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Hold For:
Michael G. Sandman #169

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PRESENTED
FOR
REGISTRATION

98 OCT 29 AM 11:00

STATE OF NORTH CAROLINA

COUNTY OF WAKE

DECLARATION OF CONDOMINIUM
REGISTERED
WAKE COUNTY

THIS DECLARATION OF CONDOMINIUM (the "Declaration") is made and entered into this the 27th day of October, 1998, by OAK LEAF DEVELOPMENT COMPANY I, LLC, a North Carolina limited liability company ("Declarant"), pursuant to the provisions of Chapter 47C of the North Carolina General Statutes.

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property located in Raleigh, Wake County, North Carolina, and as more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Property"); and

WHEREAS, by this Declaration, Declarant intends to subdivide the Property into real estate parcels or condominium units and desires, by the recording of this Declaration of Condominium with the office of the Wake County Register of Deeds, to submit the Property, together with the improvements to be located thereon and all of the appurtenances thereto, to the provisions of Chapter 47C of the North Carolina General Statutes; and

WHEREAS, under the Condominium Act it is necessary that the rights, privileges, and obligations of Declarant, Unit Owners, Condominium Board, mortgagees, and others who may be interested therein, be explicitly set forth.

NOW, THEREFORE, Declarant, pursuant to the Condominium Act, does hereby declare and state on behalf of itself, its successors and assigns, and on behalf of all persons having or seeking to acquire any interest of any nature whatsoever in the Condominium, as follows:

ARTICLE I
Definitions

Section 1. The following terms used in this Declaration shall have the following meanings (unless otherwise expressly provided herein):

- 1.1. "Articles" shall mean the Association's Articles of Incorporation.

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1.2. "Association" shall mean Chandler Place Condominiums Homeowners Association, Inc., a nonprofit North Carolina corporation, pursuant to Section 47C-3-101 of the Condominium Act.

1.3. "Building" shall mean the building(s) situated on the Property. The Buildings shall be comprised of a maximum of sixty-six (66) Units, together with certain Common Elements and Limited Common Elements.

1.4. "By-Laws" shall mean the By-Laws of the Association.

1.5. "Common Elements" shall mean all parts of the Condominium, other than the individual Units, and as further defined in Article V of this Declaration.

1.6. "Common Charges" shall mean the assessments charged to each Unit Owner as specified in Article VII of the By-Laws and in Article VII hereof.

1.7. "Common Expenses" shall mean an expenditure made or liability incurred by or on behalf of the Association, together with any allocation to reserves. A Common Expense shall include, but is not limited to, the cost of all insurance premiums and all policies of insurance, required to be or which have been obtained by the Condominium Board, ad valorem taxes, sewer charges, maintenance of water and sewer lines located outside any public street right-of-way or City of Raleigh (the "City") utility easement, maintenance of landscape islands on adjoining streets, maintenance of stormwater facilities, including detention facilities, assessments for public improvements, funds for maintenance and repair and a general operating reserve.

1.8. "Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, of each Unit Owner in the Common Elements, as determined in accordance with this Declaration, as the same is set forth on Exhibit B attached hereto and incorporated herein by this reference. The total of all Common Interest percentages of all Unit Owners shall equal 100%. The Common Interest is the basis for determining, among other things, a Unit Owner's share of distributions upon termination of the Condominium.

1.9. "Condominium" shall mean the Property and all improvements and structures located thereon, including, without limitation, the Buildings and the Units, and all easements, rights and appurtenances belonging thereto, collectively known as Chandler Place Condominiums, and as further defined in this Declaration, all of which are intended to be submitted to the provisions of the Condominium Act.

1.10. "Condominium Act" shall mean the North Carolina Condominium Act as promulgated in Chapter 47C of the North Carolina General Statutes.

1.11. "Condominium Board" shall mean the Association's Board of Directors.

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1.12. "Condominium Documents" shall mean the Declaration, the By-Laws, and the Floor Plans, each of which has been recorded or filed simultaneously with the recording of this Declaration, together with the Rules and Regulations.

1.13. "Declarant" shall mean Oak Leaf Development Company I, LLC, a North Carolina limited liability company, and its successors and assigns designated as Declarant.

1.14. "Declarant Control Period" shall mean the period commencing on the date of recordation of this Declaration with the Office of the Wake County Register of Deeds and continuing until the earlier of (i) the date three (3) years after the date of the first conveyance of a Unit to a Unit Owner other than Declarant (said conveyance is hereinafter the "First Closing"), or (ii) the date upon which Declarant surrenders control of the Association, or (iii) the date one hundred twenty (120) days after conveyance of seventy five percent (75%) of Units to Unit Owners other than Declarant.

1.15. "Declaration" shall mean this Declaration of Condominium, and any amendments hereto which are recorded in the Office of the Register of Deeds, Wake County, North Carolina.

1.16. "Facilities" shall mean any and all equipment, fixtures and appliances affixed, attached and/or appurtenant to any Unit.

1.17. "Family Members" shall mean spouse, parents, parents-in-law, brothers, sisters, children, and grandchildren.

1.18. "Floor Plans" shall mean those floor plans of the Units, including a complete description thereof, together with the respective locations and dimensions of each Unit, recorded in Condominium File 194, Pages 1 - 29, Wake County Registry.

1.19. "Law" shall mean any local, state or federal rules, regulations or laws which may apply to the Condominium or any Person who maintains an interest in the Condominium or a Unit.

1.20. "Limited Common Elements" shall mean and include those portions of the Common Elements which service or are reserved for use by a certain Unit or Units to the exclusion of other Units, as further described in Article VI of this Declaration.

1.21. "Manager" or "Managing Agent" shall mean the Person designated by the Condominium Board to act as a managing agent to perform such duties and services as the Condominium Board shall authorize.

1.22. "Occupants" shall mean any individual(s) in possession of a Unit, including Unit Owners, Family Members, lessees, guests and invitees of such individual(s), and Family Members, guests and invitees of such lessees, and as further defined in Article VII of this Declaration.

1.23. "Person" shall mean an individual, a trust, an estate, or a domestic corporation, a foreign corporation, a professional corporation, a partnership, a limited partnership, a limited liability company, a foreign limited liability company, an unincorporated association, or other entity.

1.24. "Public Offering Statement" shall mean the statement described in Section 47C-4-103 of the Condominium Act.

1.25. "Rules and Regulations" shall mean those rules and regulations concerning the use of the Common Elements which may be promulgated and amended from time to time by the Declarant (during the Declarant Control Period) or the Condominium Board, as more fully provided in the By-Laws.

1.26. "Special Assessments" shall mean those assessments levied by the Condominium Board, from time to time, to meet the Common Expenses of the Association.

1.27. "Special Declarant Rights" shall mean the rights reserved herein and in the By-Laws for the benefit of Declarant, including, as follows: to complete the improvements indicated on the Floor Plans; to maintain sales offices, management offices, models and signs advertising the Condominium; to use and grant easements through the Common Elements; and to elect, appoint, or remove members of the Condominium Board during the Declarant Control Period.

1.28. "Surplus Funds" shall mean funds collected by the Association pursuant to the provisions of the By-Laws which are not needed to pay current Common Expenses or reserves provided for in this Declaration.

1.29. "Unit" shall mean a designated residential dwelling unit constructed within a Building, together with its percentage of undivided interest in the Common Elements, as further described in Article IV.

1.30. "Unit Owner" shall mean and refer to each owner of a Unit in the Condominium, said owner thereby being subject to this Declaration and entitled to membership in the Association as provided for in the By-Laws. Notwithstanding anything else contained herein, when more than one Person holds an interest in a Unit, one (1) vote appurtenant to that Unit shall be exercised as the owners, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Unit.

1.31. "Unsold Unit" means each Unit owned by Declarant, its designee or affiliate. All such Unsold Units are collectively referred to as Unsold Units.

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ARTICLE II
Intention

Declarant states that it is the owner in fee simple of and hereby submits the Property to the provisions of the Condominium Act.

ARTICLE III
Name of Condominium; Form of Administration

Section 3.1. The Condominium shall be known as CHANDLER PLACE CONDOMINIUMS. The Condominium and its business shall be managed, controlled directed and administered by the Association as provided in the Articles and By-Laws, which Articles and By-Laws are attached hereto as Exhibit C-1 and Exhibit C-2, respectively, and incorporated herein by this reference.

Section 3.2. All powers granted in this Declaration or the By-laws shall be exercisable by the Condominium Board, except as otherwise expressly stated in the Declaration, the By-Laws or the provisions of the Condominium Act.

Section 3.3. Each Unit Owner shall be a member of the Association and shall be entitled to one (1) vote for each Unit owned, except as otherwise provided for in Section 47C-2-107 of the Condominium Act. Membership shall be appurtenant to, and may not be separated from, ownership of a Unit.

ARTICLE IV
The Units

Section 4.1. Exhibit B attached hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its designation number with a separate street address; (ii) its assigned Parking Space(s) (as defined in Section 5.1) and Storage Unit(s) (as defined in Article VI); and (iii) the Common Interest appurtenant to such Unit. The precise location of each Unit within each Building is shown on the Floor Plans.

Section 4.2. The boundaries of each Unit are the exterior surfaces of its perimeter walls, ceilings and floors, with the center line of the party walls constituting the parametric boundaries of the units of that plane, which are shown on the Floor Plans. Mechanical equipment, stairways and appurtenances located within any Unit and designed to serve only that unit shall be a part of said Unit. However, any Common Elements located within a Unit shall not be considered a part of such Unit.

Section 4.3. Each Unit includes, and the respective Unit Owner shall be responsible for: (i) the front entrance door and any other entrance doors to such Units; (ii) the interior walls, partitions,

wood floors and floor coverings, and plastered ceilings affixed, attached, or appurtenant to such Units; (iii) all windows (including, without limitation, their panes, casements, and frames) located within or opening from, such Units; (iv) all equipment, fixtures, and appliances (including, without limitation, lighting and electrical fixtures, heating and cooling equipment, plumbing facilities, sinks, bathtubs, toilets, refrigerators, ovens, ranges, dishwashers, and any other appliances) affixed, attached, or appurtenant to such Units; and (v) all other Facilities affixed, attached, or appurtenant to such Units and benefiting only those Units.

Section 4.4. Except as may otherwise be provided in the Condominium Documents, each Unit Owner shall have the right, exercisable at any time and from time to time, to install, at such Unit Owner's sole cost and expense, such decorations, fixtures, and coverings (including, without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving, and lighting fixtures) on the surfaces of the walls, ceilings, and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, and to alter or remove interior walls, in whole or in part, in order to change such Units layout, or to improve the Unit, provided that no such installation, alteration, removal, or change shall impair the structural integrity of such Unit or of the Building of which it is a part or violate any Law. The Association reserves the right to regulate the exterior appearance of the window coverings and treatments installed on all Unit windows, including, without limitation, the consistent treatment of window coverings for the half-round windows located in Units 35, 36, 59 and 60.

Section 4.5. The walls and flooring connecting adjacent units are "Party Walls" and are situated on or about the boundary line separating said Units. Each wall which is built as a part of the original construction of a Unit and placed on the dividing line between the Units shall constitute a Party Wall, and, to the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party walls and liability damage due to negligent or willful acts or omissions shall apply thereto. The cost of reasonable repair and maintenance of a Party Wall shall be shared by each Unit Owner sharing use of said Party Wall, in proportion to such use. Notwithstanding any other provisions of this Declaration, a Unit Owner who by his negligent or wilful act causes a Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 4.6. The Association or its designee shall have the right of access to any Unit during reasonable hours of the day, and in the event of emergencies at any time, for the purpose of making inspections, repairs, replacements, or improvements to the Common Elements within a Unit, and to remedy conditions of the Unit itself which could result in damage to other portions of the Building of which the Unit is a part, whether Units or Common Elements, or to abate any violation of law, orders, rules, or regulations of governmental authorities having jurisdiction.

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ARTICLE V
Common Elements

Section 5.1. The "Common Elements" consist of all other parts of the Property, exclusive of the Units themselves, and include, but are not limited to, the following:

- (a) The land, Buildings, and other improvements located thereon, including storm drainage facilities and water and sewer lines located outside any City utility easement;
- (b) The foundations, columns, girders, beams, supports, main walls, bearing walls, roofs, patios and decks (except as the same may be a Limited Common Element), entrances, and exits of each Building;
- (c) The landscaped and planted areas, walks, driveways, parking areas, including the garage parking level of each Building (collectively, the "Parking Areas"), and the individual parking spaces located therein (collectively, the "Parking Spaces"; and each a "Parking Space"), roadways, and other facilities used in common;
- (d) Central and appurtenant installations for services such as electricity, telephone, water, stairs, lobby, garbage and sewage disposal, and for other services for common use.
- (e) Tanks, pumps, motors, ducts, pipes, wires, cables, and, in general, all apparatus and installations existing for common use.
- (f) Easements for access, maintenance, repair, reconstruction, or replacements of the foregoing structural members, equipment, installations, and appurtenances, and for all other services necessary or convenient to the existence, maintenance, safety, and use of the Property.

Section 5.2. The Association shall be responsible for the maintenance and repair of the Parking Areas and the Parking Spaces; provided, however, that the cost of repairing any damage to the Parking Areas or the Parking Spaces caused by a Unit Owner shall be the sole responsibility of such Unit Owner.

