in proportion to their Common Expense Liability.

7.3. Units. Each Unit Owner shall: maintain his Unit at all times in a good and clean condition, and repair and replace, at his expense, all portions of his Unit; perform his responsibilities in such manner as not to unreasonably disturb other Occupants; promptly report to the Board, or its agents, any defect or need for repairs; and, to the extent that such expense is not covered by the proceeds of insurance carried by the Association, pay all costs to repair and replace any portion of another Unit that has become damaged or destroyed by reason of his own acts or omissions, or the acts or omissions of any Occupant of his Unit. Such payment shall be made upon demand by the Units Owners of such other Unit. Nothing herein contained shall modify any waiver by insurance companies of rights of subrogation.

7.4. Waiver of Claims. Except only as provided in Section 7.5(a) and (b), the Association agrees that it shall make no claim against a Unit Owner or occupant, and each Unit Owner and Occupant agrees that he shall make no claim against the Association, or employees or agents thereof, or against any manager retained by the Board, or his or its officers, directors, employees or agents, for any loss or damage to any of the Property, or to a Unit or personal property therein, even if caused by the omission or neglect of any one or more of such persons and all such claims are hereby waived and released; provided, however, that this waiver shall not apply to any such loss or damage due to intentional acts.

7.5. Right of Entry.

(a) By the Association. The Association, and any person authorized by the Association, may enter any Unit or any of the Limited Common Elements in case of any emergency or dangerous conditions or situation originating in or threatening that Unit or any of the Limited Common Elements or the Common Elements. The Association, and any person authorized by the Association, after reasonable notice to a Unit Owner or Occupant, may enter that Unit or any of the Limited Common Elements for the purposes of performing any of the Association's powers under the Act, this Declaration or the Bylaws with respect to that or any other Unit, any Limited Common Elements, or the Common Elements. Notwithstanding Section 7.4, the Association shall be responsible for the repair of any damage caused by the Association or its authorized person to the entered Unit, and the cost thereof shall be a Common Expense. All such entries shall be made and done so as to cause as little inconvenience as possible to the Unit Owner and Occupant of the entered Unit or any portion of the Limited Common Elements allocated to the Unit Owner.

(b) By Unit Owners. Each Unit Owner and Occupant shall allow other Unit owners and Occupants, and their representatives, to enter his Unit, or Limited Common Elements allocated to his Unit, when reasonably necessary for the purpose of altering, maintaining, or repairing the Unit, or performing the duties and obligations under the Act, this Declaration or the Bylaws, of the Unit Owner or Occupant making such entry, provided that requests for entry are made in advance and that such entry is at a time convenient to the Unit Owner or Occupant whose Unit or Limited Common Element is to be entered. In case of an emergency or dangerous condition or situation, such right of entry shall be immediate. Notwithstanding Section 7.4, the person making such entry shall be responsible for repair of any damage caused by such person to the entered Unit or Limited Common Element.

7.6. Architectural Control. No building, fence, or other structure shall be commenced or maintained upon the Common Elements, including the Limited Common Elements, nor shall any exterior addition, change or alteration therein be made until plans and specifications showing the nature, kind, shape, height, materials, and location of same shall have been submitted to and approved in writing as to harmony of external design and location in relation to the surrounding structure and topography by the Association or by any architectural committee appointed by the Association. All structures shall be of standard design employed by Declarant in the original construction of such amenities in the Condominium project. In the event the Association or its designated committee fails to approve or disapprove such design and location within 45 days after post-marking after said plans and specifications and have been submitted to it in writing and sent by certified mail, return receipt requested, approval will not be required, and this Article shall be deemed to have been fully complied with. Provided, however, that nothing herein contained shall be construed to permit the interference with the development of the Property by the Declarant.

ARTICLE VIII

INSURANCE

8.1. General. The Board shall obtain and maintain at all times, insurance of the type and kind provided in this Declaration and the Bylaws, and including insurance for such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium properties similar in construction, design and use, all in not less than the amounts provided in this Declaration and the Bylaws.

8.2. Responsibility For Obtaining Coverage. The Board shall have the authority to obtain, and shall obtain, insurance policies upon the Property in the name of the Association for the benefit of the Unit Owners and their Mortgagees as their interests may appear, and provision shall be made for the issuance of the renewals thereof. Certificates of insurance and/or Policies shall be furnished to each Unit Owner and his Mortgagee upon request.