Section 5.3. Each Unit shall be assigned a garage level Parking Space(s), as shown on the Floor Plans; and, except as may otherwise be provided in writing by the Declarant (during the Declarant Control Period) or the Association, each Unit Owner is hereby granted an exclusive and irrevocable license to use the assigned Parking Space(s). Notwithstanding the foregoing, the Declarant (during the Declarant Control Period) and the Association may, at any time prior to the conveyance of a Unit, re-assign the Parking Space previously assigned thereto. After the conveyance of a Unit by Declarant, an assigned Parking Space may be re-assigned by Declarant (during the Declarant Control Period) and the Association with the prior written consent of the Unit Owner. The Unit Owner's consent shall not be unreasonably withheld, delayed or conditioned. Declarant (during the Declarant Control Period) or the Association may, without the consent of the

Unit Owners or the holders of first mortgages on the Units, amend this Declaration to reflect a re-assignment of a Parking Space, in accordance with this Section 5.3.

Section 5.4. Street landscaping of traffic island(s) within the right(s)-of-way of public street(s) shall be the sole responsibility of the Association. Such street landscaped islands shall remain neat, clean, attractive and safe. Damaged, unsafe or dead plants shall be removed by the Association. Neither the City nor the State will be liable for any accidents or damage caused by such encroachment within the right(s)-of-way and the Association shall hold harmless the public and indemnify the City and State from such liability. The cost of maintaining such street landscaped islands is a Common Expense.

Section 5.5. Private streets located on the Property shall be the sole responsibility of the Association. Such streets shall be maintained in good condition and no obstruction shall be erected or permitted to remain on such streets. Neither the City nor the State will be liable for any accidents or damage caused by inadequate maintenance, blocking of access routes or any other factor within the control of the Association, and the Association shall hold harmless the public and indemnify the City and State from such liability. The cost of maintaining such streets is a Common Expense.

Section 5.6. As required by applicable City code provisions, Declarant shall cause to be constructed on the Property a stormwater detention facility (the "Detention Basin"). The Detention Basin shall have a water retention capacity of 4,850 cubic feet and a performance standard of: N/A. The Association shall be solely responsible for maintaining the Detention Basin. The cost of such maintenance is a Common Expense.

Section 5.7. The Declarant (during the Declarant Control Period) and the Association shall have the right to subject the Property to easements which it reasonably deems beneficial thereto (the "Easements"). The cost of maintaining the Easements shall be a Common Expense. The term "Easements" shall include, without limitation, the following previously recorded easements benefitting the Property, copies of which are attached hereto as Exhibits E-1, E-2 and E-3, respectively:

- (a) Drainage Easement Agreement recorded in Book 7577, Page 174, Wake County Registry (the "Capital Towers Easement");
- (b) Easement recorded in Book 7808, Page 398, Wake County Registry (the "CP&L Easement"); and
- (c) Easement and Memorandum of Agreement recorded in Book 8172, Page 2213, Wake County Registry (the "Time Warner Easement").

Section 5.8. The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of this Declaration and/or the By-Laws. Further, any

conveyance, encumbrance, judicial sale, or other transfer (voluntary or involuntary) of an individual interest in the Common Elements will be void unless the Unit to which such interest is allocated is also transferred.

ARTICLE VI Limited Common Elements

Limited Common Elements shall mean and include those areas and facilities of the Condominium reserved for exclusive use by the Unit Owner(s) of a particular Unit(s), which areas and facilities shall include, without limitation, any deck, porch, patio, courtyard, balcony, and/or storage room appurtenant to a Unit or Units, or any storage units located in the garage parking level of each Building (each a "Storage Unit"; and collectively, the "Storage Units"), all as shown on the Floor Plans. Each Unit Owner is hereby granted an exclusive and irrevocable license to use and occupy such Limited Common Elements as are associated with such Unit Owner's Unit. The Association shall be responsible for the maintenance and repair of the Limited Common Elements; but each Unit Owner shall be responsible for the cleanliness and orderliness of the Limited Common Elements associated with such Unit Owner's Unit. Notwithstanding anything to the contrary contained herein, the Declarant (during the Declarant Control Period) and the Association may, at any time prior to the conveyance of a Unit, re-assign the Storage Unit previously assigned thereto. After the conveyance of a Unit by Declarant, an assigned Storage Unit may be re-assigned by Declarant (during the Declarant Control Period) and the Association with the prior written consent of the Unit Owner. The Unit Owner's consent shall not be unreasonably withheld, delayed or conditioned. Declarant (during the Declarant Control Period) or the Association may, without the consent of the Unit Owners or the holders of first mortgages on the Units, amend this Declaration to reflect a re-assignment of a Storage Unit, in accordance with this Article VI.

ARTICLE VII Common Charges

Section 7.1. All Unit Owners shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Article VII, Section 1 of the By-Laws at such time or times (but not less than annually) as the Condominium Board shall determine. Notwithstanding anything contained herein to the contrary, the Condominium Board may allocate a reduced assessment for Unsold Units. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. A Unit Owner who fails to pay said Common Charges when due shall be obligated to pay interest at the legal rate or eighteen percent (18%), whichever is higher, on such Common Charges from the date when due, together with all expenses, including attorneys' fees, incurred by the Condominium Board in any proceeding to collect such unpaid Common Charges. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien shall, however, be subordinate to a first mortgage on such Unit which was recorded before the delinquent assessment

was due, and, to the extent required by Law, to any liens for real estate taxes assessed against such Unit.

Section 7.2. All Units shall be allocated Common Charges no later than sixty (60) days after the first Unit is conveyed.

ARTICLE VIII

Mortgages and Transfer of Units

Section 8.1. A Unit Owner who mortgages its Unit shall notify the Condominium Board of the name and address of the holder, insurer and/or guarantor of such mortgage, and shall file a conformed copy of the note(s) and mortgage(s) with the Condominium Board.

Section 8.2. Upon the written request of a holder, insurer or guarantor of a mortgage on a Unit, the Condominium Board shall promptly provide written notice of: (a) any unpaid Common Charges due from, or any other default by, the Unit Owner of the mortgaged Unit; (b) any condemnation or casualty loss that affects a material portion of the Building or the mortgaged Unit; (c) a lapse, cancellation, or material modification of any insurance policy maintained by the Association; and (d) any proposed action that requires the consent of a specified percentage of the holders of mortgages constituting first liens on Units.

Section 8.3. Upon the happening of a default under the terms of the mortgage or other liens which would permit the holder to declare the entire principal sum due, notice of the intention of the holder to do so shall be given to the Condominium Board, but the failure to give such notice shall not prevent the holder from instituting a foreclosure action. The foreclosure of a first mortgage will extinguish the lien for any unpaid Common Charges that were payable before the foreclosure sale.

Section 8.4. Except as otherwise provided herein, any Unit Owner shall be free to convey or transfer its Unit without restriction. No Unit Owner shall be permitted to convey or lease its Unit unless it shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments (hereinafter defined) theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of permitted mortgages, levied against such Unit. However, where the payment of such unpaid Common Charges and/or Special Assessments is made by the grantee or provided for out of the proceeds of the sale, a sale may take place notwithstanding the foregoing. Except as otherwise provided herein, a lien for Common Charges and Special Assessments will not be affected by the sale or transfer of a Unit. Any lease of a Unit must be in writing and subject to the requirements of the Condominium Documents and the Association.

ARTICLE IX

Use and Occupancy

Section 9.1. In addition to the following restrictions, conditions and covenants concerning the use of the Property, the Condominium shall be subject to the Rules and Regulations.

Section 9.2. Each Unit Owner, successor, lessee, occupant, mortgagee, or assign is required to observe all of the provisions of this Declaration, the By-Laws, Rules and Regulations, and applicable laws and ordinances regulating the use and occupancy of the Condominium which require, among other things, that:

(a) The number of Occupants in each Unit shall not exceed (i) the Family Members of one family only; or (ii) two (2) individuals unrelated by blood or marriage per bedroom designated on the Floor Plans for the Unit. No transient tenants may be accommodated; provided, however, that the guests and invitees of Occupants and their lessees may reside in any one Unit for a maximum period of thirty (30) days per calendar year. Units may not be combined or subdivided without prior written approval of the Condominium Board;

(b) A Unit shall not be used or permitted to be used for immoral, improper, offensive, or unlawful purposes;

(c) No nuisance shall be committed or allowed and the Unit shall not be used in any such manner as to be a source of annoyance or in any way interfere with the peaceful possession, enjoyment, and proper use of the Property by other Occupants;

(d) No animals, livestock or poultry of any kind shall be raised, bred or kept in the Units, except that a maximum of two (2) domesticated, household pets may be kept in any one Unit, provided that they are not maintained for commercial purposes.

(e) The Common Elements shall be used for the furnishing of the services and facilities, and for the other uses for which they are reasonably intended and which are incident to the use and occupancy of the Units.

(f) A Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing; however, the foregoing restrictions shall not apply to Unsold Units. Upon the prior written consent of Declarant (or, when there are no longer any Unsold Units, the Condominium Board), any Unit may be used as a professional office or for any other purpose; provided, however, that such use is permitted by applicable Law and the Unit Owner complies with all applicable governmental regulations. Units may be leased only in accordance with the By-Laws and the Rules and Regulations.

(g) Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Declarant may, without the consent of the Condominium Board or other Unit Owners: (i) grant permission for the use of any Unsold Unit as a professional office or for any other purpose; provided, however, that such use is permitted by applicable Law and Declarant

complies with all applicable governmental regulations; (ii) use any Unsold Units as model units and offices for the selling, renting, management, operation, and promotion of the Unsold Units or for any other purpose, subject only to compliance with Law; and (iii) lease any Unsold Units to third parties for their occupancy.

ARTICLE X
Service of Process

The name of the person designated to receive process in any action which may be instituted in relation to the Condominium or any parts thereof, together with his place of business is Craig C. Huggins, 7200 Stonehenge Drive, Suite 206, Raleigh, North Carolina 27613, until the date of the first meeting of the Association. The person so designated to receive service of process may be changed from time to time by the Condominium Board.

ARTICLE XI
Effective Date of the Condominium

The effective date of the Condominium is the date when this Declaration is recorded in the Office of the Register of Deeds of the County of Wake, State of North Carolina. From and after said date, the Condominium shall be and shall continue to be subject to each and all the terms hereof until terminated or abandoned in accordance with the provisions of the Condominium Act and of this Declaration.

ARTICLE XII
Easement for the Common Elements

Section 12.1. Subject to the terms of the By-Laws and the Rules and Regulations, Declarant, the Unit Owners, all authorized Occupants, the Managing Agent, the Condominium Board, and all officers, partners, managers, employees, agents, guests, invitees, and licensees of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Common Elements, and the Common Elements shall be subject to such easement. Notwithstanding the foregoing, no Person shall use or enjoy the Common Elements except in accordance with the Rules and Regulations and the reasonable purposes for which they are intended, and without encroaching upon the rights of other persons to do so. In the event of any dispute concerning the appropriate use of a Common Element, the Condominium Board shall determine the purpose for which such Common Element is intended to be used.

Section 12.2. Each Unit has a proportionate undivided interest in the Common Elements which is permanent in character and which may not be altered except by amendment to this Declaration by the unanimous vote of all Unit Owners and the holders of mortgage liens, if any. This proportionate undivided interest may not be separated from the Unit to which it appertains.

Section 12.3. Subject to the terms of the By-Laws and to the Rules and Regulations, each Unit Owner shall have, in common with all other Unit Owners, an easement to use any and all pipes, wires, ducts, cables, conduits, public utility lines, and all other utility distribution systems, whether or not Common Elements, located in, over, under, through, adjacent to, or upon any other Unit or the Common Elements to the extent that such Common Element and utility distribution system serves, or is necessary to the service of, his Unit, and each Unit and all of the Common Elements shall be subject to such easement. In addition, the Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore, and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access.

Section 12.4. Declarant, for so long as it shall own any Unsold Unit, and the Condominium Board, on behalf of all Unit Owners, shall have the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage sewer, and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Declarant or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Buildings or any portion thereof or for the general health or welfare of the Unit Owners and Occupants.

Section 12.5. Each Unit and the Common Elements shall have easements of subjacent supports and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

Section 12.6. Each Unit Owner shall have an unrestricted right of ingress and egress to its Unit. Such right shall be perpetual and non-exclusive.

Section 12.7. If (i) any portion of the Common Elements now encroaches upon any Unit or upon any other portion of the Common Elements, (ii) any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or (iii) any such encroachment shall hereafter occur as a result of (x) the settling or shifting of the Buildings, (y) any repair or alteration made to the Common Elements in accordance with the terms of this Declaration and the By-Laws by, or with the consent of, the Condominium Board, or by Declarant, or (z) any repair or restoration made to the Buildings or any portion thereof, to any Unit, or to the Common Elements in accordance with the terms of this Declaration and the By-Laws after damage by fire or other casualty or after any taking by condemnation or eminent domain proceedings, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same for so long as the Buildings or the affected Unit or Common Elements shall stand.

Section 12.8. In addition to the specific easements set forth in this Article X, the Property and every portion thereof shall be subject to all easements and rights of access prescribed in the Condominium Act, or in any agreements made with the City of Raleigh or with any utility companies in effect prior to the recording of this Declaration.

ARTICLE XIII

Acquisition of Units by the Condominium Board

If the Condominium Board either (i) acquires or leases a Unit or (ii) purchases a Unit, at a foreclosure or other similar sale, then, in any such event, title or the leasehold estate, as the case may be, in and to such Unit shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or such designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

ARTICLE XIV

Power of Attorney to Declarant and the Condominium Board

Section 14.1. Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted, and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution, (i) Declarant, to amend the Condominium Documents pursuant to the terms hereof, and (ii) the Persons who shall from time to time constitute the Condominium Board, jointly, to execute, acknowledge, and deliver (1) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

Section 14.2. In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Declarant or the Condominium Board, shall duly execute, acknowledge, and deliver to the requesting party, for recording in the Office of the Register of Deeds of the County of Wake, State of North Carolina, a Unit Owner's Power of Attorney in the form set forth on Exhibit D attached hereto and incorporated herein by this reference.

ARTICLE XV

Termination of Condominium

The Condominium shall continue until terminated by (i) a taking of all the Units by eminent domain, as provided for in Section 47C-2-118 of the Condominium Act; or (ii) withdrawal of the Property from the provisions of the Condominium Act by a vote of not less than eighty percent (80%) of all Unit Owners, with the written approval of the holders of the mortgages constituting first liens thereon. In the event that said withdrawal is authorized as aforesaid, but only in such event, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made

to a Unit Owner until there has first been paid, out of such Unit Owner's share of such net proceeds, all liens on the Unit Owner's Unit, in the order of priority of such liens.

ARTICLE XVI
Covenant of Further Assurances

Section 16.1. Any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, an Occupant, a member of the Condominium Board, an officer of the Association, or otherwise, shall, at the expense of such other Person requesting the same, execute, acknowledge, and deliver to such other Person such instrument, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 16.2. If any Unit Owner or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration, then the Condominium Board is hereby authorized as attorney-in-fact for such Unit Owner or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge, and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

ARTICLE XVII
Amendment

Amendments to this Declaration shall be by vote of seventy five percent (75%) of all Unit Owners at a meeting duly held for such purpose, but only with written approval of the holders of the mortgages constituting first liens thereon. Notwithstanding the foregoing, an alteration in the Common Interest will require the consent of all Unit Owners and of the holders of first mortgages thereon; and the Declarant (during the Declarant Control Period) or the Association may, without the consent of the Unit Owners or the holders of first mortgages on the Units, amend this Declaration to reflect a re-assignment of a Parking Space or Storage Unit, in accordance with Section 5.3 or Article VI, as applicable. No amendment will affect or impair the validity or priority of the interests of the holders of recorded mortgages encumbering the Units. For as long as Declarant remains a Unit Owner, this Declaration may not be amended so as to adversely affect Declarant without its consent. No such amendment shall be effective until recorded in the Office of the Register of Deeds of the County of Wake, State of North Carolina.

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ARTICLE XVIII
Liens and Suits

A Unit Owner shall give written notice to the Condominium Board of all liens, suits, or other proceedings which may affect title to his Unit or any other part of the Condominium within five (5) days after he receives notice thereof.

ARTICLE XIX
Judicial Sales

Except for sales made pursuant to foreclosure actions in which the Condominium Board is named as a party, no judicial sale of a Unit or any interest therein shall be valid unless;

(a) The sale is approved by the Condominium Board, which approval shall be in recordable form and shall be delivered to the purchaser and recorded with the Secretary of the Association; or

(b) The sale is a result of a public sale with open bidding.

ARTICLE XX
Provisions Pertaining to Declarant

Notwithstanding any other provisions herein contained, for so long as Declarant remains a Unit Owner, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve Declarant from any obligations of a Unit Owner to pay Common Charges as to each Unit owned by it:

(a) Declarant, for itself, its successors or assigns, reserves the unrestricted right to sell, assign, mortgage, or lease any Unit which it continues to own after the recording of the Declaration and to post signs for such purposes on the Condominium; and

(b) Declarant specifically disclaims any intent to have made any warranty or representation in connection with the Property except as specifically set forth herein or in the Public Offering Statement and no person shall rely upon any warranty or representation not so specifically made herein. The Floor Plans and the estimated Common Charges are deemed accurate, but no warranty or guaranty is made nor intended, nor may one be relied upon with respect thereto.

ARTICLE XXI
Covenants With the Land

Section 21.1. The covenants and restrictions contained in this Declaration, the By-Laws, and the Rules and Regulations as they now exist, or as the same may be amended from time to time, shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded,

after which time they shall be automatically extended for successive periods of ten (10) years. Every Unit Owner and claimant of the Property or any part thereof or interest therein, and his heirs, executors, administrators, successors, and assigns shall be bound by all of the provisions of this Declaration, the By-Laws and the Rules and Regulations.

Section 21.2. All present and future Unit Owners and Occupants shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws, and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance, the entering into a lease, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws, and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Unit Owner or Occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any Person having, at any time, any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, or lease.

Section 21.3. If any provision of this Declaration or of the By-Laws is invalid under the Condominium Act, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the Unit Owners and their heirs, executors, administrators, legal representatives, successors, and assigns, as covenants running with the land and with every part thereof and interest therein under any other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act.

ARTICLE XXII

Captions

Captions used in this Declaration and the By-Laws are for convenience only and shall not be relied upon or used in construing the effect or meaning of any of the text thereof.

ARTICLE XXIII

Gender, Singular, Plural

Whenever the context so permits, the use of the plural shall include the singular and the plural, and any gender shall be deemed to include all genders.

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ARTICLE XXIV
Severability

If any provision of this Declaration, or any section, sentence, clause, phrase, or word, or the application thereof in any circumstances, be judicially held in conflict with the laws of the State of North Carolina, then the said laws shall be deemed controlling and the validity of the remainder of this Declaration and the application of any such provision, section, sentence, clause, phrase, or word in other circumstances shall not be affected thereby.

ARTICLE XXV
Incorporation by Reference

The terms, covenants, conditions, descriptions, and other information contained in (i) the property description attached hereto as Exhibit A; (ii) the description of the Units attached hereto as Exhibit B; (iii) the By-Laws attached hereto as Exhibit C-1; (iv) the Articles of Incorporation attached hereto as Exhibit C-2; (v) the Unit Owner's Power of Attorney attached hereto as Exhibit D; (vi) the Floor Plans; and (vii) the Easements attached hereto as Exhibits E-1, E-2, and E-3 are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the text hereof.

ARTICLE XXVI
Waiver

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

ARTICLE XXVII
Successors and Assigns

The rights and/or obligations of Declarant as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Declarant or, with consent of Declarant, any transferee of all of the then Unsold Units. Subject to the foregoing, Declarant shall have the right, at any time, in its sole discretion, to assign or otherwise transfer its interest therein, whether by merger, consolidation, lease, assignment, or otherwise.

ARTICLE XXVIII
Governing Law

This Declaration and the By-Laws attached hereto shall be construed and controlled by and under the laws of the State of North Carolina.

{SIGNATURE PAGE ATTACHED}

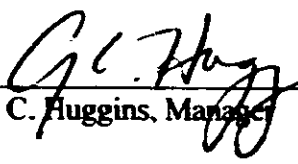
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IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the day and year first above written.

DECLARANT:

OAK LEAF DEVELOPMENT COMPANY I, LLC,
a North Carolina limited liability company

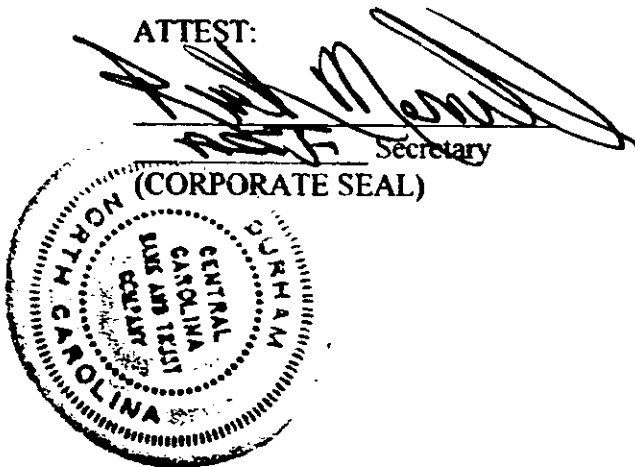
By:  (SEAL)
Michael G. Sandman, Manager

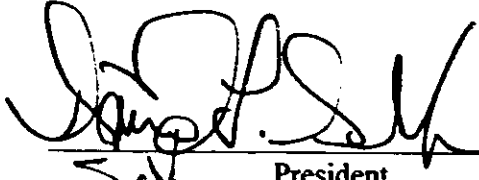
By:  (SEAL)
Craig C. Huggins, Manager

CONSENTED AND AGREED TO BY:

CENTRAL CAROLINA BANK AND TRUST
COMPANY

ATTEST:



By: 
President

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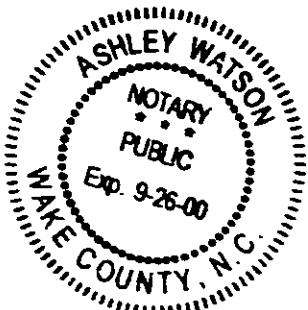
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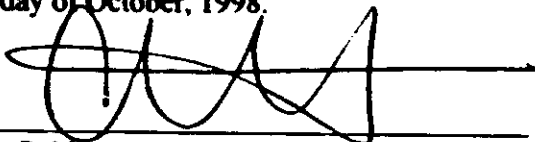
STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned Notary Public of aforesaid County and State, do hereby certify that Michael G. Sandman, Manager of Oak Leaf Development Company I, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and seal this 27th day of October, 1998.





Notary Public

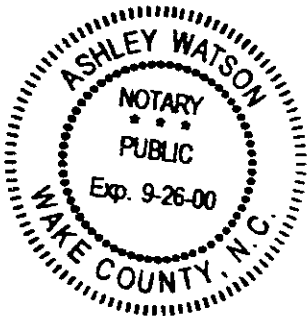
My Commission Expires: _____

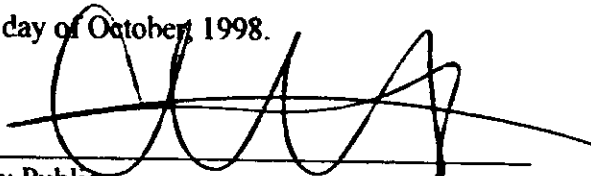
STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned Notary Public of aforesaid County and State, do hereby certify that Craig C. Huggins, Manager of Oak Leaf Development Company I, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and seal this 27th day of October, 1998.





Notary Public

My Commission Expires: _____

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STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned Notary Public of the County and State aforesaid, hereby certify that Rick Merrill personally came before me this day and acknowledged that (s)he is the ASST. Secretary of CENTRAL CAROLINA BANK AND TRUST COMPANY, a North Carolina banking corporation, and that by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by its S.E.V. President, sealed with its corporate seal and attested by its ASST. Secretary.

Witness my hand and seal this 27th day of October, 1998.

Jean Telep
Notary Public

My Commission Expires: December 21, 2002



NORTH CAROLINA — WAKE COUNTY

The foregoing certificate 5 of Ashley Watson
Jean Telep

Notary(y)(ies) Public

is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the first page hereof.

LAURA M. RIDDICK, Register of Deeds

By P. Anne Redd
Asst./Deputy Register of Deeds

BK8174PG0616

EXHIBIT A

DESCRIPTION OF PROPERTY

BEING all of Lot 5, Homewood Office Park Subdivision, as shown on plat recorded in Book of Maps 1985, Page 2324, Wake County Registry.

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EXHIBIT B

UNIT DESCRIPTION

{ATTACHED}

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EXHIBIT B

CHANDLER PLACE CONDOMINIUMS
BUILDING ONE-116 NORTHBROOK DRIVE

UNIT No.	ADDRESS	COMMON INTEREST	PARKING SPACE	STORAGE UNIT
1	116-101	1.169%	12	12
2	116-102	1.382%	7	7
3	116-103	1.382%	17	17
4	116-104	1.824%	18	18
5	116-105	1.567%	5	5
6	116-106	1.562%	16	16
7	116-201	1.211%	2	2
8	116-202	1.382%	4	4
9	116-203	1.382%	1	1
10	116-204	1.824%	3	3
11	116-205	1.567%	10	10
12	116-206	1.727%	14	14
13	116-301	1.222%	15	15
14	116-302	1.382%	6	6
15	116-303	1.382%	13	13
16	116-304	1.824%	11	11
17	116-305	1.567%	8	8
18	116-306	1.747%	9	9

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EXHIBIT B(continued)

CHANDLER PLACE CONDOMINIUMS
BUILDING TWO-108 NORTHBROOK DRIVE

UNIT No.	ADDRESS	COMMON INTEREST	PARKING SPACE	STORAGE UNIT
19	108-101	1.147%	10	10
20	108-102	1.169%	7	7
21	108-103	1.562%	14	14
22	108-104	1.567%	15	15
23	108-105	1.378%	9	9
24	108-106	1.378%	11	11
25	108-107	1.855%	2	2
26	108-108	1.855%	8	8
27	108-201	1.216%	16	16
28	108-202	1.216%	18	18
29	108-203	1.710%	22	22
30	108-204	1.567%	23	23
31	108-205	1.378%	20	20
32	108-206	1.378%	17	17
33	108-207	1.855%	1	1
34	108-208	1.855%	13	13
35	108-301	1.225%	4	4
36	108-302	1.225%	24	24
37	108-303	1.710%	12	12
38	108-304	1.567%	6	6
39	108-305	1.378%	19	19
40	108-306	1.378%	5	5
41	108-307	1.855%	3	3
42	108-308	1.855%	21	21

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EXHIBIT B(continued)

CHANDLER PLACE CONDOMINIUMS
BUILDING THREE-100 NORTHBROOK DRIVE

UNIT No.	ADDRESS	COMMON INTEREST	PARKING SPACE	STORAGE UNIT
43	100-101	1.169%	20	20
44	100-102	1.147%	24	24
45	100-103	1.855%	18	18
46	100-104	1.855%	7	7
47	100-105	1.378%	6	6
48	100-106	1.378%	5	5
49	100-107	1.683%	14	14
50	100-108	1.562%	3	3
51	100-201	1.216%	23	23
52	100-202	1.216%	22	22
53	100-203	1.855%	21	21
54	100-204	1.855%	12	12
55	100-205	1.378%	9	9
56	100-206	1.378%	19	19
57	100-207	1.683%	2	2
58	100-208	1.710%	15	15
59	100-301	1.225%	10	10
60	100-302	1.225%	11	11
61	100-303	1.855%	8	8
62	100-304	1.855%	4	4
63	100-305	1.378%	13	13
64	100-306	1.378%	1	1
65	100-307	1.683%	16	16
66	100-308	1.710%	17	17
		100.000%		

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EXHIBIT C-1
ARTICLES OF INCORPORATION

{ATTACHED}

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STATE OF
NORTH
CAROLINA



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Department of The
Secretary of State

To all whom these presents shall come, Greetings:

I, ELAINE F. MARSHALL, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

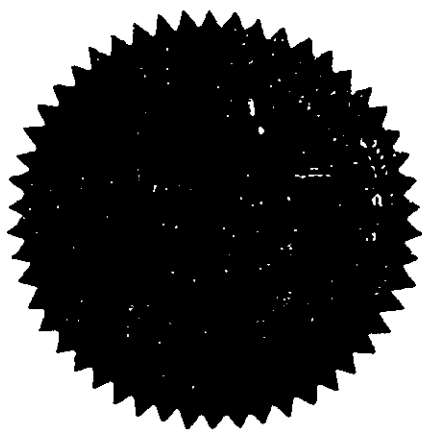
ARTICLES OF INCORPORATION

OF

CHANDLER PLACE CONDOMINIUMS HOMEOWNERS
ASSOCIATION, INC.

the original of which was filed in this office on the 28th day of August, 1998.