8.3. Types of Coverage. The Board shall make every effort to secure insurance policies that will provide the following minimum coverages:

(a) Fire and Extended Coverage. The Buildings and all other improvements upon the Property and all personal property included in the Common Elements shall be insured in an amount equal to 100% of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property insurance coverage, which coverage shall include:

(i) Loss or damage by fire or other hazards covered by a standard extended coverage endorsement, and

(ii) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use, including but not limited to vandalism and malicious mischief.

All policies shall provide that adjustment of loss shall be made by the Association as insurance trustee. Such insurance shall not be prejudiced by any act or neglect of individual Unit Owners which is not in the control of the Unit Owners collectively.

(b) Public Liability. The Board shall also obtain and maintain to the extent obtainable, public liability insurance in such limits as the Board may from time to time determine, which shall not be less than that required by private institutional mortgage investors for projects similar in construction, location and use, covering the Association, each member of the Board, the managing agent, if any, and each Unit Owner, with respect to his liability arising out of the ownership, maintenance, repair, or use of the Common Elements and legal liability arising out of the lawsuits related to employment contracts of the Association. Such insurance shall include endorsements covering cross liability claims of one insured against another, including the liability of the Unit Owners as a group to a single Unit Owner. The Board shall review such limits annually. Until the first meeting of the Board following the initial meeting of the Unit Owners, such public liability insurance shall be in amounts not less than $1,000,000.00 for claims for bodily injury and/or for claims for property damage. Each Unit Owner, at his own expense, shall keep in force comprehensive personal liability insurance in such amounts as the Board shall from time to time determine, but in any case, not less than $1,000,000.00 for each occurrence.

The coverage obtained by the Board must provide for at least 30 days written notice to the Association and to any holder of a first mortgage on an individual Unit before the insurer can cancel or substantially modify it.

(c) Fidelity Bonds. Fidelity insurance shall be maintained for all officers, directors, employees, and/or the managing agent of the Association and all other persons handling, or responsible for, funds of, or administered by, the Association. Such fidelity bonds shall name the Association as an obligee and shall be in an amount not less than the estimated maximum of funds, including reserve funds, in the custody of the Association and/or the managing agent at any given time during the term of each bond. In no event, however, may the aggregate amount of such bonds be less than a sum equal to one and one-half times estimated annual operating expenses and reserves. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions.

(d) Officers' and Directors' Coverage. The Board shall also be required to obtain and maintain insurance indemnifying each member of the Board and each officer of the Association against any and all loss, damage, liability or expense incurred by such officer or director at any time by reason of or arising out of any act performed by such Officer or Director on behalf of the Association or in furtherance of its interests, except for liability for gross negligence, willful malfeasance or fraud. The policy shall cover all individual officers and directors as well as the Association as named insureds and shall be in an amount of not less than $50,000.00 for liability arising out of any one claim and $100,000.00 for liability arising out of all claims asserted during the applicable policy period.

(e) Other. The Board shall obtain such other insurance coverages, as the Board shall determine from time to time to be desirable.

8.4. Premiums To Be Common Expense. Premiums upon insurance policies purchased by the Board shall be paid for by the Board and charged as a Common Expense.

8.5. Policy Provisions. The Board shall use its best efforts to secure insurance policies from a carrier authorized to transact business in North Carolina and which is generally acceptable to private institutional mortgage investors for projects similar in construction, location and use, which will provide for the following:

(a) The master policy on the Property cannot be canceled, invalidated or suspended on account of the conduct of any one or more of the individual Owners or Occupants.

(b) The master policy on the Property cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Association, or managing agent, without prior demand in writing that the Board or managing agent cure the defect.

(c) Any "no other insurance" clause in the master policy on the Property excludes individual Owners' policies from consideration.

(d) Such policies may not be canceled or substantially modified without at least 30 days' prior written notice to all insureds (including the Association and all Unit Owners), and to Institutional Lenders and to the FNMA servicing agent (if applicable).

(e) A waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent or employee of the Association, Unit Owners and members of their household and their employees, agents, tenants and invitees.

(f) A provision that, notwithstanding any provision thereof that gives the insurer an election to restore damage in lieu of making a cash settlement, such option shall not be exercisable if such restoration is prohibited pursuant to Section 47C-3-113(h) of the Act.

8.6. Association as Insurance Trustee. All insurance policies purchased by the Board shall be for the benefit of the Association and Unit owners and their mortgagees, as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Association, as insurance trustee. The sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid, and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Unit Owners and their mortgagees, in the following shares:

(a) With respect to proceeds on account of damage to Common Elements, an undivided share for each Unit Owner, such share being the same as each Unit Owner's undivided Allocated Interest in the Common Elements.