IN WITNESS WHEREOF, I have hereunto
set my hand and affixed my official seal at the
City of Raleigh, this 28th day of August, 1998.



Elaine F. Marshall

Secretary of State

BK 8174 PG 0623

C- 0469057

FILED

8:15am

AUG 28 1995

98 238 9027

State of North Carolina
Department of the Secretary of State

ARTICLES OF INCORPORATION
NONPROFIT CORPORATION

EFFECTIVE
ELAINE F. MARSHALL
SECRETARY OF STATE
NORTH CAROLINA

Pursuant to Section 55A-2-02 of the General Statutes of North Carolina, the undersigned corporation does hereby submit these Articles of Incorporation for the purpose of forming a nonprofit corporation.

1. The name of the corporation is: Chandler Place Condominiums Homeowners Association, Inc.
2. (Check only if applicable.) The corporation is a charitable or religious corporation as defined in N.C.G.S. Section 55A-1-40(4).
3. The street address and county of the initial registered office of the corporation is:

Number and Street 7200 Stonehenge Drive, Suite 201

City, State, Zip Code Raleigh, North Carolina 27613 County Wake
4. The mailing address *if different from the street address* of the initial registered office is:

Post Office Box 19808, Raleigh, North Carolina 27619
5. The name of the initial registered agent is:

Michael G. Sandman
6. The name and address of each incorporator is as follows:

Cindy S. Rosefielde-Keller
Michael G. Sandman, Attorney
P.O. Box 19808
Raleigh, NC 27619
7. (Check either a or b below.)
a. ☒ The corporation will have members.
b. ☐ The corporation will not have members.
8. Attached are provisions regarding the distribution of the corporation's assets upon its dissolution.
9. Any other provisions which the corporation elects to include are attached.
10. The street address and county of the principal office of the corporation is:

7200 Stonehenge Drive, Suite 201, Raleigh, NC 27613 County Wake
11. The mailing address *if different from the street address* of the principal office is:

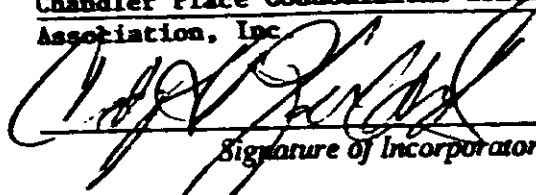
Post Office Box 19808, Raleigh, NC 27619

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12. These articles will be effective upon filing, unless a later time and/or date is specified: _____

This is the 25 day of August, 19 98.

Chandler Place Condominiums Homeowners
Association, Inc.


Signature of Incorporator

Cindy S. Rosefield-Keller, Incorporator
Type or print Incorporator's name and title, if any

NOTES:

1. Filing fee is \$50. This document and one exact or conformed copy of these articles must be filed with the Secretary of State. (Revised July 1994)
CORPORATIONS DIVISION 300 N. SALISBURY STREET RALEIGH, NC 27603-5009

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DISSOLUTION

The Association may be dissolved only upon the signed written assent of the members entitled to not less than 2/3 of the votes appurtenant to each lot. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust, or other organization to be devoted to such similar purposes.

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EXHIBIT C-2

BYLAWS

{ATTACHED}

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**BY-LAWS OF
CHANDLER PLACE CONDOMINIUMS**

**ARTICLE I
Name, Location, and Applicability**

The By-Laws of Chandler Place Condominium located at 100 Northbrook Drive, Raleigh, Wake County, North Carolina, are applicable to all present and future owners, mortgagees, lessees, occupants, employees, guests, or any other persons who may use the Condominium facilities in any manner. Unless otherwise defined herein, the capitalized terms used herein shall have the meaning ascribed to them in that certain Declaration of Condominium made by Oak Leaf Development Company I, LLC, dated October 27, 1998.

**ARTICLE II
General**

Section 2.1. Purpose. These By-Laws provide for the organization of the Condominium and provide the means through which Unit Owners may express their opinions, wishes, and take action with regard to electing a Condominium Board to administer, manage, and operate the Condominium. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Office of the Register of Deeds of Wake County, of which Declaration these By-Laws form a part.

Section 2.2. Applicability. These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, Occupants, mortgagees of Units, and guests and invitees of Unit Owners and Occupants, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-Laws, and the Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws, and the Rules and Regulations, as each of the same may be amended from time to time, are accepted and ratified, and will be complied with.

**ARTICLE III
Condominium Board**

Section 3.1. General. The affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act as, and shall be, the agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By-Laws. The

Condominium Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 3.2. Number. The first Condominium Board to be designated by Declarant prior to the first annual meeting of the Unit Owners shall consist of three (3) persons to serve at the first annual meeting of the Unit Owners. From and after said first annual meeting, the Condominium Board shall consist of seven (7) individuals to be elected by the Unit Owners. Except for members designated or elected by Declarant pursuant to the terms hereof, all members of the Condominium Board shall be either: (i) individual Unit Owners; (ii) individual permitted mortgagees; (iii) officers, directors, shareholders, partners, fiduciaries of any entities that are Unit Owners or permitted mortgagees; or (iv) adult Family Members who are Occupants of a Unit.

Section 3.3. Terms of Office. The term of office of the three (3) members of the Condominium Board designated by Declarant prior to the first annual meeting of the Unit Owners shall expire when the seven (7) individuals to be elected at such meeting are so elected and qualified. The term of office of each of the seven (7) individuals elected and qualified at the first annual meeting of the Unit Owners shall be fixed at a term of office of one year. At each annual meeting of the Unit Owners subsequent to the first such meeting, seven (7) members of the Condominium Board shall be elected to serve a term of office fixed at one year.

Section 3.4. Nomination and Election.

A. Prior to any meeting of the Unit Owners which has as one of its purposes the election of members of the Condominium Board, the President shall appoint a nominating committee of not less than three (3) members. The nominating committee shall meet and select the persons to be nominated for election to the Condominium Board at the forthcoming meeting. The Committee shall report its nominees to the Condominium Board who shall promptly notify the Unit Owners at least twenty (20) days prior to the date of the meeting.

B. Any Unit Owner in good standing may nominate one or more candidates to the Condominium Board by a petition in writing signed by said owner presented to the Chairman of the nominating committee or to the Secretary of the Association, and thereupon the names of such candidates shall be added to the official ballot with a note distinguishing same from the nominations presented by the nominating committee.

C. Before balloting for a member of the Condominium Board, the President of the Association shall appoint two inspectors of election who shall collect, receive, canvass, and report the votes cast at such election. The inspectors shall not be candidates.

D. A typed or printed ballot shall be prepared by the Condominium Board and delivered to each Unit Owner. The ballot shall list the nominees designated by the nominating committee in alphabetical order. The names of additional nominees (if any) shall be listed separately on the same ballot, likewise in alphabetical order.

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E. On any matter of voting not covered herein, the retiring Condominium Board may prescribe additional rules and regulations. Likewise, the retiring Condominium Board shall determine any dispute.

F. No Unit Owner who has failed to pay its Common Charges shall be eligible for election as a member of the Condominium Board.

G. Members of the Condominium Board shall be deemed installed at the meeting of the Condominium Board held, in accordance with these By-Laws, subsequent to their election.

H. Members of the Condominium Board elected or appointed to fill any vacancies due to death, resignation, disqualification, or removal shall serve for the remaining unexpired term of the member replaced.

I. If the number of members of the Condominium Board shall have been increased, they shall be elected in the manner prescribed at the meeting where such increase has been adopted.

Section 3.5. Removal and Restrictions.

A. During the Declarant Control Period, Declarant may remove (i) a member or members of the Condominium Board and (ii) any officer appointed by the Condominium Board. Declarant shall be entitled to appoint new members in their place and stead.

B. A member of the Condominium Board duly elected by the Unit Owners may be removed upon five (5) days' written notice by a sixty-seven percent (67%) vote of the Unit Owners at any meeting of the Unit Owners at which a quorum is present.

C. A member of the Condominium Board may resign at any time by giving written notice to the Condominium Board, the President, or the Secretary. Unless otherwise specified in the letter of resignation, the resignation shall take effect immediately upon receipt thereof by the Condominium Board or by the officers designated to receive the same and acceptance of the resignation shall not be necessary to make it effective. A resignation will not relieve the member resigning from its liability by reason of malfeasance or negligence while in office.

Section 3.6. Quorum. A majority of the Condominium Board shall constitute a quorum for the transaction of business or for any specific item of business. If at any meeting there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At an adjourned meeting any business which would have been transacted at the meeting originally called may be transacted without further notice.

Section 3.7. Action of the Board. A quorum being present, a vote of the majority of those present shall constitute the action of the Condominium Board except as to those matters where the Condominium Act and/or the Condominium Documents require a different vote.

Section 3.8. Vacancies on the Condominium Board. Vacancies on the Condominium Board may be filled, until the date of the next annual meeting of the Unit Owners, by a majority of the remaining members of the Condominium Board at a meeting called for that purpose though less than a quorum be present at said meeting.

Section 3.9. Time and Place of Board Meetings. A meeting of the Condominium Board shall be held immediately following the annual meeting of the Unit Owners. Thereafter, the Condominium Board shall meet at least once every three (3) months at the office of the Association or at such other place or places as it may determine. A special meeting of the Condominium Board may be called by the President or Vice President on two (2) day's notice given either in writing, in person, by telephone, by wire, or by telefax to each member. Such special meeting must be called on the demand or request of two members of the Condominium Board.

Section 3.10. Notice of Meetings and Waivers. Regular meetings once established may thereafter be held without notice at the time and at the place agreed upon by the Condominium Board. If the time or the place of the regular meeting be changed by circumstances beyond the control of the Condominium Board, notice of the change shall be given in the same manner as for a special meeting. Notice of a meeting need not be given to any member who submits a waiver of notice, whether such waiver be before or after the meeting.

Section 3.11. Presiding Officer. The President or, in his absence, the Vice President, or if both be absent, then a Chairman selected and chosen by the Condominium Board, shall preside at all meetings of the Condominium Board and of the Unit Owners.

Section 3.12. Powers and Duties of the Board. The Condominium Board shall have the powers and duties necessary for the administration of the affairs of the Association, including those existing under the Declaration, the Articles, these By-Laws and the Condominium Act, as the same may be amended from time to time. The Condominium Board may engage the services of a Manager or Managing Agent or both to assist it in promoting the interests of the Association. Such powers and duties of the Condominium Board shall include, but not be limited to, the following:

- A. Preparation, adoption and amendment of an annual budget for revenues, expenditures, and reserves.
- B. Maintenance of accurate records and books of account showing receipts and expenditures in connection with the operation of the Property which shall be available for examination by Unit Owners at reasonable times.
- C. Establishment and collection of the Common Charges from Unit Owners. In the event that payment is not made within fifteen (15) days after the due date, the Condominium Board may make a reasonable additional administrative charge for late payment.
- D. Operation, care, upkeep, and maintenance of the Common Elements.

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E. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements, including the services of a Manager or Managing Agent or both, and establishment of compensation for said employees.

F. Opening of bank accounts on behalf of the Association and designating the signatories required therefor.

G. Making and terminating all leases, licenses, and concession agreements, and establishing charges, fees, and rents.

H. Organization of corporations to act as designees of the Condominium Board in acquiring title to or lease of Units or other interests in property on behalf of all Unit Owners.

I. Purchase of insurance for the Property as hereinafter set forth and to adjust and settle claims arising thereunder.

J. Taking possession of any abandoned Unit to prevent damage to the other Units or to the Common Elements.

K. Subsections B, D, E, F, and J of this Section may be delegated to a Manager or Managing Agent or both.

L. Borrow money on behalf of the Association when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements; provided, however, that: (a) the affirmative consent of at least seventy five percent (75%) of the members of the Condominium Board shall be required for the borrowing of any sum in excess of \$5,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) no lien to secure repayment of any sum borrowed may be created on any Unit without the consent of the owner of such Unit; and (c) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph 12.12 shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest, as applicable, bears to the aggregate Common Interest of all Unit Owners, as applicable, shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file, against such Unit Owner's Unit.

M. To use the Common Charges collected from Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Association, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations, and improvements to the Common Elements.

N. To make, or to contract with others for the making of, repairs, maintenance, additions, and improvements to, and alterations, restoration, and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws.

O. To adopt and amend the Rules and Regulations and to levy and authorize collection of fines against Unit Owners for violations of said Rules and Regulations, these By-Laws and the Declaration.

P. To enforce by legal means the terms, covenants, and conditions contained in the Condominium Documents and to bring, or defend against, any legal proceedings that may be instituted on behalf of, or against, the Unit Owners.

Q. To carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

R. Doing any and all things which prudent operation of the Association would require, including the exercise of all other powers contained in Section 47C-3-102 of the Condominium Act.

Section 3.13. Liability of the Condominium Board. The members of the Condominium Board shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise with respect to a contract made by them on behalf of the Association, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Condominium Board on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these By-Laws. It is intended that the members of the Condominium Board shall have no personal liability with respect to any contract made by them in good faith on behalf of the Association. It is understood and permissible for the Condominium Board to contract with the Declarant, its principals, employees, affiliates, or successors, and/or members of the Condominium Board, and they shall not be charged with self-dealing by virtue thereof. It is also intended that the liability, if any, of a Unit Owner arising out of any contract made in good faith by the Condominium Board or out of the aforesaid indemnity in favor of the members of the Condominium Board shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all Unit Owners in the Common Elements.

ARTICLE IV Meetings of Unit Owners

Section 4.1. Place. The Unit Owners shall hold meetings at the principal office of the Association, as the same may be determined by the Condominium Board, or at such place within the City of Raleigh, County of Wake, State of North Carolina, as the Condominium Board shall authorize.

Section 4.2. First Meeting. The first meeting of the Unit Owners shall be held within sixty (60) days after notice from Declarant that it intends to relinquish control of the Condominium Board, but in no event later than two (2) years from the date of the Declaration. At such time, the Condominium Board shall resign and the Unit Owners, including Declarant, shall elect a new Condominium Board.

Section 4.3. Annual Meetings. Subject to Section 2 above, the annual meetings of the Unit Owners shall be held at a date and time selected by the Condominium Board. At such annual meetings a Condominium Board of not less than three (3) members shall be elected by the Unit Owners and such other business as may properly come before the meeting may be transacted.

Section 4.4. Special Meetings. Special meetings of the Unit Owners may be called by the President, Vice President or Secretary of the Association, or by a majority of the Condominium Board, and must be called by such officers upon receipt of a written request from Unit Owners having twenty percent (20%) of the votes in the Association. Such written request shall state the purpose(s) of the proposed meeting. Business transacted at a special meeting shall be confined to the purpose(s) stated in the notice.

Section 4.5. Fixing Record Date. For the purpose of determining the Unit Owners entitled to notice of any meeting of the Association, or any adjournment thereof, or for the purpose of any other action, the Condominium Board shall fix in advance a date as the record date for such determination. Such date shall not be more than thirty (30) nor less than three (3) days before the date of the meeting.

Section 4.6. Notice. Written notice stating the date, time and place the meeting shall be given not less than ten (10) nor more than fifty (50) days prior to the date of the meeting. In the case of a special meeting, the notice of meeting shall state the purpose(s) for which the meeting is called and that it is being issued by or at the direction of the person(s) calling the meeting. Notice of all meetings at which disposition is to be made of assets or granting of rights or easements in the Property must also be given to the holders of the first mortgages on the Units.

Section 4.7. Waiver of Notice. Notice of meetings need not be given to any Unit Owner who signs a waiver of notice either in person or by proxy whether before or after the meeting. The attendance of any Unit Owner at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of proper notice of such meeting, shall constitute a waiver of notice of the meeting by said Unit Owner.

Section 4.8. Quorum of Unit Owners. A quorum at a meeting of the Unit Owners shall be deemed present if Unit Owners entitled to cast twenty percent (20%) of the votes which may be cast for election of the Condominium Board are present, either in person or by proxy, at the beginning of the meeting. The subsequent joinder of a Unit Owner in the action taken at a meeting by signing and concurring in the minutes thereof shall constitute the presence of such persons for the purpose of determining a quorum. When a quorum is once present to organize the meeting, it cannot

be broken by the subsequent withdrawal of a Unit Owner. The Unit Owners present may adjourn the meeting despite the absence of a quorum.

Section 4.9. Voting. Each Unit Owner is entitled to one vote for each Unit owned, provided he is not in arrears in the payment of the Common Charges applicable to the Unit for which the vote is being exercised. A Unit which has been acquired by the Condominium Board in its own name or in the name of its agent, designee, or nominee on behalf of all of the Unit Owners shall not be entitled to vote so long as it continues to be so held.

Section 4.10. Proxies. A vote may be cast in person or by proxy. To be valid, proxies must be fully signed and acknowledged by the Unit Owner and must, together with the Unit Owner's certificate showing he is entitled to vote, be filed with the Secretary at least twenty-four hours before the appointed time of the meeting. A proxy may be revoked by the Unit Owner by appearance in person at the meeting and there and then filing with the Secretary at that time notice of the revocation.

Section 4.11. Order of Business: Annual Meeting. The usual order of business at the annual meeting of the Unit Owners shall be:

- A. Calling the roll and certifying of proxies.
- B. Proof of notice of the meeting or certification as to waivers.
- C. Reading and disposal of unapproved minutes.
- D. Reports of the officers of the Association.
- E. Reports of the Condominium Board.
- F. Reports of Committees.
- G. Appointment of inspectors of election.
- H. Election of the Condominium Board.
- I. Unfinished business.
- J. New business.
- K. Adjournment.

Section 4.12. Order of Business: Other Meetings. The order of business at all other meetings of the Unit Owners shall as far as practical conform to the order of business at the annual meeting insofar as the special purpose of the meeting will permit.

ARTICLE V Officers

Section 5.1. Election of Officers. At the first meeting of the Condominium Board following the annual meeting of the Unit Owners, the Condominium Board shall, by a majority vote, elect a President, Secretary, Treasurer, and such Vice Presidents and assistants to the Secretary and Treasurer as they deem necessary. The President shall be selected from the members of the

Condominium Board. All officers shall serve for a term of one year or until successors shall have been appointed.

Section 5.2. President. The President shall be the Chief Executive Officer of the Association and Chairman of the Condominium Board. He shall have all of the powers and duties usually vested in a President of a condominium, including the power to appoint committees as he may, with the consent of the Condominium Board, deem appropriate, and all the powers and duties incident to the president of a business corporation organized under the laws of the State of North Carolina. He shall exercise such other powers and duties as shall be prescribed by the Condominium Board. He shall see that all orders and resolutions of the Condominium Board shall be carried into effect. He may delegate some of his duties to Vice Presidents elected.

Section 5.3. Vice President. The Vice President shall perform all duties delegated to him by the President. He shall serve as chairman of such committees as the Condominium Board shall deem appropriate. If there is more than one Vice President, they shall exercise the powers and perform the duties of the President in his absence or disability in the order of their appointment. The Vice President may hold office as Secretary or Treasurer.

Section 5.4. Secretary. The Secretary shall keep a record of all actions of the Condominium Board and all meetings of the Unit Owners. (S)he shall attend to the giving of all notices. (S)he shall prepare and have available at each meeting of the Unit Owners a list in alphabetical order of the names of the Unit Owners entitled to vote as set forth in Article IV, Section 9, and their percentage of Common Interest. He shall perform all other duties incident to the office of Secretary of the Association as may be required by the President of the Condominium Board.

Section 5.5. Treasurer. The Treasurer shall keep the financial records of the Association and shall keep books of account and shall have custody of funds, securities, and evidences of indebtedness. He shall perform all other duties incident to a Treasurer of a condominium as prescribed by the Condominium Board. He shall deposit all moneys and other valuables in the name of and to the credit of the Association in such depositories as may be designated by the Condominium Board. He shall disburse the funds of the Condominium as may be ordered and authorized by the Condominium Board and shall preserve proper vouchers for such disbursements. He shall render an annual report at the annual meeting of the Unit Owners. The Treasurer and the President shall, as prescribed by the Condominium Board, report on the operation of the Condominium and the payment of the Common Expenses and the determination and collection of the Common Charges.

Section 5.6. Assistant Secretary and/or Assistant Treasurer. The Assistant Secretary and the Assistant Treasurer shall perform the duties respectively of the Secretary or Treasurer in the absence or incapacity of either or both of such officers.

Section 5.7. Compensation. No fees shall be paid to any officers of the Association during the period when it is controlled by Declarant. Thereafter their compensation, if any, shall be fixed

by the Condominium Board. This provision shall not preclude the Condominium Board from employing or contracting with a Manager or Managing Agent.

Section 5.8. Removal. All officers and employees of the Association may be removed with or without cause by a majority vote of the Condominium Board.

Section 5.9. Vacancies. Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 5.10. Qualification. The President, Vice President, and the Treasurer shall be elected from among the members of the Condominium Board.

ARTICLE VI Operation of the Property

Section 6.1. Fiscal Management.

A. A record of receipts and expenditures shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and address of the Unit Owner, the amount of Common Charges against the Unit Owner, the dates they become due, the amounts paid upon the account, and the balance due thereon. In making up the Common Charges due, the Unit is treated as such and no division shall be made because the Unit is held by more than one person.

B. The Condominium Board shall adopt a budget for each year which shall contain estimates of the cost of performing the various functions of the Association and shall include among its items:

(i) Common Expenses budget:

- (a) Maintenance and operation of Common Elements.
- (b) Utility services.
- (c) Casualty insurance.
- (d) Liability insurance.
- (e) Administration.
- (f) Reserves, including, without limitation, funds for future repairs and replacements to property and equipment, and for the repurchase of Units and/or mortgages as authorized by the Declaration (the "Reserve Fund").
- (g) Any other item which the Condominium Board finds necessary to include therein.

(ii) Proposed Common Charges.

C. Copies of the proposed budget shall be transmitted to each Unit Owner promptly after adoption. If the budget is substantially amended, a copy thereof shall be furnished to each Unit Owner.

D. The Declarant shall establish the initial Reserve Fund in an amount that is at least equal two (2) months of estimated Common Charges for each Unit. Each Unit's share of the initial Reserve Fund shall be collected either at the time the sale of the Unit is closed or when control of the Condominium is transferred to the Association, whichever is earlier. Amounts paid into the Reserve Fund shall not constitute advance payments of Common Charges. The Declarant shall transfer the Reserve Fund to the Association when Declarant transfers control of the Condominium to the Association. Declarant may not use the Reserve Fund to defray any of its expenses or construction costs, or to make up any budget deficits while it is in control of the Condominium. Notwithstanding the foregoing, when an Unsold Unit is sold, Declarant may reimburse itself from funds collected at closing for sums it paid for such Unit's share of the Reserve Fund.

E. The depository of the Association shall be such bank(s) as shall be designated from time to time by the Condominium Board. The moneys of the Association shall be deposited therein.

F. Upon written request, the Association shall make available to Permitted Mortgagees an audited financial statement for the preceding fiscal year. In addition, the Association shall make available to Unit Owners an audited financial statement within one hundred twenty (120) days after the Association's fiscal year-end.

Section 6.2. Availability of Condominium Documents. The Association will have current copies of the Declaration, Articles, By-Laws, and Rules and Regulations as well as the Association's own books, records and financial statements available for inspection during normal business hours by Unit Owners and by Permitted Mortgagees.

Section 6.3. Maintenance, Repairs, Replacements, Improvements.

A. By the Condominium Board. It shall be the sole responsibility of the Condominium Board to maintain, repair, or replace Common Elements and, except as otherwise provided herein, Limited Common Elements, located either inside or outside of the Units. The cost thereof shall be a Common Expense unless the work shall have been necessitated by the negligence, misuse, or neglect of a Unit Owner responsible therefor. Any such work shall be substantially in accordance with the Floor Plans under which the Buildings were constructed. If the cost of such work may exceed \$10,000.00, it shall be done under the supervision of a qualified architect or engineer.

B. By the Unit Owner.

(i) All other maintenance, repairs, and replacements to Units shall be made by the respective Unit Owners, at their own expense and in accordance with the provisions of the

Condominium Documents, including, without limitation, painting, wall papering, decorating, or work of any kind on the interior surfaces of the walls, ceilings, or floors of the Units.

(ii) The fixtures and equipment installed in each Unit, including but not limited to the following: air conditioning units; plumbing fixtures, including wash basins, sinks, showers, bathtubs, and toilets; electric fixtures, appliances, and outlets; bathroom and kitchen cabinets and equipment; and fireplaces in those Units where installed, are the property of each Unit Owner to be maintained, repaired, or replaced by the Unit Owner at its own expense.

(iii) It shall be the responsibility of the Unit Owner, at its own cost and expense, to maintain, repair, or replace Limited Common Elements of which it has exclusive use, including, but not limited to, any patio or deck, doors leading to and from its Unit, window panes, and screens. Nevertheless, the Unit Owner shall not make any changes in structure, design, or color of any Limited Common Element without the written consent of the Association.

C. Access. The Condominium Board or its designee shall have the right of access to any Unit during reasonable hours of the day, and in the event of emergencies at any time, for the purpose of making inspections, repairs, replacements, or improvements to the Common Elements within a Unit, and to remedy conditions of the Unit itself which could result in damage to other portions of the Building of which the Unit is a part, whether Units or Common Elements, or to abate any violation of law, orders, rules, or regulations of governmental authorities having jurisdiction.