(b) Proceeds on account of damage to Units shall be held in the following undivided shares:

(i) When a Building is to be restored, for the owners of damaged Units in proportion to the cost of repairing the damage suffered by each Unit Owner, which cost shall be determined by the Board.

(ii) When a Building is not to be restored, pursuant to the provisions of Section 9.2, an undivided share for each Unit Owner, such share being the same as his undivided Allocated Interest in the Common Elements.

(c) In the event a mortgagee endorsement has been issued with respect to a Unit, the share of the Unit Owner shall be held in trust for the Mortgagee and the Unit Owner, as their respective interests may appear; provided that no Mortgagee shall have the right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, except as herein provided.

8.7. Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Association as insurance trustee shall be distributed by the Board to or for the benefit of the beneficial owners in the following manner:

(a) All expenses of the insurance trustee shall be first paid or provision made therefor.

(b) If it is determined, as provided in Section 9.1 hereof, that the damaged property, with respect to which the proceeds are paid, shall be repaired or reconstructed, the remaining proceeds shall be distributed in accordance with Section 9.1 hereof.

(c) If it is determined, as provided in Section 9.2 hereof, that the damaged property, with respect to which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed in accordance with Section 9.2.

8.8. Insurance Unavailable. If the insurance described in Section 8.3 is not reasonably available, the Association shall promptly cause notice of such fact to be hand-delivered or sent prepaid by United States mail, certified - return receipt requested, to all Unit Owners.

8.9. Individual Policy for Unit Owners. Each Unit Owner may obtain insurance, at his own expense, affording personal property, additional living expense, condominium assessment, personal liability, and any other coverage obtainable, to the extent and in the amounts such Unit Owner deems necessary to protect his own interests; provided that any such insurance shall contain waivers pursuant to Section 7.4 and shall provide that it is without contribution as against the insurance purchased by the Association. If a casualty loss is sustained and there is a reduction in the amount of the proceeds that would otherwise be payable on the insurance purchased by the Association due to the proration of insurance purchased by a Unit Owner under this Section, such Unit Owner shall be liable to the Association to the extent of such reduction and shall pay the amount of such reduction to the Association upon demand, or assign the proceeds of his insurance, to the extent of such reduction, to the Association.

8.10. FNMA Requirements. Notwithstanding any lesser requirement contained elsewhere in this Article or in the Act, the Association shall at all times maintain those types and forms of coverages which shall be a requirement for this type of project of the Federal National Mortgage Association pursuant to Part VIII, Chapter 7 of the *FNMA Selling Guide*, as amended from time to time.

ARTICLE IX

CASUALTY DAMAGE

9.1. Duty to Repair. Except as provided in Section 9.2, in the event of damage to or destruction of a Building and/or the Common Elements as a result of fire or other casualty, the Board shall arrange for the prompt repair and restoration of the Building and/or the Common Elements (including any damaged Unit, but not including any decoration or coverings for walls, ceilings or floors, or other furniture, furnishing, fixtures or equipment in the Unit, unless the subject insurance policy covers a portion or all of such loss to the Unit, in which event the Board shall repair or replace such damaged property, but only to the extent of such coverage), and the Board shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost for such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense. Any surplus insurance proceeds remaining after repairs have been completed shall be treated as a common surplus. All proceeds of insurance shall be used and applied in accordance with the provisions of Section 47C-3-113(e) and (h) of the Act. Any reconstruction or repair shall be in accordance with the plans and specifications of the original Building(s) and/or Common Elements or according to plans and specifications approved by the Board.

9.2. Disposition of Insurance Proceeds in the Event Casualty Damage Not Repaired. The provisions of Section 9.1 shall apply to any portion of the Condominium for which insurance is required under Article VIII and Section 47C-3-113 of the Act unless (i) the Condominium is terminated, (ii) repair or replacement would be illegal under any State or local health or safety statute or ordinance, or (iii) the Unit Owners decide not to rebuild by an 80% vote, including 100% approval of Unit Owners whose Units are not to be rebuilt or Unit Owners of Units to which are allocated Limited Common Elements not to be rebuilt. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If the entire Condominium is not repaired or replaced, (i) the insurance proceeds attributable to the damaged Common Elements should be used to restore the damaged area to a condition compatible with the remainder of the Condominium, (ii) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated or to lien holders, as their interest may appear, and (iii) the remainder of the proceeds shall be distributed to all the Unit Owners or lien holders as their interest may appear, in proportion to their Allocated Interests. If the Unit Owners vote not to rebuild any Unit, that Unit's Allocated Interests are automatically reallocated upon the vote as if the Unit had been condemned under Section 47C-1-107(a) of the Act, and the Association promptly shall prepare, execute and record an amendment to this Declaration reflecting the reallocations. Notwithstanding the provisions of this Section 9.2, Section 47C-2-118 of the Act shall govern the distribution of insurance proceeds if the Condominium is terminated.