D. Improvements to the Common Elements.

(i) When, in the opinion of the Condominium Board, additions, alterations, or improvements to the Common Elements in excess of \$10,000.00 are advisable, the consent of seventy five percent (75%) of the Unit Owners shall be required.

(ii) When, in the sole opinion of the Condominium Board, the aforesaid addition, alteration, or improvement is general in character, the cost therefor shall be a Common Expense.

E. Restrictive Provisions. No Unit Owner shall make any structural modifications or changes or do any work which would jeopardize the soundness or safety of the Property, reduce the value thereof, or impair any easement or hereditament, nor may any Unit Owner add any material structure or excavate any additional basement, crawl space, or cellar, nor do any work on the exterior of the Building of which the Unit Owner's Unit is a part, erect a fence, move or replace shrubs, or change the landscaping in any way, without in every such case the consent of the Condominium Board being first obtained. When, in the sole opinion of the Condominium Board, a Unit Owner is in violation of this provision, said Unit Owner shall immediately cause any such work, whether within its Unit or within the Common Elements, to be stopped, and the Unit Owner shall refrain from recommencing or continuing the same.

Section 6.4. Insurance.

A. The Condominium Board shall obtain and maintain, to the extent available, casualty insurance in an amount equal to the replacement value of the Buildings, including all of the Units, the Common Elements and the Limited Common Elements, covering the interest of the Association, the Condominium Board, and all Unit Owners and their mortgagees, as their interests may appear. Such coverage shall afford protection against: (i) loss or damage by fire or other hazards covered by the standard extended coverage endorsement; and (ii) such other risks as from time to time customarily shall be covered with respect to buildings in similar construction, location, and use, including, without limitation, vandalism and malicious mischief. The Condominium Board may also obtain and maintain such other insurance as it deems necessary.

B. The proceeds of all policies of physical damage insurance shall be payable to the Condominium Board to be applied for the purpose of repairing, restoring, or rebuilding the Buildings unless otherwise determined by the Unit Owners, as hereinafter set forth, and the Condominium Board shall arrange for such repair or work. If the insurance proceeds are insufficient to cover the cost of such work, the balance of the cost will be assessed among all Unit Owners in proportion to their respective interests in the Common Elements.

C. All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of prorata liability of the insurer as a result of any insurance carried by Unit Owners or of any invalidity arising from any acts of the insured or any Unit Owners and shall provide that such policies may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the named insured, including all first mortgagees of Units.

D. The Condominium Board shall also obtain and maintain to the extent obtainable: (1) fidelity insurance covering all members of the Condominium Board, officers, or employees of the Association who handle funds of the Association; (2) workmen's compensation insurance; and (3) in order to limit the liability of Unit Owners for personal injury and tort, public liability insurance covering each member of the Condominium Board and Unit Owners (as a group) in such limits as the Condominium Board may deem proper.

E. The public liability insurance policy to be maintained until otherwise determined by the Condominium Board will be in a single limit of \$1,000,000.00 covering all claims for bodily injury or property damage arising out of any one occurrence in the Common Elements. The public liability insurance shall also cover cross liability claims of one insured against another, but said policy will not cover the liability of a Unit Owner arising from an occurrence within its own Unit. Unit Owners who want such additional protection may obtain same, at their own cost and expense.

F. The Condominium Board shall review insurance limits on all types of insurance carried at least once in each year and shall obtain insurance coverage in such amounts as may be deemed necessary. The cost of all insurance shall be paid by the Association and shall constitute a Common Expense.

G. Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Condominium Board shall not be affected or diminished by reason of any Unit Owner's other insurance.

Section 6.5. Repair or Reconstruction after Fire or Other Casualty.

A. In the event of damage to or destruction of a Building as a result of fire or other casualty, the Condominium Board shall arrange for the prompt repair, replacement, and restoration of the Building and damaged Units (including fixtures and equipment the same or equal to those installed by the Declarant, but not including any wall, ceiling, floor, or other decorations or coverings, or any furniture, furnishings, fixtures, or equipment installed by Unit Owners in the Units), and the Condominium Board or the insurance trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. The cost of repair, replacement, and restoration in excess of the insurance proceeds, if any, shall constitute a Common Expense and the Condominium Board may assess all the Unit Owners for such deficit as part of the Common Charges; provided, however, such repair or replacement shall not be undertaken if seventy five percent (75%) or more of a Building is destroyed or substantially damaged and eighty percent (80%) or more of the Unit Owners, with the written approval of the holders of the mortgages constituting first liens thereon, do not duly and promptly resolve to proceed with repair or restoration.

B. If seventy five percent (75%) or more of a Building is destroyed or substantially damaged and eighty percent (80%) or more of the Unit Owners, with the written approval of the holders of the mortgages constituting first liens thereon, do not promptly resolve to proceed with the repair or restoration thereof, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 4, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Condominium Board or the insurance trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on its Unit, in the order of the priority of such liens.

Section 6.6. Transfer of Units.

A. No Unit Owner shall be permitted to convey or lease its Unit unless it shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments (hereinafter defined) theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of permitted mortgages, levied against such Unit. However, where the payment of such unpaid Common Charges and/or Special Assessments is made by the grantee or provided for out of the proceeds of the sale, a sale may take place notwithstanding the foregoing. Except as otherwise provided herein, a lien for Common Charges and Special Assessments will not be affected by the

sale or transfer of a Unit. Any lease of a Unit must be in writing and subject to the requirements of the Condominium Documents and the Association.

B. Except as provided for in subsection 5.1 above, any Unit Owner shall be free to convey or transfer its Unit without restriction.

Section 6.7. Mortgages.

A. A Unit Owner who mortgages its Unit shall notify the Condominium Board of the name and address of the holder, insurer and/or guarantor of such mortgage, and shall file a conformed copy of the note(s) and mortgage(s) with the Condominium Board.

B. Upon the written request of a holder, insurer or guarantor of a mortgage on a Unit, the Condominium Board shall promptly provide written notice of: (a) any unpaid Common Charges due from, or any other default by, the Unit Owner of the mortgaged Unit; (b) any condemnation or casualty loss that affects a material portion of the Building or the mortgaged Unit; (c) a lapse, cancellation, or material modification of any insurance policy maintained by the Association; and (d) any proposed action that requires the consent of the holders of mortgages constituting first liens on Units.

Section 6.8. Foreclosure of mortgage or other liens. Upon the happening of a default under the terms of the mortgage or other liens which would permit the holder to declare the entire principal sum due, notice of the intention of the holder to do so shall be given to the Condominium Board, but the failure to give such notice shall not prevent the holder from instituting a foreclosure action. The foreclosure of a first mortgage will extinguish the lien for any unpaid Common Charges that were payable before the foreclosure sale.

Section 6.9. Other Defaults.

A. Failure of the Condominium Board or failure of present and future Unit Owners and Occupants of Units to comply with the terms of the Declaration, these By-Laws, and Rules and Regulations as they may be amended from time to time, and the resolutions and decisions duly adopted pursuant thereto shall be grounds for an action to recover sums due, for damages or injunctive relief or both, by the Condominium Board on behalf of one or more of the Unit Owners, or by a Unit Owner in its own behalf. In any case of flagrant or repeated violation by a Unit Owner, such Unit Owner may be required by the Condominium Board to give sufficient surety or sureties for its future compliance therewith.

B. Each Unit Owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by its act, neglect, or carelessness, to the extent that such expense is not met by the proceeds of insurance carried by the Condominium Board. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment

of a Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

C. In any proceeding arising because of an alleged default by a Unit Owner or by the Condominium Board, the prevailing party shall be entitled to recover the costs of the proceedings, including, but not limited to, reasonable attorneys' fees.

D. The failure of the Condominium Board or of a Unit Owner to enforce any right, provision, covenant, or condition of the Condominium Documents shall not constitute a waiver of the right of the Condominium Board or Unit Owner to enforce the same in the future.

E. All rights, remedies, and privileges granted to the Condominium Board, its designated agent, or a Unit Owner pursuant to any terms, provisions, covenants, or conditions of the Declaration and these By-Laws shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be granted to such party by the Declaration, these By-Laws, or at law or in equity.

Section 6.10. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Association. If seventy five percent (75%) or more of the Unit Owners, with the written approval of the holders of the mortgages constituting first liens thereon, duly and promptly approve the repair and restoration of such Common Elements, the Condominium Board shall arrange for the repair and restoration of such Common Elements, and the Condominium Board shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy five percent (75%) or more of Unit Owners do not duly and promptly approve the repair and restoration of such Common Elements, or if the award exceeds the cost of such repair or restoration, the Condominium Board shall disburse the net proceeds among all Unit Owners in proportion to their respective Common Interests. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

Section 6.11. Use of the Property.

A. No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to Occupants of a Unit or interferes with the peaceful possession or proper use of the Property by the Occupants thereof. No immoral, improper, offensive, or unlawful use shall be made of the Property or any portion thereof, and all valid Laws relating to any portion of the Property shall be complied with at the sole cost and expense of the respective Unit Owners or the Association, whoever shall have the obligation to maintain or repair such part of the Property.

B. Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the

Condominium Board. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any Law. No waste shall be committed in the Common Elements.

C. Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or will structurally change the Building of which the Unit is a part, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

Section 6.12. Use of the Units.

A. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained herein.

B. Each Unit shall be used only as a residence, and the number of Occupants in each Unit shall not exceed (i) the Family Members of one family only; or (ii) two (2) individuals unrelated by blood or marriage per bedroom designated on the Floor Plans for the Unit. Notwithstanding the foregoing, Declarant (or, when there are no longer any Unsold Units, the Condominium Board) may, in its sole discretion, permit Persons other than those set forth above to occupy a Unit. In no event, however, shall a portion of a Unit (as opposed to the entire Unit) be sold, conveyed, leased, or subleased. No transient tenants may be accommodated in a Unit; provided, however, that the guests and invitees of Occupants and their lessees may reside in any one Unit for a maximum period of thirty (30) days per calendar year.

C. Notwithstanding anything to the contrary contained in this Section, Declarant may, without the consent of either the Condominium Board or the Unit Owners:

(i) grant permission for the use of any Unsold Unit as a professional or business office or for any other purpose, provided that the nature and manner of such use complies with Law and the user thereof complies with all applicable governmental regulations; and

(ii) use any one or more Unsold Units as models and offices for the sales, promotions, rental, management, and operation of the Unsold Units or for any other purpose, subject only to compliance with Law.

Section 6.13. Use of the Common Elements.

A. The Common Elements may be used only for the furnishing of the services and facilities, and for the other uses for which they are reasonably intended and which are incident to the use and occupancy of the Units.

B. Notwithstanding anything to the contrary contained hereinabove, Declarant shall have the right, without charge or limitation and so long as there are any Unsold Units, to: (i) erect and maintain signs of any size or content determined by Declarant on or about any portion of the Common Elements chosen by Declarant including, without limitation, on the exterior walls of a Building or adjacent to the main entrance thereof; (ii) have its employees, contractors, subcontractors, and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements, to sell, lease, manage, or operate Unsold Units, to complete any work or repairs to a Building expressly undertaken by Declarant, and to comply with Declarant's obligations under the Floor Plans and the Condominium Documents. In no event, however, shall Declarant be entitled to use any Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

ARTICLE VII Common Charges

Section 7.1. Determination of Common Expenses and Fixing of Common Charges.

A. From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt a budget for the Condominium; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges among the Unit Owners, probata, in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws). Within thirty (30) days after adoption of any proposed budget, the Condominium Board shall transmit to each Unit Owner a summary of said proposed budget and notice of a scheduled meeting of the Unit Owners to consider ratification of said proposed budget. The date of said meeting shall be not less than fourteen (14) nor more than thirty (30) days following transmission of the proposed budget. If the budget is substantially amended, a copy thereof shall be furnished to each Unit Owner. The budget shall be ratified unless at the aforesaid meeting a majority of the Unit Owners present reject the proposed budget. There shall be no requirement that a quorum be present at said meeting. Upon ratification of the proposed budget, the Condominium Board shall advise all Unit Owners promptly in writing of the amount of Common Charges payable by each of them not later than ten (10) days next preceding the date upon which the first installment of newly-determined Common Charges is due. The Condominium Board may, at its sole discretion, from time to time, increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination.

B. The failure or delay of the Condominium Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were

computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

C. In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right to levy special assessments to meet the Common Expenses ("Special Assessments"). All Special Assessments relative to the Common Elements shall be levied against all Unit Owners in proportion to their respective Common Interests. Special Assessments may be payable either in one lump sum or in installments, as the Condominium Board shall determine; provided, however, that the Condominium Board shall give each Unit Owner not less than fifteen (15) days' written notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges.

Section 7.2. Payment of Common Charges.

A. All Unit Owners which own Units for which a certificate of occupancy has been issued shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Section 1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Notwithstanding anything contained herein to the contrary, the Condominium Board may allocate a reduced assessment for Unsold Units; provided, however, that all Units must be allocated full assessments no later than ninety (90) days after the first Unit is conveyed. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. A Unit Owner who fails to pay said Common Charges when due shall be obligated to pay interest at the legal rate or eighteen percent (18%), whichever is higher, on such Common Charges from the date when due, together with all expenses, including attorneys' fees, incurred by the Condominium Board in any proceeding to collect such unpaid Common Charges. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien shall, however, be subordinate to a first mortgage on such Unit which was recorded before the delinquent assessment was due, and, to the extent required by Law, to any liens for real estate taxes assessed against such Unit.

B. No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against its Unit subsequent to a sale, transfer, or other conveyance by it of such Unit.

C. No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning its Unit. No Unit Owner shall be entitled to a diminution or abatement in the

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Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit; or (iii) any action taken by the Condominium Board or the officers of the Association to comply with Law.

Section 7.3. Surplus Funds. Surplus Funds shall be either distributed to the Unit Owners, probata, in accordance with their respective Common Interests or be used as a credit against said Unit Owners' future Common Charges, as determined by the Condominium Board.

ARTICLE VIII Miscellaneous

Section 8.1. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these By-Laws.

Section 8.2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 8.3. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 8.4. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of proceedings except where the Declaration, these By-Laws, or the laws of the State of North Carolina require a different method of procedure.

Section 8.5. Fiscal Year. The fiscal year shall begin on such date in each year as the Condominium Board shall establish.

Section 8.6. Execution of Instruments. All instruments of the Association shall be signed, executed, and acknowledged under seal by such officer or officers as the Condominium Board shall designate.

Section 8.7. Conflicts. These By-Laws are set forth to comply with the requirements of the Condominium Act. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

Section 8.8. Amendments. These By-Laws and the Articles may be modified or amended by the vote of seventy five percent (75%) of all Unit Owners at a meeting duly held for such purpose, but only with the written approval of the holders of the mortgages constituting first liens thereon. However, no amendments shall affect or impair the validity or priority of the interests of holders of

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recorded mortgages encumbering the Units. For as long as Declarant remains the owner of one or more Units, neither these By-Laws nor the Articles may not be amended so as to adversely affect Declarant without its consent.

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**RULES AND REGULATIONS
OF
CHANDLER PLACE CONDOMINIUM**

1. The sidewalks, entrance passages, public halls, elevators, vestibules, corridors, and stairways of or appurtenant to the Buildings shall not be obstructed or used for any purpose other than ingress to and egress from the Units.
2. No baby carriages, bicycles, scooters, or similar vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Buildings.
3. No article (including, but not limited to, garbage cans, bottles, or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Buildings, nor shall any fire exit thereof be obstructed in any manner.
4. Nothing shall be hung or shaken from any doors or windows, or placed upon the window sills, of a Building, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris, or other substance therefrom.
5. No cooking grills shall be stored or used on the exterior portions of the Units in violation of applicable governmental laws and ordinances.
6. There shall be no playing or lounging in the entrances, passages, public halls, elevators, vestibules, corridors, stairways, or fire towers of a Building, except in recreational areas or other areas designated as such in the Declaration or by the Condominium Board.
7. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage, recreation, or service purposes in a Building.
8. Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance of the Buildings or the contents thereof. No Unit Owner shall permit anything to be done or kept in its Unit or in the Common Elements that will result in the cancellation of insurance on the Building of which the Unit forms a part, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of its Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in its Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.
9. No Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from its Unit or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's

Unit between midnight and the following 8:00 A.M., if the same shall disturb or annoy other Occupants of the Building, and in no event shall any Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

10. In the event that any Unit shall be used for home occupation purposes in conformance with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

11. Unless expressly authorized by the Condominium Board in each instance, not less than eighty percent (80%) of the floor area of each Unit (excepting only kitchens, pantries, bathrooms, closets, and foyers) must be covered with rugs, carpeting, or equally effective noise-reducing material.

12. In no event shall any exterior glass surface of any windows at the Property be colored or painted.

13. The Condominium Board or the Managing Agent shall have the authority to regulate the exterior appearance of the window coverings and treatments installed on all Unit windows, including, without limitation, the consistent treatment of window coverings for the half-round windows located in Units 35, 36, 59 and 60.

14. No ventilator or air conditioning device shall be installed in any Unit without the prior written approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

15. No radio or television antennas, nor any satellite dishes, shall be attached to or hung from the exterior of any Building, and no sign, notice, advertisement, or illumination (including, without limitation, "For Sale," "For Lease," or "For Rent" signs) shall be inscribed or exposed on or at any window or other part of any Building, except such as are permitted pursuant to the terms of Declaration and/or the By-Laws or shall have been approved in writing by the Condominium Board or the Managing Agent. Nothing shall be projected from any window of a Unit without similar approval.

16. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the North Carolina Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment, specifically including, but not limited to, the use of clothes dryers, with adequate ventilation capacity, as may be prescribed by (a) any state or local laws, codes, statutes or ordinances; and/or (b) the Condominium Board.

17. Water closets and other water apparatus in the Buildings shall not be used for any purpose other than those of which they were designed, and no sweepings, rubbish, rags, or any other

article shall be thrown into same. Any damage resulting from misuse of any water closets or other water apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

18. Each Unit Owner shall keep its Unit in a good state of preservation, condition, repair, and cleanliness in accordance with the terms of the By-Laws.

19. The agents of the Condominium Board or the Managing Agent, and any contractor or workman authorized by the Condominium Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection, and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

20. The Condominium Board or the Managing Agent may retain a passkey to each Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit any entry to its Unit at any time when an entry therein is necessary or permissible, then the Condominium Board or Managing Agent may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

21. No Occupant of any Building shall send any employee of the Association or of the Managing Agent out of said Building on any private business.

22. No animals, livestock or poultry of any kind shall be raised, bred or kept in the Units, except that a maximum of two (2) domesticated, household pets may be kept, provided that they are not maintained for commercial purposes. All household pets shall be kept on a leash at all times when outside the Units.

23. Other than the covered parking space assigned to a Unit, parking shall be permitted in designated parking areas only. Unit Owners shall not park or store any camper, trailer, trailer vehicle, or similar vehicle anywhere on the Property. No trucks shall be permitted except for standard 2-ton or less pickup trucks or smaller sized trucks.

24. Each Unit Owner shall take all reasonable measures to reduce and/or eliminate sound transmission(s) between adjacent Units. Such measures shall include, without limitation, the installation by all owners of Units located on the second and third floors of the Building of appropriate padding under all carpeted surfaces in their respective Units. In addition, all Unit Owners (except the owners of Units located on the third floor of the Building) shall refrain from installing recessed lighting in their respective Units.

25. Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any

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such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

26. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board or to the Managing Agent.

EXHIBIT D

UNIT OWNER'S POWER OF ATTORNEY

Any terms used in this Unit Owner's Power of Attorney that are used (a) in the Declaration of Condominium dated October 27, 1998, and recorded in Book __, Page __, Wake County Registry ("Declaration"); or (b) in the By-Laws of the CHANDLER PLACE CONDOMINIUM HOMEOWNERS ASSOCIATION, INC. ("By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned, the owner of Unit No. __, Chandler Place Condominiums, having a street address at __, ("Unit No. __"), as described in the Declaration and as shown on the Floor Plans, (does) (do) hereby irrevocably nominate, constitute, and appoint the Persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with the Unit Owners' respective Common Interests, subject to the provisions of the By-Laws then in effect, to execute, acknowledge, and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of any public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium; or (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Condominium Board deems necessary or appropriate.

The acts of a majority of such Persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

The undersigned (does)(do) hereby irrevocably nominate, constitute, and appoint Declarant as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time said Declaration, By-Laws, and the Rules and Regulations of the said Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests and the Common Interest of the affected Unsold Units resulting therefrom made by Declarant in accordance with the provisions of the Declaration or (2) shall be required by (a) an institutional lender designated by Declarant to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Declarant to insure title to any Unit; provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of Unit No. __, (ii) require a material, physical modification to Unit No. __, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage held by an institutional lender

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covering Unit No. _____ unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants, and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as Declarant shall no longer be a Unit Owner.

IN WITNESS WHEREOF, the undersigned has executed this Unit Owner's Power of Attorney on the _____ day of _____, 199__.

_____(SEAL)

_____(SEAL)

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EXHIBIT E-1

CAPITAL TOWERS EASEMENT

{ATTACHED}

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Prepared By and Held for:
Michael G. Sandman

PRESENTED
FOR
REGISTRATION

97 JUL 29 PM 4:30

JUL 09 1997

STATE OF NORTH CAROLINA

COUNTY OF WAKE

LAURA L. HARRIS
REGISTER OF DEEDS
WAKE COUNTY

DRAINAGE EASEMENT AGREEMENT

THIS DRAINAGE EASEMENT AGREEMENT (hereinafter the "Agreement") is made as of this the 8th day of July, 1997, by and between CT I LIMITED PARTNERSHIP, a North Carolina limited partnership ("Grantor"), and OAK LEAF DEVELOPMENT COMPANY I, LLC, a North Carolina limited liability company ("Grantee"). These parties shall hereinafter be collectively referred to as the "Parties" and individually as a "Party".

W I T N E S S E T H:

WHEREAS, Grantor is the owner of that certain parcel of real property located in Wake County, North Carolina, and more particularly described in deed recorded in Book 6710, Page 635, Wake County Registry (the "Capital Towers Property"); and

WHEREAS, Grantee is the owner of that certain parcel of real property located adjacent to the Capital Towers Property, commonly known as Lot 5, and more particularly described on plat recorded in Book of Maps 1985, Page 2324, Wake County Registry (the "Oak Leaf Property"); and

WHEREAS, Grantee desires an easement over and upon that portion of the Capital Towers Property shown on Exhibit "A" attached hereto and incorporated herein by this reference, and denoted on the aforesaid Exhibit as the "20' Drainage Easement" (the "Easement Area") for the purposes of drainage of storm water runoff and other similar surface water, and a temporary construction easement during the period of time Grantee is preparing the Easement Area, and Grantor has agreed to provide the easements requested by Grantee in accordance with the terms and conditions hereof.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Recitals. The foregoing recitals shall constitute an integral part of this Agreement, and this Agreement shall be construed in light thereof.

2. Easement Area. Grantor hereby gives, grants, bargains, sells and conveys to Grantee, its successors and assigns a nonexclusive easement for drainage of storm water runoff and other similar surface water over and upon the Capital Towers Property,

[Handwritten signature]

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and a temporary construction easement in the Easement Area during the period of time the Easement Area is being prepared, together with the right to enter upon any portion of the Easement Area to conduct its obligations hereunder.

TO HAVE AND TO HOLD, the right, privilege and easement for the purpose stated herein in and upon the aforesaid parcel of land unto the parties hereto, their heirs, assigns and successors in interest, forever. The easement hereby granted is a charge upon the Capital Towers Property and runs with and benefits the Oak Leaf Property for the period herein stated.

The drainage easement granted herein is for an initial term of five years commencing from the date of recordation of this Agreement; provided, however, the term of the drainage easement shall be renewed for consecutive periods of five years, until such time as the parties hereto shall execute an instrument terminating this Agreement. Notwithstanding the foregoing, either party hereto shall have the right to terminate this Agreement upon the occurrence of a default or breach hereunder by the other party hereto and failure of the defaulting party to cure such breach within thirty days of written notice from the other party hereto (the "Termination Notice"), with such termination of this Agreement to be effective thirty days from the date the Termination Notice is received by the defaulting party. The Termination Notice shall be recorded with the Wake County Register of Deeds, and this Agreement shall be deemed terminated in accordance therewith. The temporary construction easement shall terminate upon the completion of the Easement Area.

3. Rights of Grantor. Grantor, its successors and assigns shall have the right to use and occupy the surface of the Easement Area for any purpose consistent with the rights and privileges herein granted which will not interfere with the surface water drainage.

4. Maintenance of Easement Area.

(a) The costs and expense to maintain and repair the Easement Area shall be borne by Grantee, and its successors and assigns. Should Grantee fail to maintain the Easement Area as provided herein, Grantor may, at its option, conduct such maintenance and repair obligations and shall be reimbursed upon demand by Grantee for all costs and expenses incurred by Grantor.

(b) The Easement Area shall be maintained in accordance with specifications for such maintenance as mandated by applicable governmental authorities.

(c) Grantee shall be solely responsible for any and all damage to the Easement Area or to the real or personal

property of Grantor due to the use by Grantee of the Easement Area, and shall promptly repair same. Grantee acknowledges that drainage shall flow from the Easement Area to an overflow basin constructed on the Capital Towers Property by Grantor. If any erosion or damage of the Easement Area or the Capital Towers Property results from the use by Grantee of the Easement Area or any damage to the overflow basin or the surrounding area, Grantee shall promptly repair and restore the area damaged. Grantee shall consult with Grantor with respect to the repairs needed as a result of any erosion or drainage, and shall comply with the reasonable request of Grantor with respect to all such repairs. Grantee shall act in accordance with the request and instructions of Grantor to ensure against excessive (i) erosion of the Easement Area and the Capital Towers Property, and (ii) drainage in the Easement Area and over the Capital Towers Property. If Grantee fails to repair the Capital Towers Property or the Easement Area as required in this paragraph 2, Grantor shall have the right, but not the obligation, to make all necessary repairs, and Grantee shall reimburse Grantor for the reasonable, actual costs incurred in performing the repairs within thirty (30) days after receipt from Grantor of written demand therefore and copies of paid invoices.

If Grantee shall fail to comply with its maintenance obligations as provided herein or shall fail to restore and repair any excessive drainage or erosion concerns in the Easement Area or the Capital Towers Property, as requested by Grantor, or to install and construct measures to protect against future excessive drainage or erosions, as requested by Grantor, all to the satisfaction of Grantor, as determined in the sole discretion of Grantor, Grantor shall have the right to terminate this Agreement as provided in paragraph 2 above.

3. Reservation of Rights. Grantor (for itself and its successors and assigns) hereby reserve any and all rights to the subsurface beneath, and the airspace over the Easement Area, including the right to use the same.

4. Condemnation. If all or any portion of the Easement Area is taken by or under threat of condemnation by any duly constituted governmental authority, the full amount of the condemnation award or payment attributable to the value of the land so taken, shall be payable to Grantor.