ARTICLE X

TERMINATION OF THE CONDOMINIUM; CONDEMNATION; AMENDMENT OF THE DECLARATION

10.1. Termination. The Condominium may be terminated only in strict compliance with Section 47C-2-118 of the Act.

10.2. Condemnation. In the event of a taking by eminent domain, or by a conveyance in lieu thereof, of all or any part of the Property, the awards paid on account thereof shall be applied in accordance with Section 47C-1-107 of the Act.

10.3. Amendment. This Declaration may be amended only in compliance with the Act, including, without limitation, Sections 47C-2-105 and 47C-2-117 of the Act, except that no amendment altering or impairing Special Declarant Rights may be made without the written consent of Declarant.

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ARTICLE XI

MORTGAGEE PROTECTION

11.1. Introduction. This Article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain Mortgages and others as identified in this Article XI. In the event of conflict between the provisions of this Article and provisions of any other portion of the Condominium Documents, this Article will control. In the event that the Act shall for any given act or consent contain a greater or more stringent requirement, the Act will control.

11.2 Percentage of Eligible Mortgagees. Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgagees is required, it will mean the approval or consent by Eligible Mortgagees holding mortgages on Units which in the aggregate have allocated to them such specified percentage of the votes when compared to the total votes allocated to all Units then subject to mortgages held by Eligible Mortgagees.

11.3. Notice of Actions. The Association will give timely written notice by registered or certified mail, return receipt requested, to each Eligible Mortgagee and Eligible Insurer, and each Unit Owner hereby consents to and authorizes such notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit in which there is a first Mortgage held, insured, or guaranteed by such Eligible Mortgagee or Eligible Insurer, as applicable;

(b) Any delinquency in the payment of Assessments owed by an Owner whose Unit is subject to a first Mortgage held, insured, or guaranteed, by such Eligible Mortgagee or Eligible Insurer, which remains uncured for a period of 60 days;

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 11.4, which notice shall be sent by registered or certified mail, return receipt requested; and

(e) Any judgment rendered against the Association.

11.4 Consent Required.

(a) Document Changes. Notwithstanding any lower requirement permitted by the Declaration or the Act, no amendment of any material provision of the Condominium Documents by the Association or Unit Owners described in this Section 11.4 (a) may be effected without the vote of at least 67% of the Unit Owners (or any greater Unit Owner Vote required in the Act) unless such rights are reserved to the Declarant as Special Declarant Rights in the Condominium Documents and until approved in writing by at least 51% of the votes of the Unit estates that are subject to Mortgages held by the Eligible Mortgagees. A change to any of the provisions governing the following subject areas would be considered material:

(i) Voting rights;

(ii) Increases in assessments that raise the previously assessed amount by more than 25%, assessment liens or the priority of assessment liens;

(iii) Reductions in reserves for maintenance, repair and replacement of Common Elements;

(iv) Responsibility for maintenance and repairs;

(v) Reallocation of interests in the Common Elements or Limited Common Elements, or rights to their use;

(vi) Redefinition of any Unit boundaries;

(vii) Convertibility of Units into Common Elements or vice versa;

(viii) Expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium;

(ix) Hazard or fidelity insurance requirements;

(x) Imposition of any restrictions on the leasing of Units;

(xi) Imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;

(xii) A decision by the Association to establish self-management if professional management had been required previously by the Condominium Documents or by an Eligible Mortgagee;

(xiii) Restoration or repair of the Condominium (after damage or partial condemnation) in a manner other than that specified in the Condominium Documents;

(xiv) Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; or

(xv) Any provisions that expressly benefit mortgage holders, insurers or guarantors.

(b) Actions. Notwithstanding any lower requirement permitted by the Declaration or the Act, the Association may not take any of the following actions, other than rights reserved to the Declarant as Special Declarant Rights, without the approval of at least 51% of the Votes of the Eligible Mortgagees of Units that are subject to mortgages of the Eligible mortgagees or such higher percentage as set forth herein:

(i) An amendment to the Declaration which authorizes the conveyance or encumbrance of the Common Elements or any portion thereof (as to which a 67% Eligible Mortgagee approval is required). (The granting of easement for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Condominium will not be deemed a conveyance or encumbrance within the meaning of this clause);

(ii) The establishment of self-management when professional management had been required previously by the documents or by an Eligible Mortgagee;

(iii) The restoration or repair of the Property (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents;

(ix) Termination of the Condominium for reasons other than substantial destruction or termination (as to which a 67% Eligible Mortgagee approval is required);

(v) The alteration of any partition or creation of any aperture between adjoining Units (when Unit boundaries are not otherwise being affected), in which case only the owners of Units affected and Eligible Mortgagees of those Units need approve the action;

(vi) The merger of this Condominium with any other condominium, in which case the approval of 67% of the Eligible Mortgagees is required;

(vii) Any action taken not to repair or replace the Property;

(c) The Association may not change the period for collection of regularly budgeted Common Expense Assessments to other than monthly without the consent of all Eligible Mortgagees. The Association can accept prepayment of Common Expense Assessments, and may, in it discretion, authorize discounts for such prepayment.

(d) The Association shall provide notice, including the text of the proposed action, mailed by certified or registered mail, by return receipt required, to an Eligible Mortgagee. Failure to respond within 30 days of receipt of notice of the action shall be deemed consent given under this subsection.

11.5. Inspection of Books. The Association must maintain current copies of the Declaration, Bylaws, Rules, books, records and financial statements. The Association will permit any Eligible Mortgagee, Eligible Insurer or other first mortgagees of Units to inspect the books and records of the Association during normal business hours.

11.6 Financial Statements. The Association will provide any Eligible Mortgagee or each Eligible Insurer which submits a written request with an annual financial statement within 90 days following the end of each fiscal year of the Association or such later time as made available from the auditor. Such financial statement will be audited by an independent certified public accountant if:

(a) The Condominium contains fifty or more Units, in which case the cost of the audit shall be a Common Expense; or

(b) Any Eligible Mortgagee or Eligible Insurer requests it, in which case the Eligible Mortgagee or Eligible Insurer will bear the cost of the audit.

11.7. Enforcement. The provisions of this Article are for the benefit of Eligible Mortgagees and Eligible Insurers and their successors, and may be enforced by any of them by any available means, at law or in equity.

11.8. Attendance at Meetings. Any representative of an Eligible Mortgagee or Eligible insurer may attend any meeting which a Unit Owner may attend.

ARTICLE XII

PROVISIONS RELATING TO THE ASSOCIATION

12.1. Creation of Association. Except as otherwise provided for herein, in order to provide for the maintenance, repair, replacement, administration, and operation of the property, Declarant has created an association to be known as "The Villas of Wake Forest Condominium Owners Association, Inc." Membership therein shall be composed of all of the Owners of the Units of the Condominium. Each Owner of a Unit shall be a member of the Association, but membership shall be automatically terminated when such Person ceases to be an Owner, and will be transferred to the new Owner. No Unit shall be conveyed before the Articles of Incorporation for the Association have been filed with the North Carolina Secretary of Statement and the Association has been organized.

12.2. Bylaws. The Association shall be governed in accordance with and as prescribed by the Bylaws, a true copy of which is attached hereto as Exhibit E.

12.3. All Units Bound. Declarant, by this Declaration, and all Unit Owners, by the acceptance of their deeds, covenant and agree to be bound by the conditions, restrictions and obligations contained in the Bylaws and the provisions of this Declaration.

12.4. Duties and Powers. The duties and powers of the Association shall be those set forth in this Declaration, and the Articles of Incorporation and Bylaws of the Association, including the power and authority to levy assessments as provided for in the Bylaws.

12.5 Declarant Control Period. The provisions of Article III of the Bylaws concerning the Declarant Control Period are made a part of this Declaration and are incorporated herein by reference as if fully set out herein.

ARTICLE XIII

GENERAL PROVISIONS

13.1. Conflict with the Act. Should any of the terms, conditions, provisions, paragraphs, or clauses of this Declaration conflict with any provisions of the Act, the provisions of the Act shall control unless the Act permits the Declaration to vary the Act, in which event the Declaration shall control.

13.2. Interpretation of Declaration. Whenever appropriate singular may read as plural, plural may be read as singular, and the masculine gender may be read as the feminine or neuter gender. Compound words beginning with the prefix "here" shall refer to this entire Declaration and not merely to the part in which they appear.

13.3. Captions. The captions herein are only for convenience and reference and do not define, limit or describe the scope of this Declaration, or the intent of any provision.