5. No Rights in Public. Nothing herein is intended to nor shall be construed to create any rights whatsoever for the benefit of the general public in the Easement Area.

6. Indemnity. The Parties shall indemnify, defend, and hold each other harmless of and from all loss, cost and expense (including reasonable attorneys' fees) incurred by the indemnified

Party as a result of the indemnifying Party's use of the Easement Area.

7. Covenants. The provisions hereof shall be deemed to be covenants running with the land, and shall inure to the benefit of and be binding upon the record owners of the Capital Towers Property and the Oak Leaf Property.

8. Breach or default. Breach of any of the terms, covenants, conditions, or restrictions contained in this Agreement, and the continuation of any such breach, may be enjoined, abated, or remedied by appropriate legal or equitable proceedings brought by either of the Parties or their respective successors and assigns. In the event of any controversy, claim, or dispute relating to this Agreement or its breach, the prevailing Party shall be entitled to recover reasonable expenses, attorneys' fees, and costs.

9. Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns of the Parties.

10. Governing Law. It is agreed that this Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of North Carolina.

11. Entire Agreement. This Agreement contains the entire agreement of the Parties relating to the subject matter hereof and all prior agreements relative hereto which are not contained in this Agreement are terminated.

12. Modification. Any modification of this Agreement or additional obligation assumed by either Party in connection with this Agreement shall be binding only if evidenced in writing signed by each Party or an authorized representative of each Party, except for a termination of this Agreement due to a default or breach hereunder in accordance with the provisions of paragraph 2 hereof.

13. Attorneys' Fees of Grantor. All attorneys' fees incurred by Grantor in the review of this Agreement shall be borne by Grantee, including, any attorneys' fees in connection with the review of any modification of this Agreement.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY DELETED.]

BK7577PG0178

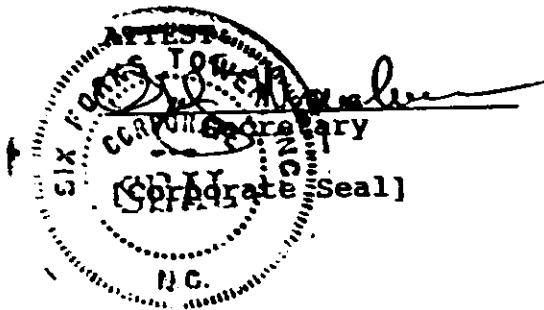
BK8174PG0659

IN WITNESS WHEREOF, the Parties have executed this Agreement under seal as of the day and year first above written.

GRANTOR:

CT I LIMITED PARTNERSHIP, a North Carolina limited partnership (SEAL)

By: Six Forks Tower, Inc., General Partner



By: June L. Nodack
Print Name: June L. Nodack
Title: Vice President

GRANTEE:

OAK LEAF DEVELOPMENT COMPANY I, LLC, a North Carolina limited liability company (SEAL)

By: Michael G. Sandman (SEAL)
Michael G. Sandman, Manager

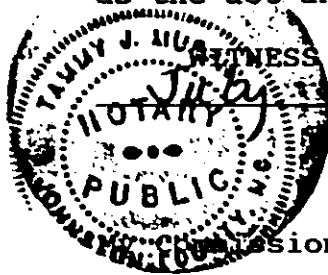
By: Craig C. Huggins (SEAL)
Craig C. Huggins, Manager

BK7577PG0179

BK8174PG0660

STATE OF NORTH CAROLINA
COUNTY OF Johnston

THIS 22nd day of July, 1997, personally came before me, a Notary Public in and for the said County and State, June L Womack, who, being by me duly sworn, says that s/he is the Vice President of SIX FORKS TOWER, INC., a North Carolina corporation, the sole general partner of CT I LIMITED PARTNERSHIP, a North Carolina limited partnership and that the seal affixed to the foregoing instrument in writing is the official corporate seal of said corporation, and that the said writing was signed and sealed by him/her in 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 in its capacity as the sole general partner of said limited partnership and as the act and deed of said limited partnership.



WITNESS my hand and notarial seal, this 22nd day of July, 1997.

Tammy J. Murphy
Notary Public

Commission Expires: 2/21/2001

BK 8174 PG 0661

BK 7577 PG 0180

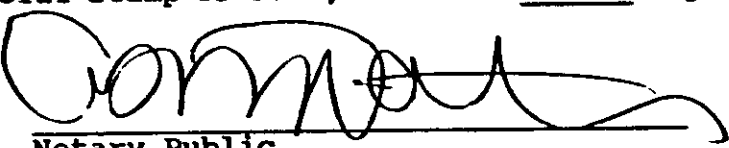
STATE OF NORTH CAROLINA

COUNTY OF Wake

I, the undersigned Notary Public of the aforesaid County and State, do hereby certify that MICHAEL G. SANDMAN, a Manager of OAK LEAF DEVELOPMENT COMPANY I, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official stamp or seal, this the 28 day of July, 1997.

ASHLEY WATSON
NOTARY PUBLIC
WAKE COUNTY, NC
My Commission Expires 9/28/2000


Notary Public

My Commission Expires: _____

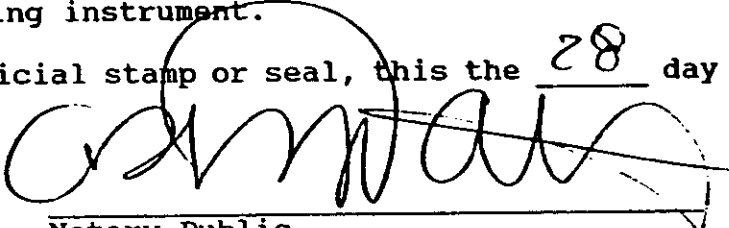
STATE OF NORTH CAROLINA

COUNTY OF Wake

I, the undersigned Notary Public of the aforesaid County and State, do hereby certify that CRAIG C. HUGGINS, a Manager of OAK LEAF DEVELOPMENT COMPANY I, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official stamp or seal, this the 28 day of July, 1997.

ASHLEY WATSON
NOTARY PUBLIC
WAKE COUNTY, NC
My Commission Expires 9/28/2000


Notary Public

My Commission Expires: _____

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate of Sammy D. Murphy
Ashley Watson

Notary(y)(ies) Public

Is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the first page hereof.

LAURA M. RIDDICK, Register of Deeds

By Charles D. Kelly
Asst./Deputy Register of Deeds

EXHIBIT E-2

NORTH CAROLINA
HARRIS COUNTY

EX 7808 AG 0398

Drawn to order the direction of Tracy Angelo and
Robert David Macdonald & Jonathan L.P. P.C. Co.

THIS EASEMENT under this 21 day of March, 1971 between SAFARI NATIONAL and SAFARI
 hereinafter referred to as GRANTOR whether one or more to CARLETON PUGH & SONS COMPANY a North Carolina corporation hereinafter referred to as GRANTEE
 hereinafter referred to as CPSC.

000279

97-1-1000

[illegible]

Notwithstanding anything to the contrary above it is understood and agreed that (1) the EASEMENT herein granted is to FACILITIES to be installed at any point where needed on the above-described land portions of which FACILITIES may be installed immediately and other portions installed on the future of the need develops, and (2) said FACILITIES shall be installed at FACILITIES mutually agreeable to the parties hereto.

TO HAVE AND TO HOLD said rights, privilege and easement unto CPRI, its successors and assigns forever IN WITNESS WHEREOF this EASEMENT has been executed under seal by Managers of GRANTOR as of the date first above written.

Abstract

Oak Leaf Development Company, LLC

01 _____ 1524

By _____ 1524

8: _____ (SEAL)

_____ 1954

NORTH CAROLINA Wake COUNTY

County of Walden a Notary Public of Walden County North Carolina.
Michael G. Windham

_____, a manager of Oak Leaf Development Company I, LLC, a limited liability company, personally appeared before me this day and acknowledged the execution of the foregoing FACSIMILE as a true and correct copy of the original.

Witness my hand and notarial seal this 21 day of NOV 1987.

Notary Seal .. Notary Public
My commission expires 4-20-2027

NORTH CAROLINA _____ COUNTY

_____ a Notary Public of _____ County: North Carolina

NORTH CAROLINA -- WAKE COUNTY

f:\cindy\realst\dk

[illegible]

RECORDS OF POOR QUALITY DUE TO CONDITION
OF ORIGINAL DOCUMENT

EXHIBIT E-3
BK 8174 PG 0663
TIME WARNER EASEMENT

BK 8172 PG 2213

PRESENTED
FOR
REGISTRATION

PREPARED BY AND HOLD FOR:
Michael G. Sandman #169

000883

98 OCT 20 PM 4:25

LAND RECORDS
REGISTERED
PROPERTY

EASEMENT AND MEMORANDUM OF AGREEMENT

1. **Grant of Easement.** In consideration of \$10, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Oak Leaf Development Company I, LLC, a North Carolina limited liability company ("Owner"), grants to Time Warner Entertainment-Advance/Newhouse Partnership, a New York general partnership, Raleigh, Durham/Chapel Hill Division, d/b/a Time Warner Cable, on behalf of its owned and managed systems ("Grantee"), its successors and assigns, a non-exclusive easement on Owner's property, as described on Exhibit A attached hereto and incorporated herein by this reference (the "Property"), in a location(s) to be mutually agreed upon by Owner and Grantee (the "Easement Area"), for purposes of Grantee and its affiliates and contractors constructing, installing, operating, maintaining, upgrading, repairing, replacing, and removing a system, including wires, poles, conduits, pipes, antennas, and other facilities and equipment for the delivery of cable television services to the Property (the "System").

Grantee shall be solely responsible for the construction, maintenance and repair of the System, as well as any repair and restoration of the Property and Easement Area necessitated by Grantee's exercise of its rights hereunder. If Grantee fails to timely perform any repair or restoration work required hereunder, Owner has the right, but not the obligation, to perform such work, and Grantee shall reimburse Owner for all actual costs incurred in connection with such work upon receipt of invoice therefore.

Owner shall have the right to use and occupy the Easement Area for any purpose consistent with the rights herein granted. Owner further reserves the right to grant other easements on the Property, including the Easement Area, but will not allow other easements to cause unreasonable interference with the rights granted to Grantee hereunder.

Grantee has no right to apportion the easement or to permit access to the Property by third parties, except as permitted above. Grantee shall make no other uses of the Property, except those expressly granted herein.

Owner and Grantee shall indemnify and hold each other harmless of and from all claims, liability, loss, cost and expenses (including reasonable attorneys' fees), incurred by the indemnified party as a result of the indemnifying party's use of the Easement Area.

Grantee will have and hold the easement, together with every right and appurtenance connected thereto, during the term of the Agreement (as defined hereinbelow). Owner and its successors and assigns to warrant and forever defend the easement to Grantee--as well as their successors and assigns--against every person who claims any part of it.

BK8174PG0664

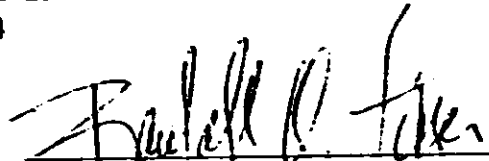
BK8172PG2214

2. **Memorandum of Agreement.** Owner and Grantee entered into that certain Cable Television, Installation and Service Agreement dated September 24, 1998 (the "Agreement"), whereby Grantee shall provide cable television service to the Property. The terms and provisions of the Agreement are hereby incorporated in this Memorandum.

IN WITNESS WHEREOF, the Parties have executed this Easement and Memorandum of Agreement as of the date and year first above written.

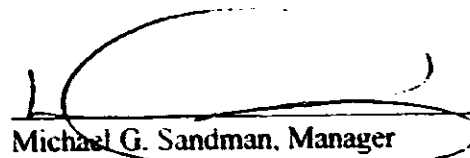
TIME WARNER ENTERTAINMENT-
ADVANCE/NEWHOUSE PARTNERSHIP, d/b/a TIME
WARNER CABLE, 2505 Atlantic Avenue, Raleigh, NC
27604

By:

 (SEAL)
Randall Q. Fraser, President, Raleigh/Durham/Chapel
Hill Division

OAK LEAF DEVELOPMENT COMPANY I, LLC

By:

 (SEAL)
Michael G. Sandman, Manager

BK8174PG0665

CK8172PG2215

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned Notary Public of aforesaid County and State, do hereby certify that Randall O. Fraser, known to me to be the Division President of Time Warner Entertainment-Advance/Newhouse Partnership through its Raleigh/Durham/Chapel Hill Division, d/b/a Time Warner Cable, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the partnership.

Witness my hand and seal this 16th day of September, 1998.

Daniel Vance Spear
Notary Public

My Commission Expires: 7-10-2002

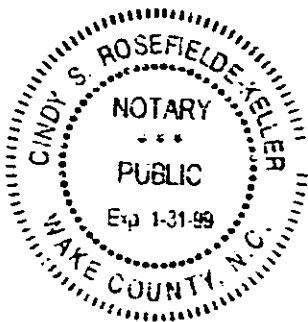


STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned Notary Public of aforesaid County and State, do hereby certify that Michael G. Sandman, Manager of Oak Leaf Development Company I, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and seal this 30th day of September, 1998.



Cindy S. Rosefield-Keller
Notary Public

My Commission Expires: _____

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate of Daniel Vance Spear and Cindy S. Rosefield-Keller is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the first page hereof.
By Laura M. Pridock Register of Deeds
Deputy Register of Deeds

Enclosed are the contract and cable 917

BK8174PG0666

BK8172PG2216

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

BEING all of Lot 5, Homewood Office Park Subdivision, as shown on plat recorded in Book of Maps 1985, Page 2324, Wake County Registry.

\\cindy\real\est\contract\cable1.026