13.4. Exhibits. Exhibits A, A-1, B, C, D, and E attached hereto are hereby made a part hereof.

13.5. Invalidity. The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity or enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

13.6. Waiver. No provision of this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

13.7. Law Controlling. This Declaration shall be construed and controlled by and under the laws of the State of North Carolina.

[Signatures on following page.]

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

WF VILLAS, LLC, a Virginia limited liability company

BY: CH CONSTRUCTION OF NORTH CAROLINA, L.L.C., a North Carolina limited liability company, Managing Member

By: ______________________

Co- Manager

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STATE OF ~~NORTH CAROLINA~~ Virginia
~~COUNTY~~ City OF Richmond

I, Beverly S. Stewart, a Notary Public for Richmond City ~~County~~, State of ~~North Carolina~~ Virginia, do hereby certify that Douglas D. Tice, being personally known by me, ~~or has produced ____________ as identification,~~ personally appeared before me and acknowledged that he is Manager of CH CONSTRUCTION OF NORTH CAROLINA, L.L.C., a North Carolina limited liability company, acting in its capacity as the Managing Member of WF VILLAS, LLC, a Virginia limited liability company, and that he, as Manager, being authorized to do so, voluntarily executed the foregoing instrument on behalf of the company. WITNESS my hand and official seal, this the 22nd day of February 2007.

BEVERLY S. STEWART COMMONWEALTH OF VIRGINIA NOTARY PUBLIC

(AFFIX SEAL OR STAMP)

Beverly S. Stewart
Notary Public Signature

BEVERLY S. STEWART
Printed Name of Notary Public

My Commission Expires: 2-28-09

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CONSENT AND SUBORDINATION OF FIRST MORTGAGEE

Branch Banking and Trust Company, successor in interest to Branch Banking and Trust Company of Virginia, being the Beneficiary under those certain Deeds of Trust and Security Agreements from WF Villas, LLC, to BB&T Collateral Service Corporation, Trustee, recorded in Book 11495, Page 180 and in Book 11796, Page 874, both in the Wake County Registry, does hereby consent to the recordation of this Declaration of The Villas of Wake Forest, a Condominium ("Declaration"), and said Beneficiary does hereby agree that from and after this date, the provisions of this Declaration shall be superior to the lien of said Deed of Trust and Security Agreement on the property described therein. The Beneficiary executes this Consent of Mortgagee solely for the purposes set forth herein. BB&T Collateral Service Corporation, Trustee, also joins in and executes this Consent as Trustee of said Deed of Trust for the purposes set forth above.

IN WITNESS WHEREOF, the undersigned have caused this Consent to be duly executed and sealed as of the 23rd day of February, 2007.

BRANCH BANKING AND TRUST COMPANY

(CORPORATE SEAL)

By: ______________________

Senior Vice President

BB&T COLLATERAL SERVICE CORPORATION

(CORPORATE SEAL)

By: ______________________

~~Senior~~ Vice President

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COMMONWEALTH OF VIRGINIA
CITY/~~COUNTY~~ OF Richmond

I, Cindy M. Rossano, a Notary Public for the City of Richmond County and said State, do hereby certify that Edward H. Phillips, Jr., being by me personally known, or has produced ________________________ as identification, appeared before me this day and acknowledged that he is a Senior Vice President of Branch Banking and Trust Company, a North Carolina banking corporation, that the seal affixed to the foregoing instrument in writing is the corporate seal of the corporation and that said writing was voluntarily signed and sealed by him/her, on behalf of said corporation by its authority duly given. And the said Senior Vice President acknowledged the said writing to be the act and deed of said Corporation, this the 23rd day of February, 2007.

CINDY M. ROSSANO COMMONWEALTH OF VIRGINIA NOTARY PUBLIC

(AFFIX SEAL OR STAMP)

Cindy M Rossano
Notary Public Signature

Cindy M. Rossano
Printed Name of Notary Public

My Commission Expires: 01/31/2008

COMMONWEALTH OF VIRGINIA
CITY/~~COUNTY~~ OF Richmond

I, Cindy M. Rossano, a Notary Public for the City of Richmond and said State, do hereby certify that Jeffery A. Harris, being by me personally known, or has produced ________________________ as identification, appeared before me this day and acknowledged that he is a Vice President of BB&T - VA Collateral Service Corporation, a Virginia corporation, that the seal affixed to the foregoing instrument in writing is the corporate seal of the corporation and that said writing was voluntarily signed and sealed by him/her, on behalf of said corporation by its authority duly given. And the said Vice President acknowledged the said writing to be the act and deed of said Corporation, this the 23rd day of February, 2007.

CINDY M. ROSSANO COMMONWEALTH OF VIRGINIA NOTARY PUBLIC

(AFFIX SEAL OR STAMP)

Cindy M. Rossano
Notary Public Signature

Cindy M. Rossano
Printed Name of Notary Public

My Commission Expires: 01/31/2008

EXHIBIT A
TO
DECLARATION OF THE VILLAS OF WAKE FOREST, A CONDOMINIUM

Legal Description of Property:

LYING AND BEING in the Town of Wake Forest, Wake County, North Carolina and being more particularly described by metes and bounds as follows:

BEGINNING at a point in one of the northerly lines of the property of KF US-1, LLC (now or formerly), as described in the instrument recorded in Deed Book 6184 at Page 801 in the Wake County Registry, which point lies the following eight courses and distances from NC Grid Monument "FORESTVILLE" (N= 805133.40; E=2142561.73): (1) South 86-24-19 West 4,667.07 feet Grid Distance (Combined Grid Factor 0.9998129) to an existing iron marking a control corner, also a corner of the property of Wake Electric Membership Corp. (now or formerly), as described in the instrument recorded in Deed Book 9650 at Page 1302 in the Wake County Registry, (2) with said property of Wake Electric Membership Corp. (now or formerly) South 72-18-47 West 270.46 feet to an existing iron, (3) continuing with said property of Wake Electric Membership Corp. (now or formerly) South 15-53-38 West 188.62 feet to an existing iron, (4) with the previously-described property of KF US-1, LLC (now or formerly) North 36-13-20 West 386.81 feet to an existing iron, (5) continuing with said property of KF US-1, LLC (now or formerly) North 73-43-46 West 170.49 feet to a point, (6) continuing with said property of KF US-1, LLC (now or formerly) South 89-14-17 West 208.92 feet to a point, (7) continuing with said property of KF US-1, LLC (now or formerly) North 40-04-22 West 563.88 feet to an existing iron, and (8) continuing with said property of KF US-1, LLC (now or formerly) South 56-05-55 West 272.18 feet to the point and place of BEGINNING and from such point and place of BEGINNING running with said property of KF US-1, LLC (now or formerly) the following six courses and distances: (1) South 56-05-55 West 87,93 feet to an existing iron, (2) North 19-45-51 West 99.56 feet to an existing iron, (3) South 81-10-03 West 133.15 feet to a new iron, (4) South 40-56-48 West 193.86 feet to an existing iron, (5) South 54-50-23 East 141.30 feet to an existing iron, and (6) 35-06-54 West 188.03 feet to an existing iron; thence North 31-51-55 West 89.64 feet to a point; thence North 43-27-08 East 93.81 feet to a point; thence with the arc of a circular curve to the left having a radius of 30.50 feet, an arc distance of 49.38 feet (Chord Bearing North 02-55-46 West; Chord Distance 44.16 feet) to a point; thence North 49-18-40 West 27.86 feet to a point; thence with the arc of a circular curve to the right having a radius of 30.00 feet, an arc distance of 47.12 feet (Chord Bearing South 04-18-40 East; Chord Distance 42.43 feet) to a point; thence North 40-44-09 East 160.76 feet to a point; thence North 45-28-27 East 98.2 feet to a point; thence North 38-14-48 West 368.94 feet to a point in one of the southeasterly lines of the Greenway Property conveyed by WF Villas, LLC to the Town of Wake Forest by instrument recorded in Deed Book 12401 at Page 889 in the Wake County Registry; thence with said Greenway Property the following two courses and distances: (1) North 45-47-53 East 215.15 feet to an iron, and (2) North 28-47-40 East 23.48 feet to a point; thence South 50-10-25 East 375.58 feet to a point; thence South 53-58-36 East 70.39 feet to a point; thence South 36-43-26 West 96.92 feet to a point; thence South 15-43-43 West 62.12 feet to a point; thence South 19-36-35 East 131.93 feet to the point and place of BEGINNING, and being all of Phase 1A of The Villas of Wake Forest, a Condominium, as shown on the plat thereof dated February 16, 2007 by Edmund H. Davenport, N.C.P.L.S.

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EXHIBIT A-1
TO
DECLARATION OF THE VILLAS OF WAKE FOREST, A CONDOMINIUM

Legal Description of Additional Development Property:

LYING AND BEING in the Town of Wake Forest, Wake County, North Carolina and being more particularly described by metes and bounds as follows:

Being all of that 51.740 acre tract shown on the plat entitled "Recombination Plat of KF US-1, LLC" dated July 25, 2005, by Bass, Nixon & Kennedy, Consulting Engineers, and recorded in Book of Maps 2005, Page 1489, in the Wake County Registry, LESS AND EXCEPT: (1) that portion thereof encompassed with the boundaries of Phase 1A of The Villas of Wake Forest, a Condominium, as such phase is described on Exhibit A to this Declaration, and (2) that portion thereof previously conveyed by Declarant to the Town of Wake Forest for Greenway purposes by that instrument recorded in Book 12401 at Page 889 in the Wake County Registry.

EXHIBIT B
TO
DECLARATION OF THE VILLAS OF WAKE FOREST, A CONDOMINIUM

Liens, Defects and Encumbrances

(All references to instruments recorded in the Office of the Register of Deeds for Wake County, North Carolina)

1. Deed of Trust and Security Agreement dated July 27, 2005 to BB&T Collateral Service Corporation, Trustee for Branch Banking and Trust Company, recorded in Book 11495 at Page 180.
2. Deed of Trust and Security Agreement dated January 27, 2006 to BB&T Collateral Service Corporation, Trustee for Branch Banking and Trust Company, recorded in Book 11796 at Page 874.
3. UCC Financing Statement in favor of Branch Banking and Trust Company of Virginia recorded on January 30, 2006 in Book 11796 at Page 883.
4. The lien for ad valorem real estate taxes for the current tax year.
5. Twenty (20) foot Town of Wake Forest sewer line; 100-year flood limit; pond and field, Richland Creek; Electronic transmission lines; 75-foot CP&L easement as shown on plat recorded in Book of Maps 2005 at Page 1489.
6. Building restriction lines, easements and any other facts shown on plat recorded in Book of Maps 2005 at Page 881 and in Book of Maps 2005 at Page 1489.
7. Easement(s) to Progress Energy Carolinas, Inc. recorded in Book 10946 at Page 1238.
8. Lease to BellSouth Mobility DCS, a memorandum of which is recorded in Book 8097 at Page 254.
9. Easement(s) to Wake Electric Membership Corporation recorded in Book 3151 at Page 185.
10. Easement(s) to Carolina Power and Light Company recorded in Book 1639 at Page 213.
11. Easement(s) to Public Service Company of North Carolina, Incorporated recorded in Book 12198 at Page 2159.
12. Matters and things shown upon the Easement, Greenway Dedication & Addressing Plat recorded in Book of Maps 2006 at Page 1858.
13. Temporary construction easement recorded in Book 11531 at Page 2320.
14. Progress Energy easement (DB 10946/1236); streams, Carolina Power and Light Company easement; 100' Neuse riparian buffers; Wake Electric Membership Corporation easement; 30' sanitary sewer easement; rights of others, if any, in and to path/road from adjoining cell tower site; and 20' sanitary sewer easement as shown on plat recorded in Book of Maps 2005 at Page 1489.

EXHIBIT C
TO
DECLARATION OF THE VILLAS OF WAKE FOREST, A CONDOMINIUM

Plat of Survey and Plans

The Condominium Plat for Phase 1A of The Villas of Wake Forest, a Condominium dated February 16, 2007 prepared by Bass, Nixon & Kennedy, Inc., and the plans for The Villas of Wake Forest, a Condominium prepared by JohannasDesignGroup, which were attached to this Declaration at the time it was filed for record are duly recorded in the Wake County Registry in Unit File Number 427, and are incorporated herein by reference as though fully set out herein.

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EXHIBIT D
TO
DECLARATION OF THE VILLAS OF WAKE FOREST, A CONDOMINIUM

Unit Designation and Percentage Interest in Common Elements

Unit Number	Floor Plan	Par Value	Identifying Number	% Interest in Common Elements and of Common Expenses
1143	Canterbury	1.300	1143 Blue Bird Lane	13.82978
1145	Canterbury	1.300	1145 Blue Bird Lane	13.82978
1147	Canterbury	1.300	1147 Blue Bird Lane	13.82978
1149	Abbey	1.200	1149 Blue Bird Lane	12.76595
1153	Villa	1.00	1153 Blue Bird Lane	10.63829
1155	Chateau	1.100	1155 Blue Bird Lane	11.70212
1157	Windsor	1.100	1157 Blue Bird Lane	11.70212
1159	Chateau	1.100	1159 Blue Bird Lane	11.70212
			TOTAL % INTEREST	99.99994